

2017

## BOSNIA AND HERZEGOVINA

By Goran Stankovic

Socio-economic developments

Industrial relations

Forecasts

# Annual Review

of Labour Relations and Social Dialogue

State policies

Tripartite social dialogue



# Annual Review 2017

## of Labour Relations and Social Dialogue

Bosnia and Herzegovina / By Goran Stankovic

- The economy of Bosnia and Herzegovina (BiH) started to slightly recover in 2017. GDP has been rising for the past several years but unfortunately has not contributed to a higher employment rate, an increase in salaries, more foreign investment, economic development or a better quality of life in BiH. The official unemployment rate continues to be high, at the level of 39 per cent. A large number of citizens are living below the poverty line and year after year an increasing number of citizens, mostly young people, are leaving BiH in search of a better life and working conditions. The average monthly net wage in BiH increased to 853.00 KM, while living costs also increased, so the share of average salary required for in the consumer basket remained unchanged. The average pension rose by 3 per cent in Republika Srpska. In terms of EU integration, Bosnia and Herzegovina submitted its application for EU membership and in September 2016 the EU Council invited the European Commission to prepare its opinion on the membership application. The European Commission delivered a questionnaire to BiH, after which BiH will be provided with the opinion, including the accompanying analytical report. The entity governments and the Council of Ministers of BiH have adopted a coordination mechanism within BiH for EU integration. Bosnia and Herzegovina has not yet submitted responses to the required questionnaire because there are seven unresolved issues.
- With regard to industrial relations, the General Collective Agreement initially concluded for a period of 12 months expired in 2017 in the Federation of Bosnia and Herzegovina (FBiH) and the branch collective agreements either expired or had not even been concluded. The General Collective Agreement and the branch collective agreements ceased to be valid in Republika Srpska (RS) six months after a new Labour Law came into force. Eighteen months after the Labour Law became effective the General Collective Agreement and branch collective agreements in the economic sector were not concluded, except in telecommunications which is represented by one enterprise. Branch collective agreements were concluded in the public sector financed from the budget of Republika Srpska or local municipalities. In the absence of collective agreements, the RS government regulated certain rights otherwise stipulated by the law and decided on their amount: meal allowance, transport allowance, field allowance, compensation for overtime work, night work, and work during national and religious holidays as well as compensation in case of a worker's death, the death of a close family member, long-term illness and workers' disability compensation. All of these compensations were reduced compared with previous regulations. With the participation of trade unions and employers, the RS government held public discussions in eight regional centres in RS in the third quarter of 2017 and conducted an analysis of the implementation of the Labour Law, which showed that certain interventions are needed, such as amendments to the law in certain areas (positioning of collective agreements, workers' responsibilities, salaries and other forms of compensation, representation, etc.)
- In terms of tripartite social dialogue in Bosnia and Herzegovina, it can be stated that there was no significant progress: no measures were undertaken towards establishing an Economic and Social Council at the level of BiH due to the fact that no legal provisions on representation of the social partners exist at the state level. The councils only operate at the entity level. A positive shift in social dialogue in Republika Srpska was the signing of a memorandum on joint measures and policies for the period 2018-2020, which the government of RS separately signed with the Confederation of Trade Unions of RS and the Union of Associations of Employers of RS. The memorandum sets deadlines and specifies holders of activities in implementation of the measures stipulated in the Economic Reforms Programme for the period 2018-2020 that was adopted in Republika Srpska.

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## Socio-economic developments

According to the latest data, the 2017 GDP of Bosnia and Herzegovina will have increased by 3.2 per cent compared to 2016, when the nominal GDP amounted to 29.899 billion KM (1 KM = 0.51 Euro). When compared with 2015, the nominal GDP is 4.59 per cent higher while real GDP growth amounted to 3.07 per cent. The GDP deflator for 2016 was 1.47 per cent. GDP per capita in 2016 amounted to 8.516,00 KM. Macroeconomic projections predict GDP growth of 3.7% for 2018 and 4 per cent for 2019.

The positive trend of GDP growth in the last few years continued in 2017 as well. GDP growth in 2017 was a consequence of increased exports so the coverage rate of exports by imports has been 58.3 per cent this year. By activities, significant growth in gross value added was recorded in agriculture, forestry and fishing by 7.0 per cent, services by 7.59 per cent, electricity production and supply by 7.0 per cent, and transport and storage by 4.94 per cent. Net foreign direct investment inflows increased to around 3 per cent of GDP in 2016. Net foreign exchange reserves reached 30 per cent of the value of GDP in mid-2017. The fiscal deficit amounted to almost 3 per cent during 2017. Indirect tax revenues had positive growth during 2017. Measures for increasing tax discipline, together with an increase in excise taxes on alcohol and tobacco, contributed to the increase in public revenues. Additional revenues will be generated by increasing excise taxes on fuel and petroleum products. The public debt of BiH amounts to KM 12.09 billion and the share of public debt in GDP is 39.78 per cent. Debt servicing payments reached 5 per cent of GDP in 2016 due to increased issuance of short-term government securities.

