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**Annual Review
2012
on Labour Relations and Social Dialogue in South East Europe:
Serbia
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1. Summary

Serbia has achieved significant progress and made steps towards the EU as a candidate country. Serbia is facing serious economic difficulties. The year 2012 was characterised by negative economic growth, high inflation, very high unemployment and a

double digit current account deficit. The difficult economic situation is also reflected in worsening fiscal indicators. The elections at all levels were held in 2012. To address the situation of economic crises, the new Government has adopted a 3 year fiscal consolidation strategy considering structural reforms in the business environment, labour market, pension system, competition and public enterprises. In its process of aligning with the EU acquis in the areas of labour law, health and safety at work, anti-discrimination and equal opportunities the Country has been given big efforts.

To include the values and partners in its social model as: social dialogue, tripartite institutions, industrial relations has been more successful at national, and less on sectoral, bipartite and local level. Serbia has also lack in promotion the new understanding of such dialogue, not only as means for mediation and conciliation in which Serbia had progress in 2012, but more as a new form of policy making, as a collaborative governance mechanism.

2. Socio-economic development

Serbia is facing serious economic difficulties. The year 2012 is characterised by negative economic growth (-1.5%), high inflation (11%)¹, rising unemployment (up to 26%) and a double digit current account deficit. The difficult economic situation is also reflected in worsening fiscal indicators. The budget deficit for 2012 is estimated at 60% (both substantially higher than the Government's own fiscal rule prescribes; 4.5 and 45%). Average net salaries and wages amounted to 355 Euro, and average pension to 220 euro. In the face of increasingly unfavourable public debt dynamics, Standard and Poor (S&P) has downgraded sovereign debt ratings of Serbia to BB-, what may hinder access to markets to fund deficits. Serbia's remittances in 2012 were 1,517 billion Euros. FDI, important to financing, investment, and growth in Serbia saw a decrease in 2012, being realized on 1.2 billion Euro net flows.

Industrial Output has been -3.1 percent. In addition to the problems of industry, an exceptionally bad harvest suppressed agricultural production, -17.2 percent, contributing to both the general recession and the pressures on domestic food prices. The recovery was slowed by poor industrial performance. Serbian export of goods was 7.245 million Euros with the EU accounting for 58 percent, mostly going to Italy and Germany. Intra-regional trade remains very important in SEE6 countries, especially for Serbia. The top position on the list of export products was taken by automobiles², while motor vehicle parts and accessories topped the list of import products. To support intensified reforms, Serbia as an EE6 country could benefit from external finance for growth, infrastructure, and jobs.³

3. Governmental policies and legislation

Serbia has become an EU candidate country. After the elections at all levels in May

¹ Inflation rose more intensively mainly because of a higher than expected rise in food prices

² FIAT in Serbia: The Auto Industry Returns to Serbia the and to the Western Balkans. Opening of the large FIAT factory in Serbia and recent foreign investments in auto parts production in FYR Macedonia, herald the gradual return of the auto industry to the Western Balkans and promise to revitalize some areas of its industry. FIAT and the Government of Serbia have established a joint venture—FIAT Automobili Serbia Ltd.—in which FIAT holds 66 percent and Serbia 34 percent of equity. Serbia invested mainly in kind (land, existing buildings, and infrastructure improvements in the city of Kragujevac; access roads and railways; better energy supplies, etc.). So far, one production line (three are planned) is up and running; it is expected to produce 30,000 cars (model 500L) in 2012 and about 150,000 in 2013. Revenues are estimated to be about €400 million for 2012 and as much as €2 billion in 2013 (about 6 percent of Serbia's GDP); although this will be mostly from the model 500L, FIAT plans to start producing the Punto as well, though only about 10,000 units to begin with.

³ On November 8, 2012, the EIB, the EBRD and the World Bank announced an initiative "Joint Action Plan for Growth in Central and Eastern Europe" to provide €30 billion in financing for Central and Eastern Europe in support of growth and jobs. This financing may be available for SEE6 countries through the Western Balkans Investment Framework and other IFIs as likely channels. IPA funding will also very important in supporting SEE6 countries' report Jobs in Eastern Europe and Central Asia and the World Development Report 2013 on Jobs

2012, the new government was facing the challenge to urgently address the increasing fiscal imbalances and present and implement a comprehensive structural reform agenda. To address the situation of economic crises, the Government has adopted a 3 year fiscal consolidation strategy and is considering structural reforms in the business environment, labour market, pension system, competition and public enterprises. Newly Fiscal Council support was provided to monitor Government budget decisions; New Capital market's Law and by-laws were adopted and implemented; a new decree was issued to enable the conversion of real estate usage rights to ownership rights; a new strategy for regulatory reforms were developed with the aim to remove specific impediments to business growth; additionally a new Code of Corporate Governance was adopted. Summarizing, the government adopted a huge number of measures in 2012 to relieve the economy.

