

2018

SERBIA

By Dragana Petkovic Gajic

Socio-economic developments

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Annual Review

of Labour Relations and Social Dialogue

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Serbia / By Dragana Petkovic Gajic

- Fundamental freedoms and Serbia's democratic institutions continued their deterioration in 2018, marking the fourth consecutive year of democratic decline in the country and its lowest Democracy Score in Nations in Transit since 2003. The areas that suffered particularly during the year were the independence of the media, civil society, national democratic governance and the conditions under which local elections take place. The use of the urgent procedure to adopt legislation is still high. The effectiveness of the Parliament in scrutinizing legislation has on certain occasions been limited by deliberate actions by the ruling coalition.
- The government's economic reform program focuses on ensuring economic and financial stability, halting further debt accumulation and creating an environment for economic recovery and growth to foster employment and raise living standards. These goals will be achieved primarily through fiscal consolidation measures and an acceleration of structural reforms to remove existing bottlenecks to economic growth, including reform of state-owned enterprises (SOEs), creating the foundation for faster growth and private sector-led job creation over the medium term.
- Impressive results in the labor market and a significant decline in unemployment are the result of an increase in employment in the informal sector. Serbia is a country of labour emigration as every year there is an increase in those leaving the country in order to work abroad. Well-educated young people leave but also those who are over 50 having even two sub-specializations, which further results in imbalance in the labor market.
- All social benefits are decreasing, the number of potential users is also decreasing. The individual share of being at risk of poverty or social exclusion is the highest among all European countries. Unemployment benefits have been reduced.
- In the area of social dialogue there is a weakness of bipartite as well as tripartite dialogue. A key weakness is the absence of a culture of collective bargaining - collective bargaining has been reduced in the public sector, whereas collective bargaining in the private sector is exclusively done at the company level. There has been no progress in branch collective bargaining in the private sector.

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Socio-economic developments

Economic growth was likely buoyed by strong domestic demand, with favorable financial conditions and rapid credit growth feeding through to strong private consumption and fixed investment spending. Moreover, rising wages also likely propped up household spending, while a surging construction sector would have supported infrastructure investment in the quarter.

In early October, the government and the IMF discussed the first review of Serbia's Policy Coordination Instrument and agreed on a framework for the 2019 budget, which targets a fiscal deficit of 0.5 per cent of GDP and is set to further reduce the public debt ratio. Following what is expected to be a better-than-forecast fiscal performance in 2018, next year's budget proposes increased infrastructure spending, modest income tax cuts, and rolling back cuts on pension benefits.

Budget revenues are projected at RSD 1,246.2 billion and spending at RSD 1,269.1 billion, with a deficit planned at RSD 22.9 billion, or 0.4 per cent of the expected Gross Domestic Product (GDP). Fiscal consolidation will ensure a further decrease of the public debt's share in GDP, from 56.6 per cent to below 50 per cent next year. According to data released by the Statistical Office of the Republic

of Serbia, industrial production in the Republic of Serbia in October 2018 increased by 3.2 per cent relative to October 2017 and by 11.7 per cent relative to the 2017 average.

Real GDP growth in the third quarter of 2018, compared to the same period of the previous year was 3.8 per cent.

Foreign Direct Investment (FDI) in Serbia increased by EUR 174 million in September 2018. Macroeconomic stabilization and improvements to the business environment contributed to further FDI growth (3.2% y/y in Q1-Q3 2018) focused on the manufacturing sector. Serbia is ranked 48 among 190 economies in the ease of doing business according to the latest World Bank annual ratings. The rank of Serbia deteriorated to 48 in 2018 from 43 in 2017.¹

The Inflation rate in Serbia is expected to be 2.3 per cent by the end of this quarter, according to Trading Economics global macro models and analysts' expectations. In the long term, expect inflation to average 2.9 per cent in 2019, which is unchanged from last month's forecast and to average 3.0 per cent in 2020.

• Employment, salaries and pension benefits

In the field of employment policy one can talk about the improvement of labor market indicators in 2018 compared to 2017 as well as the increase in the employment rate of the working age population, the decline in the unemployment rate of the working age population and a drop in youth unemployment.

According to the Labour Force Survey, the unemployment rate in Q3 equalled 11.3 per cent, which is 1.5 per cent lower than Q3 2017. The employment rate increased by 1.0 per cent in the same period (from 48.2% in Q3 2017 to 49.2% in Q3 2018) as a result of higher employment in industry and services. Labour market indicators improved further in 2018, mainly due to a rise in the informal economy, in particular agricultural, sectors of commerce and catering industry employment and other precarious jobs.

The average net salary (without taxes and contributions) paid in September 2018 amounted to RSD 47,920 (€

393). When compared to the same month last year, average net salaries and wages increased by 3.3 per cent in real terms. In October the minimum wage (net) amounted to RSD 26,312 (€ 222.55).² The worst thing about this fact is that more than 330,000 Serbian workers have to find a way to survive with that tiny amount. The minimum wage covers only 60 per cent of the subsistence minimum.

According to the announcement of the Pension and Disability Insurance Fund, the average pension in September equalled RSD 24, 974 (€ 210.40).³ The informal economy is estimated at around 20-30 per cent of GDP and leads to losses in the budget.

¹ Ease of Doing Business in Serbia averaged 72.55 from 2008 until 2018, reaching an all-time high of 93 in 2013 and a record low of 43 in 2017.

² The current minimum wage in Serbia is 143 dinars per hour (1.20 euros).

³ From November 2018 (after four years) pensions are still not paid in line with the Law on Temporary Payment Arrangement of November 2014. The value of pensions has never been lower than today.

• Youth unemployment

The youth unemployment rate in Serbia decreased to 25.30 per cent in the third quarter of 2018 from 27.50 per cent in the second quarter of 2018.⁴ The demographic structure is unfavourable and there is a brain drain, which led to a shortage in some professions and employment.⁵ Even positive trends in NEET for young people (reduction by 9.3 %), most of whom are engaged in precarious jobs, is far from decent work.

The latest Gender Equality Index for Serbia is 55.8 points compared to the EU average of 66.2 points. Serbia has increased its score in the domains of health, education and political empowerment of women, and made progress of 9.3 points. When talking about the field of economic participation, the result remains the same last year. These

are problems of inactivity among women as a result of unpaid household work, inadequate support for women in balancing work and family responsibilities, discrimination against young women by employers, the payment gap, early retirement, and there is a legal minimum for mandatory social security contributions.⁶

Social exclusion and poverty still encompass the problems that affect a large number of citizens in Serbia. In Serbia, the rate of risk of poverty and social exclusion is the highest in Europe. Half a million citizens of Serbia are not able to meet basic needs. Despite the fact that 7.9 per cent of the population lives in absolute poverty, only 3.7 per cents of them receive social assistance. The GINI coefficient reached a staggering 39.

State policies

The quality of democratic governance has declined at the national and local level. Local electoral contests were held during the course of the year in an atmosphere of marked intimidation, with local elections seeming neither free nor fair. Meanwhile, the SNS continued the practice of post-election cooperation of opposition local assembly members in an attempt to grab as much power and resources at the local level as possible.⁷ The ruling party's comfortable win in Belgrade's local elections in March 2018 has maintained a continuity in the strategic and policy framework.

The government also made further progress in stabilizing public finances and reducing public debt, along with modest positive reforms aimed at improving the general business environment. On the other hand, the process of normalization of the relations with Kosovo and dialogue are totally disconnected after unilateral actions of the authorities in Pristina - especially raising taxes on products from Serbia to 100 per cent, which violated the Agreement on Trade (CEFTA).

Meanwhile, there were no noteworthy reforms when it came to the rule of law or efforts to tackle corruption. Despite the fact that constitutional reforms intended to increase the independence of the judiciary were announced for 2017 as part of Serbia's EU accession efforts, these changes appear to have been deferred for 2018. A similar lack of progress was visible when it came to fighting corruption, with the topic seeming to slip ever further down the government's political agenda.

