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**Annual Review
2013
of Labour Relations and Social Dialogue in South East Europe:
Serbia
By Radmila Grozdanic***

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1. Summary

In 2013 Serbia received the status of a candidate country for entry into the European Union and successfully continued the normalization of relations between itself and Kosovo. Serbia is an upper-middle income economy (WB, IMF), which has made the greatest pro-

gress in the region in terms of overall democracy scores (FH) and overall democratic, economic and governance transformation and economy growth rate of 2%. Serbia's faces significant economic challenges, including a weak economy and large internal and external imbalances.

Macro-economic policies and measures of the new Government urgently aim to tackle the underlying vulnerabilities and ensure macro-economic stability and sustained fiscal consolidation, by primarily curbing mandatory expenditure: a measure required in order to reverse the rise in public debt. Ambitious and comprehensive structural reforms are critical to bolster the export sector and unlock growth potential. These reforms also aim to bolster labour market reforms – which are currently suffering from weak social dialogue and institutions of tripartism, poor industrial relations and collective bargaining coverage in private sector, and the recently commenced restructuring process in big state owned and public enterprises has become a major socio-economic issue for the Government and its social partners in 2013. In 2013, the EU Commission has earmarked €1,384 million for IPA projects to be implemented in the country.

2. Socio-economic development

The economic situation in Serbia remains fragile. The global financial crisis exposed Serbia's unsustainable growth model and its key vulnerabilities: (i) an over reliance on the non-tradable sector, (ii) weak domestic savings and excessive external borrowing, (iii) widespread euroization. Election-related expenditure overruns, the recapitalization of non-viable state-owned banks, and a new fiscal decentralization law worsened the fiscal and financing situation in the first half of the year. The new government appointed in mid-2012 quickly adopted a supplementary budget with some consolidation measures, including increases in VAT, corporate and personal income tax rates, excise duties, and non tax revenues. Furthermore, wage and pension indexation was reduced in the November 2012 and April 2013 budget rounds. At the end of 2013, the current account deficit was the highest in the region. A recovery of 2.0 percent (according the projection in the October 2013 of World Economic Outlook) has been realized, supported by a rebound of increased exports of 20% to the value of 840 EUR in 2013.¹ Inflation is set to decelerate to the National Bank of Serbia's target tolerance band soon.

Some progress has been made with regards to fighting corruption and improving property rights. Growth remains narrowly based and the first signs of economic recovery in 2013 did not spill over to the labour market. Unemployment and the budget deficit remain very high. Sustainable employment creation represents a major challenge. The unemployment rate at around 25 percent (ILO) remains a major social concern, with rates exceeding 50% in South and South-western Serbia. For a long time Serbia has had a chronic problem with unemployment. According the data from the National Employment Agency, in 2013 there were 778,579 unemployed persons. The grey economy with over 30% of GDP (compared to 26% West Balkan countries) also remains a great problem. The adoption of a credible medium-term fiscal adjustment programme is still lacking. State presence in the economy is significant and state-owned companies continue to accumulate big losses. Serbia needs to continue improving the business environment and should make strong efforts to develop a competitive private sector. The functioning of market mechanisms is hampered by legal uncertainty and corruption.

¹ According to Customs Administration the biggest exporters in 2013 were: FIAT AUTOMOBILI SERBIA (839,6 mill. EUR), TIGAR TYRES (139,9 mill. EUR), HIP APETROHEMIJA (122,9 mill. EUR), HEMOFARM (88,9 mill. EUR), GORENJE 875.1 mill. EUR), RTB BOR (73,9 mill. EUR), BALL PAKOVANJA (72, 1 mill. EUR), TARKET (70,6 mill. EUR), YURA CORPORATION (65,1 mill. EUR), IMPOL SEVAL (59,5 mill. EUR), GOLDEN LADY-VALY (57,2 mill. EUR), TERA PAK PRODUCTION (54,8 mill. EUR), SIRMIUM STEEL (54,2 mill. EUR), LEONI (50,2 mill. EUR). Just one, RTB BOR is state-owned.

3. Governmental policies and legislation

The Serbian Government tried in 2013 to develop sustained implementation of sound macro-economic policies and broad-based structural reforms to complete Serbia's transition to robust growth and a stable macro-economy. Major Governmental policies and legislation were concentrated around: fiscal, monetary, financial sector policies, structural reforms, public enterprise reform, and labour market reforms.

Sizable medium-term fiscal adjustment started in 2013 with the aim of putting public finances on a sustainable footing. The consolidation measures legislated within a 2013 supplementary budget (notably adjusting the wage tax and social contribution rates and discretionary expenditure cuts) would help keep fiscal policy broadly neutral for the year and send an important signal of the authorities' resolve to tackle fiscal weaknesses. The inflation-targeting framework has been preserved. The National Bank of Serbia gradually reduced the gap between the key policy rate and the average reverse repo rate—the rate at which it absorbs liquidity—to send a consistent signal about its monetary policy stance; putting the further easing of monetary conditions on hold until fiscal adjustment is firmly on track. The banking sector is broadly stable. Addressing the high stock of nonperforming loans should help support credit growth.