Most of the Multi-annual Indicative Planning Document 2011-2013 (MIPD) specific objectives are to overcome the economic crises and improve its competitiveness by focusing on the improvement of business environment and business infrastructure in order to stimulate domestic growth, increase exports and attract foreign investment. A clear policy direction for competitiveness has been provided in the Strategy for Industrial Policy (2011-2012) that can be considered overarching documents. It has identified goals of industrial restructuring through dynamic and sustainable industrial growth and pro-active role of the Government. Government started to implement regulations in the field of combating corruption and crime very decisively. Reforms have advanced in several infrastructure sectors. In telecommunications, the market has now become fully liberalized and competition is increasing, while in railways, further steps have been made towards the separation of infrastructure from transport. The legislative framework is still incomplete.

4. Industrial relations

In 2012 there were 103,472 enterprises and 218,614 shops or solo proprietors, new founded are 5,804 enterprises and 19,783 entrepreneurial activities, and at the same time closed 6,340 enterprise, and 21,863 shops.

Four years of the General Collective Agreement implementation, with the period of suspension of financial provisions since the arrival of the global financial crisis to Serbia showed some improvements in industrial relations: Labour Relations regulation has been implemented, except in small companies which didn't have Rules of Organization and Job Classification. Sometimes an employment policy or plan exists at bigger companies and with investors who open new plants, but this accounts for just 0.1 percent of companies in Serbia. The cost of implementation for these companies is too high for small companies. The Serbian Association of Employers initiated the cancellation of the General Collective Agreement.

In 2012 there were 90,000 workers in strikes, from 27 companies, in 138 protests. They were organized by: SSSS Kragujevac, Zrenjanin, Cacak, Novi Sad, Nis, Mladenovac Jagodina, Valjevo and Belgrade, in metal and electro industry, energy sector and media. That is 34,000 more employees and workers on the street, or in the factory's garden, than in previous year. Their labour requirements were connected to non-paid wages and social contributions, new management changing. Most of requirements have been fulfilled, what trade unions see as that Government reacts only to public pressure. In strike were also teachers, doctors, police, employees from public institutions, administration, utility companies, road builders, workers in companies with failed privatized process (in more than 25% of the privatized companies, sometimes with the result that the state took conduction in fabrics and preparing the companies for new investor). Employees from badly privatized state owned enterprises cited the fingers,

went to hunger striking, and only these most radical succeeded. SSSS announced that most of the strikes referred to unpaid wages, disconnection of service, payment of jubilee, signing of the collective agreement, certification of health cards, change of directors, termination of privatization. Some unions succeeded to present their proposals to the Government, even to local authorities, but with very low willingness to solve the problems, especially when requested increase had no real basis in budget expenditure planned for 2012. Joint strikes organized by UGS Nezavisnost and SSSS with trade unions of utility public companies protecting workers with minimum wages have been successful. ASNS organized four strikes in 2012, with 3,500 workers.

A new law on strike under preparation by the government forbidding street demonstrations during the strike is in question too. The opportunity for people in strike to demonstrate is given only at their working place. The new law will give a greater role to the Agency for Peaceful Settlement of Labour Disputes, and another novelty is that every strike committee will have to report to the agency its decision to launch a strike 10 days before its beginning. A single register of strikes would be kept. The law forbids further some sectors to be organized at all, as military, Security Independent Agency, public services, first aid, police, The Administrative Court dismissed this Article given the opportunity for all workers in all sectors on strike. Minimum of working process would have to be organized in the time of the strike in water supply companies, utilities, sowing companies, chemical, metal industry because of potential damage. Government's idea is to limit strike as an instrument of pressure to employers. The draft should be discussed by the Serbian parliament in early 2013. There isn't any consensus on the draft of this law among employers, trade unions and government. Unions blame the IMF for the unfavourable proposal of the law on strike.

171 enterprises were in restructuring in 2012 with 55,000 workers. 60 of them are in bankruptcy, so a new wave of people who are going to lose jobs is approaching. The property value of these enterprises is estimated to 338 billion RSD, their obligations to the public service, minimal wages provision has not been paid, and their accounts are blocked. The Ministry of Finance prepares new solutions for these firms on some levels.

The employers' organization UPS has given the initiative to the Ministry of Labour for the changing the Labour Law including flexible work patterns as well as a new structure of agencies for temporary employment according to the EU experiences.

5. Tripartite social dialogue

Industrial relations in Serbia in 2012 were characterised by a lot of activities of industrial partners, Social Economic Council (SEC) and work on General and Sectoral Collective Agreements, new law on strike, its draft discussions by employers' and trade union organizations, social partners representativeness issues, changes on future labour law, strikes and the destiny of companies in restructuring and their workers. The SEC urged the government to take, as soon as possible, other measures to alleviate the negative effects of the global economic crisis and ensure long-term economic and social progress of the Republic. At the same time, the SEC invited to start negotiations about a new General Agreement, which would better reflect the real situation in the economy. (Since that time the economic situation has in fact worsened.) The SEC has also informed the social partners that it remains open to negotiations about sectoral collective agreements.