The registered unemployment rate was reduced to 39.6 per cent while the results of the annual labour force survey (according to the ILO methodology) indicate that the unemployment rate was 25.4 per cent. The significant

difference between registered data on labour force and those based on surveys indicates the existence of a fairly large informal labour market. The structural character of unemployment is visible through a high proportion of long-term unemployed persons, accounting for about four-fifths of the total number of those seeking employment. Young people are a particularly high share of the unemployed (an unemployment rate of 63 per cent among young people aged between 15 and 24). The number of employees in public administration at all levels continued to grow, enlarging the public sector. According to the latest data, the number of unemployed persons in BiH was 480,379. In FBiH, the number of unemployed persons amounted to 360,073 and in RS it was 120,306. The number of employed persons is 753,975, of which 316,601 are women.

It has been estimated that every sixth person in Bosnia and Herzegovina lives below the general poverty level. This is not surprising when taking into consideration the number of unemployed persons as well as average salaries and pensions.

Macroeconomic analyses show that inflation should amount to 0.5 per cent in 2017 after several consecutive years of deflation in BiH. According to latest data, the average monthly net wage in BiH for October 2017 amounted to 853.00 KM. According to data by trade unions, the minimum consumer basket was about 1834.00 KM. The minimum wage in Republika Srpska increased in 2017 from 375 to 395 KM (net value).

According to UNDP data the Gini index for Bosnia and Herzegovina is 0.36 (or 36.2). Since the analysis was conducted in 2007, these data are quite old. In the past three years, more than 90,000 people have left the country in search of a better life. The number of inhabitants in Bosnia and Herzegovina is 3,531,159.

## State policies

In December 2014 the European Union took a new approach towards Bosnia and Herzegovina that provides a new order of conditions for the country to make progress towards the EU and address the remaining socio-economic challenges it faces. This led to entry into force of the Stabilisation and Association Agreement signed between BiH and the EU. In 2015 BiH adopted the Reform Agenda aimed at combating the difficult socio-economic situation and improving judicial and public administration reform. Bosnia and Herzegovina submitted its application for EU membership in 2016. In September 2016 the EU Council invited the European Commission to submit its opinion on this application. The European Commission delivered a questionnaire to BiH, after which BiH will be provided with

an opinion that will include the accompanying analytical report. The entity governments and the Council of Ministers of BiH have adopted the coordination mechanism for EU integration in BiH. Bosnia and Herzegovina has not yet submitted the required questionnaire because there is still no agreement on seven remaining issues. The BiH Constitution remains incompatible with the European Convention on Human Rights and Fundamental Freedoms, according to the Sejdić-Finci judgment. The country remains at an early stage when it comes to public administration reform. There has also been a downturn in this area because amendments to the legislative framework adopted in the FBiH increase the risk of politicisation and in RS certain progress was made by passing the Law

on the Register of Persons financed from the Republika Srpska budget. The harmonized approach to policy development and cooperation between different parts of the administration continues to be largely lacking. It is necessary to enact a new strategic framework for public administration as well as budget management strategies. Certain preparations were made in the judicial system, i.e. the Justice Sector Reform Strategy was adopted. The Structured Dialogue reiterated the commitment to develop common key characteristics of the justice system reforms. Certain preparatory measures were taken in combating corruption, i.e. the Anticorruption Strategy and Action Plan were adopted. However, Bosnia and Herzegovina is still far from an independent justice system. Economic reform programmes for a three-year period were adopted at the entity and state levels.

Unlike in the FBiH, the practice of peaceful settlement of disputes in Republika Srpska started to function so labour disputes are resolved much faster and more efficiently through the Agency for Peaceful Resolution of Labour Disputes in RS. According to the programme of social care for workers that has been running in Republika Srpska for the past 14 years, the RS budget allocates funds for bridging the service years to workers who lost their jobs due to bankruptcy and liquidation and to those who cannot fulfil the conditions for retirement. The Law on Bankruptcy Proceedings was adopted in Republika Srpska, which has contributed to more efficient regulation of this field and protection of workers in the proceedings. The pension funds are provided in the budget while the payment is done through the Treasury.