Sustained implementation of structural reforms—notably of public enterprises, labour markets, and the business environment—started in 2013 with the aim of bolstering the export sector and job creation, and raising potential growth. Given the extensive subsidization and protection of public enterprises, the authorities' intention to accelerate (in coordination with the World Bank) the privatization and corporatization plans of public enterprises and improve the transparency of their operations is welcomed. Privatization processes of 179 companies under restructure needs to be finished. In the Agency for privatization there are 153 companies in the process of restructuring, and another 419 are in various stages of privatization; more than 900 firms with minority state shares, and others, for which privatization could only be implemented under a new law. State interventions in the economy should be channelled and focused on capital projects that contribute to GDP growth and higher FDI attraction. All this implies amending the Law on Planning and Construction, amending the Law on Bankruptcy and Law on Privatization, and aggressive cuts to regulations and e-administration.

Priorities are given to delinking severance-payments from lifetime employment, decentralizing wage bargaining, and relaxing complex legal and administrative restrictions on the separation process, which in turn have to improve incentives for hiring. Minimum wage increases should not outpace productivity gains. The government gave the Draft of law on Protection at Work, and Labour Law in public debate and plans to complete it by the end of January 2014. A Draft of amendments to the Labour Law recently delivered to the representatives of the government, employers and trade unions was planned to be adopted till the end of 2013, but distrust among social partners resulted in the withdrawing of the Draft from further discussion. As public debate ends in January 2014, and Government expresses its willingness for better communication; compromised results could be expected.

4. Industrial relations

Three years of implementation of the *General Collective Agreement*, with a period of suspension of financial provisions since the arrival of the global financial crisis to Serbia showed some improvements in industrial relations in the public sector, and medium and large private enterprises. There were 333,998 companies in Serbia in 2013. In public sector there were 92,157 companies which submitted final bills, 24,370 were without employees, with the same number having just one employee (around 500,000 employees work in

micro firms from none to 9 employees), 200,000 in small companies (from 10-49 employees), and 300,000 in large private companies (with over 250 employees), and 781,000 in public sector (in public administration 120,000 employees, military and police 85,000, national government, ministries and agencies 28,000, local administration 23,000, the National labour office 2,000, Pension fund 3,500; in education 120,000; in the health and social security protection 140,000). Small companies and entrepreneurs didn't have Rules of Organization and Job Classification and they are the largest group of private firms (95% out of 99,9% of all companies in 2013). Employment policy/plans exist more often at larger companies and with investors who open new plants, but this accounts for just 0.2 percent of companies in Serbia. The cost of implementation for these companies was too high. The largest financial provisions under the General collective agreement, such as paying for hot meals and vacation allowance, are rarely subject to negotiations between trade unions and employers - hot meals in 17.65% of the cases, and vacation allowance in 20.59% of cases. These liabilities were most often paid in the amount defined by the employer (in 44.12% cases for the hot meal, and in 43.38% cases for vacation allowance). To annual leave, practice has shown that most companies allow two days of paid leave - 60.55%². Some discipline has been introduced into finances, social relations and labour legislation in 2013 such as the penal policy, (employers who doesn't pay salaries for two or three months will be prosecuted). In 2013 Labour Inspection submitted only 42 resolutions connected to preventing workers from using their legally guaranteed annual leave, and up to June this year it has submitted 25. The unions estimate that between 700,000 and a million people can't take their annual leave. It has been established that in most cases employers provide employees with the right to annual leave but this is done within the legal minimum, without the increase regulated by additional mandatory criteria. Written resolutions are not made, but even when they are, the employees usually received them on the very day their annual leave. The law is frequently violated in these companies, even though everything looks 'clean' on paper. In most cases the resolutions register a higher number of days than the worker actually used. If an employee works part-time at two jobs and turns to the Inspection for advice, the labour inspector often suggests making an agreement with the employers about the time suitable for taking annual leave. Annual leave is most often used according to the law in medium and large enterprises because that's where the inspection controls are quite regular. Every fourth large company grants two to five extra days as a prize for good results. Small companies with 10 employees are usually thrifty when it comes to awarding days off.

The Serbian Association of Employers took into account the views of competent authorities of the Serbian Chamber of Commerce and the Foreign Investors' Council, and initiated the cancellation of the General Collective Agreement. The SAE also urged the State 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 SAE invited signatory parties to the Agreement, in accordance with the provisions of Article 264 of the Labour Law, 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 SAE has also informed the social partners that it remains open to negotiations about sectoral collective agreements.

