



Support for the Croatian Trade Unions

Solidarity Center/AFL-CIO Final Report

October 1, 2003 to July 31, 2004

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I. PROGRAM BACKGROUND

The following is the final report of the Support for the Croatian Trade Unions Grant (Cooperative Agreement No. 160-A-00-03-00103-00) awarded to the Solidarity Center by the United States Agency for International Development (USAID) Croatia Mission. The grant award was made on October 1, 2003 and ended on July 31, 2004.

The Solidarity Center and its predecessor, the Free Trade Union Institute, began conducting programs in Croatia with support from USAID since April 1995. The Solidarity Center established its office in Croatia in January 1996.

The USAID labor program has had its greatest institutional impact in strengthening the capacity of unions to advocate for member interests. One area is in collective bargaining, in which the main change was in the legal environment, which opened up in 1996, allowing unions to avail themselves of legal prerogatives which did not previously exist. SC training helped many unions hone their tactical approach to bargaining at the enterprise, regional and national level. The labor education program of the Solidarity Center over the years emphasized a thoroughgoing tactical knowledge of the assets and liabilities of companies, with the results that labor leaders involved in negotiations had a clearer conception of what was realistically attainable, allowing negotiations to be concluded peacefully and legitimately. In addition, labor management partnerships, interest based bargaining, and dispute resolution were a focus in the latter part of the program, assisted unions to gain advanced skills and strengthen collective bargaining with employer's associations.

A second area was strengthening the capacity of unions and confederations to carry out their representational function. Confederation and trade union elections produced in many, though not all instances, more reform-minded leaders willing to spearhead the reform efforts with the unions and more receptive to the notion of engagement outside the unions, with unions and political parties.

A third area is in the realm of advocacy for women's issues, which as arguably had a huge impact in the political arena, particularly as parties increasingly viewed the incorporation of women on their electoral lists as a means of securing labor support. Female representation in the Sabor increased to over 24% in the first elections of 1999/2000. There are several factors responsible for this, including the strength of women's movement and women's NGOs (not just women labor groups) and the formal and informal quotas adopted by some of the parties. There is little doubt that the Solidarity Center's work to develop women leaders paid off for unions as well as for society at large. Supporting women trade unionists, at times, amid strong union resistance, afforded a dynamic of women the skills, visibility and support that allowed them to carve out space within unions to put gender issues on the union agenda and to develop women trade union leaders. This augmented the power of the women's movement generally.

Women's issues were thrust on the national agenda and gender issues were incorporated into platforms of the 2 and 4 party coalitions in 2000. More recent victories owe something to the advocacy and power that women's labor groups, as well as pension rights groups brought to the

fore. Women gained equal pension rights under the law, although there continue to be major enforcement problems. Moreover, women's groups within the unions began to diversify their efforts to include public health campaigns, educational campaigns about breast cancer, and sexual harassment on the job. Some attained sexual harassment language in their collective agreements for the first time. The Solidarity Center program helped to galvanize a cadre of women who had a decisive impact on the internal policies of unions and the broader discourse on gender issues in society. In April 2004, Vesna Dejanovic, the first women leader was elected as President of the largest trade union confederation in Croatia, the Union of Autonomous Trade Unions. This set the tone and marker for other new young leaders in the region to aspire to as Ms. Dejanovic is seen as a strong supporter for youth and leadership development programs. The Solidarity Center activities has helped to advance the broader goal of advocating women's issues and promoting gender equality in the workplace. Both of these changes have broader societal changes that will be part of the industrial labor relations landscape in Croatia for the long term.

Although inter union rivalries were very strong and continued to thwart coordination on issues facing Croatian workers early on, in 2004, four trade unions signed an agreement to further pursue a coordinated programs and integration with the goal of eventual mergers. These four include HUS, SAVEZ, Matica and UNICRO. The Solidarity Center's programs to promote unity and cooperation among the divided labor movement spanned over three years with intense emphasis on the last year's program which included an international conference on Unions and Mergers with trade union leaders from Europe and the West.

II. REPORT BACKGROUND

1. Trade Union Overview

Several major developments during the final ten months of Solidarity Center's multi-year presence in Croatia.

Trade Union Unity

Unity among Croatia's six trade union confederations was given a major boost by negotiations over labor law reform in 2002 and 2003, and has persisted throughout the grant period. Labor law reform provided Croatia's trade unions with their first opportunity to speak with one voice and utilize the tripartite social dialogue process that they have long sought to develop. Trade union capacity for joint action, demonstrating that it can unite on key issues of concern to all workers, is a result of the Solidarity Center's efforts over the past several years, particularly in the area of strategic planning. The Solidarity Center's programs on lobbying, campaigning, internal communication, organizing, and coalition building around legislative issues have produced outstanding results in capacity building within the Croatian labor movement.

Without a well-publicized issue, such as labor law reform, to rally around, collaboration between confederations has continued, although slowly. The main forum for communication continues to be the tripartite Economic-Social Council (GSV). Confederation leaders hold regular meetings

to discuss outstanding issues, and to coordinate their positions on matters coming before the GSV. The confederations' legal and economic advisors also met regularly, mostly to prepare labor platforms for discussions in GSV and its committees, and to prepare joint legislative initiatives. The Solidarity Center's programs during this ten-month period focused on strengthening this process, on making it more formal, and on fostering developments leading up to possible future mergers between organizations themselves.

Near the end of the Solidarity Center program, four confederations, SSSH, HUS, and UNI-Cro and Matica finalized a historical agreement that paves the way for merging their organizations.

Parliamentary Elections

During the grant period, parliamentary elections brought about a major change in the political landscape of Croatia. The SDP-led coalition government was voted out of the office, and replaced by a minority HDZ government. Trade unions, seen as having played a major role in supporting the SDP and its coalition members during the 1999 elections, chose not to make party endorsements or recommendations, but mounted a general Get-Out-The-Vote (GOTV) campaign. A number of factors contributed to this strategy. Despite their general dislike of the HDZ's pre-1999 economic policies and the corruption of many of its former leaders, trade unions were generally dissatisfied with the perceived inefficiency of the SDP-led government. To trade union leaders and their members, the government seemed less than eager to develop tripartite social dialogue or consult trade unions on reform issues having a major impact on workers, such as labor law or privatization. Thus, most trade unions steered an independent course in 2003, encouraging workers to vote and supporting the democratic process, but endorsing no parties.

In one contrary example of trade union electoral activism, the SSSH-affiliated Pensioners' Union collaborated with the Pensioners' Party to propose an independent list for the parliament and succeeded in winning some 4% of the overall vote on the issue of compensations for retired persons' pension arrears.