## Industrial Relations

Labour laws passed in 2015 in the Federation of Bosnia and Herzegovina and Republika Srpska in an urgent procedure, without a public debate and without the participation of social partners, especially the trade unions, did not bring about any positive change. Unfortunately, the laws were found to be incomplete and inapplicable in practice since they were enacted in order to attract capital and were based on the requests by IMF and other international financial institutions. After the laws were adopted collective agreements ceased to be valid and workers' rights were reduced, as the unions had already anticipated. The General Collective Agreement in FBiH, initially concluded for a period of 12 months, expired in 2017 while the branch collective agreements either expired or not had even not been concluded. There are some rare positive examples in certain fields and enterprises. Negotiations are ongoing at all levels but without any concrete results. The General Collective Agreement and the branch collective agreements ceased to be valid in Republika Srpska six months after the Labour Law came into force. Eighteen months after the Labour Law was effective, the General Collective Agreement and branch collective agreements in economy were not concluded, except in the telecommunications sector, which has only one enterprise. Branch collective agreements were concluded in branches being financed from the budget of Republika Srpska or the local municipalities. Collective agreements were concluded in the area of judiciary, administration, public services, internal affairs, education and culture, health and social care and local self-government. Negotiations on the harmonization of collective agreements are ongoing at all levels but for now without any concrete results. The current situation of not having collective agreements benefits the employers who independently regulate the relations between workers and the employer and decide on the level

of salary and other forms of compensation. Workers' rights have been significantly reduced, the dismissal of workers is completely liberalized and the role of the trade unions has been significantly marginalized. In the absence of collective agreements, the Republika Srpska government regulated certain rights otherwise stipulated by the law and decided on their amount: meal allowance, transport allowance, field allowance, compensation for overtime work, night work, work during national and religious holidays as well as the compensation in case of a worker's death, death of a close family member, long-term illness and workers' disability compensation. All these compensations were reduced in comparison with the previous regulations. With the participation of trade unions and employers, the Republika Srpska government held public debates in eight regional centres in RS in the third quarter of 2017 and conducted an analysis of the implementation of the Labour Law, which showed that certain interventions are needed, i.e. amendments to the law in certain areas (positioning of the collective agreements, workers' responsibilities, salaries and other forms of compensation, representation, etc.) The trend of breaching basic human and workers' rights is still present in many companies in BiH. Furthermore, certain multinational companies do not allow their workers to form union organisation or have membership in the existing trade unions. During 2017, membership in trade unions stagnated while the number of "yellow" unions increased, the most prominent one being in the Public Forestry Enterprise – "Forests of Republika Srpska" in Sokolac.

## Tripartite social dialogue

Regarding tripartite social dialogue, it can be stated that there were no significant improvements. No measures were undertaken towards establishing an Economic and Social Council at the national level due to the fact that no legal provisions related to the representation of the social partners exist at the state level. A particular problem is that the Association of Employers of BiH represents the interests of employers only from the Federation BiH. Tripartite socio-economic councils operate at the entity levels (RS and FBiH) and in some cantons of FBiH. Social dialogue in Republika Srpska intensified in 2016 and at the end of 2017, particularly in negotiations on the General Collective Agreement, branch collective agreements and the minimum wage. The harmonization of these acts is expected in the following year. A significant contribution was made by signing of a memorandum on joint measures and policies for the period 2018-2020, which the Government of RS separately signed with the Confederation of Trade Unions of RS and the Union of Associations of Employers of RS. The memorandum sets deadlines and designates holders of activities in the implementation of the measures stipulated

in the RS Economic Reforms Programme for the period 2018-2020. In the memorandum signed with the Union of Associations of Employers of RS, the RS Government committed itself to gradual reduction of financial burden on labour in the following three years. This primarily refers to the reduction of taxes and contributions as well as the payment for maternity leave which will be fully state-funded. According to the memorandum signed with the Confederation of Trade Unions, the RS government committed itself to increasing salaries, including the minimum wage, the conclusion of the General and Branch Collective Agreements, the adoption of Amendments to the Labour Law, the Law on Health Care and Health Insurance, Amendments to the Law on Employment Mediation and Rights during Unemployment, the Law on Mobbing, a new Law on the Economic and Social Council, as well as the adoption of the Strategy on Protection, Safety and Health at Work. Negotiations on the General and Branch Collective Agreements will intensify in the FBiH because they became invalid after they had been concluded for a 12-month period.

