

MIGRATIONS AND THE RIGHT TO EMPLOYMENT OF FOREIGNERS IN THE REPUBLIC OF CROATIA

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Abstract

There are various reasons for the migration of the population in the world, from those of war and military, political and economic, then migrations driven by natural disasters, technological development and instabilities in the labor market. Labor migrations in the EU are mostly caused by the general dissatisfaction with situation in the labor market. The Republic of Croatia has increased the annual quota for the employment of foreign workers in 2018 to 22,000. Foreigners need to know the Croatian language at the level of basic communication and they easily get a job in the Republic of Croatia.

Freedom of movement of workers in the EU is regulated by the *acquis communautaire* and represents the legal source of primary law which regulates the access of the population to the EU labor market, which implies the provision of residence and employment of foreigners and their families, and equality of treatment towards nationals of another Member State as towards their own nationals (principle of non-discrimination).

It is thought that migrants pose a threat to workers of the countries they immigrate because the mobility within the EU has increased considerably in recent years.

Until now, the barriers have been mainly social, cultural and economic reasons, but as we move on, this becomes less and less a difficulty of labor force movement in the labor market.

A review on the employment of foreigners in Germany will be given, and the laws of the Republic of Croatia and Germany related to this issue will be considered.

The method of observation, comparative method and method of analysis and synthesis will be used in this paper.

Keywords: *migration, employment of foreigners, freedom of movement of workers, labor market, social security system*

1. Introduction

There are two concepts that we must explicitly state in order to understand the focus of this paper. The first term is migration of the population and the second term is the freedom of movement of workers in the labor market, especially in the Republic of Croatia after the Republic of Croatia joined the EU back in 2013.

Therefore, migration of the population (Latin: *migratio*: movement) represents any change in the place of residence of an individual or of larger and smaller groups of people. There are two basic types of migration:

- Emigration – movement of the population from existing place of residence
- Immigration – movement of the population to a new place of residence.

Other forms of migration include internal and external, final and temporary, voluntary and compulsory, economic and non-economic.¹

“Mass emigration that the EU member states suffered is the result of a long term policy that in one part has caused the situation that people are leaving, while on the other hand it reveals knowledge about the complexity of recognizing priorities, determining the way in which it is implemented and the fact that there isn’t enough integration of progressive forces, knowledge and ability to respond to the contemporary challenges of today.”²

Freedom of movement of workers is one of the four economic freedoms acknowledged by the EU. Others are

- Freedom of movement of goods
- Freedom of movement of services
- Freedom of movement of capital³

Freedom of movement of workers became one of the basic freedoms in the EU for all member states since Croatia’s entry into the membership. What exactly does it mean? It means that citizens of one Member State can work in another Member State under the laws of the host Member State.”However, these migrations include students and retired, third country workers, asylum seekers and refugees.⁴ “Freedom of movement of workers is one of the fundamental freedoms of the internal market related to a number of different issues, such as social security, recognition of qualifications, EU citizenship, visas and migration of workers in the context of an enlarged EU.”⁵

Migrations of the population occurred throughout history. There were various reasons for this, such as

- natural (epidemics, catastrophes, weather disasters)
- social (wars, political instability, religious intolerance)
- economic (hunger, poverty, aspiration for better living conditions)

„The consequence of migration is primarily the change in the spatial distribution of population, that is, the accumulation of population in cities and industrial areas, while on the other side rural areas lose their population“⁶

When we look at some of EU countries, we see migrations happening because of general dissatisfaction with the labor market situation, which means the lack of safe jobs, the

¹ <https://bs.wikipedia.org/wiki/Migracija>, accessed.02.2019.

² Mikac,R.;Dragović,F.,*Masovne migracije:izazovi,posljedica i put naprijed*, Forum for Security Studies, 1 (2017), 1:pp 130-152.

³ Crnjac Pauković,V.,*Mogućnost rada u zemljama EU-izasljanje i sloboda kretanja radnika*,Radno pravo, Professional Journal No. 07-08 / 13, July 2013.

⁴ *Sloboda kretanja radnika u Europskoj uniji* Yearbook of the 165 th scientific meeting of the Zagreb Faculty of Law and Zagreb Lawyer Club, -February 14th 2012, Zagreb, 2012 p.25.

⁵ Čeh Časni,N., *Analiza slobode kretanja radnika na području proširene EU uporabom odabranih statističkih metoda*, Proceedings of the Faculty of Economics in Zagreb, Zagreb, 1st December, 2017, p..98.

⁶ Migracija ,<https://bs.wikipedia.org/wiki/Migracija>, accessed 15.3.2018.

inability to meet decent living conditions, the inability to feed a family, huge fiscal burden, the bureaucratic apparatus and insufficient and inadequate social security of the population.

Every migration leaves a deep mark in the life of a country, a nation, an economy. Mostly it is a trauma that brings a halt, lack of progress at least not for a while until migration is settled down. All potentials should be used for well-being as much as possible in these situations. But surely in the beginning migration brings both economically and socially negative phenomena that leave a deep mark on the life of the population in every aspect.

