

Zagreb 30.3.2020

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Subject: Economic measures to maintain the economy of the Republic of Croatia

Dear President dr. sc. LUKA BURILović,

Dear colleagues from the Union of Accounting and Finance,

In conjunction with the COVID crisis, which will surely have very strong repercussions on the entire Croatian economy, with repercussions on the Croatian BP, jobs and the closure of micro companies, artisans and freelancers, categories most at risk at the moment, as well as Croatian SMEs, due to their long stay. My business accounting activity, which includes many foreign and local companies whose size is SMEs, but not only, led me to evaluate the current crisis, analyzing what is happening in the other EU member states, limiting themselves to small interventions to avoid to go beyond the stability pact, even if in words, they say the opposite, without realizing any support for their economies. I will take the example of Italy, the member country most affected, but which at the moment has not put in place all the most suitable solutions to solve the problem.

Unfortunately even Croatia does not seem to have very clear ideas, and that is why I would like to propose my "personal" measure which I believe is more effective than they initially seem.

My analyzes are dictated by the condition of the current Croatian economy, which comes from a long period of crisis and starts from its recent past.

I begin by saying that the measures must take into account:

1. The economic crisis that has hit the EU members, and that have taken away a lot of workforce from Croatia, cheap labor force for them, has not benefited the Croatian economy itself, although I must admit that President Plenkovic has sought to remedy with the

introduction of tax exemption of the socio-economic sector to be able to retain its workers, and that if it had not been for the crisis from COVID, it could also have raised the domestic economy a little, obviously with other more courageous measures, that I'm not going to list them now.

2. Croatia has also emerged from a war, which still bears indelible marks on its entire territory

3. Our whole territory needs deep interventions to remedy the post-war crisis. There are too many delays in modernizing the old infrastructure. For example, where I live, the population still has old roads, now bad, there are no sewers, etc., we also have old and old cables, light poles and lighting systems. There is talk of the internet but still not all the territory is covered by it.

4. The elderly population is not adequately supported and the local infrastructure is lacking in staff. Where are the famous social funds?

5. I do not want to go into the merits of the local agencies, but when I was secretary of the ATT association for the integration of Croatia for European funds, we were unable to implement numerous projects payable with funds such as MED, Adrion etc., and the Interreg, due to their inability to understand the positive aspects.

6. Croatia being a country that had in the post-liberation war, lost many of its businesses, privatizing activities that had to be strategic and therefore to be kept in its portfolio, deliberately weakened its economy, which at the moment suffers from this decision . I am thinking of energy infrastructures, telecommunication and so on.

7. Even its agriculture has suffered a negative backlash since the post-liberation war, sending all the counties east of Zagreb into crisis, which in the past gave jobs and wealth to these areas, depopulating them and abandoning a wealth that now through this crisis, you begin to understand its importance. I stop here, believing that what has been reported so far is more sufficient. As you can see mine are related to the real and non-financial economy. In fact, Croatia should not be subject to stock exchange games, but have more courage to protect its economy. Otherwise why the liberation war? My measures are analyzed from the point of view of maintaining the restrictions on the crisis from COVID, but with a system that might seem to be in contrast with the measures that are being taken today.

The solution to be able to maintain the system of public finances, without having to achieve the total closure of companies, shops and both private and public bodies, would be, taking into account that already many large companies are using, namely that of making shifts between employees, to avoid crowding jobs, but lengthening working hours, with shifts that can vary from morning to evening.

The economy has to deal with the payment of taxes, contributions and wages. With the measures in progress, or which will be launched in the future, many companies do not have the same measure of interventions, many could not make use of the same. The same concept

could be used towards other companies from micro, artisans, freelancers to large companies, in this way:

1. the shops could decrease the presence of customers, therefore the queues spent and willingly still gather in and out of them. In this way they would leave the possibility for shopkeepers to decide the shifts between employees, some in the afternoon, some in the morning, some in the evening, according to the size of the shop. Customers could call and agree on when to pick up goods (food, drugs, textiles, construction goods, gardening, etc.) in the shops closest to them.
2. The shopkeepers would not lose the proceeds and customers, they would keep the income in favor of their business salaries etc.
3. They could keep all stores open without losing jobs.
4. Companies that do services, I think of accountants, but also, mechanics, gas stations and so on,
5. Public and private bodies (telephony, insurance, etc.) could agree on their work with citizens
6. All this through normal telephone, telematic contacts, or through their sites, or through an app where citizens can communicate with private or public companies.
7. Another example could be agreed between shopkeepers shifts among themselves, indicating to citizens where the nearest shops are for their shopping. In this way citizens can decide when to go with the shopkeepers, bodies and so on.
8. So could bars and restaurants too, where for greater safety, they should give greater distances between the tables, inside or outside, but diluted at all hours, loosening those who have not agreed to his presence.
9. As far as culture is concerned (theater, cinema, etc.), the state should act directly on it by financing the whole sector, as they are places where there are high rates of human concentration. So it is logical that these people cannot do their business right now. And it is essential to help them.
10. Sports. Sports activities should not be included in the measures taken. In fact, sportsmen are a category whose immune structure is better than normal people. It requires only continuous and truthful control, every day. The stadiums, buildings etc., however, should not be open to the public.
11. International freight transport. In this case, they could agree in such a way that, as some now do, that the goods would be delivered by the transporters to the state border, and transferred to the colleagues of that state, so that they pass from state to state, without blocks. True that in this way the prices would be more

high because of the passages, but it is imperative at this moment to accept it.

12. Urban and interurban public transport. The state and urban centers should not block them. In fact they should enhance them, so as to have a continuous use of them, avoiding concentration of people in the same vehicles.

Trains, trams, could have more carriages, buses, more rides. There would be no urban chaos or long distance, as many citizens already work at home, or by shifts, so the vehicle movement would be more diluted in itself. Police, military and volunteers, they could

check the situation of people using public transport, when entering the vehicle itself and checking their distances. Another important thing is the constant use of ozone, and disinfection of the interiors themselves.

So based on the above, the only measures that the government should make available; it would therefore be to encourage the hiring of staff for shifts, where the salary and contributions, for the entire duration of the crisis, are paid by the state.

In this way these measures would be few and would not produce a state deficit and an increase in public debt, therefore a lower GDP. In this case, the presence of citizens would decrease, concentrated in a few hours, therefore more space for time to do.

Preventive measures, regarding gatherings, walks, etc., but without intervening on the movement of goods and people, but with a careful look on it, would be the right use of the military, made available for the salute of citizens to keep distances

regulated both in shops and outdoors and so on. While in offices, public and private, it should be regulated by them, as already done now. Children and boys, on the other hand, may have recreation areas inside kindergartens and schools, always outdoors,

agreeing on exit times with these structures, checking that there are not too many gatherings and giving parents responsibility to control them, even if now the COVID brings sick and weak elderly people and chronically ill people to death.

In my section of economics in Italy, created to display Italian-Croatian relations, I have already reported these measures. As I had already pointed out to other solutions, which I don't really see as I wrote.

So I hope they are used at least in Croatia. I think they are a more practical response to its citizens, who would see them as more "human" measures and not from war scenes. To check each point I am at your disposal for any information.

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