## Forecasts

Since investment in infrastructure projects and the energy sector expanded in 2016 and a positive economic trend should continue in the following years as well. Export and foreign investment flows are expected to continue, which should lead to GDP growth, a mild drop in unemployment rates, and an increase in private consumption. Actually, serious steps are expected to be made towards a further increase in economic activity in BiH that should lead to an increase in wages and the employment rate.

In accordance with the Employment Strategy for the period 2016-2020, Republika Srpska plans to allocate around 15 million KM for employment action plans in order to reduce unemployment, especially among young people, most of them having no work experience, as well as workers who are over 50 years old. It is planned to adopt amendments to the Law on Employment and Rights during Unemployment and the RS Law on Health Insurance in order for the Employment Office to remove persons who are not actively seeking for work but are there for the entitlement to some other rights (such as the right to health insurance, the right to payment of pension and disability contributions etc.). In the process of collective bargaining with the employers and the FBiH government, the trade unions are expected to harmonize and conclude Collective Agreements in order to restore at least some of the workers' rights reduced after the new Labour Law had been adopted. Moreover, the adoption of other laws in the labour-administrative field is expected.

It is expected that the General Collective Agreement and Branch Collective Agreements will be concluded in RS, as well as certain regulations that will improve and better regulate workers' rights. The amount of the minimum wage in 2018 will also be determined. The general elections in October 2018 will largely affect the economic and political situation in BiH. Workers' demonstrations and strikes in private and public sectors for realization of basic labour rights are imminent in this period.

## Annex - Information About:

- Collective Bargaining System

Collective bargaining in BiH is guaranteed by the Constitution of BiH, the European Social Charter, and ILO Conventions as well as by entity Labour Codes. The most important level of collective bargaining in BiH is at the entity level because it is at this level that General Collective Agreements, which guarantee minimum rights and obligations of both workers and employers, are agreed and signed. In Republika Srpska, parties involved in collective bargaining and concluding of the General Collective Agreement are: the RS Government, the Confederation of Trade Unions of RS, and the Union of Associations of Employers of RS. In the Federation of BiH, they are: the FBiH Government, the Confederation of Independent Trade Unions of BiH and the Employers' Association of the Federation of BiH.

At the branch level, the respective branch trade unions and respective employers' associations conclude the collective agreements in both entities. Specific characteristic of collective agreements in the Federation of BiH are collective

agreements that are concluded at the cantonal level, which primarily pertain to budgetary users and must be in line with the General Collective Agreement and with respective branch agreements. In both entities, collective agreements may also be concluded at the company level, of course provided that there is an organized form of trade union organization in that particular company.

Currently there is a trend in BiH, especially advocated by the associations of employers, to reduce the scope of rights regulated by the General Collective Agreements and to bargain most of the rights and obligations at the branch or enterprise level. The trade unions are unanimous in their condemnation of such efforts since they believe that it is the General Collective Agreements that represent the last line of defence of workers' rights and that their reduction would lead to radical reduction of workers' and union rights. Collective agreements are generally not harmonised with the General Collective Agreement (especially in FBiH) several years after their adoption.

- System of tripartite social dialogue

The system of tripartite social dialogue is organized through the work of the Economic and Social Councils at the level of entities. They involve the representatives of the entity governments, largest confederations of trade unions and entity associations of employers. In RS, the representativeness of trade unions and associations of employers is legally regulated by the Amendments to the

Labour Code. In FBiH, this issue has not yet been legally regulated so the decisive factor for participation in tripartite social dialogue is the number of members of trade unions or associations of employers. In FBiH, a new Labour Code that is to be adopted envisages representation through trade unions and through employers' associations.

- Social security systems

According to the law, all registered employees should be 100 per cent covered by health and pension insurance, as well as by unemployment insurance. However, in the years following the war, there has been a marked presence of the grey economy as well as the practice of many companies not paying the contributions for their employees. It is impossible to obtain accurate data on the number of such workers. The official unemployment rate in BiH is 39.6 per cent. According to the survey unemployment rate (applying ILO methodology) the unemployment rate is 25.4 per cent. Furthermore, there are many employed persons whose contributions for pension and health insurance funds are not paid. These funds are on the verge of non-existence, and with an increase in the number of beneficiaries of pension funds, the future is dark unless urgent reform of the system is introduced. Currently, the ratio of workers to pensioners is about 1.2:1 which is unsustainable even in much stronger economies.



- Education and vocational training

As demonstrated by an increasing unemployment rate, the education system, including vocational education and training activities, is by far insufficient and incapable of providing the workforce with skills that are needed to find a job on the labour market. Cooperation between the education system and employers is still weak and the proper functioning of the labour market continues to be hampered by structural rigidities and the weak performance of the education and training system.