Poverty and social inequalities in Serbia are very much present, especially compared to the EU member states. On the one hand, salaries are limited to budget adoption (trade unions have no insight in the budget plan for the next year), and on the other hand salaries of managers and directors are 33 times higher than average salaries in Serbia.⁸ The largest part of collected public income only gets transferred, through public expenditure, from the poorest to the richest. Participation of indirect taxes (taxes on sales) in the overall Serbian tax income is quite large, the poor are to a proportionally higher extent burdened and they spend

⁴ The youth unemployment rate in Serbia averaged 41.39 per cent from 2008 until 2018, reaching an all-time high of 54.20 per cent in the second quarter of 2014 and a record low of 25.30 per cent in the third quarter of 2018.

⁵ The problem of high unemployment, brain drain and economic inactivity has been pointed out in the Report on Serbia adopted by the Foreign Affairs Committee of the European Parliament in October 2018. The European Parliament expressed concern about persistent unemployment. It stresses the importance of training and developing entrepreneurial skills among young people but draws attention to the situation of women in the labor market and strengthening dialogue.

⁶ The unadjusted pay gap is partially interpreted as a pay gap existing due to women being more present in sectors with lower salaries, the sectors of education, health and social protection. The gap is bigger in the private sector (9.4) than the public sector (1.6).

⁷ As a result, by the end of 2017 the SNS controlled the local government in 157 out of 170 local municipalities in Serbia.

⁸ On the one side there are salary limitations imposed by the state and on the other side those producing the largest profit are unburdened through various subsidies, tax reliefs and the like. For example, 1-2 per cent of the richest Serbian citizens have tax reliefs at their disposal upon the calculation of their annual income tax. Also, there is low income tax progressiveness, which makes the poorest classes of society overburdened with taxes and contributions while the richest stay completely unburdened. In order to balance the tax system, direct taxes are typically designed to secure progressiveness, i.e. to burden proportionally more citizens with a higher income. This is mostly possible through progressive income taxation, through taxes on corporation profit and some other less expensive taxes, such as property and inheritance taxes.

a larger part of their income (often more than 100% by getting into debt) compared to richer citizens.

Data acquired through the Questionnaire on Income and Living Conditions in Serbia shows that a significant number of people have jobs which do not provide for a decent life for their families. About a quarter of people work in the informal sector and a third are in precarious jobs.⁹

In January 2018, the Economic Reform Program (ERP) was adopted for the period from 2018 to 2020 which, within the area of employment and labor market structural reform, establishes Priority 17 - Improving policy of active employment area with a focus on young people and the long-term unemployed surpluses.¹⁰ The problem of significantly lower rates of female employment and high inactivity rate is not recognized as a challenge. Although more than one-fifth of employees are engaged in the informal economy, there is no planned action aimed at solving this problem.

The Employment and Social Reform Program (ESRP) follows the process of European integration in three areas: labor market and employment policies, human capital and skills development policies, social inclusion and social protection.¹¹

The government has maintained its law-adopting and urgent-procedure policy. A set of laws covering the sphere of work was adopted (laws on a simplified form of employment on seasonal jobs and in certain sectors; employment of foreigners; conditions for assigning workers to temporary work abroad and their protection; as well as the Law on Amendments to the Law on Peaceful Settlement of Labour Disputes). Bad timing for holding public debates was mentioned as a response because they almost always take place at the time of New Year or May 1, as well as the summer holidays.

The adoption of the Law on Simplified Employment of seasonal jobs in certain sectors is regulated by the work of

seasonal workers. The draft law has not received a favorable opinion of the Standing working body of legislation SEC or the meeting of the Social and Economic Council because there was no consensus.

The Ministry of Labor, Employment, Veteran and Social Affairs presented to the public at the beginning of August the Law on Amendments to the Law on Social Protection, which is in direct contradiction with the Constitution of the Republic of Serbia, the Action Plan for Chapter 23 and relevant international conventions.¹²

The Law on Amendments to the Law on Financial Support to Families with Children was adopted in June 2018. The law expanded the circle of beneficiaries of compensation during maternity leave, leave for child care and leave for special child care, and women engaged in outside employment. However, the amounts mothers will receive are significantly reduced, which brings into question whether the amount of compensation is sufficient to enable the protection of living standards and the health of mother and child.

After 22 years Serbia should get a new Law on Strike. The basic trade union response about this law is that it is supposed to be an umbrella law, which is not envisaged by the draft. Trade unions also do not accept the provisions regulating minimum work processes. Employers, however, are not satisfied with a draft law which does not guarantee the employer's right to a so-called "lock-out". Contrary to the ILO principles and EU standards, this draft law too broadly determines professions where a strike is banned and professions of general interest where it is possible to organize a strike if a minimum work process providing for the protection of life, personal safety or health of the whole population or a part thereof has been secured.¹³

The draft of amendments to the Law on Requirements for Temporary Assigning Employees to Work Abroad (Posted workers) envisages that a worker who has been employed for three months cannot be assigned to work abroad and the quota of a mandatory 20 per cent of workers has been

⁹ Having in mind that the situation in Serbia is quite bad, which is shown through a very high GINI coefficient (income inequality according to the SILC Questionnaire about income and living standard), reform of the tax system and social transfers is recommended. The possibility to introduce progressive taxation as an instrument to reduce social differences, which is aimed at approaching the values that the European social model is based on, remains an open issue.

¹⁰ In the analysis of the labor market as key challenges it was cited "quality of human capital through the loss of skills, confidence and motivation: the high rate of youth unemployment and long-term unemployment, a significant portion of employees who work outside the formal sector, the inflow of unemployed persons due to the completion of the privatization process and restructuring state-owned and public sector, inadequate capacities of employment services to provide quality services, and the limited impact of the active employment policy".

¹¹ The strategic document of the Republic of Serbia in the field of employment, the National Employment Strategy that was adopted for the period from 2011 to 2020 and the National Employment Action Plan (NEAP), which Serbia returns annually. The National Employment Action Plan for 2018 has been initiated.

¹² A group of civil society organizations launched an initiative to withdraw from Parliament a draft law on amendments to the Law on Social Protection by requesting to open public discussion with key national and international actors on priority reform in the social protection system. The Ministry of Labor, Employment, Veteran and Social Affairs received more than 500 requests for withdrawal from the proposed draft procedure.

¹³ The Agency for Peaceful Settlement of Labour Disputes keeps the records of strikes, but trade unions doubt whether there is a possibility to performing a high quality arbitration procedure in determining minimum work process if the process itself has not been determined by a collective agreement or a trade union agreement concluded between the majority of employees and the employer.

determined for the companies that assign their workers to go abroad.¹⁴

The public debate on the drafts for the Law on Temporary Employment Agency (Agency Employment) went on for more than two years - adoption is planned by the end of 2018. One of the key demands of the unions is that there should be a limit on the number of workers that an employer may engage through an agency.¹⁵ This demand has not been met.

A new arrangement with the IMF states that the analysis of a possible rise in electricity prices will be done in cooperation with the World Bank. Concerning Serbian Electric Utility Power Company, it is expected that before 2020 the company will change its status into a joint-stock company. In September the Ministry of Economy is supposed to organize a tender for the MSK company and the Petrochemical company while by the end of this year the state would need to start shutting down two unprofitable mines in Resavica. According to the arrangement, by the end of February 2019 a decision needs to be made regarding the privatization of Komercijalna banka (Commercial Bank) and the tender will be announced in June 2019.

The Chinese company "Zijin Mining Group" took over as the new strategic partner with 63 per cent of RTB Bor shares. The company has pledged to preserve 5,000 workers jobs. After many troubled years the PKB Corporation A.D has been privatized for EUR 105.05 million with the Arabian company Al Dahra as the new owner of PKB.