As an important component of the Serbian social model, the tripartite social dialogue includes discussions, consultations, negotiations, information-sharing and the joint actions undertaken by the social partner organizations on the national level, but with

less success on sectoral and local level.

Some good results in social dialogue were recorded at the lower level, where employers, especially in public companies, that have signed collective agreements. The importance of social dialogue between unions, employers and government in public companies is important as incoming reforms to public enterprises. But social dialogue has not been used in the best way to leave the country areas of high social and political risks, and open prospects of further development of democracy and prosperity. Social dialogue in 2012 is evaluated as lacking of trust among the social partners, maintained in a narrow room for manoeuvre, in which each party was lobbying for its interests without the willingness to listen and hear the claims of other parties. The general impression is that the government neglected to some extent the process, bringing still key decisions, such as the adoption of the budget, development policies and strategies of privatization and restructuring of large systems without considering or just more or less formal inclusion of the SEC, on the way to Parliament.

For small businesses and entrepreneurs, and some middle enterprises the dialogue didn't exist at all, and a lot of mobbing against employees, union leaders, and women has been recorded. As a result, there is no collective agreement in that part of the real sector. Social dialogue at the local level is still very underdeveloped. Tripartite social dialogue is to a great extent interrelated to a comprehensive civil dialogue, which involves different civil society actors, such as associations, foundations, non-profit institutions and civil initiatives.

The question of the status of representation of social partners has been an obstacle to the functioning of social dialogue and its institutions. The actual illustration is the on-going fight among trade unions and the SEC. Members of the Confederation of Free Unions (KSS) considered not to being included in the work of SEC as discrimination of their rights by the Government, and they were on strike in November. This Confederation has given the representativeness in May 2012, but social partners in the SEC considered that this representativeness is not given under the law procedure. KSS has filed criminal charges against the SEC.

6. Forecasts

Key Serbian priorities for 2013 are: Restoring fiscal prudence; strengthening the regulatory independence in the energy sector; improving job opportunities and lowering the unemployment rate, pursuing reforms in the judiciary, combating corruption, ensuring media freedom and protecting all minorities. GDP is expecting to expand by 2.5%, led mainly by net exports, which growth will be dominantly shaped by three factors with a one-off effect: low agricultural base and expansion of the automobile and oil industries. Serbia needs 5 billion Euros of investments in the coming period for the people to live better and the economy to be able to cope with the competition from the surrounding countries and the EU. The goal is for Serbia to be among the 50 most attractive locations for foreign investors and for that to happen, everyone needs to get involved in promoting different parts of the country. Key challenges in Serbia are to accelerate the privatisation and restructuring programme for medium and large companies. Obstacles can if global (US fiscal cliff and commodity prices) and regional (Eurozone uncertainties) risks materialize, which could push the SEE6 economies, and Serbian too, into a prolonged recession with major economic and social consequences.

Serbia will clearly need to step up fiscal and structural policy efforts, to continue the Fiscal consolidation, to accelerate the labour market and investment climate, and public sector reforms, as well as tripartite social dialogue and industrial relations. The Role of social partners is to work on: Social dialogue and better governance, economic and

social modernization in the context of Europe 2020 strategy, harmonization of the legal basis for European social dialogue. The Articles 138 and 139 of the EC Treaty give the European social dialogue a specific role in the process of European integration, introducing the profile and the scope of the main stakeholders in cross-industry social dialogue in the EU. In these efforts the role of networking of social partners in developing the social dialogue in South-Eastern Europe would be crucial for Serbian social dialogue development.

Annex of data

• Collective bargaining system

Collective bargaining as a process is present at general, sectoral and company level, defined by Labour Law. Collective agreement guarantees two important novelties: the obligation to sign the agreement legalizing all performances, and the lowest guaranteed hourly wage. The General Collective Agreement is in implementation but relating to the financial burden on employers, with a lot of problems, avoiding the strictly respect of its rules, and permanent objective to change it. Some sectoral collective agreements are in charge too. Characteristics of the process in 2012 are:

- Total withdraw from sectoral agreements (Fiat) 2012: Strengthening of company bargaining through 'organised decentralisation', sectoral agreements should determine conditions for deviations at company level through agreement with the works council (on-going);
- Stop of the quasi automatic extension of collective agreements (new stricter criteria for extension should be developed (on-going);
- Prioritizing company bargaining; opening-clauses in sectoral agreements; abolishing of the favourability principle; Undermining/abolishing extension procedures; Downward wage competition enforced by wage cuts and wage freezes which promotes economic stagnation and depression;
- Deconstruction of multi-employer bargaining at national and sectoral level by far-reaching decentralization and undermining extension procedures; Using the opportunity of the crisis for a more fundamental transformation of power relations in Europe; Enable companies to invest in new technologies and working capital in addition to payment of wages, the shift from the general to the individual approach, when determining rights and obligations in relation employer-employee, and other.