The entities and Brčko District are, inter alia, responsible for regulating the area of education as an integral part of social policy. In the FBiH all powers in the area of education are within the exclusive competence of the cantons. Education and training are not insignificant items but neither are they a priority in the programmes of any of the governments. The process of education reform in BiH is proceeding at an uneven and slow pace and is mainly focused on the adoption of the necessary legislation in the area of preschool, elementary, secondary, higher and

vocational education. Elementary education is compulsory and according to the new, reformed law it consists of nine years. Furthermore, in all these years BiH has been faced with the phenomenon of unequal access to education as well as with the non-existence of national curricula and syllabi. The higher education system is undergoing a transformation by introduction of the Bologna Process. There is an increase in the number of enrolled university students but the problem occurs after they complete their studies according to the Bologna system. Ethnically-based and divided educational systems still prevent the achievement of full inclusiveness in education.

Lifelong learning is incorporated in the strategy of vocational training in BiH and its policies and goals of development of a system for lifelong learning have been defined, but this type of education is not yet systematically developed and none of the envisaged goals and defined measures have been met by September 2010.

- Employment and unemployment

|                                     | <b>2011<br/>(As of 30.09)</b> | <b>2012<br/>(As of 30.09)</b> | <b>2015<br/>(As of 30.09)</b> | <b>2017<br/>(As of 30.09)</b> |
|-------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Number of employed persons</b>   | 693,359                       | 688,318                       | 716,230                       | 753,975                       |
| <b>Number of unemployed persons</b> | 529,994                       | 545,508                       | 539,703                       | 480,379                       |
| <b>Unemployment rate</b>            | 43.3 %                        | 44.2 %                        | 44.0%                         | 39.6 %                        |
| <b>Survey unemployment rate</b>     | 27.6 %                        | 28.0 %                        | 27.0 %                        | 25.4 %                        |
| <b>Survey employment rate</b>       | 31.9 %                        | 31.7 %                        | 31.2 %                        | 28.8 %                        |

Source: Agency for Statistics of BiH; Labour Force Survey 2017 – Final results

- Average monthly salaries

| <b>Year</b> | <b>Average monthly salary (EUR)</b> |
|-------------|-------------------------------------|
| 2009        | 403.92                              |
| 2010        | 408.01                              |
| 2011        | 417.21                              |
| 2012        | 420.79                              |
| 2015        | 425.64                              |
| 2017        | 436.31                              |

Source: Agency for Statistics of BiH; Press Release – Average paid net salaries in 2017

- Gender pay gap

There is a noticeable wage gap between men and women in BiH, which is primarily the consequence of the traditional distribution of employment in some sectors and levels of education. The analysis of wage differences shows significant gender differences in all wage classes, with the exception of the highest and lowest wage classes, where the number of male and female employees is approximately the same. The wage difference between men and women is the largest in the industrial sector and smallest among public servants.

As regards the amounts, the largest gender pay gaps are found in the category of the population without a degree, where the difference is €88.50 in favour of men. The wage gap is reduced as the education level goes up so that at the level of secondary school diploma the gap is €57.60. Women with a university degree earn on average 92 per cent of net wages of their male colleagues. According to the research conducted by the Agency for Gender Equality of BiH, the BiH gender gap is larger than the EU average.

- Monthly minimum wage (Euro)

|                          | 2009   | 2012   | 2013   | 2015   | 2017   |
|--------------------------|--------|--------|--------|--------|--------|
| <b>Federation of BiH</b> | 184.00 | 184.00 | 190.00 | 190.00 | 209.00 |
| <b>Republika Srpska</b>  | 163.61 | 189.18 | 189.18 | 189.18 | 201.18 |

- Actual weekly working hours

The Labour Codes and the General Collective Agreements at the entity level of BiH defined the weekly working hours of employees as including the total of 40 hours with a mandatory 12 consecutive hours of rest between two working days. It also includes 24 consecutive hours of rest in the course of one week. Employees may work overtime, but the law limits the number of overtime working hours.

If required by the nature of work, the full-time working hours can be redistributed but in such a way that the average working hours can be no longer than 52 hours per week and for seasonal jobs no longer than 60 hours per week. If a redistribution of working hours is introduced, the average working hours in the course of one year may not be longer than 40 hours per week.