The new government has, contrary to the nationalist and isolationist rhetoric of some of its leaders, shown considerable political acumen in professing a willingness to collaborate with the international community, particularly in the area of European Union accession. In this context, the European social model and tripartite social dialogue in particular have also been heralded as priorities. In practice, however, the new HDZ-led government has proven closed for communication on specific issues, as well as very centralized, particularly concerning legislative initiatives that trade unions think should be subject to social dialogue. Despite these problems, both the government and the employers seem to have accepted the importance of social dialogue, especially in its role of promoting transparent economic development and promoting social peace. This was clearly demonstrated, for instance, at Enterprise Days, an annual event organized by the Croatian Employers' Association (HUP), where speakers representing business, labor, and government emphasized the relevance of partnership.

Trade Union Leadership

The third important development on the trade union scene was the change of leadership and restructuring of SSSH, Croatia's largest trade union confederation. A crisis of leadership and vision in the SSSH had not only strained the relationship between the confederation and its affiliated members, but had also weakened the capacity of the trade union movement as a whole with regard to its relationship to employers and the government. The election of Vesna Dejanovic as president of the confederation, and three vice-presidents representing sectors of services, industry, and public services, respectively, has helped the SSSH resolve many of its internal questions. Dejanovic has been instrumental in resolving institutional debates between the SSSH and its affiliates and has worked to build internal support for cooperation with other confederations and potential mergers.

2. Program Structure

The Solidarity Center program was structured along three program areas:

Program Area 1. Increased Cooperation among Trade Union Organizations

Program Area 2. Constructive Participation in the Social Dialogue Process

Program Area 3. Pro-Active Union Participation in the Political and Electoral Process

Each program area reflected the prioritized capacity building needs stated by Croatian trade union leaders and members active in previous Solidarity Center work. Each program area also corresponded to specific Strategic Objective of the USAID Mission in Croatia's Strategic Plan.

Program Area 1, Increased Cooperation among Trade Union Organizations, was formulated in response to the need, as stated in the Solidarity Center proposal, to support the process of unification of Croatian labor by helping to reinforce present collaboration into more comprehensive and institutional forms. This program area corresponded to the following USAID Croatia Mission Strategic Objectives and Intermediate Results:

Strategic Objective 3.4: Mitigation of Adverse Social Conditions and Trends

- Intermediate Result 3.4.2: Restructured Labor Market and Tripartite Social Compact;

Strategic Objective 2.1: More Effective Citizen Participation and Improved Governance;

- Intermediate Result 2.1.1: More Effective Citizen Participation in Political and Economic Decision Making

Proposed Solidarity Center activities under Program Area 1 consisted of presenting international experiences on union unification and mergers to union leaders and experts to deepen their knowledge base on issues related to organizational cooperation and mergers; strategic planning sessions for senior and mid-level union leaders to further enhance communication and to deepen the level of cooperation between trade union leaders at various levels; a joint internet "portal" to bring together important information, contacts, and news from all the confederations into a single source; and training on effective outreach and communication with the public media to improve

the capacity of unions to adopt coherent and coordinated methods of presenting their views to their members and to the general public.

The Solidarity Center's Proposed Indicator for Program Area 1 stated that Croatian trade unions' capacity to forge common positions on contentious issues will be evidenced by two or more examples that demonstrate unity of action.

Program Area 2, Constructive Participation in the Social Dialogue Process, was formulated in response to a number of priority needs of the Croatia trade union movement, as listed below:

- To support the trade unions' capacity to foster social dialogue, chair the Economic Social Council (GSV), and participate in bipartite and tripartite processes at all levels.
- To improve the knowledge base and efficiency of trade union experts, in view of the positive contribution to informed participation by trade unions in the social dialogue at all levels.
- To promote economic education of trade unionists on company level economics, with a special focus on the needs of the union representatives who will be elected to supervisory boards of companies.
- To build institutional capacity within trade unions to function efficiently, to involve the membership they are representing, especially more vulnerable groups such as youth and women and to actively promote industrial democracy.

This program area corresponded to the following USAID Croatia Mission Strategic Objectives and Intermediate Results:

Strategic Objective 3.4: Mitigation of Adverse Social Conditions and Trends

Intermediate Result 3.4.2: Restructured Labor Market and Tripartite Social Compact

Intermediate Result 3.4.1: Improved Efficiency of Pension and Social Service Delivery Systems

Strategic Objective 2.1: More Effective Citizen Participation and Improved Governance

Intermediate Result 2.1.1: More Effective Citizen Participation in Political and Economic Decision Making

Intermediate Result 2.1.3.2: Mechanisms for Citizen Participation in Local Governance Improved

Proposed Solidarity Center activities under Program Area 2 consisted of seminars and presentations on topics related to social dialogue based on the specific needs of trade union partner organizations; support for trade union and community-based experts to research and formulate policy proposals and legislative initiatives on various legal and economic issues; training programs on pension reform issues, labor law implementation, and collective bargaining techniques; a train-the-trainer program on company-level economics for union representatives on company supervisory boards; seminars on good internal management and administrative practices within trade union organizations; and seminars and informational material on Pillar III of the pension reform to promote bipartite collaboration and introduction of pension issues into collective bargaining.

The Solidarity Center's Proposed Indicator for Program Area 2 stated that cross fertilization of knowledge between experts from different confederations would yield collaboration on at least two major issues; and that 50% of trade union representatives on supervisory boards would be trained on company-level economics by their confederations

Program Area 3, Pro-Active Union Participation in the Political and Electoral Process, responded to the need to support unions (as the largest membership-based organizations in the country) in their efforts to fully participate in the political process in Croatia and to influence the political parties' agendas in the 2003 elections.

This program area corresponded to the following USAID Croatia Mission Strategic Objective and Intermediate Result:

Strategic Objective 2.1: More Effective Citizen Participation and Improved Governance
Intermediate Result 2.1.1: More Effective Citizen Participation in Political and Economic Decision Making

Proposed Solidarity Center activities under Program Area 3 consisted of support for the development of joint trade union activities during the 2003 parliamentary elections; support for the formation of election committees in each confederation to facilitate communication with rank-and-file members and conduct other Get-Out-the-Vote activities; and a joint media campaign involving all confederations to promote a united trade union agenda.

The Solidarity Center's Proposed Indicators for Program Area 3 stated that a majority of Croatian trade union confederations would demonstrate and active effort in pre-election Get-Out-The-Vote campaigns; that the major Croatian trade union confederation SSSH would be actively involved in the pre-election campaign by educating and informing its members on issues relevant to labor, using their country-wide steward network; and that SSSH would implement a nationwide media campaign (including local radio and newspaper ads) to encourage their members to vote.

III. PROGRAM AREAS

Program Area 1, Increased Cooperation among Trade Union Organizations

Expected results

By the end of the program, the trade union confederations will have a roadmap for the steps necessary to carry out merger projects. They will be provided with the knowledge base, experiences, techniques and other types of support, constituting a prerequisite and a necessary asset for conducting steps in the direction of increasing joint activities, closer organizational cooperation and/or mergers.

Indicator

Unions' capacity to forge common positions on contentious issues will be evidenced by two or more examples that demonstrate unity of action.