Up to July 2013, 42 *strikes* and 6 *protests* have been organized, as shown by the data of the Confederation of Autonomous Trade Unions of Serbia (CATUS). Most strikes were organized in big Serbian cities. There were a lot of organized strikes in 2013 regarding low

² the Serbian Association of Employers in cooperation with the representative trade unions - the Confederation of Autonomous Trade Unions of Serbia and the United Branch Trade Unions "Nezavisnost", sponsored by Swiss Labour Assistance (now SOLIDAR Swiss) research among companies 136 companies/ sectors: financial services, construction industry, chemistry and non- metals, metal industry, agriculture and food industry, transportation, commerce and tourism from six local self-governments in Serbia about collective agreements concluded on the company level and contractual rights of employees.

level of industrial relations, most relating to unsolved problems with failed privatized processes within construction companies, the textile sector, metal workers in the public sector, but also in education, health, social services, science and research, public utility companies, and even in the police; trying to increase their wages, to be paid residual hot meals and anniversary awards. 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 increases had no real basis in budget expenditure planned for 2013. Industrial federations - members of CATUS and "Nezavisnost" have recently organized a big meeting dedicated to defending workers' rights and enterprises in restructuring. The Minister of Economy declared that at least 20% - 30% of 100,000 workers in the companies going through restructuring would probably be made redundant. As a recent guest of national television said; by June 2014 the process of restructuring of 609 enterprises, employing more than 100,000 people, had to be finished and it was necessary to dismiss workers if those enterprises were to "get on their feet".

5. Tripartite social dialogue

According to actual research in this field, the average score for social dialogue is very low. In a situation characterized by efforts to join the EU and the enormous difficulties Serbian workers and citizens face, unions are convinced that the best way of solving the problems is by regular social dialogue. Unfortunately, that dialogue is nowadays at its historical minimum. Since his arrival to the post of the Council's President, the Prime Minister did not convene any session, while any information important for the labour market reached the unions mostly through media. In an open letter to the President of the Republic CATUS expressed the confederation's discontent with the way the last series of fiscal laws had been adopted. The President has been asked not to sign the laws adopted in that manner but turn them back to the Parliament and ask it to respect the necessary social dialogue communication. It once more became obvious that Serbia was still far from the rule of law which was a common ideal of all Serbian citizens and political parties; it is claimed that some ministries and ministers themselves do not respect the legal proceedings related to the adoption of important laws: their drafts are written in the Government offices and sent to the Parliament without any serious consultations with social partners within the Economic and Social Council. Not only are unions' representatives in the Council deprived of the possibility to evaluate future laws and give useful suggestions to their texts, but are often informed about them through the media! An additional problem is that MPs who do not consider drafts thoroughly, but simply vote according to party affiliation. Such practice is extremely harmful for the Serbian economy which is already in ruins and keeps Serbia away from social dialogue on European values and standards. There are some examples of a more developed system of tripartism, formal and informal dialogue in Vojvodina, the dialogue exists in very stable companies where employers are responsible, as well as negotiations and collective agreements, great results in resolving workers' problems inside of the working groups of the Agency for Peaceful Settlement of Labour Disputes.

The principles of tripartism: the effort to resolve problems between workers, employers and governments to help solve the ternary relationship have not been realized as a part of social partnership, policy concentration or societal Corporatism, and have been evaluated in 2013 as displaying a lack 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. Besides the number of organized strikes in 2013 (which demonstrate the weakness of the institutional social dialogue as a way of solving workers' rights and development issues) the behaviour of all social partners in 2013 in drafting and debating in public the Labour Law changes can be seen as major failure of tripartite social dialogue in Serbia. The process began with joint working groups drafting the changes, but relations soon deteriorated leading to

the aforementioned strikes against 150 changes and their content, and ultimately to the TUs proposing the rejection of the Draft of the Law, and TUs writing alone new Draft. In contrast, 82% of employer organisations supported the Draft and the Ministers proposal. What are the arguments of the TU against the Draft of Labour Law changes? Fixed-term employment would increase the length of temporary agency employment periods would increase from between 12 and 24 to up to 36 months, redundancy payments would be calculated just for the time of working for the existing employer, with up to two salaries as severance, occupational injuries, national holiday payments, sick leave, as well as vacation payments would be reduced from 10,3-42,4%. As a collective agreement would not have extended the application of a lot of issues on wages and protection of work, dismissal protection would be in question. In the TU analysis, alternative proposals can be seen which compare proposals from existing and future Labour Law solutions:

6. Forecasts

The adoption by the EU Council of the framework for negotiations with Serbia would be at the intergovernmental conference with Serbia in January 2014 at the very latest. Serbia will have to sustain the momentum of reforms over time in the key areas of the rule of law, particularly judicial reform and anticorruption policy, independence of key institutions, media freedom, anti-discrimination policy, the protection of minorities and the business environment. From the socio-economic perspective, 2014 would be rather difficult for the Serbian economy but in 2015 and 2016 one could expect growth of employment. One of chief measures of the new economic programme would be the conversion of government-funded companies' debts into shares, with the hope that these enterprises will be perceived as becoming "healthy and clean" would be more attractive to investors, which would consequently lead to new employment. If consensus towards a market economy prevails, further measures to improve economic performance and enhance the resilience of the economy will be needed. The Government will have to find ways to sustain the pro-investment model that it pursued in the first 100 days of its work. External risks could hamper the outlook for 2014. Given trade and financial links, a weaker than expected euro area recovery would dent Serbia's growth prospects.