- Normal work / atypical work

| Year | Persons in employment, full time | Structure % | Women   | Men     | Persons in employment, part time | Structure % | Women  | Men    |
|------|----------------------------------|-------------|---------|---------|----------------------------------|-------------|--------|--------|
| 2014 | 749 000                          | 92.2        | 273 000 | 475 000 | 63 000                           | 7.8         | 28 000 | 36 000 |
| 2015 | 763 000                          | 92.8        | 282 000 | 481 000 | 59 000                           | 7.2         | 25 000 | 36 000 |
| 2016 | 746 000                          | 93.2        | 262 000 | 484 000 | 55 000                           | 6.8         | 25 000 | 29 000 |

| Year | Self-employed | Structure % | Women | Men | Unpaid family workers | Structure % | Women  | Men   |
|------|---------------|-------------|-------|-----|-----------------------|-------------|--------|-------|
| 2014 | 155 000       | 19.1        | 43    | 112 | 32 000                | 4           | 24 000 | 9 000 |
| 2015 | 170 000       | 20.7        | 47    | 123 | 29 000                | 3.5         | 20 000 | 9 000 |
| 2016 | 169 000       | 16.5        | 48    | 121 | 27 000                | 3.3         | 18 000 | 9 000 |

Source: Agency for Statistics of BiH; Labour Force Survey 2016 – Final results

- Migration

Data not available

- HDI

| Year | Scores | Ranking |
|------|--------|---------|
| 2011 | 0.724  |         |
| 2012 | 0.726  |         |
| 2013 | 0.729  | 89      |
| 2014 | 0.733  | 85      |
| 2017 | 0.750  |         |

Source: <http://hdr.undp.org/en/statistics/>

- Gini-coefficient

| Year | Index | International ranking |
|------|-------|-----------------------|
| 2007 | 36,3  | 68                    |

Source: [http://www.indexmundi.com/bosnia\\_and\\_herzegovina/distribution\\_of\\_family\\_income\\_gini\\_index.html](http://www.indexmundi.com/bosnia_and_herzegovina/distribution_of_family_income_gini_index.html)

- Collective agreement coverage

The General Collective Agreements, both in the Federation of BiH and in RS, stipulate that they are binding and that they apply to all workers and employers. No collective agreement concluded at the branch or company level may grant lesser rights than those stipulated in the General

Collective Agreements. Differences between the public and private sector are especially pronounced in the area of implementation of the existing collective agreements and it is a fact that the provisions of agreements are more frequently violated in the private than in the public sector.

- Ongoing important collective bargaining agreements

The most important collective agreement in the FBiH is the General Collective Agreement signed by the three social partners in 2010. So far it has been amended twice, the amendments pertaining to the amount of the minimum wage and there were ongoing negotiations of social partners on more substantial amendments. In addition to the General Collective Agreement, there are also 23 branch collective agreements in force. In some branches, mainly in the private sector, the collective agreements have not yet been fully harmonized with the General Collective Agreement due to the absence of respective sectoral employers' associations so that the agreements signed with the line ministries are in force. At the cantonal level there are collective agreements in force in public administration, education, police and health care, signed between the respective trade unions and the cantonal line ministries. In RS there is the General Collective Agreement,

signed in 2012, between the RS Government, the Union of Associations of Employers of RS and the Confederation of Trade Unions of RS. There are also 15 branch collective agreements in force. Brčko District has not adopted a general collective agreement due to specific characteristics of its organisation where employers were free to act in accordance with the collective agreements in force in one of the two entities of BiH.



## • Trade union density

Although there are no official data that could accurately indicate the actual number of members of trade unions, the ratio between this number and the number of registered employees according to estimates makes the level of trade union density in BiH at approximately 50 per cent. When making this assessment, one definitely needs to have in mind the aforementioned fact that accurate data on trade union membership are not available, which is the consequence of the existence of great number of firms where workers have not received their salaries for several years or months so that the payment of the membership fee, as one indicator of membership, is either irregular or it is not regular to the extent it should be given the actual number of members of trade unions in those firms. In addition, there are workers who are members of trade

unions who due to economic problems in their companies, are in a sort of “waiting” status and do not receive any salary, and, consequently, cannot pay their membership fees. It is for these reasons that records on paid membership fees cannot be treated as accurate records of actual membership.

There is a higher trade union density in the public sector while trade unions in the private sector most often exist only in companies that used to have organized trade unions before they were privatized. It is rarely the case in newly-established private companies that employers allow union organization of workers. The problems that organization of trade unions faced in multinational companies that have entered the BiH market have been especially prominent.

## • Employer’s organizations density

There are no accurate data on the membership in the Employers’ Association of BiH. As for the entity associations, according to the latest available data, the Employers’ Association of the Federation of BiH has approximately 1,000 collective and individual

members while the Union of Associations of Employers of Republika Srpska, which comprises 13 branch employers’ associations, has 430 affiliated companies from the non-public sector.