The country's European Union (EU) accession negotiating process made slow but steady progress, with the number of opened chapters reaching 16 by the end of the year, while two chapters of the Stabilization and Association Agreement (SAA) were temporarily closed. Meetings of the Joint Consultative Committee of Serbian Civil Society and the EU (JCC) were held in February and October 2018.¹⁶ In the Serbia's Progress Report for 2018 it was pointed out that it was necessary to increase transparency of the process itself and promote services of public administration. It has been constantly remarked by the two representative trade union confederations that there is a lack of transparency in the accession process. Trade unions fiercely oppose the feigning of social dialogue for the benefit of opening SAA

Chapters. The enforcement of Action Plan for Chapter 19 – social policy and employment – was expected.¹⁷

In October 2018, the Stabilization and Association Parliamentary Committee (SAPC) adopted the Declaration and Recommendations and addressed them to the Stabilization and Association Council and to the institutions of Serbia and of the European Union which, in addition to calls for opening the ESF for Serbia, highlighted the importance of permanent cooperation between the parliament and civil society organizations to strengthen its role and that meant that Serbia was invited to further work on the implementation of reforms that have been introduced in the Economic Reform Program (ERP). The Declaration is, to the knowledge of the author of this report, the first official document that calls for opening the ESF for Serbia.

Trade unions have insisted on transparent consultations with civil society and relevant international organizations and the adoption of the Social Development Protection Strategy in the Republic of Serbia for the period from 2018 to 2022, the Strategy of de-institutionalization and development of social services in the community for the period from 2018 to 2022 and the National action plan for children. The trade unions have insisted on enacting the Law on Social and Economic Council and making amendments to the Law on Prevention of Harassment at Work, as well as making it more versatile in practice.

The 2017 IPA II allocation for Serbia is EUR 186,700,000. The EU financial assistance will complement the national sector reform efforts and assistance by other donors and IFIs on two main pillars: Democracy and Rule of Law and Competitiveness and Growth. To enhance social inclusion, IPA II will support making social welfare more supportive to active inclusion and further development of community-based solutions in education, health, housing and job creation for integration of the most disadvantaged groups. Serbia also benefits from its participation in EU Programmes, namely: Horizon 2020, Creative Europe, EaSI, Europe for Citizens, Erasmus +, and the Civil Protection Mechanism. Finally, Serbia is a beneficiary also of the European Instrument for Democracy and Human Rights (EIDHR) and of support through a regional Exceptional Assistance Measure under the Instrument contributing to Stability and Peace (IcSP).

¹⁴ In this way misuse and lease of workers via agencies is prevented, especially when a company does not really have full-time employees but only hires them for specific tasks or services abroad. However, it is very hard to establish good recordkeeping.

¹⁵ Even though there are around 100,000 agency employees, this area still has not been regulated. Trade unions demand that the rights of those who work through agencies be regulated and that agency's licenses and guarantees be controlled.

¹⁶ The agenda of the meetings were: the current situation in terms of relations between Serbia and the EU accession process, monitoring of the accession negotiations on Chapter 19 - Social Policy and Employment, with special emphasis on reducing inequalities and fostering equal opportunities,

¹⁷ Concerning free movement of workers, representatives of the two trade union confederations pointed out the importance of the Law on Regulated Professions and Recognition of Professional Qualifications, as well as to the issue of a transfer deadline and reciprocity between Serbia and EU member states. It was also stressed that the capacities of relevant institutions, starting from the National Employment Service, Ministries and workers, needed to be strengthened so that they could follow the accession process

Industrial Relations

Industrial relations in Serbia are deeply polarized. On one hand there is the fragmented trade union scene - six National Confederations of Trade Unions out of which the most representative ones are the Confederation of Autonomous Trade Unions of Serbia (CATUS) and TUC NEZAVISNOST¹⁸, and on the other hand, the Serbian Association of Employers (SAE), the only representative employers' organization. The issue of representativeness, which is related to different views of social partners, has not been resolved.

The extremely unfavorable environment for trade union activities is a result of great pressure because of neoliberal economic policies as well as chronic long-term lack of democracy, especially in the Parliament. The poor social situation where one-fifth of workers are working in the informal sector, growing inequalities, where Serbia's GINI coefficient is on the infamous first place in Europe, as well as the emergence of new forms of atypical employment, with the dominant temporary and occasional jobs, additionally hamper the functioning of trade unions. There are also disadvantages to legislation, the inability to organize those who do not have a labor contract into unions, which narrows the union sphere of action considerably.

In Serbia in recent decades there has been a dramatic decline in the social power of workers and trade unions. There is a very low proportion of highly developed areas of production. There is a much higher proportion of processing of raw materials and only a rudimentary tertiary sector where the precarity of employment is very much present.

Trade unions are losing members due to the deindustrialization of the Serbian economy, the numerous privatisations of state-owned companies and the pronounced loss of trust in trade unions. So, the figure today is only 25 per cent rate trade union organization - the rate in the public sector is significantly higher than in the private sector, where it stands at about 15 per cent. In addition, a large number of people are employed in the informal sector and are not registered and therefore cannot be union members. The problem is also that the labour legislation strictly specifies that only employees with a labour contract can be members of a union (excluding the so-called new forms of employment).

The biggest mistake in trade union work was the lack of concrete activities directed towards changing the

definition of trade union membership which recognizes only employees with classic labour contracts as potential members – and the number of those is decreasing, which creates the impression of making divisions within the world of labour itself – in other words, the impression of creating competition among employees in a standard employment relationship and those working on flexible labour contracts. In this atmosphere, we can detect the cause of the increasing citizens' distrust in trade unions.

Although there is only one representative employers' organization (SAE) as a member of the Social and Economic Council, SAE is not actually representative at the branch and sectoral level. The biggest employers are outside the SAE, at the Chamber of Commerce. Therefore, the main problem in collective bargaining also represents a weak employers' scene.

Social dialogue remains weak, in particular regarding the involvement of the Social Partners in policy developments relevant to them. There is an evident imbalance in social dialogue where the importance of state prevails (the biggest employer) and where trade unions are actors rather than social partners. Collective agreements are mainly concluded in the public sector; in the private sector company level bargaining is dominant but no aggregate figures are available. Four sectoral collective agreements have been signed (musicians and performing artists, agriculture, construction, and the chemicals and non-metal industry). The two on musicians and performing artists and on agriculture are already in force; the others were cancelled by the employers' side.

In 2018, much like during the past few years, CATUS and TUC NEZAVISNOST managed to take common positions and public statements – whether within the Social and Economic Council, work groups for law-drafting or through organizing protests. The trade unions representatives insist on the necessity of linking macroeconomic policies, job creation and inclusive growth. Both unions were of a single block in the consideration of the drafts on the Law on Strike, the agency employment, the Law on Simplified Employment of Seasonal Jobs and the Law on Amendments to the Law on Social Protection, and others.

As for the other trade union confederations, they did not join in convergence or common action. Mutual public accusations amongst trade unions as to who is the real representative of the workers were not absent this year.

¹⁸ According to the data of the Ministry of Labor, Employment, Veteran and Social Affairs, there are 23,000 registered trade unions (there are six confederations at the national level, but also in small enterprises unions have different views on solving problems).

The focus of trade union activities in Serbia were the transformation of the labor market and the alarming data about migrations that mostly involve young and highly educated citizens to a foreign country, looking for better living and working conditions. Unemployment, low salaries and the impossibility to get promoted are not the only reasons for leaving the country, but they are the basis of insecurity.

An increasing number of jobs will be done over platforms or employment agencies. Apart from the change in the nature of work itself, there is also a need to consider demographic changes as well as cultural and social ones that were caused by industry 4.0. – "Systems of permanent work on probation" and "supervision without supervisors", as well as eliminating afore-set time frames and form of supervision within work that led to the devastation of employment contracts".¹⁹ From a legislative point of view, in new working conditions, in the digitalization era, limits of time and space do not exist. Labour law should define the term "worker" and the term "employer", as well as the term "labour relations". The overall weakening of trade unions' social influence is greatly conditioned by the increase of social inequalities. On its path towards EU integration Serbia must not forget about the concept of the European Social Pillar, while a concrete initiative to change the definition of an employee in the labour legislation of our country will contribute to the strengthening of social cohesion. Trade unions will pay special attention to the initiative to redefine the notion of labour relations in order to enable trade union association for workers who up to now have been denied this right, but with a simultaneous

implementation of concrete measures for the improvement of legal employment protection.

