



## Supports for preserving jobs

### Potpore za očuvanje radnih mjesta

**Croatia**

#### 1 DESCRIPTION

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##### Timespan

Support for preservation of jobs as instrument of financial support to entrepreneurs with temporary difficulties that were caused by economic crisis was introduced to Croatian labour market in 2009 by adoption of the Law on Preservation of Jobs OG 94/09. Activities take place between September and June each school year.

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##### Stage

**FULLY OPERATIONAL**

the instrument was first introduced through a special law, the Law on Supports for Preserving Workplaces, which due to its ineffectiveness, was later placed out of force. However, the instrument continued to be implemented as part of the active politics of employment.

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##### Focus area

**MATCHING SKILLS FOR TODAY'S JOB MARKET**

#### 2 FOUNDATIONS

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##### Policy Area

**ACTIVE LABOUR MARKET POLICIES**

The measure aims to preserve workplaces at employers that had temporary reduction of business activities.

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## Policy Goal

The goal of the measure is preserving workplaces at employers that had temporary reduction of business activities and/or losses in business transactions, and gaining necessary knowledges and skills by workers that need to be prepared for the market considering potential loss of workplace and difficulties in business activity of the employer. Compensation for the part of the expense of the salary for persons that work part-time at employers that have reduced amount of work. Employers can shorten working hours by 40%, due to reduced amount of work or the age of workers who can't fulfil demands of the workplace, in order to avoid dismissal. Support can also be provided for education or training of workers employed at employers that are experiencing difficulties, so that they can be employed in case they lose their jobs.

## Mismatch

### OTHER

The instrument is designed to preserve existing workplaces for employers that had temporary reduction of business activities.

## Aim of policy instrument



### OTHER

The instrument is designed to preserve existing workplaces for employers that had temporary reduction of business activities and income.

## Legal basis

### OTHER

Instrument was first introduced through a special law, the Law on Supports for Preserving Workplaces, but due to its ineffectiveness, it was placed out of force. However

## Administrative level

### NATIONAL

## Main responsible body

Ministry of Labour and Pension System, Croatian Public Employment Service (CES).

## Stakeholders



### GOVERNMENT (CENTRAL & REGIONAL)

Croatian Employment Service - implementing body. The employer submits requests and programs to the regional/local office of the Croatian Employment Service, where it is evaluated during the period of 15 days and the notification is sent to the employer. Ministry of Labour and Pension System Employers with temporary reduction of business activity and/or loss in business transactions - create program for preservation of workplaces in order to use the support for reducing working hours or education of workers. Education can be implemented in institutions for education of adults.

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**Funding**

State budget for period 2018-2020: 6,085,010 HRK EU funds for period 2018-2020: 10,216,220 HRK

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**Intended beneficiaries**

Workers employed at employers, who due to temporary reduction of business activities and/or loss in business transactions, created a program for preservation of workplaces, allowing workers who work for them to remain employed. Workers aged over 50 years old employed at employers with difficulties or that due to their personal working and other characteristics can't completely fulfil workplace demands.

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**3 PROCESSES**

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**Use of labour market intelligence**

ENABLE STRATEGIC BUSINESS DECISIONS



OTHER

To enable strategic business decisions by employers that are experiencing temporary reductions and need to create plans to preserve working places, and to inform job-search decisions of workers of employers with difficulties that could become unemployed.

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**Financial schemes**

Financial support to early intervention activities is covered by the national budget, which includes human and financial costs.

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**Frequency of updates**

Operational plan for the Strategy is in creation according to the information received from the Ministry of Labour and Pension System.

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## Development

The law on Support for Preserving Workplaces was adopted in July 2014. It was adopted as an urgent measure in the period of economic crisis, with the aim of maintaining workers employment during temporary difficulties and reduction of business activities of employers. After the analysis of the affects of the implementation of the law, it was determined that since the law came into force (August 7th 2014) until the end of 2016, the support for reducing working hours involved only 321 worker at 18 employers (11 workers at two employers in 2014, 228 workers at 8 employers in 2015 and 82 workers at 8 employers in 2016), and that was not in accordance with the planned number of involved people, and so it was concluded that strategic goal of preservation of workplaces was not fulfilled. Support for education or training was not used by a single employer due to extremely high costs this kind of intervention would have. Considering that the goal of the law was not realized, the law was placed out of force in February 2017. However, support that were prescribed by the law continued to be implemented as measures of the active policy of employment. The support for the education or training of workers is now supported in full cost.

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## Barriers

Support for education or training was not used by a single employer due to extremely high costs this kind of intervention would have.

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## Success factors

Reports on the implementation of the instruments of the Strategy for Lifelong Career Guidance in the Republic of Croatia 2016-2020 have not been published.

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## Monitoring

Reports on the implementation of the instruments of the Strategy for Lifelong Career Guidance in the Republic of Croatia 2016-2020 have not been published.

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## Innovativeness

### VERY INNOVATIVE

The innovation is to give individual initiatives through a universal scheme available for employees, jobseekers, self-employed, whatever their status. Another innovative feature is to develop a training session chosen through an agreement between an employee and his manager or company responsible.

**Evidence of effectiveness**

Since the law in support for reducing working hours came into force (August 7th 2014) until the end of 2016, there were only 321 worker at 18 employers involved (11 workers at two employers in 2014, 228 workers at 8 employers in 2015 and 82 workers at 8 employers in 2016), and that was not in accordance with the planned number of involved people, so it was concluded that the strategic goal of preservation of workplaces was not fulfilled. Support for education or training was not used by a single employer, due to the extremely high costs this kind of intervention would have.

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**Engagement of stakeholders**

The Guidance on Development and Implementation of Active Politics of Employment specifies the role of the Croatian Employment Service in the policy.

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**Transferability****EASILY TRANSFERABLE**

This instrument is recognized under the EUROSTAT database on labour market politics, and can be easily transferred to another country. Similar measures were implemented in other countries.

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**Sustainability**

The Guidance on Development and Implementation of Active Politics of Employment was adopted by the Government for the period 2018-2020, so it is expected that the instrument will continue for at least two years.

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