Narrative report

The programs that the Solidarity Center organized under the present far surpassed the expected results. In the wake of the labor law reform debate, in which all trade union confederations managed to achieve an unprecedented level of collaboration and joint action, there has been a growing awareness of the benefits of such cooperation, and of the need to make it even more formal. This trend has been enhanced by Solidarity Center's promotion of cooperative programs for high officials of confederations, and for top-level branch union leaders, as well as for their experts and trainers. The annual Solidarity Center-sponsored strategic planning seminars have proven especially helpful in reinforcing the positive developments in this direction.

The international conference on trade union mergers and unification, organized by the Solidarity Center in March of 2004, was met with great interest. The purpose of the event was primarily to demonstrate to Croatian trade unionists, especially those who do not have regular contacts with their international counterparts, that mergers represent a universal trend, comparable to those shaping businesses in the age of globalization. The second goal was to provide Croatian unionists with a clear idea on what a merger between organizations really entails, including steps, caveats, political considerations, and resources needed to help ensure the success of the merger process.

Philip Jennings, General Secretary of Union Network International (UNI), the largest Global Union Federation, chaired the conference and was one of the four international presenters. UNI recently experienced the inclusion of several former international trade secretariats from the service sector, so Jennings comments were timely and highly relevant. The other international presenters all represented organizations that had also undergone mergers recently: Ver.di, the German service sector branch union, which merged thirteen previously independent organizations; IGM, the German metal workers' branch union, which recently merged with a textile workers' union; and the American Federation of Teachers (AFT), which served as an example of a failed merger attempt, but also an example of the need to explore alternative ways of achieving trade union unity through a logical road map.

In the period immediately after the conference, SSSH, HUS, and UNI-Cro confederations initiated discussions on closer collaboration and possible future merger into a single organization. On the eve of the SSSH's Congress, a joint workshop, facilitated by the Solidarity Center, was held for leadership of all three confederations, in which a roadmap for unification activities was developed. At the congress itself, held on April 16, 2004, an agreement on collaboration and on initiating merger activities was signed formally by the three confederation presidents. Since the SSSH Congress, all three confederations have held joint regional meetings with stewards to explain and promote the merger process. Further activities, such as a joint trade union education program, and the formal establishment of joint expert groups, are planned for the fall.

It should be noted that, since the signing of the agreement between SSSH, HUS, and UNI-Cro, two other confederations Matica (a confederation of public service unions, but principally teachers) and URSH have also shown interest, and even made some formal decisions to initiate

talks about a possible future merger with the original three. Only the NHS confederation has shown no interest in a possible merger.

In parallel to the programmatic efforts directed at the collaboration between trade union confederations, the Solidarity Center conducted programs designed to improve the internal structure and transparent decision-making process within Croatia's trade union confederations. Strategic planning seminars, held for four confederations individually, were designed with the aim of assisting confederations in identifying the future organizational trends, including the drive towards cooperation and mergers, and then adjusting their internal structures and organizational behavior to more efficiently and proactively serve the needs of their members.

To assist Croatian trade union confederations in developing strategic approach to deal with the complex internal and external issues facing them, the Solidarity Center published a Croatian language translation of the book "Strategic Planning for Trade Unions in Transition Economies", written by Laurence Clements, a professor of labor studies and the Solidarity Center Field Representative in Serbia/Montenegro. The book was designed to provide union leaders with insight into the importance of strategic planning, and to serve as the manual on strategic planning for future trainers.

Finally, a series of seminars on communication with the media and internal communication was held to develop trade union capacity to build support for both social dialogue and possible mergers within their respective organizational structures, and to help them better communicate with major media outlets on these topics. A separate roundtable meeting was convened to improve communication between the unions and the media, with the aim of having both sides improve channels of communication and to avoid the occasional conflicts that have tended to spring up in the past. Both sides agreed on the need for more professionalism, and more transparent criteria of reporting and coverage.

Activities

The following are the Solidarity Center activities reported during the grant period. Solidarity Center training programs under Program Area 1 were conducted for a total of 490 participants (288 men; 202 women).

October 2003

On October 14, 2003, Paul Somogyi, Hajdy Eterovic and Sanja Prkacin from the Solidarity Center attended a roundtable seminar entitled "The Parliament and the Budget," organized by the Institute for Public Finance and the Friedrich Ebert Foundation. The roundtable included presentations by Warren Krafchik from the U.S.-based Center on Budget and Policy Priorities and Joachim Werner from the London School of Economics.

The Solidarity Center sponsored a seminar from October 16-17, 2003 on the topic of internal communication for shop stewards from the trade union "Solidarnost," affiliated to the NHS confederation. The seminar was held in Stubicke Toplice. Stipe Jolic, a well known journalist and trade union media educator served as trainer.

A meeting was held on October 24, 2003 with Vesna Dejanovic, new acting president of the SSSH trade union confederation. The meeting dealt with the plans for the SSSH's activities under the new president, and future Solidarity Center training programs involving the SSSH.

From October 27-29, 2003, Solidarity Center consultants, Frank Carr and Pete Swanson met with representatives of HUS, NHS, and UNI-Cro confederations to discuss the details of upcoming Solidarity Center-sponsored programs on strategic planning. Training sessions for each confederation were scheduled for December 2003 and agendas agreed upon at the meetings.

The Fourth Regional Women's School in Rovinj was held from September 30 to October 4, 2003. This year's Women's School was sponsored by the Solidarity Center, along with the Belgian Trade Union Confederation (FGTB), and the ICFTU. The topic of this year's training was women workers in the informal economy. Workshops were led by Elise Bryant from the AFL-CIO George Meany Center and Teresa Conrow of Public Services International (PSI), as well as presentations by Sergeijus Glovackas of the ICFTU, Giovanna Rosignotti of the International Labor Organization (ILO) and Marinka Boljkovac of the Trade Union of Croatian Journalists. USAID Croatia Mission Director Bill Jeffers also visited the event and addressed the gathering. Participants included female trade union leaders from Albania, Azerbaijan, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Romania, Russia, Serbia and Montenegro, Slovakia, and Ukraine. A total number of 55 women participated in the school.

November 2003

On November 14, 2003, Paul Somogyi and Dario Borkovic from the Solidarity Center attended the Congress of the Croatian Trade Union of Forestry. At the congress, the union scheduled its leadership elections and signed a collective agreement between the trade union and Croatian Forests.

On November 17, 2003, Solidarity Center representatives accompanied Pete Swanson and Frank Carr in their continued meetings with representatives of HUS, UNI-Cro and NHS confederations. These meetings were the continuation of consultations ahead of the three separate strategic planning sessions, which will be held in December 2003 for NHS, HUS and UNI-Cro confederations, with Swanson and Carr as trainers.

A meeting was held on November 20, 2003 at the Solidarity Center with Walter Sauer from the International Department of the Austrian Federation of Trade Unions. The meeting covered the role of trade unions in Croatia and the future development of labor relations.