The following development is probable: Austerity and fostering of competitiveness as the key factors to overcome economic crisis in Serbia, wages as central adjustment variable for competitiveness, European "surveillance" of national wage and unit labour costs developments, mutual surveillance of macro-economic indicators (including wages and labour costs), alert system that uses a scoreboard of indicators and in-depth country studies, country recommendations to correct macroeconomic and competitiveness imbalances, promotion of wage freezes or wage cuts through intervention in public sector wages: Intervention in the General Collective Agreement for the private sector, decentralization of collective bargaining.

• System of tripartite social dialogue

The system of tripartite social dialogue is administered through the Social Economic Council, which is consultative body, established on basis of Agreement and composed of representatives of the social partners. Institutionally, the Social and Economic Council of the Republic of Serbia which was first established in August 2001 under the Agreement on the Establishment and Scope and Mode of Operation of the Social and Economic Council of the Republic of Serbia, concluded between the Serbian Govern-

ment, Confederation of Autonomous Trade Unions of Serbia (CATUS), Trade Union Confederation “Nezavisnost” (TUC “Nezavisnost”), Association of Free and Independent Trade Unions and the Serbian Association of Employers (SAE) is leading national body concerning collective bargaining. Social and Economic Council of the Republic of Serbia has got one regional Branch in Vojvodina and 16 local SE Councils for the territory of the Municipalities.⁴ Funds for the establishment and operation of the Council are allocated from the Serbian state budget. The Council in 2012 held six meetings.

Social dialogue, both tripartite and bipartite remains limited, due to problems-tripartite social dialogue at the national level has a limited impact on the economy, as the consultations between social partners do not take place regularly. The introduction of institutional employee representation (i.e. elected by the entire workforce) in companies, in the form of works councils, has been advantageous both in terms of enhancing opportunities for employee participation and also increased scope for recruiting new trade union members.

In the effort to make progress in tripartite social dialogue it would be needed:

- To keep working on the promotion and outreach activities so as to properly present to social partners and the public importance and role of social dialogue with an aim to create more favourable climate and strengthen political will in the society in which socio-economic issues will be set high on the agenda;
- To build capacities of the social dialogue stakeholders, above all trade unions, with an aim to ensure professional participation on equal footing in the social dialogue; to develop further cooperation and trust of the social partners who participate in the social dialogue and work of the socio-economic council at the national, provincial and local level;
- To apply in Serbia good practice examples in the region.

The need to strengthen both, bipartite and tripartite social dialogue according to the Lisbon agenda in the area of economic and social reforms would be very important in next accession period (more competitive and dynamic knowledge-based economy, capable of sustainable economic growth with more and better jobs and greater social cohesion, investing in people and combating social exclusion, development of new forms of flexicurity, lifelong learning, improving mobility, active aging strategies, promoting equal opportunities, diversity etc.). The social dialogue relevance for the EU accession process require from Serbia as the candidate country to establish appropriate modern structures for the social dialogue, tripartite forums for discussion consultations on wide range of issues between social partners, and introduction of new legislation regarding collective bargaining, labour contracts, workplace representation of labour interests, in order to conform to the *acquis communautaire* in the social field, vertical or sectional dialogue also, institutionalized, structured dialogue between organized civil society as a whole and the Serbian or its constituent bodies on development and policies, so-called “horizontal dialogue”.

• Social insurance systems

Pensions

Table: Pensioners 2009-2012, RSD

	2009	2010	2011	2012
Beneficiaries of pensions total(utilization of rights)	1 324 338	1 494 386	1 502 669	1 691019
Old- age pensions	681 908	708 934	725 516	

⁴ in: Srbobran, Subotica, Knjaževac, Velika Plana, Šid, Kragujevac, Vrnjačka Banja, Sokobanja, Sremska Mitrovica, Novi Bečej, Sremski Karlovci, Nis, Raska, Novi Sad, Belgrade, Stara Pazova and Vrbas.

Disability pensions	329 298	322 954	314 488	
Survivors pensions	313 132	313 865	313 842	
Compensation for physical injury	92 720	87 246	82 930	
Compensation for assistance and nursing	60 935	61 407	61 893	
Pension benefits in RSD				
Pension benefits	19.788	19.890	21.285	22.450
Real growth rate	3.3	-5.9	-3.6	-2.2

Source: Republican Fund for Pension and Disability Insurance

Health

Table: Number of insured persons by insurance base, 2008-2010

	2008	2009	2010	In %
Insurance basis	No. of insured	No. of insured	No. of insured	
Employed persons	3.027.379	2.958.668	2.875.243	42.01
Unemployed persons	92.087	108.000	95.358	1.39
Beneficiaries of pension	1.769.815	1.842.066	1.895.397	27.69
Self-employed	255.130	280.880	287.214	4.20
Farmers	290.551	325.101	320.771	4.69
Health insurance is covered from the budget of the RS	1.079.398	1.210.157	1.370.015	20.02
Total citizens covered	6.514.360	6.786.333	6.843.998	100.00