Some progress can be reported in the area of social policy and employment, especially in the fields of health and safety at work, social inclusion and anti-discrimination. Social protection systems, labour relations and social dialogue remain to be substantially strengthened. Employment and social policies continue to be affected by adverse economic conditions and scarce public finances. Overall, Serbia has started to address its priorities in this area in 2014. It will require rapid progress in this area; the pressure is on the government to ensure the implementation of the Convention N ° 144 of the International Labour Organization Tripartite Consultation, as well as Agreement in Geneva which Serbia ratified and pledged to implement. Serbia is required to increase the capacity of social partners at local and national level for the better and more active participation in the content and processes of social dialogue, promote best practices of social dialogue, better understand the needs and concerns of the stakeholders and establish a more permanent social dialogue development strategy. The Confederation of Autonomous Trade Unions of Serbia insists on being included in all processes which will be carried out in the future while being connected to the economic-social situation in the country. Taking any measures is possible only if social partners are respected. If the Government keeps ignoring TU positions and adopts such devastating measures alone, the CATUS will be forced to mobilize its members so as to preserve the economy and workers' dignity.

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 aspects: the obligation to sign the agreement legalizing all employment, guaranteeing an hourly wage. The General Collective Agreement has been implemented but represents a financial burden on employers, which has created a lot of problems, leading to the avoidance of some of its strict rules, and an objective to change it. Some sectoral collective agreements are being charged also. Characteristics of the process in 2012 are:

- Total withdrawal 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);
- Stopping 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 promote 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.

• **System of tripartite social dialogue**

Social dialogue, both tripartite and bipartite remains limited, due to problems-tripartite social dialogue at the national level has had 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 increasing scope for recruiting new trade union members. The most important levels of collective bargaining for the setting of pay are different for public and private sectors – in the public sector it is intermediate (sectoral) level, while in the private sector bargaining is largely decentralized (branch agreements exist in only two sectors) and are far from universal. Determination of the minimum wage is fully centralized, within the Social and Economic Council, and the minimum wage is binding for the whole economy, including sole proprietorships and employees outside the corporate sector.

Working time is largely determined centrally. The Labour Code and general collective agreement are primary sources of general rules regarding working time, while sectoral collective agreements in the public sector may contain branch specific regulations concerning working time, depending on working conditions.

At the branch level, both collective agreements that were recently signed (in Construction and in Agriculture) had a clause stipulating that they would only become valid once the Minister decided on their extended application, so the decision of the Minister had to be awaited in order to make the agreements applicable in the first place. In general, there are few instruments to monitor and enforce the implementation of collective agreements; therefore even extending them by a decree does not guarantee that all their terms will be applied in practice.

There are no other institutionalized voluntary mechanisms of extending the terms of collective agreements. The Social and Economic Council is in charge of negotiating and adopting the general collective agreement and minimum wage determination every six months (consensus is needed, however, otherwise the Minister of Labour makes a decision). Judging by the collective agreements signed, the main trends with regard to collective bargaining are differentiated – in the public sector, there is a tendency for sectoral negotiations, while in the private sector decentralized, company-level bargaining is more common. The state of collective bargaining is hard as the main institution-Economic Council has frequently stalled in the past few years. In branch and signed collective agreements, collective agreements and the activities obstructions are often carried out in the implementation of the achieved rights in these sectors and consequently the letter of law is not applied. Limited effects of the widespread dissatisfaction with current practices are the result of the absence of mutual trust and willingness to adequately take into account the interests and positions of other participants in the social dialogue process.

- **Social insurance systems**

Pensions

Table: Pensioners 2009-2013, RSD

	2009	2010	2011	2012*	2013 Dec)
Beneficiaries of pensions total(utilization of rights)	1 324 338	1 494 386	1 502 669	1 565 386	1 722 649*
Structure					
Old- age pensions*	681 908	708 934	725 516	780 953	1.021.216 (59.28%)
Disability pensions	329 298	322 954	314 488	311314	334.040 (19.39%)
Survivors pensions	313 132	313 865	313 842	328625	367.393 (21.33%)
Compensation for physical injury (No. of users)	92 720	87 246	82 930	79271	74 237
Compensation for assistance and nursing(No. of users)	60 935	61 407	61 893	63174	61.536
Pension benefits in RSD					
Pension benefits	19.788	19.890	21.285	22.450	23.947
Real growth rate	3.3	-5.9	-3.6	-2.2	0,3