Migrations occurred throughout history, whether they were caused by economic or political factors (Habsburgs, Venetians, Ottomans from 15-18th century). Another significant emigration occurred in the 19th century and was conditioned by economic reasons (crisis in agriculture and shipbuilding). „The period of emigration from Croatia which lasted from 1945 till the 1960s and was marked by political and /or economic reasons. Mostly it was about permanent migration in which mainly optants participated (persons who when the sovereignty was changing over a particular territory choose the citizenship of a country that previously had power over the area) and politically motivated migrants. After the state canceled restrictions, a large number of labor migrants legally left Croatia back in the sixties and seventies. They were categorized in the official statistics as „temporary workers“ (Gastarbeiters), mostly grown-up men which were later joined by family members.⁷

It is worth mentioning that most of the male workforce left their youth in other countries away from their families, which often led to family disintegration. Many returned to their homes exhausted, ill and weak and even though they left only as temporary workers, they had stayed abroad till retirement. Only 1/3 of the emigrants returned to their homes. There are many reasons why, from adaptation to a new life outside their homeland, family breakdown, accidents, death, etc.

A new age of emigration started after Croatia joined the EU. The population moves with a desire to return quickly, but history teaches us that it will not be so. „Croatia is „traditionally“ an emigrant country and is among those with the most unfavorable proportion of diaspora and resident population. While official Croatian statistics for period 2013-2016 show 102 000 emigrants, foreign sources say that the number of emigrants is considerably higher and reaches 230 000 Croats.“⁸

“..... Migrations in general, and in particular labor migrations, have their various causes as well as important economic, social and demographic consequences. ”
“Today, more than 250 million people live outside their country of birth. Although the number of international migrants increased from 175 million in 2000 to more than 251 million in 2015, the share of migrants in the world’s population in the last fifteen years has been around three percent (in 2015 about 3.4% of the world population)”
“The share of EU nationals residing in another Member State ranges between two and three per cent of the EU population (eg 2.4% in 2008, 2.8% in 2012, 3.1% in 2013), while the share of third-country nationals in the EU is higher (about 4%). ”

⁷ Župarić-Iljić, D. *Iseljavanje iz Republike Hrvatske nakon ulaska u Europsku uniju*, Friedrich Ebert Stiftung - Zagreb, 2016, pp 1-2

⁸ Jutarnji list, www.seebiz.eu/broj-iseljenih-dvostruko-veci-nego-sto-pokazuje-sluzbena-statistika/ar-186546/ accessed 02.01.2019.

⁹ Vukorepa, I., *Migracije i pravo na rad u Europskoj uniji*, Proceedings of the Faculty of Law, University of Zagreb, no.68 (1) 85-120, Zagreb, 2018.

2. Legal basis of the work of foreigners in the Republic of Croatia and Germany

This chapter will consider the legal basis of work of foreigners, freedom of movement of workers and employment in the Republic of Croatia. In considering actual developments based on the Foreigners Act (OG 130/11, 74/1369 / 17,46 / 18), a parallel review will be made on Germany as the country where workers from Croatia most frequently emigrate.

Special focus will be on labor market, freedom of movement of workers and the right to employment. The *acquis communautaire* is the basis for the functioning of the displaced population in terms of integration into the destination country and employment which is one of the basic conditions that must be met in order to survive and improve. Freedom of movement of workers encompasses access to the labor market that „regulates residence and employment of foreigners, rights of family members in relation to place of residence, and equality of treatment of citizens (the principle of non-discrimination) and related issues⁹

One of the important issues regulated in the *acquis communautaire* is the issue of workers social security, which includes rights from pension insurance, child support etc.). The EURES-Electronic System facilitates various types of faster and more precise records and information on the labor market to make it easier for people to stay, work, use information about rights in the event of unemployment, social security, education of children etc. Mostly, the EU regulates functioning through secondary sources of law. „These are the legal rules that are coming into force under the contract prescribed procedure and within the framework of the EU regulatory authority.“¹⁰ In general, they are regulations, directives, recommendations and opinions.

"Most people want to fall under the term 'worker' in the sense of EU law, since this provides them with a wider range of rights than those derived from the status of Union citizen or job seeker. The fundamental provisions guaranteeing freedom of movement for workers within the EU are laid down in Art. 45 of the TFEU and do not apply to public authority affairs. The EU Court, emphasizing their importance, found that they have a direct effect, both vertical and horizontal."¹¹

The Foreigners Act is in force in the Republic of Croatia as a regulation on entry, movement, stay and work of third country nationals and EEA nationals and members of their families as well as the conditions and rights of workers sent in the Republic of Croatia.¹² The Foreigners Act has transposed the following EU directives in the legal order of the Republic of Croatia:

- Directive 2008/115 / EC (on the return of third-country nationals with illicit residence)
- Council Directive 2001/51 / EC (Supplement to the provisions of Article 26 of the Convention on the Application of the Schengen Agreement)
- Council Directives 2002/90 / EC (on the definition of unauthorized entry, transit and residence)
- Council Directive 2003/110 / EC (on aid with transit departure through the airspace)
- Council Directive 2001/40 / EC (on the mutual recognition of decisions on the expulsion of third-country nationals)
- Council Decision 2002/946 / PUP (on strengthening the criminal framework for

¹⁰ Čapeta, T.; Rodin, S., *Osnove prava Europske unije* 3rd Changed and amended edition, Legal Library: European Law, Zagreb, 2018.