Source: Republican Institute for Health Insurance

• Education and vocational training

Table: Serbian Population 15+, by Educational attainment, census 2002 and 2011

Serbia	Census 2002		Census 2011	
	Total	%	Total	%
	6 321 231	100	6 161 584	100
Without educational Attainment	357 552	5.66	164 884	2.68
Illiterate	232 925	3.45	127 462	1.96
Incomplete primary education	1 022 874	16.18	677 499	11.00
Primary education	1.509 462	23.88	1 279 116	20.76
Secondary education	2.596 348	41.07	3 015 092	48.93
High education	285 056	4.51	348 335	5.65
Higher education faculty/academy	411 944	6.52	652 234	10.59
Computer literate			2 108 144 Female (1 046 019)	34.21 Female (32.79)
Computer illiterate				41% urban population 1 652 871 (66%) rural pop,

Source: SYB

A Strategy for the Development of Education 2020, Strategy for Vocational Education and Training (VET) and a Strategy for the Development of Adult Education are underpinned by National Action Plans, whilst an overarching Strategy for Education Development is currently in preparation. A Strategy and Action Plan for Careers Guidance and Counselling is also in place. Under the EU Strategy for the Danube Region, Serbia has been appointed country coordinator, together with Slovakia, for the priority area of knowledge society. Serbia has a large system of educational institutions, from pre-school to higher education, with rather obsolete infrastructure and equipment. Public expenditure in education remains well below the EU average. Serbia needs to make further efforts to meet the Europe 2020 benchmarks in education and training, starting with early childhood development, the re-education of children from vulnerable groups who dropout, development of lifelong learning systems and connecting formal and non-formal education. Expanded participation in pre-school programmes is critical to facilitating the social inclusion of children from disadvantaged groups.

- **Employment rate**

Table: Employment rate, 2009-2012

	2009	2010	2011	2012
Employed persons average (thousands)	1.889	1.796	1.746	1.731
Employment rate	50,0	47,1	45,3	47,2
Activity rate (Working age 15-64)	60,5	59,0	48,2	59,7
Employees in legal entities average (thousands)	1 889	1 355	1 343	1338
Entrepreneurs and other employees	492	441	403	381
Informal sector employment rate	19,9	17,8	17,0	17,9

Source: RSO, NBS, NEA, LFS and EPF, Eurofund

- **Unemployment rate**

Table: Unemployment rate, 2009-2012

	2009	2010	2011	2012
Unemployed persons average (thousands)	746 605	744 222	752 838	761 834
Unemployment rate, ILO definition in %	17.4	19.2	23.7	25.5
First time job seekers	280 858	267 979	275 039	270 256
Unemployment benefit recipients	85 695	81 896	64 776	61 633
Nearly registered	40 299	39 105	15 288	40 119
Deleted from the register	31 431	34 993	43 600	47 219
Registered vacancies	516 116	94 418	52 944	55 931
Employed from the register	156 344	140 588	183 452	206 207

Source: RSO, NBS, NEA and EPF Unemployment

*ILO definition of unemployment rate: Population aged 15 and above

- **Average monthly salaries**

Table: Average monthly Net salaries, in RSD, 2009-2012

	2008	2009	2010	2011	2012
Net salaries	32,746	31,734	34,142	38,363	41,377
in EUR	369.5	330.9	323.6	366.8	38.3
Real growth rate		0.2	0.7	0.2	1.1

Source: NBS, Labour Force Survey, Statistical Office.

- **Gender pay gap**

Serbia has been ranked by World Bank in the Gender pay gap in 2012 as 135th (HD Report 2012, World Bank (2011a)). According to the Labor Force Survey from 2008-2012, Wage differentials between men and women in Serbia are still high. Women are paid much less than men in all occupation groups and in most sectors. In 2009 gender pay back has been 3.5% (Eurostat). In three out of nine occupational categories, women's wages are lower than men's by at least a quarter with the highest gender-based wage differentials being observed in the category of skilled agricultural and fishery workers and the lowest in secretary jobs. Women's work is undervalued even if performed by top level government or corporate executives, with women managers being paid almost 20% less than men. The wage gap is significantly higher in the private than in the public sector 10.2% and 2.2% respectively. When the differences in average men's and women's monthly earnings are examined by sector, the highest wage gap is observed in agriculture and mining and the lowest in public administration. Women's wages are higher than men's in four sectors: construction, financial intermediation, transport and communications and community and personal services. The wage differentials are highest in construction, where women are paid 42% more than men. The sectors where women's remuneration is likely to be higher than men's account for just 12.4% of women's employment while almost three fourth of women are engaged in economic activities where their salaries are between 13% and 27% lower

than men's. Differences in Earnings of Men and Women Based on Age, Education and Location Men's and women's earnings tend to increase with age; yet, women's wages are lower than men's in all age categories except for the pre-retirement/early retirement age group of 55-64 where women earn almost 13% more than men. The employment rate of women in this age category is significantly lower than men's 25% vs. 46% respectively. Women's salaries are lower than men's at all education levels, except for women with PhD degrees. The differences in men's and women's average earnings are much higher in rural than in urban locations: women in rural areas are paid 12.9% less than men while women in urban areas are paid 4.5% less than men. Furthermore, many rural women are working on a family business or farm without any financial remuneration at all: 18.8% of women vs. 3.9% of men in rural areas are not compensated for their work.

