



„LABOUR COSTS”

Đurđica Mostarčić

**Geopa-Copa Seminar on
“Labour Organisation in Agriculture: cross country comparative analysis –
Labour Costs**

18th – 20th October, 2018

Vester Søgade 6, Copenhagen, Denmark

With the support of European Commission
DG Employment, Social Affairs and Inclusion



CURRENT SITUATION!!!!!!!!!!!!!!

SHOULD WE?



OR



INTRODUCTION

EU



- 28 MS
- 13,7 million farms
- 12.2 million family farms
- 7% of all jobs
- 6% of EU GDP
- 15 ha

CROATIA



- 164 458 farms
- 159 191 family farms
- 2174 crafts (4004) - 80000
- 5,6 ha
- The total value of 2,1 billion EUR in 2017.



CROATIAN FACTS

- Average size of the farm: 5.6 ha
- Average age of owner: 59.8 years
- Number of young owners up to 35 years: 8.356 (4.5%)
- Female share of owner: 31%



WHERE WE ARE 31.12.2017.?

INSURANCE UNDER THE INSURANCE AND BY SEX	Men	Women	total	share (%)
Workers with legal entities	660.687	606.733	1.267.420	85,92
Workers with fisical persons	51.984	53.081	105.065	7,12
Craftsman	38.726	18.686	57.412	3,89
Farmers	13.036	6.452	19.488	1,32
independent professional activity	12.153	7.806	19.959	1,35
Others	2781	2919	2700	0,39
TOTAL	779.367	695.677	1.475.044	100,00



WORK INSURANCE

INSURANCE – GENDER POLICIES (June 30, 2018)

Men	Women	Total
13060	6460	19520

INSURANCE - YEARS OF LIFE

Insured persons **under the age of 40** - 5134

Insured persons **who are 40 or older** and less than 50 years - 4821

Insured persons **who are 50 or older** and less than 60 years - 6554

Insured persons **who are 60 or older** - 3011

Total 19520

WHERE WE ARE?

Good news for OPGs and boosting employment in agriculture where a wide gray zone is present; **from now on** OPGs can get employment support. They are added to the list of entrepreneurs who can make use of financial support for newcomers from the CES Employment Policy Measures Program, which until recently was not the case.

May, **2018**



BOTTLENECKS

- Administration burden
- Undeclared work - seasonal employment – short term contract 90 days – good step against but not enough
- High taxes (24% or 36%, profit 24,46% or 29,61%)
- Grey zone and social dumping
- Less skilled workers
- Pension reform - low threshold for paying the pension which produces a small pension
- The dying of agriculture contributes to the growth of trade



WHERE WE ARE?