Accidents and deaths at the workplace that occurred in Serbia this year are making trade unions and workers seriously worried. The world of labour that trade unions represent finds any number of occupational accidents unacceptable, especially those with a tragic outcome. In order to find answers to some fundamental questions, such as how to prevent accidents at the workplace and promote employees' health (especially in the riskiest sectors - construction, mining, chemical, arms and processing industry), the Confederation of Autonomous Trade Unions of Serbia has launched an initiative to declare next year OHS year.²⁰ In December, the Strategy of Safety and Health at Work from 2018 to 2022 was adopted.

Employers, especially foreign investors who do not allow a trade union, which is contrary to the freedom of association, represent the problem. In "Yura", a South Korean company, the status quo still exists. It is forbidden to organize trade unions and its workers fear losing their jobs. They are threatened with dismissal so pressure by trade unions did not yield adequate results.

The Foreign Investors' Council (FIC) still has a huge impact on labor legislation. The recommendations which come from FIC to the government would be beneficial for employers but not workers. At this moment the Foreign Investors' Council employs 5 per cent of the overall number of employees and at the same time it makes up more than one fifth of GDP.

• Industrial conflicts

After the government postponed the adoption of a job classification act until 2020 and announced the reduction of salary increases it had promised to teachers (from 14.67 per cent to only 9 per cent), all four representative unions have been intensely considering their next moves. The general mood is one of anger and disappointment as the teachers feel that they were tricked by the government. Many see it as one more fact which proves that social dialogue in Serbia is passing through a serious crisis. It is not easy to forget either the efforts the unionists made in order to create a pay level list or the government's attempt to simply transform the existing coefficients into "new" pay levels.

The Association of Pensioners' Trade Unions organized a protest and demanded from the government and Parliament a law regulating the payment of the part of pension "nationalized" in 2014 (with accrued interest). The protest was organized because "recently adopted amendments to the Law on Pension and Disability Insurance neither regulated nor anticipated the return of property taken away from about 700,000 pensioners".

Trade unions in 'Zastava' from Kragujevac opposed the law that is in parliamentary procedure, which provides for the entry of strategic partners in the defense industry.

¹⁹ The phenomenon of digitalization, which is at the same time fascinating and terrifying, needs to be regarded from the consumer's point of view. This, however, would have to be done through determining the protection strategy for employees in atypical jobs. Based on the data of the World Bank, regarding the number of citizens and workers, Serbia is, together with Romania and Ukraine, the biggest exporter of the online work force in Europe.

²⁰ In Serbia, according to data from June 2018, there are 454,954 registered legal entities and individuals. The inspection supervision over the implementation of regulations in the field of safety and health at work is performed only by 247 labor inspectors. Taking into account that a labor inspector covers more than 1,700 enterprises, we should point out the need to strengthen the capacity of the labor inspectorate to create efficient performance.

• Mediation and Arbitration

According to the data of the National Agency for Peaceful Settlement of Labour Disputes, from January to December 2018, 726 procedures for peaceful settlement of labour disputes were being processed by the Agency arbiters - out of which 436 were resolved. The Law on Peaceful

Settlement of Labor Disputes, which strengthens the role of arbiters whose decisions are to be directly enforced now makes working time, vacations and minimum wage as subjects of arbitration.²¹

Tripartite Social Dialogue

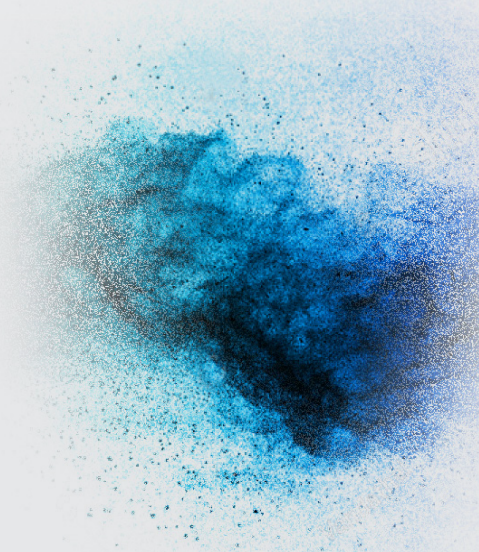
Representatives of the two trade union confederations, CATUS and TUC NEZAVISNOST, participated in the 107th ILO session held in Geneva from 28 May to 8 June 2018. The same as last year, within the ITUC Global Rights Index, Serbia occupies a notorious place in Index 4 that includes countries where trade union rights are systematically violated. This year Serbia's case was discussed before the Committee on the Application of Standards due to the complaints concerning application of Convention 144 on tripartite consultations.

Despite the fact that according to the Law on Social and Economic Council this body is defined as independent, on many occasions the government has submitted its draft laws in the area of labour and social legislation directly to the General Assembly. In 2017 alone, there were 14 laws in the area of education that were passed without discussion in the Council. An additional difficulty is represented by the absence of government representatives in the committee for determining trade union representativity, as well as the absence of representatives of employers' association, which prevented this committee from functioning from May last year till April this year. All the while, decision making by a two-third majority overrides the consensus principle and enables the government and employers to determine representativity without trade union consent.

Although funds for the work of the Social and Economic Council doubled in 2017, it is noted that there has been no progress in tripartite dialogue. The Social and Economic Council is still bypassed in the decision-making process and local social and economic councils have not lived up to the expectations.

In the Decent Work Program for Serbia (2019-2022) representatives of the two trade union confederations urged for the strengthening of the Social and Economic Council, and social dialogue on all levels, as well as establishing labour courts in order to finally realize the right to fair trial in a reasonable period of time.

In September 2018 social partners reached a common agreement on the adoption of the minimum hourly wage for the next year (155.30 RSD (1.30 EUR) per working hour). The joint proposal made by the employers and the government (155 RSD (1.30 EUR) per hour and 27,000 RSD (229 EUR per month) was not approved by CATUS and TUC NEZAVISNOST who are demanding a more substantial increase – 10 per cent instead of 8.6 per cent.



²¹ The law also opens the door to collective labour disputes on subjects such as enforcement of collective agreements, representativeness of trade unions in companies and the definition of the minimum service levels. If there are no unions in a company, the striking committee may also be considered a party in the dispute. Unlike the practices prevailing in the past, representative unions did participate in the elaboration of this draft.

Forecasts

Maintaining macroeconomic and fiscal stability, improving the efficiency of public administration and accelerating the reform of public enterprises will be a big challenge for the government in 2019. The fight against corruption, the rule of law and more transparency will continue to be the basic measures of the progress of Serbia in the EU accession process and in democratic changes. Transparency, inclusiveness, the quality of law-making and effective oversight of the executive branch need to be enhanced improved as well as cross-party dialogue. The role of independent regulatory bodies needs to be fully acknowledged and supported.

The challenges that will face society in Serbia will be the exodus of people and export of the labor force. Departure of young, educated and professional staff will further exacerbate the gap in the labor market. On the one hand, there are surpluses in certain sectors and on the other a lack of professionals and skilled workers. This will seriously endanger the human capital endowment and global competitiveness of Serbia. Better preparation of the economic environment but also the regulation of numerous imbalances in the labor market and the reduction of social

inequalities and social exclusion of wide sectors of the society will also be a challenge.

To overcome the disadvantages of social dialogue and the crisis in collective bargaining, employers and trade unions should use accession negotiations as an instrument in finding the best solutions. There is a need to harmonize the legal framework that would contribute to the improvement of the social partners and to establish a culture of collective bargaining. It is necessary to stop the trends of precarious jobs and employees need to be introduced to more decent work.

The crisis of trust in trade unions is the main problem. Trade unions have to find the most effective strategies that would increase their political influence through developing lobbying influence on ministerial groups in the Parliament. It is important to step away from a conservative definition of trade unionism and also focus on the care for other vulnerable categories of the society (such as precarious workers and people hard to employ). It is necessary to achieve a basic level of trade union cooperation. To start with, unions should at least agree on “not attacking one another”.