On November 21, 2003, Paul Somogyi and Dario Borkovic from the Solidarity Center attended the diploma award ceremony of the SSSH Trade Union School, organized by the SSSH's Center for Industrial Democracy. The Solidarity Center sponsored the participation of six participants in this annual educational project, three from the SSSH Youth Section and three from the SSSH Women's Section. Vesna Dejanovic, the acting President of SSSH, and Ana Knezevic, Vice-President of the Center for Industrial Democracy and the President of the Commerce Trade Union of Croatia were also present at the ceremony.

On November 25, 2003, Hajdy Eterovic from the Solidarity Center attended the Congress of the Trade Union of Nurses and Medical Technicians (Matica-affiliate) in Zagreb.

From November 27-29, 2003, a Solidarity Center-sponsored seminar on internal communication was held in Split for shop stewards from unions affiliated to the NHS confederation. Stipe Jolic served as trainer.

December 2003

On December 1-3, 2003, the first out of a series of three strategic planning sessions for individual trade union confederations was held for the top elected leadership of the newest labor confederation in the country, UNI-Cro. Frank Carr and Pete Swanson served as trainers. Through a series of workshops and group work, the participants reached consensus on the draft of the confederation's charter, as well as its mission statement, and worked on the action plans for the future.

On December 4-6, 2003, the second out of a series of three strategic planning sessions for individual trade union confederations was held for the top elected leadership of the HUS confederation. Frank Carr and Pete Swanson served as trainers. Through a series of workshops and group work, the participants worked on ideas for implementing future goals of the organization and produced action plans for the future.

The third out of a series of three strategic planning sessions for individual trade union confederations was held on December 8-10, 2003 was held for the top elected leadership of the NHS confederation. Pete Swanson served as trainer. The participants in the strategic planning session discussed the most important goals for the organization, and drafted action plans for the future.

February 2004

On February 5, 2004, the Solidarity Center's Local Trade Union Advisory Committee (with the top leadership of all six national confederations present) held a meeting to discuss confederation support for and participation in the forthcoming one-day program on trade union unification and mergers. The six confederation leaders requested a total of 210 participant slots. Also discussed were program presenters and topics.

On February 26-27, 2004, a seminar on communication with the media was held in Varazdin for the Trade Union of Nurses and Medical Technicians. Stipe Jolic served as trainer.

March 2004

On March 3, 2004, a roundtable program on trade union mergers and unification was held in Zagreb. Paul Somogyi, the Solidarity Center's Field Representative in Croatia, gave the keynote opening address to set the tone of the conference and to clearly identify its aims and objectives. Philip Jennings, the General Secretary of Union Network International (UNI) spoke on his organizations recent experience merging several union organizations together and also served as the program facilitator for the all-day event. Manfred Schallmeyer from the German metalworkers' union IG Metall, Ray Mackey, Great Lakes Regional Director of American Federation of Teachers, and Klaus-Dieter Schwetscher from the German services union Ver.di

all gave presentations on the clear benefits experienced by their respective organizations in the merger and unification processes. Each also noted examples of tough negotiations and sacrifices involved in the merger process.

The Roundtable included question and answer sessions for each of the presentations. Representatives of all six Croatian confederations participated in the event, including their executive leaders and the leadership of their branch unions. Sanja Vukotic from USAID also attended the event as an observer.

On March 18-20, 2004, the Solidarity Center sponsored a seminar on internal communications was held in Delnice for shop stewards from the Croatian Trade Union of Forestry. Stipe Jolic and Dijana Pirjavec served as trainers.

On March 25-27, 2004, the Solidarity Center sponsored a seminar on internal communication seminar in Porec for shop stewards from the independent trade union of Croatian Roads and Highways. Stipe Jolic and Dijana Pirjavec served as trainers.

April 2004

On April 2-3, 2004, a Solidarity Center sponsored seminar on internal communication was held in Tuheljske Toplice for shop stewards from the Croatian Post Trade Union (HSP). Stipe Jolic served as trainer.

On April 15, 2004, Haidy Eterovic, Solidarity Center Program Manager, facilitated the trade union workshop on future collaboration and mergers between the SSSH, HUS and UNI-Cro confederations. In the weeks before the workshop, the leadership of the SSSH confederation met to determining the future work and actions of SSSH regarding mergers with other confederations.

The staff of the Solidarity Center attended the SSSH Extraordinary Congress on April 16, 2004. The congress resulted in the election of Vesna Dejanovic as confederation president, and Josip Pavic, Anita Car and Ana Knezevic as vice-presidents. At the end of the congress, the presidents of SSSH, HUS and UNI-Cro signed an agreement on formal collaboration between the three confederations as the first step towards merger of the organizations.

From April 28-29, 2004, the Solidarity Center sponsored a strategic planning seminar for leaders of all six national trade union confederations in Bezanec. Hal Stack, Director of the Labor Studies Program at Wayne State served as trainer. The session was a continuation of the Solidarity Center's efforts (since 2001) to assist the process of increasing the level and quality of cooperation between the Croatian trade union confederations. The seminar covered the key priorities determined by the participants, primarily the functioning of the coordinating body of presidents, and its medium and long-term focus.

May 2004

On May 27-29, 2004, the Solidarity Center sponsored seminar on internal communication was held in Tuheljske Toplice for shop stewards from the Trade Union of Metal Workers of Croatia.

From May 31 to June 1, 2004, the Solidarity Center sponsored a strategic planning seminar for the newly-elected leadership and executive staff of the SSSH trade union confederation in Zagreb. Hal Stack of Wayne State Labor Studies Program led this effort. This represented an addition to the Solidarity Center's program of assisting individual confederations' strategic planning capability, which included three strategic planning sessions in December 2003 for the HUS, NHS and UNI-Cro trade union confederations. The current strategic planning seminar identified the key priorities and strategic issues facing the newly-restructured SSSH confederation.

June 2004

From June 4-5, 2004, the Solidarity Center sponsored an internal communications seminar in Mlini for shop stewards from the Trade Union of Nurses and Medical Technicians. Stipe Jolic served as trainer.

Program Area 2, Constructive Participation in the Social Dialogue Process

Expected results

By the end of the program, the trade union side will have carried out its term as chair of the Economic-Social Council (GSV) with a far more definitive idea regarding its realistic and practical usefulness within the body politic of Croatia to ameliorate labor-management relations as the country moves towards accession into the European Union. Moreover, the trade union experts will be better prepared to provide better advice on relevant subjects, and a structure (formal or informal) in place for their future cooperation.

It is also foreseen that, by the end of the funding period, trade unions will have a new cadre of trainers ready to conduct broad-based educational programs within their respective organizations, and to help trade unions adjust to the new labor-management demands in the workplace. Trade union institutional capacity for good management, transparency, internal democracy and full representation of all members' interests will be enhanced as well.

Indicators

Cross fertilization of knowledge between experts from different confederations yields collaboration on at least two major issues.