¹¹ Vukorepa, I., *Migracije i pravo na rad u Europskoj uniji*, Zbornik Pravnog fakulteta Zagreb, 68 (1) 85-120, Zagreb, 2018.

¹² Foreigners Act, OG 130/11, 74/1369/17, 46/18, Art. 1.

unauthorized entry, transit and residence)
Council Decision 2004/191 / EC (agreement on financial imbalances around the application of Directive 2001/40 / EC
- Council Decision 2004/573 / EC (on the organization of joint flights for the deportation of third-country nationals for whom an order exists
- Directive 2004/38 / EC of the European Parliament and of the Council (on the right of citizens of the Union and their family members to move and reside freely within the territory of a Member State by amending Regulations No 1612/68 on the non-application of Directives 64/221 EC, 68 / EEC, 75/35 / EEC, 68/360 / EEC, 72/194 / EEC, 73/148 / EEC, 75/34 / EEC, EEC, 75/35 / EEC, 90/365 / EEC, 93/96 / EEC,
Council Directive 2009/50 / EEC (on the conditions of entry and residence of third-country nationals for the purpose of recruiting highly qualified workforce
-Directive 2009 / 52 / EC of the European Parliament and of the Council (on minimum standards for sanctions and measures against employers employing third-country nationals who are illegally resident
-Directive 96/71 / EC of the European Parliament and of the Council (on the deployment of workers in the framework of the provision of services
- Council Directive 2003/109 / EC (on the status of third-country nationals with a long-term resident status)
- Council Directive 2003/86 / EC (on the right to family reunification)
- Council Directive 2004/81 / EC (on the granting of residence permits to third-country nationals who are victims of trafficking or who are assisted to illegally immigrate and cooperate with the competent authorities)
- Council Resolution 97 / C 382/01 (on measures to be taken to counter marriages of convenience
-Recommendation of the Council of 27 September 1996 (on the fight against illegal employment of third-country nationals
- Council Directive 2004/83 / EC (on minimum standards for the qualification and status of third country nationals or as persons who need international protection in other way or the content of the protection provided)
-2011 / 51 / EC (on the amendment of Directive 2003/109 / EC and on the extension of application to users of international protection)
- Directive 2011/98 / EU of the European Parliament and of the Council (on a single procedure for processing applications for the issuance of a single residence and work permit of third-country nationals in the territory of a Member State and on a common set of rights for workers from third countries legally residing in a Member State
- Directive 2014/36 / EU of the European Parliament and of the Council (on conditions for entry and residence of third-country nationals for the purpose of employment as seasonal workers
- Directive 2014/66 / EU of the European Parliament and of the Council (on conditions for entry and residence of third-country nationals in the framework of intra-Community transfers
- Directive 2014 /67 EU of the European Parliament and of the Council on the implementation of Directive 96/71 / EC (on the recruitment of workers in the framework of the provision of services and amending Regulation (EU) No 1024/2012 on administrative cooperation through the internal market information system
-Directive EU 2016/801 of the European Parliament and of the Council (on the conditions of entry and residence of third-country nationals for research, study, training, volunteering, student exchange or educational projects and performing au pair work

An immigrant worker in the context of the right to work in the country of destination must be treated in accordance with the principle of non-discrimination. „The freedom of movement of workers is ensured within the Union. This freedom of movement implies the abolition of any discrimination based on nationality among workers from member states in relation to employment, wages and other conditions of work and employment“.¹³

Other significant rights of foreign workers in the EU are the right of free movement of workers within a Member State for the purpose of employment, the right to stay in a Member State for the purpose of employment, etc.

Germany as the country in which Croatian citizens mostly emigrate accepted the changes of the migration law. Under this Act, which relates in part to the applicant's right of asylum as well as the rules for the expulsion of persons who do not have the right to reside in their territory, the second part of the Act refers to the right based on which they are willing to accept competent workforce, as well as all people who find a job that suits their education, expertise and skills. So far, only the foreigners with occupations marked as deficient by the German Employment Agency have been employed.

Great convenience and novelty is that Germany even before the employment widely opens doors to foreigners who have certain work competencies, so they can look for work in their territory.

Earlier a German employer who wanted to hire a worker who is not coming from EU countries had to prove that he/she has not been able to find workers in the EU labor market that meet his/her needs, and now under the new Immigration and Labor Act in Germany he/she no longer has to do so. This is a significant novelty for German employers.

The following convenience for foreign nationals is that a much easier procedure for recognizing the equivalence of certificates and diplomas is regulated that is conducted together with the issuance of visas.

3. Migration of population to and from the Republic of Croatia

Republic of Croatia is faced with mass emigration of the population since joining the EU back in 2013. This has negative connotation on Croatian labor market.

TABLE 1.