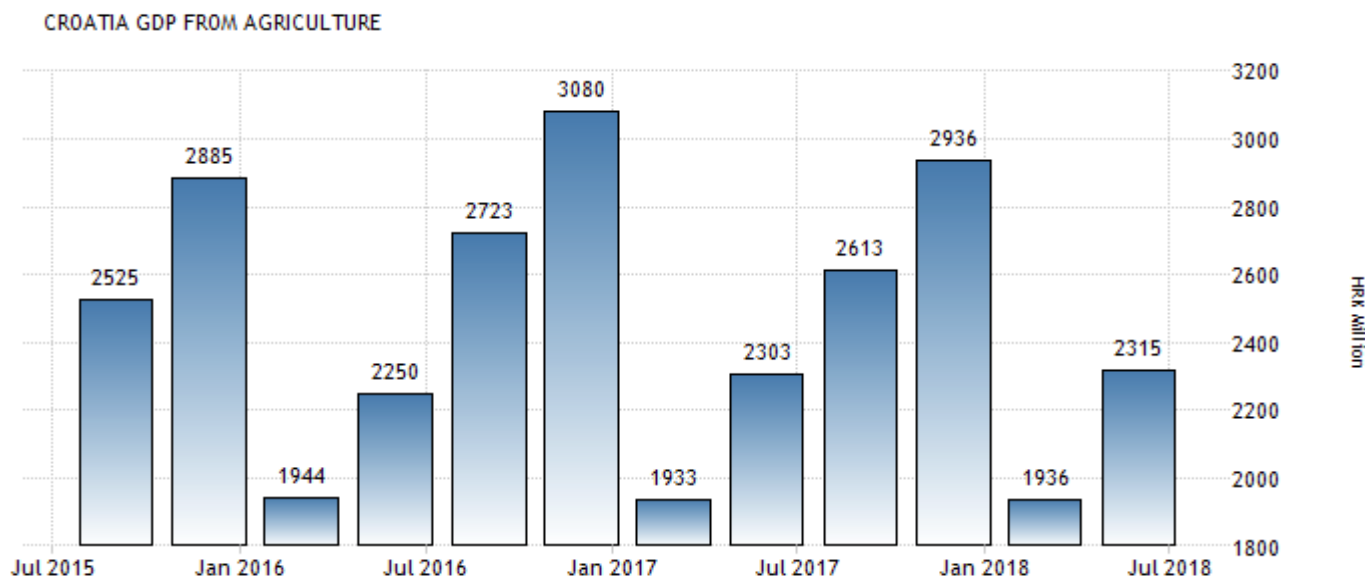


SOURCE: TRADINGECONOMICS.COM | EUROSTAT



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WHERE WE ARE?



SOURCE: TRADINGECONOMICS.COM | CROATIAN BUREAU OF STATISTICS



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WHERE WE ARE?

"I do not accept the statement that Croatia has the highest tax burden in the EU, as a rule, **we are taxing the most labor**, wealth is actually very low.,,

Minister of Finance, 09. October 2018.



CONTRIBUTIONS?

COSTS OF EMPLOYMENT WAGES	KN	EUR
GROSS – minimum!!!!!!	3.439,80	464,84
CONTRIBUTIONS FROM WAGES (20%)	687,96	92,97
NET	2.751,84	371,87
INCOME CONTRIBUTIONS (17,2%)	591,65	79,95
CRAFTS / MONTH		
CALCULATION OF TAX	1939,23	262,06
TAXABLE TAX CALCULATION	1193,38	161,27
CALCULATION OF INCOME TAX	3281,78	443,48
FARMERS / MONTH		
CALCULATION OF TAX	1640,9	221,74
TAXABLE TAX CALCULATION	1193,38	161,27
CALCULATION OF INCOME TAX	3281,78	443,48
SEASONAL WORK IN AGRICULTURE (DAILY)		
GROSS	106,93	14,45
CONTRIBUTIONS FROM WAGES (22,2%)	23,74	3,21
NET	83,19	11,24



WHERE WE ARE?



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TAX RATE

Croatia Taxes	Last	Previous	Highest	Lowest	Unit
Corporate Tax Rate	18.00	18.00	20.32	18.00	percent
Personal Income Tax Rate	36.00	36.00	56.10	36.00	percent
Sales Tax Rate	25.00	25.00	25.00	22.00	percent
Social Security Rate	37.20	37.20	37.20	35.20	percent
Social Security Rate For Companies	17.20	17.20	17.20	15.20	percent
Social Security Rate For Employees	20.00	20.00	20.00	20.00	percent



BEFORE CONCLUSION

- The EESC, through its sections, gives its opinion on the proposal of the EU Commission or provides self-opinion opinions.
- As it is apparent from the documents that it has not been considering these issues **for more than 10 years**, it is a good incentive to draft one proposal that eesc or COPA should submit to the Commission.

Violeta Jelić,

Member of the Employers' Group in the

NAT Section European Economic and Social Committee (TBC)



CONCLUSION

- Less administration and simplified regulations
- Social protection and inclusion
- Education and trainings
- Long term solutions



THANK YOU!

Đurđica Mostarčić
financije@hok.hr
www.hok.hr