Fifty percent of trade union representatives on supervisory boards are trained on company-level economics by their confederations.

Narrative report

Solidarity Center activities were designed to complement and build upon the Croatian trade unions' one-year term chairing the tripartite Economic Social Council (GSV). The chair of the GSV gave Croatian trade unions a number of opportunities to influence the shape and direction of Croatian labor relations. At the national level, Solidarity Center assistance helped to educate trade union and other experts to provide better counsel on labor relations topics so as to build and strengthen the structures of tripartite social dialogue. At the company level and at the level of

local GSV structures, the Solidarity Center program trained new trainers ready to conduct broad-based educational programs on collective bargaining to help both labor and management adjust to new demands in the workplace. By training a broader cadre of union members in various topics important to industrial relations, the Solidarity Center sought also to broaden the base within each trade union organization of rank-and-file members exposed to social dialogue process.

The Solidarity Center program for national level leaders and experts focused on the areas of future changes to Croatian social and labor legislation and the development of tripartite dialogue on the next stages of pension reform in Croatia. The Solidarity Center program on future trends in European labor legislation acquainted leaders and experts from labor, business and government, as well as law students, labor lawyers, and the public, on the imminent changes in labor/social regulations that are scheduled to be implemented in the second half of 2004. Participants were able to discuss the legislative proposals on labor topics, and the practical issues of implementation of new laws, thus providing the groundwork for upcoming discussions on changes to Croatian labor and social legislation in the context of the harmonization of the Croatian legal system with that of EU member states.

The Solidarity Center also lent support to a tripartite committee on pension reform. To help build the framework for GSV dialogue on pension issues, the Solidarity Center, in cooperation with World Learning, sponsored a study trip to the U.S. for the group to meet with U.S. experts on the structure and management of voluntary pension funds. Upon returning to Croatia, the group has worked to develop new activities and proposals on pension reform policies to be debated within the GSV. These policy proposals included joint support from labor and employers and pension investment firms to support tax incentives for companies to increase their participation in pension investment programs and contributions for workers.

At the company level and the level of local GSV structures, the Solidarity Center program focused on a train-the-trainer program to help improve the practice of collective bargaining and exposing future trainees to concepts of social dialogue and workplace participation at local levels.

The first of the two broad subject-matter areas covered was basic collective bargaining, aimed at better collaboration between workers and trade unions and their employers. The Solidarity Center began the process with a training-of-trainers seminar, held for future trainers representing both unions and employers, on collaborative collective bargaining. The training sought to develop modules to be used by future trainers of union and management negotiating committees, to promote a more interest-based, less conflicting approach to bargaining as the method of improving industrial relations at the company level.

To assist these future trainings, the Solidarity Center published a manual on collective bargaining to be used by labor and employer participants in such educational programs. The manual, entitled "Reaching Agreement through Cooperation," was developed by a team of training experts from the Croatian trade union confederations and the Croatian Employers' Association (HUP).

The second area of training focused on company-level economics, aimed at augmenting the negotiation and bargaining skills learned by participants in the first set of trainings. Collective bargaining has historically proven to be a source of difficulties in Croatia, with union demands being perceived as unrealistic, and management failing to effectively communicate a complete picture of company finances. Furthermore, with the recent labor law changes, workers' representatives are now being appointed to supervisory boards of companies, and urgently need training to be able to carry out their responsibilities. The existing members of works councils countrywide have also displayed a considerable need for economics training, which has never before been available.

To further aid this training, the Solidarity Center published a training manual "Company Finances: Manual for Trade Unions and Works Councils," written by Marina Kokanovic, former economic advisor for SSSH and a trainer on company level economics. The graduated participants of this program will be utilized by their respective confederations to cover the above-listed training needs. Confederations are in the process of planning these training sessions, pending the election of works council representatives.

Solidarity Center work in Program Area 2 has yielded a number of results. The tripartite committee on pension reform has developed a proposal for changes in the income tax law in order to establish tax breaks for employers who pay Pillar III contributions on behalf of their employees. While the proposal itself was developed under FY 2001-2003 grant, lobbying and advocacy efforts were conducted under the present grant, resulting in the adoption of the proposal in March of 2004 by GSV.

Trade union experts from all confederations, who have participated in a number of Solidarity Center programs, both in the past and during the current grant, have collaborated on a number of legislative proposals, such as proposed amendments to bankruptcy law to improve the position of workers as creditors in bankruptcy proposals, and the new, EU harmonized health and safety legislation. Furthermore, trade union experts are now being included in government ad-hoc committees on various issues, such as the overhaul of the tax system.

As stated previously, the Solidarity Center has trained a new group of labor and management trainers on key issues of collective bargaining. These trainers are set to begin working with union representatives to supervisory boards and works councils, pending the completion of works council elections.

Activities

The following are the Solidarity Center activities reported during the grant period. Solidarity Center training programs under Program Area 2 were conducted for a total of 287 participants (156 men; 131 women).

October 2003

On October 17, 2004, a meeting was held with the participants of a World Learning-sponsored study trip to the United States on voluntary pension funds. The meeting discussed the technical details and the agenda of the trip. Morana Kovacevic from World Learning's Croatia office was also present at the meeting, providing documents and additional information to study trip participants.

From October 25 to November 9, 2003, a study trip to the U.S. was held on the topic of Pillar III-type voluntary pension schemes for a tripartite group of Croatian participants. The trip, organized by the Solidarity Center and sponsored by World Learning, encompassed meetings organized by the AFL-CIO's Center for Working Capital, as well as a visit to the Philip Morris Corporation in Richmond, Virginia. The group was accompanied by Paul Somogyi, Field Representative and Hajdy Eterovic, Program Manager.

November 2003

On November 10, 2004, Paul Somogyi and Sanja Prkacin from the Solidarity Center attended the roundtable presentation of a book on the participation of workers in the decision-making processes in companies, organized by the Croatian Legal Center. The Solidarity Center supported this event, and purchased 500 copies of the book, which will be distributed to trade unions.

December 2003

A meeting was held on December 15, 2003 with Chuck Howell and Sanja Vukotic from USAID/Croatia. The meeting dealt with the financial issues regarding the final grant to Solidarity Center, and the planned programs for the forthcoming period.

Paul Somogyi, Hajdy Eterovic, Sanja Prkacin and Dario Borkovic from the Solidarity Center attended a December 16, 2003 presentation of the Croatian translation of the book "Getting to Yes," an international bestseller on "win-win" negotiation techniques.

On December 18, 2003, a follow-up meeting was held with the participants of the Pillar III pension program study trip to the U.S. Participants discussed their activities and the information they gained from the trip.

January 2004

A second follow-up meeting was held on January 15, 2004 with the participants of the Pillar III pension program study trip. Participants discussed with the development of an activity plan to promote tax incentives for sponsors of Pillar III pension programs. Sanja Vukotic, Chuck Howell and Damir Novinic from USAID/Croatia attended the meeting as observers.