INTERNATIONAL MIGRATION

INTERNATIONAL MIGRATION OF POPULATION OF REPUBLIC OF CROATIA

	<i>Immigrants</i>	<i>Emigrants</i>	<i>Net migration</i>
2008.	14 541	7 488	7 053
2009.	8 468	9 940	-1 472
2010.	4 985	9 860	-4 875
2011. ¹⁾	8 534	12 699	-4 165
2012. ¹⁾	8 959	12 877	-3 918
2013. ¹⁾	10 378	15 262	-4 884
2014. ¹⁾	10 638	20 858	-10 220

¹³ Purified versions of the Treaty on European Union and the Treaty on the Functioning of the European Union, 2010 / C 83/01, Art.45.

2015. ¹⁾	11 706	29 651	-17 945
2016. ¹⁾	13 985	36 436	-22 451
2017. ¹⁾	15 553	47 352	-31 799

1) *In order to harmonise the international migration statistics with international standards and the acquis communautaire, since 2011 data have been processed according to a new methodology.*

Source: State Bureau of Statistics-First release, Zagreb, July 20th 2018. accessed 15.02.2019.

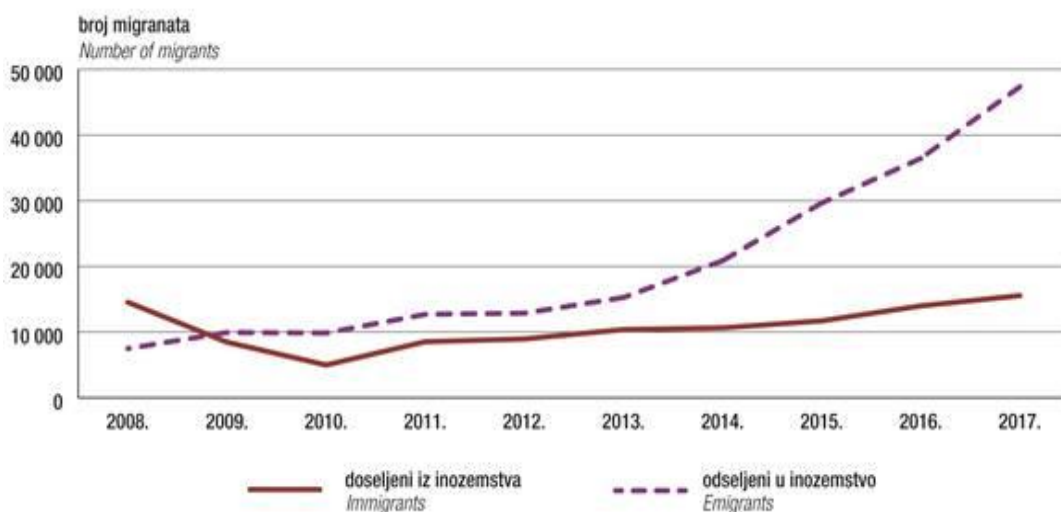
„From table no. 1 it is evident that 2008 was the last year in which we had a positive migration balance when it comes to external migration. After that, we have a negative migration balance with the tendency of further growth.

In 2014, given the situation in the country related to the difficulty of meeting the minimum living conditions and basic needs of the population, there was a sudden increase in emigration, which has been increasing every year, and almost nothing has been done so far to stop this wave. The question is who has the interests and benefits from mass emigration of the contingent of a working and educated population? Aren't four years of mass emigration of entire families enough to realize that this is a social and national disaster of the Croatian people. One question remains. Till when can this continue? What is more important than to realize that this is very important, and at the same time a very dangerous wave that has affected the country?“¹⁴

Chart 1

G-1. SALDO MIGRACIJE STANOVNIŠTVA REPUBLIKE HRVATSKE S INOZEMSTVOM OD 2008. DO 2017.

NET MIGRATION OF POPULATION OF REPUBLIC OF CROATIA WITH FOREIGN COUNTRIES, 2008 – 2017



Source: State Bureau of Statistics-First release, Zagreb, July 20th 2018. accessed 15.02.2019

¹⁴ Petričević, A., An impact of emigration and negative demographic trends on the Croatian labor market, scientific conference paper MIC VIS, 2018.

TABLE 2.