* Including data for professional military men

No. of pensioners: Employed total, 1.383.831; Agro, 213.664: Self-employed, 69.555; Military, 44.650;

Source: Republican Fund for Pension and Disability Insurance

Table: Average Pensions, 2009-2013 RSD

	2009	2010	2011	2012*	2013
Average pension adjusted by the law, RSD	21714	21790	23200	25033	23.947 (213 EUR)

Source: Republican Fund for Pension and Disability Insurance, NBS, 2013

Health

Table: Number of insured persons by insurance base, 2008-2012

	2009	2010	In %	2011*	In %	2012	In %
Insurance basis	No. of insured	No. of insured					
Employed persons	2.958.668	2.875.243	42.01	2.850.962	41.60	2.842 446	41.27
Unemployed persons	108.000	95.358	1.39	87.592	1.28	86 693	1.26
Beneficiaries of pension	1.842.066	1.895.397	27.69	1.893.339	27.63	1.887.801	27.41
Self-employed	280.880	287.214	4.20	284.151	4.15	274.832	3.99
Farmers	325.101	320.771	4.69	317.639	4.64	303.879	4.41

Health insurance is covered from the budget of the RS	1.210.157	1.370.015	20.02	1.419.137	20.70	1.329.833	19.31
Other						161.420	2.34
Total citizens covered	6.786.333	6.843.998		6.852.820	96.24	6.886.904	99.9

Source: Republican Fund for Health Insurance; <http://www.rfzo.rs/index.php/baza-osiguranika-stat-menu/broj-osig-menu>

- **Education and vocational training**

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

Serbia	Census 2002		Census 2011		2012	
	Total	%	Total	%	Total	%
	6 321 231	100	6 161 584	100	6 117 563	100
Without educational Attainment	357 552	5.66	164 884	2.68	132 909	2.17
Illiterate	232 925	3.45	164.884	2,68	127 462	1.96
Incomplete primary education	1 022 874	16.18	677 499	11.00	653.032	4.57
Primary education	1.509 462	23.88	1 279 116	20.76	1 473 287	32.25
Secondary education	2.596 348	41.07	3 015 092	48.93	3 000 873	49.05
Higher education	697 000	11.3	652 234	10.59	720.000	11.76
Computer literate					2.108.144 Female (1 046 019) 34.21% Female (32.79)	59,9% households has computer 55,8% households has interent
Computer illiterate					3.142.854 41% urban population 1 652 871 (66%) rural pop	

Source: SYB

- **Employment rate**

Table: Employment rate, 2009-2013 (age 15-64)

	2009	2010	2011	2012	2013
Population aged 15 and over					6 117 563
Employed persons average (thousands)	1.889	1.796	1.746	1.731	1.723*
Employment rate	50,0	47,1	45.3	45,3	49.2
Activity rate (Working age 15-64)	60,5	59,0	48,2	60,1	49,0
Employees in legal entities average (thousands)	1 889	1 355	1 343	1341	1 335
Entrepreneurs and other employees	492	441	403	386	380
Informal sector employment rate	19,9	17,8	17,0	17,9	18,9

*Self-employed 25.4%; Employed 66.5%; helping households members 8.1%.

Source: RSO, NBS, NEA, LFS and EPF, Euro fund

- **Unemployment rate**

Table: Unemployment rate, 2009-2013

	2009	2010	2011	2012	2013
Unemployed persons average (thousands)	746 605	744 222	752 838	761 834	762.638*
Unemployment rate, ILO definition in %	17.4	19.2	23.7	25.5	24.1(ILO)
First time job seekers	280 858	267 979	275 039	270 256	267.904

Unemployment benefit recipients	85 695	81 896	64 776	61 633	77.216
Nearly registered	40 299	39 105	15 288	40 119	36.951
Deleted from the register	31 431	34 993	43 600	47 219	50.928
Registered vacancies	516 116	94 418	52 944	55 931	36724
Employed from the register	156 344	140 588	183 452	206 207	115.348

Source: RSO, NBS, NEA and EPF Unemployment,

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

*52% younger than 30 years old (210 000) are unemployed

• Average monthly salaries

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

	2008	2009	2010	2011	2012	2013
Net salaries	32,746	31,734	34,142	38,363	41,377	44120
in EUR	369.5	330.9	323.6	366.8	380.3	385.5
Real growth rate		0.2	0.7	0.2	1.1	-2,0%

Source: NBS, Labour Force Survey, Statistical Office.

• Gender pay gap

There were 3,807,867 female inhabitants in Serbia in 2013, from which 1,245,600 were economically active. 954,486 women were employed, with 310,123 unemployed (most aged between 25-34: 112,872, and between 30-34, 54,380).

