



## CARDS 2001

**Country**  
Croatia

**Implementation period**  
2003-2004

**Funding**  
€3 million

**Results**  
Creation of ten mobility centres to help workers from state companies being restructured

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## Restructuring labour markets

### Training redundant workers for new types of work

Restructuring of large state-owned firms in the Balkans region has left thousands of workers jobless, and their old skills and experience have little worth in today's labour market. To overcome this, a series of mobility centres are being set up in major state enterprises by the Croatian Employment Service, an independent body reporting to the Ministry of Labour and Social Welfare. With funding from the EU's CARDS programme, the service aims to set up ten such centres during the first phase of the project.

The free market has obliged companies to restructure to be competitive, and privatisation has often been the method chosen, with workforces slimmed down. The result is generally a large group of unemployed people with a set of skills of little interest to potential employers.

The mobility centres will take on the redundant employees, helping them to find new jobs, and supporting them with training and, in some cases, funding. While some of the centres' clients will be assisted in finding jobs in the private sector, others with the right aptitudes will be encouraged to set up their own companies.

### Getting in early

The mobility centres will work best if they are set up before a company is restructured, as it is more difficult for someone who has stopped working to go back to work. In Croatia, many companies which have already reduced their workforces plan to make further cuts in staff numbers. One example is the port of Rijeka, where some 800 workers are considered to be surplus (while a further 1,500 will retain their jobs). As the number of mobility centres expands gradually, the Employment Service will be able to develop the range of support services it offers.



### Determining needs

The initial task of the project is a labour market analysis and subsequent forecasting. This is the key to deciding on the location of the mobility centres, and is also very important in determining the types of training which should be offered, i.e. what types of skills will be needed in the particular region.

Mobility centres have been, or are being, set up in companies working in food and wood processing, in shipyards, ports and education, and also in the military sector.

One example of support given to workers is a subsidy to the new employer to take on an additional worker. The centres also organise outside training relevant to the requirements of the new employer. This support means that companies do not have to bear the full cost of new staff while they are still learning the new skills needed.

Mobility centres will also be able to provide support to workers who want to start their own small business, including analysis of market potential and the provision of assistance. In some cases, the companies involved are able to access additional funds from elsewhere, for example Rijeka port has obtained a loan from the World Bank. Although creating a spin-off company is a much bolder move than working for a new employer, workers in Rijeka actually favour this to working for a private company.

### Next phase

Once the ten centres are set up under this project, the Croatian Employment Service will have a proven structure and skills in place to help overcome one of the negative effects of economic restructuring. The service plans to seek a new grant to create more mobility centres, but also to extend the life of those of the first ten which are still required.