INTERNATIONAL MIGRATION OF POPULATION, BY COUNTRY OF CITIZENSHIP

2013.		2014.		2015.		2016.		2017.		Country of citizenship
<i>Immigrants</i>	<i>Emigrants</i>	<i>Immigrants</i>	<i>Emigrants</i>	<i>Immigrants</i>	<i>Emigrants</i>	<i>Immigrants</i>	<i>Emigrants</i>	<i>Immigrants</i>	<i>Emigrants</i>	
10 378	15 262	10 638	20 858	11 706	29 651	13 985	36 436	15 553	47 352	<i>Total</i>
5 085	13 394	4 824	19 555	6 483	28 268	7 733	34 815	7 911	45 367	<i>Croatia</i>
4 703	1 586	5 116	1 070	4 512	1 055	5 570	1 303	6 891	1 661	<i>Europe</i>
1 843	708	2 334	494	2 192	415	2 212	593	2 187	675	<i>European Union</i>
105	57	134	36	134	23	134	27	116	20	<i>Austria</i>
31	7	23	3	21	2	36	4	22	6	<i>Belgium</i>
57	29	65	16	50	18	39	20	52	12	<i>Czech Republic</i>
59	46	122	37	69	32	97	25	85	51	<i>France</i>
244	103	305	76	356	70	300	133	304	134	<i>Italy</i>
81	44	130	38	90	22	113	51	99	51	<i>Hungary</i>
56	14	42	16	48	8	65	8	55	8	<i>Netherlands</i>
416	122	474	85	437	62	462	87	462	94	<i>Germany</i>
56	14	66	18	83	22	62	26	57	18	<i>Poland</i>
60	34	51	12	36	16	67	26	47	36	<i>Romania</i>
41	26	72	18	43	18	51	19	55	20	<i>Slovakia</i>
385	90	504	73	510	61	467	78	513	105	<i>Slovenia</i>
53	18	63	6	67	8	47	20	63	18	<i>Sweden</i>
79	50	122	28	88	19	105	14	100	28	<i>United Kingdom</i>
2 860	878	2 782	576	2 320	640	3 358	710	4 704	986	<i>Other European countries</i>
1 602	545	1 395	271	1 032	272	1 921	271	2 946	482	<i>Bosnia and Herzegovina</i>
37	10	33	13	44	14	47	23	48	20	<i>Montenegro</i>
241	53	270	50	240	59	173	76	205	71	<i>Macedonia, FYR</i>
154	42	142	59	151	62	139	49	132	51	<i>Russian Federation</i>
407	138	456	102	404	127	557	135	553	185	<i>Serbia</i>
34	5	41	5	39	13	17	14	44	16	<i>Switzerland</i>
65	26	91	24	104	21	206	40	223	76	<i>Ukraine</i>
274	107	334	141	404	186	339	192	401	192	<i>Asia</i>
97	68	105	67	123	104	82	104	72	93	<i>China</i>
74	20	86	16	89	21	58	16	70	28	<i>Africa</i>

146	59	180	53	142	75	197	75	165	75	<i>North and Central America</i>
25	3	45	7	23	8	32	11	32	19	<i>Canada</i>
102	52	115	40	103	64	150	56	115	49	<i>USA</i>
63	9	51	12	46	11	56	10	75	16	<i>South America</i>
23	5	37	9	23	11	27	13	34	5	<i>Oceania</i>
19	4	34	8	16	10	22	11	29	4	<i>Australia</i>
10	82	10	2	7	24	5	12	6	8	<i>Unknown</i>

Source: State Bureau of Statistics-First release, Zagreb, July 20th 2018. accessed 15.02.2019.

TABLE 3.

According to the available data from the Croatian State Bureau of Statistics for 2017, more working capable men than women left Croatia. The following table shows that mostly working capable men aged 20-44 are leaving

INTERNATIONAL MIGRATION OF POPULATION, BY AGE AND SEX, 2017

Age	Immigrants			Emigrants		
	Total	Men	Women	Total	Men	Women
<i>Total</i>	15 553	9 819	5 734	47 352	26 214	21 138
0 – 4	363	187	176	1 867	927	940
5 – 9	335	158	177	2 777	1 449	1 328
10 – 14	273	153	120	2 183	1 113	1 070
15 – 19	665	412	253	2 001	1 072	929
20 – 24	1 799	1 156	643	4 450	2 393	2 057
25 – 29	2 000	1 213	787	6 667	3 565	3 102
30 – 34	1 841	1 228	613	6 286	3 642	2 644
35 – 39	1 536	1 063	473	5 333	3 203	2 130
40 – 44	1 294	899	395	4 144	2 415	1 729
45 – 49	1 140	792	348	3 601	2 080	1 521
50 – 54	1 079	748	331	2 794	1 599	1 195
55 – 59	846	516	330	1 719	996	723
60 – 64	807	419	388	1 221	611	610
65 – 69	737	441	296	1 023	518	505
70 – 74	358	216	142	655	342	313
75 and over	480	218	262	631	289	342

Source: State Bureau of Statistics-First release, Zagreb, July 20th 2018. accessed 15.02.2019.

TABLE 4.