According to the Statistical office, 2013 (October), the wages of employed women were lower than for men. So, the pay gap could be illustrated by:

- Wages for women were lower than men by 200 euro in 2013 (monthly average) for the same job and qualification;
- The biggest pay gap is among employed women with higher education; women had average salary of 88.477 RSD, at the same time man had an average of 113.863 RSD; a 25.000 RSD difference;
- Higher educated women used to have an average salary of 61.350 RSD , and man 73.600RSD;
- Secondary school educated women earned 34.021 RSD, and man 44.478 RSD;
- For highly qualified workers - the pay gap is around 23.000RSD with men earning 50.967 RSD, and women 38.238;
- For semi-qualified workers - men earn on average 43.773 RSD, and women 34.406 RSD;
- The lowest gap was among non qualified workers; with men earning 40.745RSD and women 33.217RSD, a difference of 7.500 RSD.
- The lowest wages belonged to single mothers and married mothers with children who are pre-schoolers. Maternity leave and payments made when children are sick is now lower, and the total amount of compensation paid for sick leave for women has been less than men's. Serbia has been ranked by World Bank in the Gender pay gap in 2012 as 135th (HD Report, World Bank). According to the Labour Force Survey from 2008-2013, Wage differentials between men and women in Serbia are still high. According to Eurostat, gender pay back has been 3.5% (Eurostat).

• Monthly minimum wage

Table: Minimum Net salaries, period average, in RSD, 2009-2013

	2009	2010	2011	2012	2013
For 174 hours work	15.312,00	15.880,00	17.748,00	20.010,00	20.240.00
Per hour	75,00	87,00	95,00	115,00	116.32

Source: SYB, SRB 359 RS10 301213

- **Actual weekly working hours**

Table: Actual weekly working hours, 2009-2013 / % of total employed/

	2009	2010	2011	2012	2013
15-64		1.796 000	1.746000	1.731000	
1-4 hours	0.1	0.1	0.2	0.2	0.2
5-19 hours	1.0	0.5	0.5	0.6	2.7
20-29 hours	1.4	0.5	1.2	1.0	3.8
30-39 hours	5.4	0.8	2.4	2.5	3.1
40-49 hours	77.8	93.3	92.8	93.2	73.4
50-59 hours	6.9	1.5	1.4	1.3	8.2
60 and more hours ³	4.9	1.2	1.2	1.1	8.5
Other	2.5	2.1	0.3	0.1	0.1

Source: Labour Force Survey, SRB 359 RS10 301213

- **Normal work/atypical work**

Table: Normal work/atypical work in %, 2009-2013

	2009	2010	2011	2012	2013
1. Normal work/ full time, open-end contracts	88.7	78.5	81,4	88,2	88.3
2. Atypical work / fixed term contracts	11.3	21.5	18.6	11.8	12.9
2.1. Part time	8.2	9.1	8.6	8.2	9.1
2.2. Seasonal	1.8	2.6	3.1	1.2	1.3
2.3. Temporary	1,5	9.8	6.9	2.4	2.5

Source: SYB, Labour Force Survey, SRB 359 RS10 301213

- **Migration**

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

	2008	2009	2010	2011	2012 Residing in Serbia	2012 Originating from Ser- bia	2013
Refugees	73,608	195,626	195, 628	183,289	70,707	161,671	64.000
Asylum Seekers	209	12.300	20,020	21200	399	15,381	19.000
Returned Refugees	399	2,705	308	399	392	392	
Internally Displaced Persons (IDPs)	228,442	224,881	204,000	228,444	228,215	228,215	210.000
Returned IDPs	1,803	871		1,803	845	845	-
Stateless Persons	8,500	n.a.	12.000	8.599	8,500	n.a.	2.500
Various	n.a	386	50	8,599	519	9,679	350
Total population of Concern	312,961	436,775	236,070	438,729	309,577	416,183	282.850

Source: UNHCR Global Appeal 2009-2013Serbia

Table: 2013 UNHCR's budget in Ser bia (USD)

BUD GET BREAK DOWN	REFUGEE PROGRAMME PIL LAR 1	STATE LESS PROGRAMME PIL LAR 2	IDP PRO JECTS PIL LAR 4	TO TAL
Favourable protection environment				
Law and policy	148,158	131,390	0	279,548
Access to legal assistance and remedies	328,158	0	206,717	534,874
Access to territory and non-refoulement	229,505	0	0	229,505
Public attitude towards persons of concern	59,968	76,890	128,716	265,573