Annex - Information about:

• Collective bargaining system

According to Labour Law ("Official Gazette of the Republic of Serbia", No.24/2005, 61/2005, 54/2009, 32/2013 and 75/2014) a collective agreement can be concluded at a general, branch and company level. Representatives of trade unions and employers, i.e. the Serbian Association of Employers, who participate in negotiations for the conclusion of a collective agreement and sign it in the end, need to be authorised by their governing bodies. The general collective agreement and branch collective

agreements for a specific branch, group, sub-group or profession are concluded for the territory of the Republic of Serbia. A branch collective agreement is concluded for the territory of a unit, territorial autonomy or a local self-government. All agreements are concluded by representative employers and representative trade unions, i.e. if agreements for public enterprises are in question, they are signed by representative trade unions and representatives of those who founded the public enterprise.

Levels of collective bargaining:

- The national level – it is very important and evident through the engagement of the Social and Economic Council, which considers labour legislation, working conditions, and determining the minimum hourly wage. Even though there are initiatives for the conclusion of a General Collective Agreement, which would improve collective bargaining at the branch level as seen by the advocates of collective bargaining, it has not been renewed since 2010.
- Branch, i.e. sectoral level, is important but only in the public sector that has a relatively high rate of trade union organization and high coverage of collective agreements, around 60 per cent; In the non-public sector collective bargaining is very weak, which is confirmed by only one concluded branch collective agreement in the road maintenance industry that had been also granted extended effect.
- The company level is dominant in the private sector, which is characterized by low union density as well as in public enterprises where collective agreements were concluded.

Labour market integration of workers who have become redundant and the long-term unemployed remains a key challenge for the strength of the unions in collective bargaining. Contents of such an agreement deal with

the salaries and working conditions. Gender equality in collective agreements is an issue that has not yet been recognized as a matter relevant for collective agreements.

• System of tripartite social dialogue

In line with the Law on the Social and Economic Council ("Official Gazette of the Republic of Serbia", No.125/04) the SEC is an independent tripartite body including representatives of the government of the Republic of Serbia and representative trade unions and employers' associations. There are 18 members and apart from ministers, the current membership includes six representatives of the Serbian Association of Employers, four CATUS representatives and two TUC NEZAVISNOST representatives. Essentially, tripartite social dialogue is basic and boils down to the exchange of information, often without the intention of reaching an agreement between the participants. Important laws from labour-social legislation are still not submitted to the SEC and rather they are sent to parliamentary procedure without being given a "green light" by the social partners.

Employee rights. Employees' rights have been under big pressure, especially in private companies, but also in the public sector. Pressures on presidents of trade union organizations continue, which sends a clear message not only to legally-elected workers' representatives but also to all employees, showing them what will happen if they fight for their rights and the future of the company where they work. There are numerous examples of employers' arrogance in the private sector, where often the establishment of trade union organizations is prohibited and if they do exist their representatives are harassed. However, such things happening in public companies (where the authorities are boasting about having signed collective agreements, respecting them and negotiating with trade unions) are particularly worrisome. Labour Inspectorate offices are understaffed and their right to intervene on behalf of employees in practice is rather limited and their administrative capacity needs to be further strengthened in order to support the implementation of the national program for fighting the gray economy.

• Social insurance systems

Pensions

Pensioners, 2015-2018

	2015 Oct.	2016 Oct.	2017 Oct.	2018 Oct.
Beneficiaries of pensions total (utilization of rights)	1,733,308	1,725,784	1,719,225	1,712,869
Structure				
Old-age pensions*	1,061,477 61.2%	1,067,510 61.9%	1,069,979 62.2%	1,079,613 63.0%
Disability pensions	314,021 18.1%	304,483 17.6%	298,433 17.4%	287,287 16.8%
Survivors' pensions	357,755 20.6%	353,791 20.5%	352,261 20.5%	345,967 20.2%
Compensation for physical injury (No. of users)	70,513	67,319	298,433 17.4%	59,967
Compensation for assistance and nursing (No. of users)	73,708	75,385	76,315	78,635
Pension benefits (in RSD)				
Pension benefits	16,661	23,446	23,814	24,974
Real growth rate	0.01	0.00	-1.7	

Source: National Fund for Pension and Disability Insurance, 2018, October http://pio.rs/images/StatisticMonthlybulletin_Oct_2018.pdf

Average Pensions, 2015-2018

	2015	2016 Oct.	2017 Oct.	2018 Oct.	real growth rate
Average pension adjusted by the law, (in RSD and €)	22,726 (€186)	23,446 (€188.40)	23,814 (€201.01)	24,974 210.44 EUR	-1.7

Source: National Fund for Pension and Disability Insurance, October, 2018

Health

Number of insured persons by insurance base, 2014-2017

	2014	In %	2015	In %	2016	in%	2017	In%
Insurance basis								
Employed persons	2,811,088	40.50	2,810,877	40.00	2,831,379	41.00	2,889,675	42.00
Unemployed persons	65,245	0.94	65,078	0.94	68,607	1.00	46,323	1.00
Beneficiaries of pension	1,956,656	28.19	1,956,987	28.00	1,911,121	27.00	1,962,002	28.00
Self-employed	279,026	4.02	278,905	4.02	274,428	4.00	304,503	4.00
Farmers	283,885	4.09	283,721	4.09	205,820	3.00	204,628	3.00
Health insurance is covered from the budget of the government	1,370,839	19.75	1,370,593	20.00	1,379,128	20.00	1,326,651	19.00
Other	174,912	2.52	174,798	2.52	205,820	3.00	167,700	3.00
Total citizens covered	6,940,959		6,940,959	99.57		99.00	6,901,482	100.00

Source: National Fund for Health Insurance; <http://www.rfzo.rs/index.php/nosioci-osiguranja-stat> <http://www.rfzo.rs/index.php/broj-osiguranika-stat/>

• Education and vocational training

Serbian Population 15+, by Educational attainment, Census 2011

Serbia	Census 2011		2015		2016		2017	
	Total	%	Total	%	Total	%	Total	%
	6,161,584	100	6,161,584	100	6,161,584	100	6,161,584	100
Without educational attainment	164,884	2.68	164,884	2.68	164,884	2.68	164,884	2.68
Illiterate	164,884	2.68	127,463	1.96	127,463	1.96	127,463	1.96
Incomplete primary education	677,499	11.00	677,499	10.99	677,499	10.99	677,499	10.99
Primary education	1,279,116	20.76	1,279,116	20.75	1,279,116	20.75	1,279,116	20.75
Secondary education	3,015,092	48.93	3,015,092	48.93	3,015,092	48.93	3,015,092	48.93
Higher education	652 234	10.59	1,000,569	16.24	1,000,569	16.24	1,000,569	16.24
Computer literate			2,108,144	34.21	2,108,144	34.21	2,108,144	34.21
Computer illiterate			3,142,854	51.01	3,142,854	51.01	3,142,854	51.01

Source: Statistical Office of the Republic of Serbia, Statistical Year Book of Republic Serbia, October 2018, p. 43, No 51. pdf, www.stat.gov.rs/en-us/oblasti/.stanovnistvo

- Employment rate

Employment Rate, 2015-2018 Q3 (age 15-64)

	2015	2016	2017	2018
Population aged 15 and over	6,047,416	6,013,2	5,981,2	5,951,2
Employed persons average (thousands)	2574,2	2,814,0	2,881,9	2,929,3
Employment rate	42.5	46.8	48.2	49.2
Activity rate (Working age 15-64)	51.6	54.3	55.3	55.5
Employees in legal entities average (thousands)*	1,698	2,136,5	2,253,5	2,330,4
Informal sector employment rate	20.4	24.1	21.8	20.4

Source: Statistical Office of the Republic of Serbia, Labour force Survey Q3, 2018

- Unemployment rate

Unemployment rate, 2015-2018

	2015	2016 October	2017 October	2018 October
Unemployed persons average (thousands)	551.9	450.1	428.2	371.8
Unemployment rate, ILO definition in %	17.7	13.8	12.9	11.3
First time job seekers	249,634	232,358	207,701	183,997
Unemployment benefit recipients	49,008	46,539	36,808	39,284
Nearly registered	38,334	38,361	35,517	39,621
Deleted from the register	61,863	60,900	64,426	45,326
Registered vacancies	35,354	6,334	6,617	7,585
Employed from the register	20,913	20,275	21,752	21,951

Source: National Employment Service, Monthly bulletin, October 2018, No 194, <http://www.nsz.gov.rs>

- Youth unemployment

The worsening demographic situation and weak education outcomes demand increased focus on human capital policies. Serbia's population is aging and shrinking by around 0.5% per year. Emigration of young, skilled people remains high but also the emigration of people without education. The position of youth in the labour market in

Serbia could be described like this – a vulnerable group of people that finds it difficult to enter the labour market; they often find employment in precarious jobs and jobs with bad working conditions. A huge problem too is the inactivity and demotivation of youth for entering the labour market. The rate of NEET for the population from 15-29 is 19 per cent.