On January 22, 2004, Solidarity Center representatives Paul Somogyi, Sanja Prkacin, Hajdy Eterovic and Dario Borkovic attended a roundtable on conciliation organized by the MSI/USAID Tripartite Dialogue Project. The roundtable included presentations by Vitomir Begovic from the Office of Social Partnership, Viktor Gotovac, Project Consultant, Tea Novak from MSI/Croatia, and Jerry Barrett, Project Trainer.

The Solidarity Center held a meeting on February 3, 2004 with Hasim Bahtijari, a publisher and former head of the SSSH Media Department, regarding possible cooperation with the Solidarity Center on the publication of a book on conciliation procedures in labor disputes.

On February 4, 2004, a meeting was held with Chuck Howell and Sanja Vukotic from USAID/Croatia, regarding the forthcoming activities of the Solidarity Center. The meeting

included an overview of planned programs and details regarding the organizational stage of individual planned events.

A meeting was held on February 5, 2004 with the tripartite group on Pillar III pension programs. The meeting served as a follow-up to previous meetings. A timetable for activities was discussed, as the new government had not yet nominated its representatives to the relevant GSV sub-committees dealing with pension reform.

On February 9, 2004, Paul Somogyi, Hajdy Eterovic and Sanja Prkacin from the Solidarity Center met with Vitomir Begovic, Director of the Office for Social Partnership, regarding the forthcoming Solidarity Center program involving a series of meetings between Alan Neal, an expert on EU labor legislation, and labor, business, and government representatives. Begovic agreed to lend support through promoting the program and ensuring quality participation at the meetings.

On February 12, 2004, Solidarity Center representatives Hajdy Eterovic and Sanja Prkacin attended a press conference of the SSSH trade union confederation where the attitude of the Croatian public toward organized labor was discussed. Eterovic and Prkacin then attended a meeting of the SSSH Women's Section, which focused on framing issues of interest for women workers.

On February 13, 2004, Solidarity Center representatives attended as observers an MSI-sponsored roundtable on tripartite dialogue in Croatia. The roundtable included presentations by Joe Lowther, former Director of the MSI Tripartite Dialogue Project, Russ Webster, MSI Director, and Kresimir Sever, current president of the GSV, who served as moderator of the roundtable.

On February 17, 2004, Hajdy Eterovic and Sanja Prkacin from the Solidarity Center met with representatives of the SSSH Women's Section to discuss involvement of the Women's' Section in social dialogue.

March 2003

On March 5, 2004, Paul Somogyi, Hajdy Eterovic and Dario Borkovic from the Solidarity Center attended the presentation of a book by the Institute for Public Finance and Friedrich Ebert Foundation entitled "Accession of Croatia to the European Union: The Challenges of Institutional Adaptation." Among the presenters of the book were Rudiger Pintar from the Friedrich Ebert Foundation, Katarina Ott from the Institute for Public Finance and Nenad Zakosek from the Faculty of Political Science. The event also included the presentations by Kolinda Grabar-Kitarovic, the Minister of EU Integration, and Gerhardt Weiss, German Ambassador to Croatia.

On March 8, 2004, Ray Mackey, Great Lakes Regional Director of the American Federation of Teachers (AFT), met with Vesna Dejanovic, President of the SSSH, and Anita Car, President of the SSSH Trade Union of Education. The meeting involved a range of topics dealing with the Croatian educational system.

On March 10, 2004, Ray Mackey met with Dalimir Kuba, President of the Trade Union of Croatian Teachers, and Gordana Hrgovan, General Secretary. The meeting dealt with specific issues regarding the educational system, working conditions of professors and their professional advancement, as well as the issue of agency fee, recently introduced in the labor law in Croatia.

On March 11, 2004, Ray Mackey met with Zdenka Gizdic, President of the Trade Union of Nurses and Medical Technicians, and other union leaders. The meeting dealt with specific questions regarding the status of medical personnel, specifically nurses and medical technicians, and their labor conditions and salaries. Since the AFT includes members from such professions there was considerable interest in the AFT's experience organizing medical professionals.

On March 11, 2004, Ray Mackey met with the representatives of the Trade Union of Social Care. The meeting dealt with specific questions regarding the status of workers in social care, and included a visit to the facility for children with special needs.

On March 22-23, 2004, the first in a series of two train-the-trainer seminars was held in Crikvenica on collective bargaining training. Penny Schantz, AFL-CIO labor educator served as trainer. Participants learned techniques to effectively perform collective bargaining training activities in their respective organizations.

The second in a series of two train-the-trainer seminars on collective bargaining was held on March 24-25, 2004 in Crikvenica. The second session focused on understanding company level economics, with Penny Schantz again serving as trainer. The purpose of both sessions was to prepare a core cadre of trade union trainers that could be called upon by various trade unions for collective bargaining training in the future.

Hajdy Eterovic and Sanja Prkacin from the Solidarity Center met with the representatives of Croatia's trade union confederations on March 30, 2004. The meeting dealt with the forthcoming Solidarity Center-sponsored program, organized at the request of the confederations, to hold a joint meeting of union representatives and journalists from the key media in the country, with the aim of discussing communication problems.

April 2003

On April 8, 2004 a meeting was held with the tripartite group on voluntary Pillar III pension programs regarding new steps to be taken in terms of the legislative initiative for providing tax incentives to employers who voluntarily make Pillar III pension contributions on behalf of their employees.

On April 30, 2004, a meeting was held with Željko Orsag, representative of the newly created Croatian Employers' Association, which represents small and medium-sized enterprises. The purpose of the meeting was to learn about the new organization and its aims, one of which is to become represented at the GSV. Mr. Orsag, who previously worked with the employers' association HUP, participated in several tripartite educational programs and Solidarity Center-sponsored programs. The president of the new employers' association, Ivan Paradzik, was also a member of the Solidarity Center's original tripartite study trip to Ireland in 2002.

On April 19, 2004, a roundtable discussion was held on the relations between trade unions and the Croatian media in Zagreb, with Inoslav Bešker, a well-known journalist, as facilitator. The meeting between labor leaders and journalists and editors from the Croatian media was organized at the request of Croatian trade unions, to discuss media coverage of the trade unions with the aim of improving labor-media communications and to improve public support for social dialogue.

On April 5, 2004, Professor Alan Neal, expert on EU labor regulations, held a public presentation entitled "Future Trends in European Labor Legislation," and held meetings with GSV members. Professor Neal's visit was organized by the Solidarity Center, with the goal of briefing GSV participants and other interested groups on the structure of labor legislation in European Union countries.

Professor Alan Neal met with the Croatian labor law experts at the National Association of Labor Lawyers on April 5, 2004 to discuss potential changes to Croatian labor law as Croatia moves to align its legal system with those of EU countries.