- **Monthly minimum wage**

Table: Minimum Net salaries, period average, in RSD, 2009-2012

	2009	2010	2011	2012
For 174 hours work	15.312,00	15.880,00	17.748,00	20.010,00
Per hour	75,00	87,00	95,00	115,00

Source: SYB

- **Actual weekly working hours**

Table: Actual weekly working hours, 2009-2012 / % of total employed/

	2009	2010	2011	2012
15-64		1.796 000	1.746000	1.731000
1-4 hours	0.1	0.1	0.2	0.2
5-19 hours	1.0	0.5	0.5	0.6
20-29 hours	1.4	0.5	1.2	1.0
20-39 hours	5.4	0.8	2.4	2.5
40-49 hours	77.8	93.3	92.8	93.2
30-59 hours	6.9	1.5	1.4	1.3
60 and more hours ⁵	4.9	1.2	1.2	1.1
other	2.5	2.1	0.3	0.1

Source: Labour Force Survey

- **Normal work/atypical work**

Table: Normal work/atypical work in %

	2009	2010	2011	2012
1. Normal work/ full time, open-end contracts	88.7	78.5	81,4	88,2
2. Atypical work / fixed term contracts	11.3	21.5	18.6	11.8
2.1. Part time	8.2	9.1	8.6	8.2
2.2. Sessional	1.8	2.6	3.1	1.2
2.3. Temporary	1,5	9.8	6.9	2.4

Source: SYB, Labour Force Survey

- **Migration**

Table: **Migration** Serbia, 2008-2011

	2008	2009	2010	2011	2012 Residing in Serbia	2012 Originating from Ser- bia
Refugees	73,608	195,626	195, 628	183,289	70,707	161,671
Asylum Seekers	209	12.300	20,020	21200	399	15,381
Returned Refugees	399	2,705	308	399	392	392
Internally Displaced Per-	228,442	224,881	204,000	228,444	228,215	228,215

sons (IDPs)						
Returned IDPs	1,803	871		1,803	845	845
Stateless Persons	8,500	n.a.	12.000	8.599	8,500	n.a.
Various	n.a.	386	50	8,599	519	9,679
Total population of Concern	312,961	436,775	236,070	438,729	309,577	416,183

Source: UNHCR Global Appeal 2009-2012 Serbia

- **Human Development Index**

Table: HDI, 2008-2011

	2008	2009	2010	2011
HDI	0.788	0,678	0,764	0.824
HDI ranking	68	71	60	59

Source: HD Report 2012, World Bank (2011a).

- **GINI-coefficient**

Table: Gini coefficient per capita(constant 2005 PPP \$)

	2008	2009	2010	2011
Gini	28.16	27.80	9,958	10,236

Source: HD Report 2012, World Bank (2011a).

- **Collective agreement coverage**

At sectoral level, there have recently been an increasing number of agreements in Serbia. They cover primarily the public sector and broad sections of the public service, public utilities and service sectors, state and local administration, education, higher education, scientific institutions, health care, army, policy and public and state companies (which employs more than one third of all employees), collective agreement coverage is almost 70 per cent. Having in mind a considerable loss in the number of employed in the activities in which sectoral /branch CA has been extended to the whole activity, it is estimated the collective agreement coverage in the private sector has dropped to about 25 per cent (The majority of employees working for micro-companies to 9 employees (count to 95 percent in the enterprise structure), recently formed or spin-off small or micro-companies are not covered, (according to Euro fund research and national data). In addition, there is a possibility of achieving broader coverage where the competent ministry declares a collective agreement to be generally applicable. This means that all employers in these sectors are bound by the provisions of existing agreements – irrespective of their membership of an employers' association. Similarly, collective agreements covering six public sector industries in Serbia have been declared generally binding and thus apply nationwide.

- **On-going important collective bargaining agreements**

According to the data in the SEC records until 31 December 2012, Active Collective Agreements are:

- The General Collective Agreement with its Annex of extension, and further Special Collective Agreements:
- Special CA for employed in primary and secondary schools and pupils homes , („Sluzbeni glasnik RS”, 12/09, 67/11 and 1/12), 15.12.2011. on which is concluded Agreement with an extension of validity of CA,
- Special CA for high education („Sluzbeni glasnik”, No.12/09 and 9/12), 20.01.2012. on which is concluded Agreement with an extension of validity of CA
- Special CA for government bodies and institution („Sluzbeni glasnik RS”, no.95/08 and 86/11), on which is concluded Agreement with an extension of validity of CA,