Participation of young people out of work, Serbia 2018 (%)

	Activity rate	Employment rate	Unemployment rate
Youth (15-24)	31.6	23.6	25.3
Population of working age (15-64)	55.5	49.2	11.3

Source: Labour force Survey Q3, 2018, RSO

Youth unemployment rate in Serbia, EU and neighbouring countries

	General rate	Youth rate
EU 28	6.7	7.0
Euro zone	8.1	9.1
Slovenia	5.2	8.5
Croatia	8.1	23.0
Serbia	11.3	25.3

Source: Eurostat and national RSO, 2018 October

The National Employment Service is being strengthened and the budget for active labour market policies was increased, with a special focus on young people. Measures and services of active employment policy toward youth in Serbia are: measures of active job search (objective: increasing employability and motivation of job seekers through the development of skills for active job search); Job Fairs; Job Club; training for active job search;

motivation activation training; training of self-efficacy; workshop on coping with stress due to job loss. The budget of the National Employment Service in 2019 will be four billion dinars. Next year, the government plans to introduce new programs, one of which will be devoted to trainees and apprenticeship programme. The idea is to reduce the number of young people leaving the country.

Youth participation in the implementation of measures of active job search

Measures of active job search	Number of youth involved	Participation of youth in%
Job Club for job search	2,196	60.47
Training for active job search	11,785	64.57
Motivation activation training	2,908	60.52
Self-efficacy training	510	43.14
Training workshop on coping with stress due to loss work	133	25.56
Total	17,532	62.47
Employment fairs	16,300	51.71

Source: NES, Statistika@nsz.gov.rs, 2018

With the aim to raise the level of competence, competitiveness and employability of the unemployed youth, the acquisition of additional or practical knowledge and skills is organized to perform jobs within the same or a new occupation, in accordance with the needs of the local labour market. There is a program of professional practice for 6-12 months; training for independent work in the

occupation in which youth acquired the proper education/qualification, without employment, 6-12 months, recognition of prior learning. The National Employment Service through the creation of the professional practice program seeks to encourage employment and self-employment for young people.

Youth participation in implementation of programs for additional education and training

Measures of active job search	Number of youth involved	Youth participation (%)
Professional practice	4,747	48.01
Acquiring practical skills	0	0.00
Training	900	52.0
Total	5,647	48.65

Source: NES, Statistika@nsz.gov.rs, 2018

The employers are encouraged to employ the youth by: subsidies for job creation; employment subsidy beneficiaries for social assistance; subsidies for employment of persons with disabilities; those without work experience; reimbursement of appropriate costs

of workplace adjustments; Incentives for starting one's own business are also developed through support for self-employment; providing technical assistance; training in entrepreneurship; subsidies for employment or a lump sum cash benefit for self-employment.

Participation of youth in the implementation of employment and entrepreneurship development

Measure	No. of youth involved	Youth participation rate (%)
Encouraging entrepreneurship development	13,004	41.21
Subsidies for opening and equipping of new jobs	650	51.08
Public works	1,971	47.23
Total involved	15,625	42.38

Source: NES, Statistika@nsz.gov.rs 2018

There are also E-applications created by the National Labour Office on educational attainment, secondary schools, curricula and descriptions of occupations such as: Developing new models and services to support youth

employment at the local level through local partnerships supported by funds from the IPA funds; Improving information services about the opportunities for career development.

Average Monthly Net Salaries, in RSD and €, 2015-2018 (October)

	2015 Oct.	2016 Oct.	2017 Oct.	2018 Oct.
Net salaries in RSD	44,764	45,281	46,879	47,920
in EUR	366.90	367.62	393	
Real growth rate (%)	-2.0	1.1	0.7	3.3

Source: NBS, Labour Force Survey, 2018, Statistical Office.

• Monthly minimum wage

Minimum Net salaries, period average, in RSD, 2015-2018

	2015	2016	2017 Oct.	2018
For hours worked	21,054.00 (for 174 hours)	20,328.00 (for 168 hours)	22,880.00 (for 176 hours)	26,312.00 (for 184 hours)
Per hour	121.00	121.00	130.00	143.00

Source: Labour Force Survey, 2018, October, www.paragraf.rs/statistika/minimalna_zarada.html

• Gender pay gap

Serbia ranks 22 among 29 European countries in terms of gender equality.²² In the last three years since the establishment of the Coordination Body, it has done a lot on improving the position of women in Serbia - improving relevant institutions, passing laws and strategies, boosting cooperation with civil society organizations and launching or supporting campaigns for women's wellbeing. The Serbian anti-discrimination law is mostly in accordance with the EU gender equality

acquis. In some areas, Serbian legislation has even introduced more favourable provisions in relation to the duration of parental leave and leave for the care of a seriously ill child and a child with a disability. Budgetary reform includes gender equality considerations and the budget system law adopted in 2015 introduced gender-responsive budgeting as mandatory for all budget users at the national, provincial and local level, to be introduced gradually by 2020.

²² 2018 EuroGender

According to the data of the Statistical Office 2018, the wages of employed women were lower than of men - for the same work men in Serbia are paid 8.7 per cent more than women while the average payment gap is about 16 per cent in favour of men. The biggest difference is in the

financial sector and insurance activities. It is paradoxical that even in the healthcare and social protection sectors, where women are most of the employees, the salary of a woman is approximately 15,463 dinars lower than the earnings of men.

• Actual weekly working hours

Actual weekly working hours, 2014-2017 / % of total employed

Aged 15-64	2015	2016	2017	2018
1-14 hours	0.2	0.2	0.6	0.54
15-35 hours	1.2	-	3.96	4.14
36-48 hours	82.0	87.5	63.27	65.57
49-59 hours	10.2	9.2	5.55	4.63
60 and more hours	8.0	-	5.20	4.43
Other	0.6	-	21.00	20.68

Source: Labour Force Survey, bulletin No 634, 2018, p. 30 pd2.stat.gov.rs/ObjavljenaPublikacijaG2018/pdf/E

Full weekly working time is 40 hours. Working time may be shortened but not less than 36 hours. Overtime work cannot last longer than eight hours a week. In other words, a worker cannot work longer than 12 hours a day, including overtime work (premium for overtime work (% on hourly pay) is 26 per cent). The largest number of employees worked in the first half of 2017 from 36 to 48 hours per week. The

number of employees who worked over 60 hours (5.20 per cent) as well as those who worked less than 35 hours per week has increased. The structure of employees by paid and unpaid overtime work hours was 47.6 per cent with all overtime work hours paid, and 51.0 per cent with no overtime work paid. There are also employees (1.4 per cent) who get both paid and unpaid overtime work.²³

• Normal work / Atypical work

Normal work / atypical work in %, 2015-2018

Aged 15-64	2015	2016	2017	2018
1. Normal work/full time, open-end contracts/permanent job	75.0	78.1	75.26	77.18
2. Atypical work / fixed term contracts	13.2	16.8	24.73	22.82
2.1. Part time	8.5	2.0	-	-
2.2. Seasonal	1.3	0.20	1.94	1.64
2.3. Temporary	2.0	2.9	18.84	18.92
2.4. Casual job			2.95	2.26

Source: Labour Force Survey, Bulletin No 634, 2018, p.45 pd2.stat.gov.rs/ObjavljenaPublikacijaG2018/pdf/E

Amendments to the Labour Law, adopted four years ago, increased the ERP policy guidance which stepped up the provision of labour market flexibility but it only slightly increased employment (mostly in precarious jobs). The growth in the employment share of atypical jobs is

evident and precarious jobs have almost been doubled. The trends of total salaries paid in Serbia are developing faster than the trends in contributions, which is partly the consequence of the growth of part-time work in the overall employment.²⁴ (Arandarenko, M.)