On April 6, 2004, Professor Alan Neal, attended a meeting with members of the Croatian parliament to discuss labor legislation in the EU. Neal later met with representatives of the Croatian Employers' Association HUP and the top national leaders of Croatia's trade union confederations and their advisory staffs. Each meeting served to present examples of EU labor legislation and to discuss potential changes to Croatian law.

On April 7, 2004, Professor Alan Neal met with the students of the Faculty of Law, and later met again with the representatives of the GSV.

June 2003

On June 17, 2004, the Solidarity Center held a reception at the Hotel Opera in Zagreb to introduce three books on labor-related topics. The first book was entitled, "Strategic Planning for Trade Unionists in Transition Countries," and was authored by Laurence Clements, a professor of labor studies and Solidarity Center Field Representative in Serbia. The second book, "Introduction to Company Finances" was authored by Marina Kokanovic, a Croatian economic expert and former SSSH Economic Advisor. The final book presented was a manual on collective bargaining entitled "Reaching Agreement through Cooperation," which was authored by the participants of the tripartite working group sponsored by the Solidarity Center and coordinated by Hajdy Eterovic, Solidarity Center Program Manager.

The book presentations were followed by a reception for guests, organized to mark the successful end of a nine-year activity of the Solidarity Center in Croatia. The event included the participation of Harry Kamberis, Executive Director of the Solidarity Center, Bill Jeffers, USAID/Croatia Mission Director, Chuck Howell and Sanja Vukotic from the USAID/Croatia Office, and a number of trade union leaders, officials, employees and other partners who have participated in Solidarity Center programs over the years.

Program Area 3, Pro-active Union Participation in the Political and Electoral Process

Expected results

Based on their experience and their increased participation in the political processes in Croatia since 1990, including political elections on both national and local levels, trade union organizations were expected to be actively involved in a way that they encourage their members to get out and vote through the public media, as well as through their regular channels of communication.

Also, discussions on political programs offered by various parties would take place on different levels of union structures, so union activists and members are informed thoroughly about the political process, focusing especially on labor specific issues. By, doing that, the unions were expected to influence the political parties' agendas for the parliamentary elections in 2003.

Indicator

Demonstrated effort by a majority of trade union confederations to be actively involved in Get-Out-The-Vote campaigns in the general election.

Narrative report

In the run-up to the November 2003 parliamentary elections, four out of six Croatian trade union confederations launched a joint GOTV campaign aimed at their members and the general public. After numerous meetings, the four confederations' presidents came up with a non-partisan message, accompanied with logos of their four organizations, encouraging their members to vote and to vote for those parties and candidates that take labor's interests into consideration.

With the Solidarity Center assistance, the message was professionally designed in order to appear in six daily newspapers during the election campaign and on 20,000 posters and 350,000 leaflets that were distributed by union activists all over the country.

Separately, the SSSH organized a Workers' Forum where they invited representatives of all parliamentary political parties to discuss a prepared a set of questions regarding several labor specific issues such as labor rights, pension reform, poverty and social exclusion, privatization, and the informal economy. Most of the invited representatives of political parties participated in the entire 3-hour session and provided their parties' answers to the prepared questions, as well as to the questions asked by union representatives in the audience. Representatives of all six confederations were invited to participate in the event. The Solidarity Center sponsored the coverage of the event by the OTV television network which broadcasts the program in Zagreb and its surroundings, and countrywide through a network of local TV stations.

All the above-mentioned activities sponsored and assisted by the Solidarity Center had a great impact on raising workers' awareness about the elections and the political process in general, as well as encouraging them to vote in November. According to the recently published results of a public opinion survey conducted for USAID entitled "Effectiveness and evaluation of GOTV campaigns during Croatian parliamentary elections in 2003," members of trade unions showed the highest social and political awareness and involvement and interest in politics. Trade union members tend to remember GOTV newspaper ads more than the rest of the population and

believe there is need for inviting people to vote. They also remember statements made in the pre-election period and are more likely to perceive the parties to be different. These voters also represented the segment of the population that showed the greatest interest in the elections and were more likely to believe their vote was important. According to the same survey, the level of information about election rules was likewise highest among union members and they considered themselves well informed about the elections.

Activities

The following are the Solidarity Center activities reported during the grant period.

October 2003

On October 7, 2003, a meeting was held with the representatives of all six Croatian trade union confederations to discuss a possible "Get-Out-The-Vote" (GOTV) campaign targeting Croatian workers. Confederation representatives expressed their views and general plans about involvement in GOTV efforts, and a further meeting was agreed upon for October 16, 2003 in order to finalize open issues, including a "neutral" message acceptable to most, if not all, of the confederations. Sanja Vukotic from USAID/Croatia was also present at the meeting as an observer.

A follow-up meeting was held on October 16, 2003, with the trade union confederations' representatives, regarding a possible, non-partisan GOTV campaign of union confederations, to be supported by the Solidarity Center. The issue of the message was discussed, together with the willingness of the confederations to participate jointly in such a project. Of the six confederations, four agreed to do so (SSSH, HUS, Matica and UNI-Cro), while the NHS and URSH declined. NHS explained that it was developing its own specific GOTV message for its members, while URSH was committed to campaigning for specific independent candidates.

On October 23, 2004, a meeting was held with the representatives of trade union confederations, regarding the GOTV campaign to be sponsored by the Solidarity Center. The meeting focused on cost estimates and the particular message to be delivered to voters by the trade union movement.

November 2003

On November 5, 2003, the GOTV message of SSSH, HUS, Matica and UNI-Cro trade union confederations was published in Jutarnji List, Vecernji List, Novi List, Vjesnik, Glas Slavonije and Slobodna Dalmacija dailies. This was the first out of three scheduled publications of these confederations combined message in these newspapers.

Again, on November 13, 2003, the GOTV message of SSSH, HUS, Matica and UNI-Cro trade union confederations was published in the Jutarnji List, Vecernji List, Novi List, Vjesnik, Glas Slavonije and Slobodna Dalmacija dailies. This was the second out of a total of three scheduled publications.

Solidarity Center staff attended a pre-election debate on November 18, 2003 organized at the SSSH headquarters. Representatives of the SDP, HSS, IDS, Libra, LS, HSLs, HSP and DC political parties participated in the roundtable, with the exception of the NHS party representative. A HDZ representative joined the roundtable near the end of the debate. The

event was broadcast live on the OTV network, and was subsequently re-broadcast on OTV on November 19, 2003.

The final publication of the GOTV message of SSSH, HUS, Matica and UNI-Cro trade union confederations was published in the Vecernji List daily on November 19, 2003. Publication in the Jutarnji List, Novi List, Vjesnik, Glas Slavonije and Slobodna Dalmacija dailies occurred two days later on November 21.

February 2004

On February 2, 2004, Paul Somogyi, Sanja Prkacin and Dario Borkovic from the Solidarity Center participated in a meeting of USAID implementer organizations, which conducted electorate-awareness programs conducted ahead of the national parliamentary elections. The meeting dealt with the impact of GOTV and other election-related activities by implementers, and included a discussion by implementers and AID representatives.