*INTERNATIONAL MIGRATION, BY COUNTRY OF ORIGIN/DESTINATION AND
CITIZENSHIP, 2017*

Faculty of Law, Goce Delcev University, Shtip,
Republic of N. Macedonia

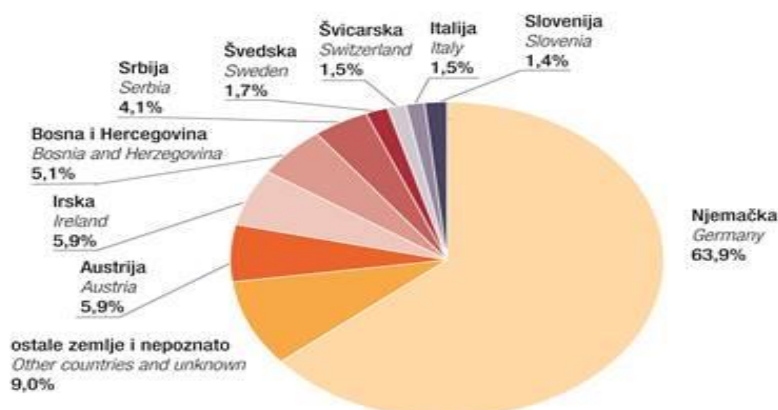
<i>Immigrants</i>				<i>Emigrants</i>				<i>Country of origin/destination</i>
<i>Total</i>	<i>Croatian citizens</i>	<i>Foreigners</i>	<i>Unknown</i>	<i>Total</i>	<i>Croatian citizens</i>	<i>Foreigners</i>	<i>Unknown</i>	
15 553	7 911	7 636	6	47 352	45 367	1 977	8	<i>Total</i>
13 599	7 329	6 268	2	45 432	43 878	1 551	3	<i>Europe</i>
5 860	3 825	2 033	2	39 071	38 432	638	1	<i>European Union</i>
545	426	117	2	2 706	2 684	22	-	<i>Austria</i>
55	34	21	-	215	209	6	-	<i>Belgium</i>
75	22	53	-	137	124	13	-	<i>Czech Republic</i>
56	36	20	-	152	146	6	-	<i>Denmark</i>
105	45	60	-	245	194	51	-	<i>France</i>
124	109	15	-	2 676	2 675	1	-	<i>Ireland</i>
534	256	278	-	794	662	132	-	<i>Italy</i>
19	18	1	-	96	96	-	-	<i>Luxembourg</i>
94	14	80	-	157	114	43	-	<i>Hungary</i>
82	42	40	-	231	223	7	1	<i>Netherlands</i>
2 973	2 517	456	-	29 053	28 972	81	-	<i>Germany</i>
66	9	57	-	61	44	17	-	<i>Poland</i>
46	5	41	-	38	5	33	-	<i>Romania</i>
56	8	48	-	106	86	20	-	<i>Slovakia</i>
622	118	504	-	717	618	99	-	<i>Slovenia</i>
39	14	25	-	114	99	15	-	<i>Spain</i>
120	69	51	-	802	786	16	-	<i>Sweden</i>
159	71	88	-	639	614	25	-	<i>United Kingdom</i>
7 739	3 504	4 235	-	6 361	5 446	913	2	<i>Other European countries</i>
4 949	2 225	2 724	-	2 758	2 328	430	-	<i>Bosnia and Herzegovina</i>
68	24	44	-	68	47	21	-	<i>Montenegro</i>
248	41	207	-	85	23	62	-	<i>Kosovo</i>
238	47	191	-	115	55	60	-	<i>Macedonia, FYR</i>
53	22	31	-	347	344	3	-	<i>Norway</i>
144	20	124	-	78	25	53	-	<i>Russian Federation</i>
1 272	736	536	-	2 049	1 868	179	2	<i>Serbia</i>
423	372	51	-	702	687	15	-	<i>Switzerland</i>
168	-	168	-	76	3	73	-	<i>Ukraine</i>
419	115	304	-	505	350	155	-	<i>Asia</i>
87	25	62	-	71	44	27	-	<i>Africa</i>
424	281	143	-	757	683	74	-	<i>North and Central America</i>
132	104	28	-	373	354	19	-	<i>Canada</i>
273	172	101	-	357	310	47	-	<i>USA</i>
109	44	65	-	29	15	14	-	<i>South America</i>

150	115	35	-	260	255	5	-	Oceania
135	104	31	-	226	222	4	-	Australia
765	2	759	4	298	142	151	5	Unknown

Source: State Bureau of Statistics-First release, Zagreb, July 20th 2018. accessed 15.02.2019. It is clear from the table that Germany is the most interesting as a country of immigration for Croatian citizens with 28.972 Croatian citizens who emigrated there in 2017. The following countries are behind Germany: Austria with 2706 emigrated Croatian citizens and Ireland with 2676 Croatian citizens. Majority of the immigration to the Republic of Croatia is from non-EU countries (from Bosnia and Herzegovina and Serbia) and from EU countries that is Germany there are 2973 people who immigrated to Croatia.

CHART 2.

G-2. HRVATSKI DRŽAVLJANI ODSSELJENI U INOZEMSTVO U 2017. PREMA ZEMLJI ODSSELJENJA
CROATIAN CITIZENS EMIGRATED ABROAD, BY COUNTRY OF NEXT RESIDENCE, 2017



Source: State Bureau of Statistics-First release, Zagreb, July 20th 2018. accessed 15.02.2019.

By analysing table 4 and chart 2 we see where Croatian citizens migrate: 63,9% of Croatian citizens migrated to Germany, 5,9% to Austria, 5,9% to Ireland, 5,1% to Bosnia and Herzegovina, 4,1% to Serbia, 1,7% to Sweden, 1,5% to Switzerland, 1,5% to Italy and 1,4% to Slovenia, while 9% of the population moved to other countries (unknown). At the same time, there is a population migrating to Croatia from other countries in which they were unable to find a job. Most foreigners come from Bosnia and Herzegovina due to their perception that the Republic of Croatia is a well regulated state. While Croatian workers are leaving, there are enough vacant positions which will be filled with foreign workforce. Foreigners can work in Croatia on the basis of a work permit and residence permit, and on the basis of an employment application certificate. Foreigners in Croatia can't start their employment before obtaining a temporary stay. It can be achieved if they have a work permit or a business licence or if they volunteer in a non-profit organization. A work permit is issued for one year. If a foreigner works on seasonal jobs he/she can stay in the Republic of Croatia for six months and has no right to extend the work permit.