²³ Labour Force Survey, Bulletin No 634, 2018, p. 43, pd2.stat.gov.rs/ObjavljenaPublikacijaG2018/pdf/E

²⁴ Arandarenko, M., Kovačević, M., Aleksić, D. (2016). "Kretanje zaposlenosti u Srbiji između tražnje za radom i ponude rada" (Developments of Employment in Serbia: Between Work Supply and Demand), Scientific Society of Economists in Serbia, "Economic Policy of Serbia in 2016", February 2016

• Migration

Migration Serbia, 2015-2018

	2015 Residing in Serbia	2015 Originating from Serbi	2016 Residing in Serbia	2016 Originating from Serbi	2017	2018
Refugees	35,309	44,892	35,295	38,273	36,522	27,913
Asylum Seekers	464	55,253	116	53,309	130	154
Returned Refugees	73	73	328	328	166	355
Internally Displaced Persons (IDPs)	220,227	220,227	203,140	203,140	219,633	217,463
Returned IDPs	159	159	545	545	477	193
Stateless Persons	3,490	-	2,700	-	2,377	2,155
Various	0	0	0	0	0	-
Total population of Concern	259,722	320,604	242,124	312,821	259,301	252,523

Source: UNHCR, Global Trends, Annex table 1, June 2018, p.66

On 22 March, the new Law on Asylum and Temporary Protection was adopted by the Parliament and published in the Official Gazette No. 24/March 2018. While Serbia's new legal framework on asylum is largely in compliance with international standards, the refugee protection system is still under development and would benefit from increased

capacities. Serbia's legal framework is partially in line with the *acquis*. The Law on Employment of Foreigners, which removed most of the barriers to the employment of EU citizens in the Republic of Serbia was adopted. The national legislation is not yet in line with the *acquis* on the blue card or on the single residence and work permit.²⁵

• Human Development Index

HDI, 2014-2017

	2014	2015	2016	2017
HDI	0.771	0.771	0.776	0.787
HDI ranking	66	66	66	67

Source: Human Development Index, UNDP, Human development Report, statistical update 2018, hdr.undp.org/en/ 2018 - update

• GINI-coefficient

GINI, 2014-2017

	2014	2015	2016	2017
GINI coefficient	38.7	38.2	38.6	39.0

Source: Survey on Income and Living Conditions, 2017

²⁵ However, trade unions believe that the provision of Article 5, paragraph 4, according to which EU citizens may not inappropriately burden the social welfare system of Serbia, or that they must have sufficient funds to support themselves and their family members, is indirectly discriminatory and should be deleted.

• Collective agreement coverage

The entire public sector (approximately one-third of total employment) has nearly full coverage by sectoral agreements. Therefore, the coverage rate of collective agreements can be estimated at slightly over 60 per cent in the public sector and around 15 per cent in the private sector. The 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. Branch collective agreements for some sectors cover the responsibility of employers to provide training and education to their employees in accordance with changes in the working process, technological and organizational changes in the company, etc. However, there is no explicit mention of the lifelong learning concept.

According to data from the SEC records, active collective agreements concluded in 2015, 2016, 2017 and 2018 are:

- A branch collective agreement for the road industry of the Republic of Serbia, published in the Official Gazette of RS, No. 14/2018;
- A branch collective agreement for cultural institutions founded by the Republic of Serbia, autonomous provinces and local governments, published in the Official Gazette of the Republic of Serbia, No. 10/2015 of 29 January 2015; (Negotiations for the extension of the CA are ongoing)
- A branch collective agreement for social protection in the Republic of Serbia, Official Gazette No. 11/2015 of 30.01.2015; (launched initiative for the extension of the CA)
- A branch collective agreement for employees in primary and secondary schools and students' dormitories, published in the Official Gazette of the Republic of Serbia, No. 21/2015 of 25.02.2015; (launched initiative for the extension of the CA)
- A branch collective agreement for police officers, published in the Official Gazette No. 22/2015 of 27.02.2015;
- A branch collective agreement for entertainers, for working musical artists and performers in the catering industry, published in the Official Gazette of RS, No. 23/2015 of 02.03.2015; granted extended effect, August 2017
- A branch collective agreement for public authorities effective as of 09.03.2015 and published in the Official Gazette of the Republic of Serbia No. 25/2015 of 13.03.2015;
- A branch collective agreement on amendments to the branch collective agreement for public authorities, published in the Official Gazette of the Republic of Serbia, No. 50/2015 of 09.06.2015;
- A branch collective agreement for public enterprises in communal activities in the territory of the Republic of Serbia, published in the Official Gazette of the Republic of Serbia, No. 27/2015 of 18.03.2015;
- A branch collective agreement for chemistry and non-metals of 11 September 2015, published on 23 October 2015 in the Official Gazette of the Republic of Serbia, No. 88/2015. Just a few days after its release on 02.11.2015 the Serbian Association of Employers unilaterally cancelled this contract and it is not applied, putting extension on hold;
- A branch collective agreement for employees working in student dormitories financed by the Republic of Serbia, published in the Official Gazette of the Republic of Serbia, No. 100/2015 of 04.12.2015. (launched initiative for the extension of the CA)
- A branch collective agreement for the construction industry and production of construction materials, concluded on 10.02.2016 for a three-year period, (Official Gazette RS, No. 77/2016, Serbian Association of Employers unilaterally cancelled this contract, it is not applied, putting extension on hold)
- A branch collective agreement for agriculture, food, tobacco industry and waterworks of Serbia, concluded on 28.01.2016;
- A branch collective agreement for Pre-School Upbringing and Education, concluded in November 2016;
- Several collective agreements were also concluded at the company level: A collective agreement for the RTB, JAZAKI, APTIV, and GORENJE.

All branch collective agreements and company collective agreements stopped being valid on 29 January 2015, i.e. six months after the last amendments to the Labour Law of July 2014 came into force. After those amendments to the Labour Law, branch collective agreements in the non-public sector have practically disappeared, especially in the area of the processing industry, which resulted in the collapse of sector collective bargaining, pressure on the reduction of salaries in this sector and drastic reduction of trade union and labour rights. Collective agreements

are mainly concluded in the public sector; in the private sector company level bargaining is dominant but no aggregate figures are available. Four sectoral collective agreements have been signed (musicians and performing artists, agriculture, construction, chemicals and non-metal industry). The two on musicians and performing artists, and on agriculture are already in force; the others were cancelled by the employers' side. The General Collective Agreement has not been renewed since 2010.

• Trade union density

There are no precise data – bearing in mind that the last determining of representativeness and counting affiliation forms happened eight years ago. Trade union density remains high in the public sector at over 60 per cent and is low, below 20 per cent, in the private sector, with an overall density rate of around 25 per cent. There are two sides of the trade union density equation – trade union membership and the eligible workforce. Trade union density is different in various kinds of enterprises. In 2016 and 2017 among employees one third were in the public sector (where the trade union density rate is 60 per cent) and the private sector where union density is as follows: from 5 per cent in micro-businesses to medium-sized businesses – around 20 per cent; and large businesses – 40 per cent. There are also self-employed, solo traders but they have low trade union activities.

Trade unions are traditionally organized with a high representation in the industrial sector and there trade

unions often have an established representation in construction and metal. 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 are 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. Trade union density rates can be further categorized according to the difference between the old but privatized companies (30 per cent) and newly-established private companies (5 per cent). The factor which has significantly reduced trade union density has been its fall in private sector 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 provided by trade unions could cover 25 per cent of the labour force (Euro fund and national research data). The new Labour Law, as well as employers' actual behavior in practice has created unfavourable conditions for workplace representation. Employee representation at the establishment level could be summarized as: trade unions – high; joint trade union committee – low; Works Council – low; Health and Safety Committee – medium. Even though the formation of Works Council is envisaged by the law, trade unions oppose this thinking as there is a conflict of interest, in other words double representation. Subsidiaries of multinational companies in Serbia have their representatives in the European Works Councils.