- Special CA employed in institutions and organizations of local government and provinces („Sluzbeni glasnik”, 23/98, 95/08, 11/09 and 15/2012), on which is concluded Agreement with an extension of validity of CA,
- Special CA for employed in the institutions of students standard („Sluzbeni glasnik RS”, 14/07 и 7/10) – implemented from 14.02.2013,
- Special CA for employed in culture institutions whose founder is the Republic of Serbia concluded 27.11.2009, („Sluzbeni glasnik RS”, 97/09 and 112/09; with extended action – decision No. 110-001397/02 and 28.12.2009),
- Special CA for social protection („Sluzbeni glasnik RS”, 22/02 and 110/06; extended action – decision No 110-00-1044/2006-02 and 14.11.2006),
- Special CA for health institutions whose founder is the Republic of Serbia („Sluzbeni glasnik RS”, 36/10 и 42/10; extended action – decision No. 110-00-581/2010-02 from 07.06.2010),
- Special CA for police officers – concluded 28.02.2011, („Sluzbeni glasnik RS”, no. 18/11),
- Special CA for construction industry and production of constructing material , concluded 14.02.2012 for time of two years period, („Sluzbeni glasnik RS”, no.15/2012 and 21/2012) - extended action – decision No.110-00-137/2012-02 from 12.03.2012,
- Special CA for agriculture, processing tobacco and water industry, – concluded 09.02.2011, („Sluzbeni glasnik RS”, broj 11/11, 14/11 и 50/11 extended action – decision No.110-00-121/2011-02 from 23.02.2011),
- Special CA for chemistry and nonmetals – concluded 13.12.2011, („Sluzbeni glasnik RS”, no. 103/11 и 14/2011) – extended action – decision No. 110-00-1239/2011-02 from 06.02.2012
- Special sectoral CA – for metal industry („Sluzbeni glasnik RS”, no. 10/2012, 41/2012, 69/2012, 80/2012 and 101/2012); extended action – decision No. 110-00-1224/2011-02 from 23.04.2012,
- Special CA for work engagement of showbiz and music artists and performers in the hospitality industry (covers 20, 000 performers in the country) signed by Autonomous Entertainers’ Union of Serbia and Serbian Employers’ Association.
- At the company level are interesting new Collective Agreements signed with: Mercator and in ex-US STEEL Smederevo by the two representative trade unions and the employer (temporarily resolving the destiny of 5,200 workers of who the most are on the paid leave getting 60 % of their regular wages).

- **Trade union density**

Overall, there exist more than 20 000 trade unions in Serbia at all levels, from company to national level. Excessively 31 sectoral trade unions belong to the two main national confederations: SSSS: Independent Confederation of Trade Unions of Serbia (1903) and UGS Nezavisnost: “Independence” Trade Union Confederation (1991). At the same time, the union density / according to the national and Eurofound research, has fallen considerably – by over half compared with 1990. It is estimated that the general trade union density rate in 2012 was around 30% (in 2009 was 33%) with the trend of decrease. The trade union density rates can be further detailed according to the difference between the public sector in wider terms (around 70 per cent) and private sector (around 10 per cent in micro enterprises to 25 percent in medium enterprises); in the private sector between the old but privatized companies (30 per cent) and newly-established private companies (10 per cent), and big companies (around 40 per cent).

The process of determining representativeness of trade union confederations added new problems with informal, grey trade union organizations even accepted by some employers, and the most hostile anti-labor climate exist in the small and union-free companies. Organizing and trade union action discouraged: Workers who wish to form

a trade union in private companies are often “advised” by the employer not to do so or threatened with possible reprisals. Company level trade union leaders are often threatened with dismissal for organizing industrial actions or publicly speaking about working conditions in their workplace. Court protection from such illegal actions on behalf of the employer is inefficient due to the slowness of the judiciary system, and labour inspectorates do not always make an effort to stop anti-union behavior. Trade union rights are limited despite some constitutional guarantees. The procedures for registering a union are very complicated, and authorization is required from the Ministry of Labour. To be recognized as a collective bargaining agent, a union needs to comprise 15% of the workforce. In addition, section 233 of the Labour Law imposes a time period of three years before a new organization, or a union which has failed to obtain recognition, may seek a decision on representativeness.

It is reported that only 25–30 % of members pay any subscription at all or the subscription laid down in the statutes. Membership subscriptions are collected by the employer – who can thus exercise complete control over union members in the company. The subscriptions are then passed on directly to company trade union representatives, who, under union statutes, can use between 60 % and in extreme circumstances up to 90 % of the funds for their own purposes. The remaining income from membership subscriptions must be shared between the sectoral association and umbrella organization (in Serbia the latter receives around 5%). This means that a sectoral organization has on average a mere 10-15% of membership income at its disposal – too little for financing the running costs of the organization along with campaigns, activities or the necessary expert personnel, not to mention amassing a strike fund for use in the event of a serious industrial dispute. As a consequence, umbrella organizations continue to have limited scope, and a decentralized structure based primarily at company or site level continues to predominate. The minimum number of members required for the establishment of a union in a company is 3 employees, as well as minimum number required to establish a trade union. The principal ‘filter’ in this respect is once again the ubiquitous rule that employees may only join a union via the company trade union.