“For many years, Germany has been a major immigration destination, followed by the UK, Spain, France and Italy, as well as Switzerland, taking into account data for the entire European Economic Area (EEA). Most emigrants in the EU come from Romania, Poland, Germany, Italy and France.”¹⁵”

“Migrations can have both positive and negative effects on both the receiving country and the country of origin. Among the positive effects, the most commonly mentioned are the filling of seasonal jobs and scarce occupations, the increase in fiscal revenues (especially in the form of payment of labor immigrant taxes) and the inflow of the younger population, which helps the demographic recovery of aging societies. For countries of origin, the positive effect on reducing unemployment is generally highlighted. Furthermore, in the cases of repatriation (so-called circular migrations), there are also so-called positive feedback effects in the form of for example remittances to family members or savings, return after acquiring new knowledge and skills, the possibility of creating business and commercial networks. In the case of migrations from the countries rich in capital to poorer countries (in the form of investments and business start-ups) migration of so-called key staff, knowledge transfer and technology transfer, creation of new cooperation networks as well as stimulation of economic development occurs”¹⁶

The licence to foreigners is issued by the Office of Internal affairs and the licence is based on an annual quota being brought by the Croatian government and then published in official Gazette (Narodne Novine).¹⁷

Foreigners residing in the Republic of Croatia may have permanent residence, temporary residence, asylum, residence for regular education or study, temporary residence for the purpose of reuniting separated families.

4. The right to work of foreigners in the Republic of Croatia and comparison to Germany

Who are the foreigners? These are in fact non-Croatian nationals (nationals of another EU member state or an EEA area, nationals of the Swiss Confederation, third country nationals or stateless persons.

Each member state has special conditions for hiring foreign workers (referring to the quota system, work permit, residence permit etc.)

Work of foreigners, the conditions of their work in the Republic of Croatia, are determined in accordance with the provisions of the Foreigners Act, the Occupational Safety Act and the regulations issued on the basis of them.

¹⁵ Canetta, E.; Fries-Tersch, E.; Mabilia, V., *2014 Annual report on statistics on intra-EU movers*, European Commission, 2014.

¹⁶ Čavrak, V., Utjecaj migracija visokoobrazovanih stručnjaka na razvoj Hrvatske, in Puljiz, V. et al (ed.), *Migracije i razvoj Hrvatske: podloga za hrvatsku migracijsku strategiju*, Croatian Chamber of Economy, Zagreb, 2014, p. 121; Skupnjak Kapić, S., *Migracije radne snage – globalni i europski trendovi s osvrtom na Hrvatsku*, in: Puljiz, V. et al. (ed.), *Migracije i razvoj Hrvatske: podloga za hrvatsku migracijsku strategiju*, Croatian Chamber of Economy, Zagreb, 2014, p. 232

¹⁷ Foreigners act, Official Gazette No. 130/11, 74/13, 69/17, 46/18.

Foreigners in Croatia need a work permit or a business permit. „However, there are certain groups of foreign workers who don't need any special approval of public authorities for work“.¹⁸

When Croatia joined the EU a position was taken that work permits aren't needed for workers from other Member states during a transitional period which means that a foreign worker can work in Croatia on the basis of a residence permit or a work registration certificate. It is important to differentiate the residence and work permit from the work registration certificate, because the residence and work permit covers the rights that the foreigners have used up to now on the basis of a work and business permit, and can work annually up to 30, 60 or 90 days in seasonal jobs based solely on a work registration certificate for seasonal workers.

The question arises whether foreigners are the persons coming from other EU member states. Croatia categorises them as foreigners to protect its public interests. Austria kept its restrictions towards hiring immigrants from Croatia and if there is no new enlargement of the EU, this country should give up these restrictions by July 1st 2020.

As it was said earlier with the new Immigration and Labor Act Germany opens the door to foreign nationals with professional qualifications, but also to all those who find employment corresponding to their qualifications. Immigrants older than 45 years will receive work permits only if their gross income exceeds EUR 3700. The reason is fear that, in the event of retirement, these immigrants would fall under the burden of the state due to small pensions.

The question arises what about the countries of the Western Balkans? Since the new Immigration and Labor Act in Germany should come into force by the end of 2020 and it respects qualified vocational training which was not conditioned by the Western Balkans rule when it comes to visa issuance, this issue will need to be resolved and details will have to be agreed in time.

5. Freedom of movement of workers and categories of foreigners stay in Croatia

Foreigners can stay in Croatia up to 90 days (short stay), a year (temporary stay), and unlimited (permanent stay). A foreigner must fill-out a form for a short term stay (so called tourist stay).

Highly qualified third country nationals should have a residence permit and a work permit. Third category are the nationals of EEA or Swiss Confederation and their family members. Finally there are third-country nationals. It's important for them whether they have a permanent residence permit in the territory of an EEA member state.