Subtotal	765,788	208,281	335,432	1,309,500
Fair protection processes and documentation				
Reception conditions improved	197,658	0	0	197,658
Subtotal	197,658	0	0	0 197,658
Security from violence and exploitation				
Prevention and response to SGBV	0	0	403,578	403,578
Subtotal	0	0	403,578	403,578
Basic needs and essential services				
Health	97,384	0	218,716	316,099
Shelter and infrastructure	0	0	9,074,679	9,074,679
Basic domestic items	0	0	486,120	486,120
Services for people with specific needs	224,567	0	409,431	633,998
Education	0	0	401,716	401,716
Subtotal	321,951	0	10,590,662	10,912,613
Community empowerment and self-reliance				
Self-reliance and livelihoods	199,847	0	2,568,639	2,768,486
Subtotal	199,847	0	2,568,639	2,768,486
Durable solutions	123,044	0	563,147	686,191
Voluntary return				
Integration	62,584	0	563,147	686,191
Reduction of statelessness	0	769,843		769,843
Subtotal	185,628	769,843	563,147	1,518,618
Leadership, coordination and partnerships				
Coordination and partnerships	0	0	299,404	299,404
Subtotal	0	0	299,404	299,404
Logistics and operations support				
Logistics and supply	90,851	53,390	607,431	751,673
Operations management, coordination and support	370,699	170,843	546,929	1,088,471
Subtotal	461,551	224,234	1,154,360	1,840,144
To tal	2,132,422	1,202,358	15,915,221	19,250,000
2012 Revised budget (as of 30 June 2012)	7,378,415	1,022,518	14,607,367	23,008,300

Source: UNHCR Global Appeal 2013 Update

- **Human Development Index**

Table: HDI, 2008-2012

	2008	2009	2010	2011	2012
HDI	0.788	0,678	0,764	0.824	0.769*
HDI ranking	68	71	60	59	64

*Serbia's 2012 HDI is above the average of 0.758 for countries in the high human development group

Source: HD Report 2013, World Bank

- **GINI-coefficient**

Table: **Gross national income (GNI) per capita** (constant 2005 PPP \$), 2008-2012

	2008	2009	2010	2011	2012
GINI	28.16	27.80	9,958	10,236	9,533

Source: HD Report 2013, World Bank

- **Collective agreement coverage**

The entire public sector (approximately one-third of total dependent employment) has nearly full coverage of sectoral agreements. Only two branches in the private sector (Agriculture and Construction) have branch agreements, but with incomplete coverage. Also, there are some company-level agreements in the private sector. Therefore, the coverage

rate of collective agreements (apart from the expired and never fully implemented General Collective Agreement) can be estimated at slightly over 50%⁴.

National level of collective bargaining remains de facto the most important, despite the fact that the General Collective Agreement concluded in 2008 has been of little practical importance and actually expired in May 2011. Its importance stems from the institutions, such as the Social and Economic Council, and equally important, from the involvement of central bodies of national industrial relations in sectoral and sometimes even company-level bargaining. Sectoral level is the dominant form of collective bargaining in the public sector, which accounts for the majority of union members and where the coverage of collective agreements is very high. Company level is dominant in the private sector, which is characterized by low union density and a low incidence of collective bargaining and collective agreements. In general, issues of training and lifelong learning are not given much attention in branch and company collective agreements, other than repeating general prescriptions from the Labour Code and General Collective Agreement. The recently signed (2011) Branch Collective Agreement for the agricultural sector covers the responsibility of employers to provide training and education to its employees in accordance with changes of the working process, technological and organizational changes in the company, etc. However, there is no explicit mention of the lifelong learning concept.

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

According to the data from the SEC records up until the 31st of December 2013, 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),

⁴ 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, police 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 Eurofund 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

- 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 the entertainment industry 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

There are two sides of the trade union density equation – trade union membership and the eligible workforce. The Trade union density⁵ is different in various kinds of enterprises. In 2013 there were around 2,2 million employees in Serbia, out of which: one third (680.00) were in public sector, (where the trade union density rate is 70 present), and from the private sector union memberships is made up of workers in micro-businesses (from none -9 employees) with 5%, from small enterprises (from 10-49 employees) with trade union density of 15 present, from medium businesses (from 250-249 employees) where density is around 25% and large (from 250 employees on) with trade union density of 40%. 380.000 Self-employed, solo trades have to be added but have low trade union activities. Trade unions traditionally organize self-employed workers in some quite specific professions characterized by high skills and significant autonomy in the performance of their work, such as journalists and performing artists. Another sector with a high incidence of self-employed workers and where trade unions often have an established representation is Construction. In transport, especially in road haulage, the situation is more mixed, but trade associations seem to prevail, even if there are recurrent debates on whether trade unions should more clearly try to organize (or involve) self-employed truck drivers alongside employees. In the other traditional sectors of the economy, such as Agriculture and crafts, business organizations clearly prevail. In addition to these types of workers, in recent years trade unions have tried to extend their representation to new groups of workers which were formally self-employed but have a less clear-cut professional identity. This is particularly the case where new types of employment contracts have been introduced in recent years in the context of labour market deregulation – or even with the aim of normalizing formerly unregulated positions. Beside this category, farmers and the self-employed in agriculture are also not covered by trade union activities, which, as well as unemployed

⁵ Source, Eurofound research

and people working in informal sector, accounts for a total of around 350-700,000 workers. The trade union density rates can be further detailed according to the difference between the old but privatized companies (30 per cent) and newly-established private companies (5 present). Trade union density rates can be estimated for 2013 to be around 30% (2% down on the previous year with a trend of further decrease). The factor which has significantly slowed down trade union density has been the fall in private dependent employment. In other words, trade union density remains high in the public sector and is low in the private corporate sector.