## • Workplace representation

According to the law, workers in Bosnia and Herzegovina are given the opportunity to be represented at work through trade union organizations and workers’ councils. Trade union membership is voluntary and a worker becomes a trade union member by registering for membership in the trade union of the respective activity, i.e. a branch in the trade union organization. Any employed worker can become a member of a trade union upon signing a membership application form, whereby he/she accepts the rights and obligations arising from the statute and other acts of the particular trade union. Employers cannot be members of a trade union. As for the employees’ councils, i.e. workers’ councils, their organization is regulated in entity laws. In order for an employees’ council to be formed, the employer must have at least 15 workers employed on a full-time basis. In the FBiH, an employees’ council can be organized upon request of a trade union or a minimum 20 per cent of employees of a single employer; in RS, the decision on establishment of a workers’ council can be made by a minimum one-third of the total number of workers of

a single employer. Rights and obligations of employees’ councils and trade unions, as well as the obligations of employers towards these representatives of employees, are laid down in the legal regulations and trade union acts. It is also stipulated that, in case there is no organized trade union within an employer, powers and obligations of the trade union are assumed by a workers’ council (RS), and in case of absence of the employees’ council, its rights and powers are assumed by the trade union (FBiH). In general, there is a low level of organization of employees’ councils in BiH, and especially so in RS, and they are organized only sporadically. Workers still have more confidence in trade unions as their legitimate representatives, which is partly due to the long-standing tradition of organizing in trade unions. Generally, the problem of the low level of organization in employees’ councils and of the low activity of workers in trade unions is a consequence of the fact that workers’ representatives are denied their legal right to participate in co-decision processes.

## • Trade unions

In Bosnia and Herzegovina at the state level the Confederation of Trade Unions of BiH is comprised of the Confederation of Independent Trade Unions of FBiH, the Confederation of Trade Unions of RS and the Trade Union of Brčko District.

| Name                        | English name                         | Membership | Membership in international organizations |
|-----------------------------|--------------------------------------|------------|---|
| Konfederacija sindikata BiH | Confederation of Trade Unions of BiH | 213,000    | ITUC, observer status in ETUC             |

| SAVEZ SAMOSTALNIH SINDIKATA BiH<br>(CONFEDERATION OF INDEPENDENT TRADE UNIONS OF BOSNIA AND HERZEGOVINA) |  |                                   |
|--|--|-----------------------------------|
| Branch trade union   | Name in English  | Membership in intl. organizations |
| Sindikat metalaca BiH  | Trade Union of Metal Workers BiH   | IndustriAll-ETU                   |
| Sindikat BH Pošta  | Trade Union of BH Post   | UNI                               |
| Sindikat državnih službenika i namještenika u FBIH   | Independent Trade Union of Workers of State Administration FBIH          | EPSU/PSI                          |
| Samostalni sindikat osnovnog obrazovanja i odgoja BiH  | Independent Trade Union of Primary School Education and Nursing BiH      | EI                                |
| Sindikat radnika rudnika uglja BiH   | Trade Union of Miners BiH  |                                   |
| Samostalni sindikat šumarstva, prerade drveta i papira BiH   | Independent Trade Union of Forestry, Wood Processing and Paper in BiH    | BWI                               |
| Samostalni sindikat radnika hemije i nemetala BiH  | Independent Trade Union of Chemistry and Non-metal Workers BiH           | IndustriAll-Global Union          |
| Sindikat građevinarstva i IGM BiH  | Independent Trade Union of Building and Const. Materials Industry in BiH | BWI                               |
| Sindikat saobraćaja u FBIH   | Traffic Trade Union in FBIH  |                                   |
| Sindikat BH Telecoma   | Trade Union of BH Telecom  | UNI                               |
| Sindikat tekstila, kože obuće i gume BiH   | Trade Union of Textile, Leather, Footwear and Rubber Industry BiH        | IndustriAll-Global Union          |
| Sindikat elektroenergetskih radnika BiH  | Trade Union of Electricity Workers BiH                                   | EPSU/PSI                          |
| Sindikat radnika komunalne privrede u FBIH   | Trade Union of Utility Workers in FBIH                                   | EPSU/PSI                          |
| Samostalni sindikat radnika nafte i petrohemijske BiH  | Independent TU of Oil and Petrochemical Workers BiH                      |                                   |
| Samostalni sindikat radnika u finansijskim organizacijama BiH  | Independent Trade Union of Financial Organization's Workers BiH          | UNI                               |
| Unija sindikata policije u FBIH  | Union of Police Trade Unions in FBIH                                     | CESP                              |
| Nezavisni strukovni sindikat radnika zaposlenih u zdravstvu BiH  | Independent Trade Union of Health Service Employees BiH                  | EPSU/PSI                          |
| Sindikat radnika željeznica BiH  | Trade Union of Railway Workers BiH                                       | ITF                               |
| Sindikat radnika trgovine BiH  | Trade Union of Trading BiH   | UNI                               |
| Sindikat grafičkih, izdavačkih i medijskih radnika BiH   | Trade Union of Graphic, Media and Publishing Workers BiH                 | UNI                               |
| Sindikat srednjeg i visokog obrazovanja, odgoja, nauke i kulture BiH                                     | Trade Union of Secondary and High Education, Nursing, Science and        | EI                                |
| Sindikat hrvatskih telekomunikacija Mostar   | Trade Union of Croatian Telecommunications Mostar                        | UNI                               |
| Sindikat penzionera BiH  | Trade Union of Pensioners BiH  |                                   |
| Sindikat hrvatske pošte Mostar   | Trade Union of Croatian Post Mostar                                      |                                   |