IV. EFFECTS OF CONSTRAINTS TO ACHIEVEMENT OF RESULTS

The unprecedented level of trade union unity that developed around the debate of labor law reform in past years set a clear precedent for future cooperative action. The Solidarity Center program, mainly in Program Areas 1 and 3, sought to utilize the momentum of the labor law debate to generate support for continual and institutionalized trade union cooperation. It is clear, however, that without a rallying point, such as the labor law debate, a number of the divisions that characterized the Croatian labor movement have resurfaced. These conflicts have impeded Solidarity Center work at times and have slowed the pace of trade union cooperation in the period since the end of the labor law debate. Some Solidarity Center projects, such as a unified Internet portal, were simply too ambitious given the situation.

Despite these constraints, Solidarity Center efforts were largely successful, particularly in Program Area 1. Croatian confederations communicate regularly with one another on policy issues through the GSV and the SSSH, UNI-Cro, and HUS continue to move closer to an eventual merger. The high level of interest in the Solidarity Center's seminar on mergers and unification, and the very willingness of all Croatian confederations to even discuss the topic, given their history of separation, points to long-term program success after much effort.

The Solidarity Center's pre-election work (Program Area 3) also had to contend with resurfacing union divisions and a political situation that constrained the GOTV capacities of Croatian unions. Given the increased level of trade union cooperation in 2002 and 2003, many hoped that the Croatian labor movement would repeat the successes of its highly visible GOTV campaign in 1999, where labor was seen as a key force in turning out the voters that elected a reformist SDP-led coalition. Clearly, a repeat of 1999 was not possible. Not only was the political situation changed, but confederations differed over how best to approach elections given these changes with most advocating an issues-only campaign, but with some seeking to operate independently rather than work as a unified bloc. Labor leaders were also caught in a bind between a sitting government whose economic policies were unpopular with many rank-and-file members and opposition parties that were clearly unpalatable given their historical track record.

Given these constraints, the Solidarity Center program assisted four confederations in a GOTV campaign that, despite not being as high-profile or as partisan as the work completed in 1999, was shown to have achieved its goals of encouraging a large number of union members to vote.

The Solidarity Center's programmatic activities under Program Area 2 consisted of a number of educational and training programs seeking to build support for and participation in the social dialogue process. As stated previously, the Solidarity Center is encouraged by the fact that Croatian trade union confederations cooperate regularly at the national level on issues before the GSV. Programs targeting top-level experts and analysts, such as the program on trends in European labor legislation and the support for the tripartite pension committee, will no doubt build greater union cooperation on future debates and help to build greater public support for future reforms, such as remaining changes to the pension system.

At the local and company level, the Solidarity Center train-the-trainer program on collective bargaining was conducted successfully and a new group of trainers has been created to assist the bargaining and negotiating needs of regional and local-level leaders. The completion of this training is timely, union leaders are being elected to company works councils and are also being elected to company supervisory boards. These trends present unions and workers representatives with new potential to build worker participation and influence corporate governance. The "core cadre" of trainers trained by the Solidarity Center will have their work cut out for them. The tangible results of the Solidarity Center's work in this area are ongoing. Due to the timing of the training and the close of the Solidarity Center office in Zagreb, reports of trainer's activities are unavailable.

V. OTHER PROGRAM ACCOMPLISHMENTS

Since the inception of its presence in Croatia, the Solidarity Center has specifically sought to assist the trade union movement develop its organizing capacity and reach out to new members. One of the primary ways this has been accomplished is through programs targeting the leadership development of women and youth, who make up the largest percentage of new (and future) union members. Women's outreach is especially relevant, as female members make up a growing proportion of the trade union movement and predominate in many unionized sectors.

The Solidarity Center has assisted the development of Women's Sections (internal union organizations that serve as leadership incubators for female trade union activists and as informal advisory boards on labor issues of interest to female union members) in each of Croatia's six confederations. The result has been that women hold more leadership positions in Croatian trade unions than in neighboring countries. In fact, the top leadership of the SSSH, Croatia's largest confederation, is mostly female. Youth sections, similar to women's sections but targeting young workers in their 20s and 30s, operate in most Croatian trade unions as well. Solidarity Center support has helped many young leaders receive training and better represent the needs of young workers within the trade union movement. The SSSH Youth Section in particular has benefited from Solidarity Center assistance. Many of its members trained by the Solidarity Center have advanced ideas on youth outreach within the Croatian labor movement, and others have also taken on leadership roles within the structures of the International Confederation of Free Trade Unions (ICFTU) Youth Network based in Brussels and its Southeastern Europe

Youth Network based in Sarajevo, primarily to help train other young trade union leaders in neighboring countries.

The most visible and successful Solidarity Center assisted program targeting female union leaders has been the Regional Women's School in Rovinj, an annual gathering of female trade union leaders from Southeastern Europe, Eastern Europe, the Caucasus, and Central Asia to receive leadership training and discuss initiatives to promote women's issue from within the trade union movement. In past years, the Solidarity Center has utilized a combination of USAID and National Endowment for Democracy (NED) funds, as well as buy-in from local and international partners, to help finance the Women's School. During the current grant period, the Solidarity Center utilized USAID grant funds to sponsor the Fourth Regional Women's School in Rovinj from September 30 to October 4, 2003. (See report on page 9.)

Also during the grant period, the Solidarity Center utilized NED funding to help support the "Dossier: Woman 2004" public forum on March 2, 2004. The event was held in Zagreb and was organized by the women's sections from five Croatian trade union confederations. The event sought to develop public debate directed on policy issues to improve the position of women and families. Three topics covered by the event were women and employment, the professional advancement of working women, and gender equality. Approximately 60 women from various trade unions participated.

Finally, the Solidarity Center sponsored three students from the SSSH Youth Section and the SSSH Women's Section to participate in the SSSH Trade Union School. The Trade Union School is a training project for union leaders organized through the SSSH's Center for Industrial Democracy.

These programs and similar Solidarity Center initiatives over the past eight years have greatly enhanced the professionalism and sustainability of the trade union movement by improving the skills of new leaders who represent a growing segment of the workforce. As these leaders take on more responsibility, the Solidarity Center has observed that they represent a strong democratic role trade unions in civil society today in Croatia. Their goal of building and continually institutionalizing democracy within labor unions will yield results for years to come.

As Croatia prepares to enter the European Union, it can be confident in knowing that it has a strong labor movement that represents an effective voice for workers throughout the country.

The Solidarity Center wishes to express its deepest thanks and support to the many dedicated civil servants within USAID in Washington and in the Mission who have supported the growth and recognized the clear importance of building democratic institutions that can legitimately represent the interests of workers. We also want to thank all of the staff within the US Embassy who have supported our labor program over the years and who have so generously and graciously received and assisted us when we needed their help.

We have the highest regard for their work, dedication and excellence on the job and we want to thank all of them for their support of these critical programs.