- **Workplace representation**

Workplace representation covered by trade unions could amount to 25% (Euro found and national research data). New legislation, such as the New Law on Criminal Proceedings violates the right of trade union representatives to represent members who authorize them to do so and thus threatens 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 Labour Law, as well as actual practical employer's behaviour, demonstrated unfavourable conditions for workplace representation. Employee representation at establishment level could be summarized as: Trade union high, joint trade union committee low, Works council low, Health and safety committee low representation.

The two most relevant trade union confederations currently recognized as representative on the national level are the Confederation of Autonomous Trade Unions of Serbia (CATUS, Savez samostalnih sindikata Srbije, SSSS) and the United Branch Trade Unions (UGS Nezavisnost), both of which participate in the Social and Economic Council at the national level. Apart from them, the most prominent trade union confederations that are currently struggling for national representative status are the Association of Free and Independent Trade Unions (Asocijacija slobodnih i nezavisnih sindikata, AFITU) and the Confederation of Free Trade Unions ((Konfederacija slobodnih sindikata, CFTU), whose representativeness at the national level ought to be verified in the near future, but only the confederation that has been able to preserve membership and financial stability during the past five years. Overall, there exists more than 20,000 trade unions in Serbia at all levels, from company to national level, and 31 sectoral trade unions belonging to the main Confederations.

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**

By far the most relevant employer organisation in the recent period has been the Serbian Association of Employers (Unija poslodavaca Srbije, SAE), which remains the only representative employer organisation at the national level in Serbia and as such belongs to the International Organisation of Employers (IOE) as a full member. It is also a member of number of international organisations. In mid-2008 the SAE saw a major upheaval (the third since 2003), which resulted in the creation of the Association of Small and Medium-sized Entrepreneurs (Asocijacija malih i srednjih preduzeca, ASME), formed by break-away members of the SAE. The ASME has repeatedly disputed the representativeness of the SAE and invested considerable time and energy trying to obtain representative status itself, but these attempts have so far not succeeded. In 2010 another employer organisation was registered at the national level, known as Poslodavac (Employer) and led by one of the most prominent business leaders in Serbia, Miodrag Kostic. This employer organisation was openly supported by the Chamber of Commerce of Belgrade. However, up to this point the SAE remains the only employer organization at the national level in Serbia that actively operates and provides services to its membership in return for their membership fees. The remaining two employer organizations do not collect membership fees and their membership is free of charge.

- **Employer representation**

As in the case of trade unions, mutual recognition of representativeness among the employer organizations has not been attempted in the past, whereas the SAE has been making efforts to retain its representativeness. The legitimacy of the SAE is disputed by its rivals but also sometimes by other social partners on the grounds that its representativeness is questionable. The legal requirement for representativeness at national level is that an employer organization unites at least 10% of all registered employers, and that these employers employ at least 15% of the total number of employees in the country. In most cases, self-employed workers are regarded as entrepreneurs and (potential) employers. Their typical collective representation is therefore to be found within the boundaries of business associations, sometimes with a general interest representation role with regard to public authorities and without specific employer representation functions. Moreover, it should be noted that practically no business representation exists as such for self-employed workers without employees; rather, they have essentially to refer to professional associations, small and medium-sized enterprises (SMEs) or general employer associations, as well as to public representation bodies, such as the Chambers of Commerce.

In 2011 the International Organization of Employers and the International Labour Organization jointly warned the Serbia government against excessive involvement in the functioning of employer organizations in Serbia, after the repeated Collaboration of the Chambers of Commerce of Serbia and Belgrade with newly established employer organizations. The SAE is the only employer organization involved in collective bargaining and recently it signed branch collective agreements in the Construction and Agriculture Sectors, although its presence and membership in these two branches is rather low.

There has not been a consolidation of the processes of organisational changes in employers' organizations in 2013, just fragmented trends in SAE. According to European research and employers' data the Employer's organizations density is around 25% in Serbia. The Union of Employers of Serbia (UPS) as the main national organization of employers has enjoyed good cooperation with the Ministry of Labour and Social Policy, participating 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, is consulted on major economic and social issues, proposals and laws.

Table: 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 organizations data, data from interviews with leaders published

Table: 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

Table: 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 Low of Civil Associations 100.000 employees	International employers' associations Eurochambers

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