- **Employer’s organization density**

For the employers, the picture is one of complete unity within a single umbrella organization, what indicates that employers are automatically more committed to membership of an association. Their associations tend to represent private sector, small and medium-sized enterprises first, than large companies. According to Eurofound research, and employers data the Employer’s organizations density is around 25% in Serbia. The Union of Employers of Serbia (UPS) is the main national organization of employers. UPS has enjoyed good cooperation with the Ministry of Labour and Social Policy. It participates regularly in the activities of the Social and Economic Council of the Republic of Serbia, and with other Employer’s organizations in the Business Council founded by new Government in 2012, which is consulted on mayor economic and social issues, proposals and laws.

- **Workplace representation**

The workplace representation is covered by trade unions and could be amounted to 25% (Eurofound and national research data). New legislation, as New Law on Criminal Proceedings which had hardly violated the right of trade union representatives to represent the members who authorize them to do so and thus threatened the very existence of trade unions since the workers become union members primarily in order to have their collective and individual rights and interests protected, New Labor Law as well as actual practical employers behavior demonstrated unfavorable ambient for workplace representation.

- **Trade unions**

- **National Trade Union Confederations**

	Trade Union	Number of individual members	International affiliations
1	Savez samostalnih sindikata Srbije, SSSS, Confederation of Autonomous Trade Unions of Serbia, CATUS	450,000	International Trade Union Confederation (member) European Trade Union Confederation (observer)
2	Ujedinjeni granski sindikati Nezavisnost, "Independence" Trade Union Confederation	200,000	International Trade Union Confederation (member) European Trade Union Confederation (observer)
3	Asocijacija slobodnih i nezavisnih sindikata ASNS, Association of the Free and Independent Trade Unions, AFITY	159. 000	-
4	Industrijski sindikat, (ISS), Industrial Trade Union of the Serbia	35,000	IndustriAll-ETU
5	Udruženi sindikati Srbije Sloga Associated Trade Unions of Serbia - Sloga	100,000 Members mostly from public and utilities sector	-
6	Konfederacija slobodnih sindikata, Confederation of the Free Trade Unions	185 000 Members mostly from public sector	EPSU/PSI, EUROFEDOP, UNI global union

Source: Web sites of organisations data, data from interviews with leaders published

- **Important trade union federations by branches**

Trade union	Members	National Confederation	International affiliation
Samostalni sindikat zaposlenih u poljoprivredi, prehrambenoj, duvanskoj industriji i vodoprivredi, Autonomous Trade Union of Workers in Agriculture, Food, Tobacco Industry and Water Management	70,000	CATUS	
Samostalni Sindikat metalaca Srbije, Autonomous Metalworkers of Serbia (AMWUS)	25,000	CATUS	IndustriAll-ETU; IndustriAll-Global Union
GS "Nezavisnost", Trade Union of Metalworkers	20,000	UGS Nezavisnost	IndustriAll-ETU; IndustriAll-Global Union
Sindikat radnika gradjevinarstva i industrije gradjevinskog materijala Srbije, Trade Union of Workers in Construction and Building Materials Industry of Serbia	45,000	CATUS	BWI
PTT Serbia, Postal Workers Trade Union Serbia	9,500	Confederation of the Free Trade Unions	
Samostalni sindikat trgovine Srbije, Autonomous Trade Union of Commerce Workers of Serbia	20,000	CATUS	
Samostalni sindikat hemije i nemetala Srbije, Autonomous Federation of Chemistry and Metallic Minerals Workers of Serbia	36,520	CATUS	IndustriAll-Global Union

Samostalni sindikat ugostiteljstva i turizma Srbije, Autonomous Union of Catering and Tourism Workers of Serbia	18,000	CATUS	
Sindikata zaposlenih u zdravstvu i socijalnoj zaštiti Srbije, Health and Social Protection Employees Union of Serbia	80,000	CATUS	
Unija sindikata prosvetnih radnika Srbije, Association of Teachers Unions of Serbia Serbia	30,000	Confederation of the Free Trade Unions	

Source: Web sites of organisations data, data from interviews with leaders published

o **Employers' Organisations**

	Employer's organisations	Number of members	International affiliations
1	Unija poslodavaca Srbije, UPS / 1994/, United Employers' of Serbia	1.666 Big enterprises, SMEs and associations of entrepreneurs with 372.000 employees	International Organization of Employers - IOE Union of Black Sea and Caspian Confederation of Enterprises - UBCCE Union of Mediterranean Confederation of Enterprises - BUSINESSMED Adriatic Regional Employers' Centre – AREC
2	Asocijacija malih i srednjih preduzeca i preduzetnika Srbije, (APPS), /2008/ Association of SMEE of Serbia	145.000 employers with 220.000 Employees	Eurochambers
3	Udruženje privrednika Poslodavac /2010/ Association of Employers - Employer	500 enterprises with 250.000 employees	-
4	Srpski poslovni klub Privrednik, Serbian Business Club Businessman	The biggest and most successful in private companies and financial institutions, as well as personal businessman membership It is not registered according to the Law of Labour, but of Law of Civil Associations 100.000 employees	International employers' associations Eurochambers

Source: Web sites of organizations, data from interviews with leaders published in 2012