| <b>SAVEZ SINDIKATA RS<br/>(CONFEDERATION OF TRADE UNIONS OF REPUBLIKA SRPSKA)</b> |  |  |
|---|--|--|
| <b>Branch trade union</b>   | <b>Name in English</b>   | <b>Membership in intl. organizations</b> |
| Sindikat metalske industrije i rudarstva RS                                       | Trade Union of Metal Industry and Mining RS                      |  |
| Sindikat trgovine, ugostiteljstva, turizma i uslužnih djelatnosti RS              | Trade Union of Trading, Catering, Tourism and Services RS        | UNI                                      |
| Sindikat zdravstva i socijalne zaštite RS   | Trade Union of Health Workers of RS                              | EPSU/PSI                                 |
| Sindikat obrazovanja, nauke i kulture RS  | Trade Union of Education, Science and Culture of RS              | EI                                       |
| Sindikat šumarstva, prerade drveta i papira RS                                    | Trade Union of Forestry, Paper and Wood Processing RS            | BWI                                      |
| Sindikat medija i grafičara RS  | Trade Union of Medias and Graphic Workers RS                     |  |
| Sindikat građevinarstva i stambeno-komunalne djelatnosti RS                       | Trade Union of Construction, Housing and Communal Services of RS | EPSU/PSI                                 |
| Sindikat saobraćaja i veza RS   | Trade Union of Traffic and Connections RS                        |  |
| Sindikat uprave RS  | Trade Union of Administration RS                                 | EPSU/PSI                                 |
| Sindikat pravosuđa RS   | Trade Union of Judiciary RS                                      |  |
| Sindikat poljoprivrede i prehrambene industrije RS                                | Trade Union of Agriculture and Food Industry RS                  |  |
| Sindikat radnika unutrašnjih poslova RS   | Trade Union of Internal Affairs Workers of RS                    | EPSU/PSI                                 |
| Sindikat finansijskih organizacija RS   | Trade Union of Financial Organizations RS                        | WOW                                      |
| Sindikat tekstila, kože i obuće RS  | Trade Union of Textile, Leather and Footwear RS                  | IndustriAll-Global Union                 |
| Sindikat Telekom RS   | Trade Union of Telecom RS  | EUROFEDOP                                |

#### SINDIKAT BRČKO DISTRIKTA (TRADE UNION OF BRČKO DISTRICT)

- **Employer's Organisations**

At the state level, there is the Association of Employers of BiH; its members are the Association of Employers of FBiH, the Union of Associations of Employers of RS, and the Association of Employers of Brčko District BiH. In RS, the Union of Associations of Employers is vested with representative status.

| <b>Name</b>                 | <b>English name</b>           | <b>Membership</b> | <b>Membership in international organizations</b> |
|-----------------------------|-------------------------------|-------------------|--|
| Asocijacija poslodavaca BiH | Employers' Association of BiH |                   | UEAPME   |

| <b>Name</b>                           | <b>English name</b>                          | <b>Membership</b> | <b>Membership in international organizations</b> |
|---------------------------------------|--|-------------------|--|
| Udruženje poslodavaca u FBiH          | Employers' Association of the Federation BiH | APBiH             |  |
| Savez poslodavaca RS                  | Federation of Employers' Associations of RS  | APBiH             |  |
| Udruženje poslodavaca Brčko distrikta | Association of Employers of Brčko District   | APBiH             |  |
| Unija udruženja poslodavaca RS        | Union of Associations of Employers of RS     |                   |  |



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