Everyone in Croatia according to the Constitution „has rights and freedom of work regardless of race, skin color, gender, language, religion, political beliefs, national or social background. Everyone freely chooses call and employment and everyone is entitled to equal access to every workplace and duty.“¹⁹

"In addition to educational level, the presence of immigrants in certain economic sectors is closely linked to their origin and gender, so it is possible to identify ethnic and gender segmentation processes in the labor markets (eg immigrants from Eastern Europe are mostly

¹⁸ Potočnjak, Ž.(ed.)et.al., *Radni odnosi u Republici Hrvatskoj*, Faculty of Law Zagreb and Organizer Zagreb, 2007.p.893.

¹⁹ Constitution of the Republic of Croatia, Art 14,OG 56/90, 135/97, 08/98, 113/00,124/00,28701, 41/01, 55/01, 76/10, 85/10, 05/14)

working in construction; Chinese, Indians and Pakistanis in ethnic enclaves, especially in the hospitality and trade sectors; women in the service and household sectors).²⁰

When a citizen of an EU Member state or the EEA is self-employed in his/her own company or is a craftsman who provides services or is sent by his/her employer to Croatia to perform a certain job for him/her, then he/she doesn't need to have a residence and work permit or job registration certificate. Further on the principle of reciprocity, nationals of EU member states (except Austria) shouldn't have work permits

"The EU policy in the area of freedom of movement of workers applies to persons in a working relationship (ie persons engaged in so-called dependent work), job seekers and members of their families. It focuses on the one hand on the removal of obstacles (Articles 45-48 TFEU) and on the other hand on facilitating migration flows between Member States through instruments of unification (regulations) and harmonization (directives).²¹

„Without residence and work permits or certificates of employment, foreigners who have been granted permanent residence in the Republic of Croatia, asylum, subsidiary or temporary protection, temporary stay for the purpose of joining a family with a Croatian citizen, a foreigner in a permanent residence, an asylum seeker and a foreigner who has been granted subsidiary or temporary protection, temporary stay for humanitarian reasons, autonomous stay, regular student status or student when performing jobs through authorized mediators without the establishment of a work relationship, temporary stay for scientific research.“²²

Foreigners act does not apply on the members of diplomatic missions, consular offices, members of international organizations based in the EU, mission members of UN organisations and their families nor on foreigners that are active in economy, sports, entertainment, or religious service.

6. How to obtain a valid work permit?

Work permit is issued by the Office of Internal affairs. When a foreigner receives a work permit, this means that he/she has a residence permit and a work permit as well.

Work permit stops being valid according to law if a foreigner doesn't start working within four months after the date of issuance. If he/she works and doesn't have a business permit, if he/she violates regulations on the basis of which he/she performs the activity for which a work permit has been issued to him/her, if the company he/she works for ceases to work and exist.

6.1. Annual quota for residence and work permits and business permits

Quotas are determined by the number of foreign workers required. The annual quota is issued by the Croatian government on the basis of the proposal from the Ministry of Labor and Pension System and based on the opinion of the Croatian Bureau of Employment and the Croatian Chamber of Economy.

After the departure of the labor-capable workforce and the brain-drain, Croatia found itself in a difficult situation, so it was a logical solution to overcome the difficulties with foreign workers. In order to get a job in Croatia, a foreigner must be familiar with the Croatian

²⁰(Gregurović, S., Utjecaj eurointegracijskih procesa na migracije – lekcije za Hrvatsku, in: Puljiz, V. et al. (ed.), *Migracije i razvoj Hrvatske: podloga za hrvatsku migracijsku strategiju*, Croatian Chamber of Economy, Zagreb, 2014, p.274

²¹ Directive 2014/50 / EU on minimum requirements for improving the mobility of workers between Member States

²² Foreigners act , *op.cit*, Art. 73.

language at the level of basic communication. Foreigners are also willing to work hard for the offered wage.

In 2018, the Republic of Croatia increased the quota for the employment of foreign workers to 22000. The hardest situation is in construction, shipbuilding, tourism, culture, forestry and agriculture, metalurgy. Up until now, obstacles for employing foreign workers were social, cultural and economic reasons.

Conclusion

Since joining the EU back in 2013 and by the end of 2017, 47 352 inhabitants emigrated from Croatia. This was both an economic and demographic shock for our country. Croatians moved to promised countries, mostly Germany, Austria, Italy and Ireland. Croatian labor market has the need for new workers and due to the fact that there aren't enough Croatian skilled workers we decided to hire foreign nationals in vacant positions. The Government increased quotas for employing foreign nationals. When domestic workers emigrated, a damage was made because skilled and highly educated domestic workforce whose education costed a lot of money left the country while a lot of money needs to be invested into adjustment and prequalifications of foreign workers.

Still, it is realized that the situation we have after the immigration of foreigners should be used in a positive direction. Mainly young working age people who want to work have moved into the country. So, with the necessary legal procedure, foreigners need to be integrated into the work process to the satisfaction of both, them and the Republic of Croatia. In the labor market of the Republic of Croatia there are also highly educated people who also put their knowledge and skills on disposal. In that way, we got a double benefit, we have hired foreigners and gave them salary and released the state from social benefits to unemployed foreigners while at the same time using their competences for the general welfare of the Republic of Croatia.

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