The two 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 Trade Union

Confederation "Nezavisnost" (TUC NEZAVISNOST, Ujedinjeni granski sindikati "Nezavisnost", UGS NEZAVISNOST), both of which participate in the Social and Economic Council at the national level. Apart from these two there are the Association of Free and Independent Trade Unions (Asocijacija slobodnih i nezavisnih sindikata, AFITU) that is currently struggling for national representativeness status and the Confederation of Free Trade Unions (Konfederacija slobodnih sindikata, CFTU), which has representativeness at the national level but it is not in line with the procedure and its representativeness has been denied by the CATUS and TUC NEZAVISNOST.

The other two confederations, Industrial Trade Union of Serbia, (ISS) (Industrijski sindikat - ISS), and Associated Trade Unions of Serbia – Sloga (Udruženi sindikati Srbije - Sloga), gather employees in industry or a mixed type – industry and the public sector. Overall, there are more than 23,000 trade unions in Serbia at all levels, from company

to national level, and sectoral trade unions belonging to the main confederations. According to one survey (CESID) around 30 per cent of all union members are outside of the three largest confederations and mostly exist as small local unions known as “house unions”. There is some evidence that the trade union scene is becoming more fragmented and trade unions have weaker social power.

Only 25-30 per cent of members pay any subscription (fees/dues) at all or the subscription established 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 per cent and, in extreme circumstances, up to 90 per cent of the funds at the local level. The remaining income from membership subscriptions are shared between the sectoral body and the umbrella organization (in Serbia the latter receives around 5 per cent). This means that a sectoral organization and national bodies keep on average a mere 10-15 per cent of membership fees at their disposal – too little for financing the running costs of the organization along with campaigns, activities or the necessary stuff, or for organisation of strikes and protests.

• Employer’s organization density

By far the most relevant employer organisation in the recent period has been the Serbian Association of Employers - SAE (Unija poslodavaca Srbije, UPS), which remains the only representative employer organisation at the national level in Serbia and is a member of the International Organisation of Employers (IOE) and BusinessEurope. In mid-2008 the SAE underwent a major upheaval (the third since 2003), which resulted in the creation of the

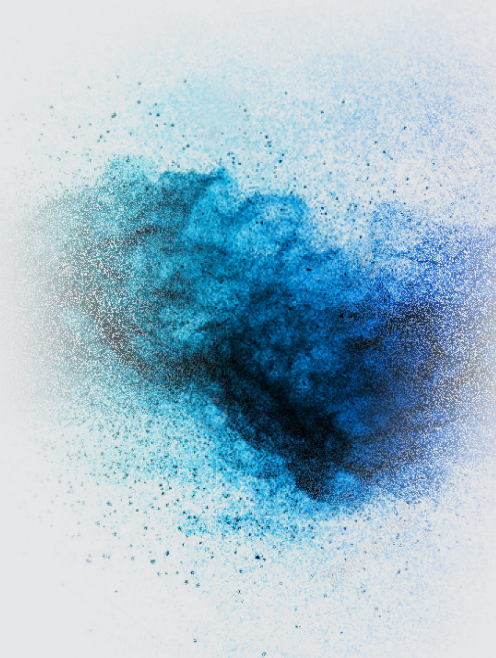
Association of Small and Medium-Sized Entrepreneurs (Asocijacija malih i srednjih preduzeca, ASME) formed by breakaway members of the SAE. In 2010 another employer organisation was registered at the national level, known as Poslodavac (Employer). This employer organisation has been openly supported by the Chamber of Commerce of Belgrade. However, up to this point the SAE remains the only employer organization at the national level.

• Employer representation

The legal requirement for representativeness at the national level is that an employer organization unites at least 10 per cent of all registered employers and that these employers employ at least 15 per cent 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 for a representational role with regard to public authorities and without specific employer representation functions. The SAE is the only employer organization involved in collective bargaining, but with just two collective agreements. Signed branch collective agreements in the construction and chemical sectors were cancelled and caused huge dissatisfaction by the trade unions.

There was not a consolidation of the processes of organisational changes in employers’ organizations in 2014, just fragmented trends in SAE. According to European research and employers’ data the density of employer’s organizations is around 25 per cent, out of the overall number of registered legal entities, but when it comes to the number of employees they cover the

percentage is a lot smaller. The SAE as the main national organization of employers, has participated regularly in the activities of the Social and Economic Council of the Republic of Serbia and it is consulted on major economic and social issues, proposals and laws. In Serbia an association gathering employers in the public sector does not exist.



- Trade Union Mapping

National Trade Union Confederations

Trade Union		Number of individual members	International affiliations
Savez samostalnih sindikata Srbije, SSSS, Confederation of Autonomous Trade Unions of Serbia, CATUS		350,000	International Trade Union Confederation (member); European Trade Union Confederation (member)
Ujedinjeni granski sindikati Nezavisnost, Trade Union Confederation "Nezavisnost"		114,000	International Trade Union Confederation (member); European Trade Union Confederation (member)
Asocijacija slobodnih i nezavisnih sindikata ASNS, Association of the Free and Independent Trade Unions, AFITY		Members from industry and public sector	-
Industrijski sindikat, (ISS), Industrial Trade Union of the Serbia		Members mostly from industry sector	IndustriAll-ETU
Udruženi sindikati Srbije Sloga Associated Trade Unions of Serbia – Sloga		Members mostly from public and utilities sector	-
Konfederacija slobodnih sindikata, Confederation of Free Trade Unions		100,000 Members mostly from public sector	EPSU/PSI, EUROFEDOP, UNI global union

Source: There are no precise data on the number of trade union members. Data on the websites of organizations and published interviews from the previous period are significantly different than some partial research and assessment.

Important trade union federations by branches

Trade Union	Members	National Confederation	International affiliations
Samostalni sindikat zaposlenih u poljoprivredi, prehrambenoj, duvanskoj industriji i vodoprivredi, (PPDIV) Autonomous Trade Union of Workers in Agriculture, Food, Tobacco Industry and Water Management	15,369	CATUS	EFFAT
Samostalni Sindikat metalaca Srbije, (SMS) Autonomous Metalworkers Union of Serbia (AMUS)	32,000	CATUS	IndustriAll-ETU; IndustriAll-Global Union
GS "Nezavisnost", Teacher's Trade Union	21,000	UGS Nezavisnost	IEI, ETUCE
Sindikat radnika gradjevinarstva i industrije gradjevinskog materijala Srbije, (SGIGMS) Trade Union of Workers in Construction and Building Materials Industry of Serbia	6,300	CATUS	BWI EFBWW
PTT Serbia, Postal Workers Trade Union Serbia	9,500	Confederation of Free Trade Unions	
Unija sindikata prosvetnih radnika Srbije, Association of Teachers Unions of Serbia	27,000	Confederation of Free Trade Unions	
Samostalni sindikat hemije i nemetala Srbije (HEMINS) Autonomous Federation of Chemistry and Nonmetallic Minerals Workers of Serbia	4,713	CATUS	IndustriAll-Global Union
Samostalni sindikat ugostiteljstva i turizma Srbije, Autonomous Union of Catering and Tourism Workers of Serbia	2,440	CATUS	EFFAT
Sindikat zaposlenih u zdravstvu i socijalnoj zaštiti Srbije, Health and Social Protection Employees Union of Serbia	52,000	CATUS	EPSU-PSI
Sindikat obrazovanja Srbije, Teachers Union of Serbia (TUS)	31,000	CATUS	EI, ETUCE

Source: Data from some partial research and the CATUS questionnaire about the number of members and trade union organizations, 2018.

• Employer's Organisations Mapping

Employers' Organisations

Employer's organisations	Number of members	International affiliations
Unija poslodavaca Srbije UPS Serbian Association of Employers (SAE) /1994/	110,857 employers	International Organization of Employers - IOE BUSINESSEUROPE, member
Asocijacija malih i srednjih preduzeca i preduzetnika Srbije, (APPS), /2008/ Association of SMEs of Serbia		Eurochambers
Srpski poslovni klub Privrednik, Serbian Business Club Businessman	It is not registered according to the Labour Code but under the Law of Civil Associations	International employers' associations Eurochamber

Source: Number of members from partial research

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