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Annual Review 2010 on Labour Relations and Social Dialogue in South East Europe:

Bosnia and Herzegovina

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1. Executive summary

When preparing the report on labor relations and social dialogue in BiH, it is important to take into consideration the relevant facts, i.e. that BiH is a decentralized country comprised of two Entities and the BiH Brčko District, and that the competences in these particular areas are divided between the stated levels of the state organization, as well as that, due to underdeveloped cooperation, coordination and capacity, the official statistics in BiH are incomplete and of poor quality, which was reflected in individual segments of the report.

Although based on certain macroeconomic indicators for the first six months of 2010 it can be said that a slight recovery of the BiH economy started, it is the assessment of the majority of economic analysts that BiH still has not come out of the recession and that its economy stagnated in 2010. This is confirmed by indicators showing negative developments in the areas of foreign direct investment, budget deficits, rising inflation, and especially the high and constantly growing unemployment. At the same time, the average wages of the employed in BiH grew slightly, while the minimum wage in the Federation of BiH remained unchanged for two years. This, combined with a steady increase in unemployment and reduction of social benefits, influenced the significant increase in the number of the poor in BiH. The authorities have failed to find systematic solutions for growing economic and social problems in the country, and they sought rescue from a complete financial collapse in new loans through the Stand-By Arrangement with the IMF, as well as loans from the World Bank and EBRD. Under such circumstances, the year was marked by inactivity of the authorities at all levels in adopting of the necessary legislation and taking measures, as well as by the numerous strikes, violations of union rights and workers' rights, disregard of certain social partners and the absence of social dialogue at the state level.

2. Socio-economic development

The official statistics in BiH do not include publishing of the quarterly GDP data but, based on certain economic indicators for the first six months of 2010, especially in the area of foreign trade trends and industrial production, it can be said that a modest recovery of the BiH economy has started. The GDP in 2009 had the nominal value of EUR 12.268.000.000 (per capita EUR 3,192) and when compared to the 2008 data, the real GDP records a decrease of 2.91%.¹ According to the estimates of the BiH Directorate for Economic Planning, a real GDP growth of 0.5% is expected in 2010.

In the first six months of 2010, the foreign direct investment in BiH recorded a significant decline as compared to the same period in 2009, and decrease of 47.41%.² Out of the total foreign investment registered in the stated period, 70.7% relates to recapitalization, whereas 29.3% relates to establishment of new companies.

The current account deficit of the balance of payments was in the first half of 2010 lower by approximately 40% compared to the same period in 2009.³ The foreign trade flows in the first half of 2010 were much better balanced than in the previous period. When compared to the same period in 2009, the data shows that the total foreign trade volume increased by 12.79%; the total value of exports increased by 32.23%; the total value of imports increased by 4.45%, whereas the trade deficit was reduced by 16.38%. The export-import ratio in the same period was 54.26%, which is 26.60% higher than in the first half of 2009.⁴

The already unenviable fiscal position of BiH continued to deteriorate in 2009 as confirmed by the consolidated data at the level of BiH, according to which the budget deficit amounted to 4.5% of GDP (2.2% of GDP in 2008).⁵ The fiscal deficit in 2009 amounted to 5.4% of GDP, whereas the projected fiscal deficit in 2010 is at the level of 4.5% of GDP.⁶ The main causes of fiscal deficit include reduced total economic activity, as well as the continued years-long practice of excessive public spending.⁷ In order to

¹ Source: Agency for Statistics of Bosnia and Herzegovina, Release on GDP – Production Approach – First Results.

² Source: BiH Directorate for Economic Planning – DEP.

³ Source: BiH DEP.

⁴ Source: BiH Ministry of Foreign Trade and Economic Relations.

⁵ Source: Central Bank of BiH.

⁶ Source: BiH Ministry of Finance and Treasury.

⁷ According to some estimates, BiH has the highest level of public spending as a percent of GDP in the Europe and Central Asia Region.

avoid an even larger budget deficit, BiH signed the three-year Stand-By Arrangement with the IMF in July 2009, under which the funds amounting to the total of EUR 1.1 billion were approved. Until now the three tranches have been disbursed to the institutions of BiH and they were mainly used for budget support. According to the available data for the first half of 2010⁸ the total tax revenues recorded a growth of 4.6%, whereas the level of external debt increased by 14.2% compared to the end of 2009 and its current share of the estimated 2010 GDP is 24%.

In the course of 2010 there has been no particularly significant activity in BiH related to the privatization of the remaining state-owned capital.

In the period January-June 2010 the inflation in BiH was 2.1% as compared to the same period in 2009.⁹ The structure of the CPI shows that a significant increase in prices in the first half of 2010 was recorded in the area of communications, transport, utilities and energy, while food prices fell by 3%. However, the indicators for October 2010 are already showing an increase in food prices so that the deflation index fell from 3% in June to 1.7% in October.

The average net wage in BiH in the third quarter of 2010 amounted to EUR 408.50¹⁰ and was 1% higher compared to the third quarter of 2009. The minimum wage is defined by the Entity's general collective agreement and in the FBiH it amounts to EUR 184.47, whereas in RS it amounts to EUR 189.20 (the amount includes the hot meal allowance). In the Brčko District this amount has not been determined.

In the course of 2010 the negative trends in the labor market in BiH continued. In September 2010 the registered unemployment rate stood at 43.2%, while the employment rate was 32.5%.¹¹ According to the ILO methodology, the unemployment rate in BiH in 2010 stands at 27.2%.¹² Compared to the December 2009 data, the number of registered unemployed persons in BiH has increased, while the number of the employed declined.

According to the World Bank data, the number of the poor in BiH has in 2010 increased by 20% compared to the 2009 data, so that 18.9% of the population is below the general poverty line.

In BiH there are no statistics treating the Gini coefficient. It is only the BiH Offices of the UNDP and the World Bank that occasionally mention such data in their reports, so that they published the data on the coefficient of 0.36 for 2007.

3. Governmental policies and legislation

This year in BiH was marked by the general elections in October, the liberalization of the Schengen visa regime, and the lack of agreement on a comprehensive reform of the BiH Constitution. The elections brought about certain changes in the distribution of power in BiH, especially in the Federation of BiH and at the state level. Arrangements for forming of government at all levels have not yet been completed. As of December 15th 2010, BiH citizens can freely travel to countries that are part of the Schengen visa agreement, which is one of the positive things that has recently happened in BiH. Unfortunately, BiH has not yet complied with the decision of the Court of Human Rights in Strasbourg pertaining to the equality of all citizens in BiH, according to which the state was ordered to amend its electoral laws, i.e. their provisions preventing members of

⁸ Data of the BiH Directorate for Economic Planning.

⁹ Source: BiH Agency for Statistics.

¹⁰ Source: BiH Agency for Statistics.

¹¹ Source: BiH Agency for Statistics.

¹² Source: BiH Agency for Statistics: Labor Force Survey 2010.

minorities to be elected to the Presidency of BiH and the House of Peoples of the BiH Parliamentary Assembly.

Pressured by the budget imbalances of 2009 and conditions of the Stand-By Arrangement with the IMF, the authorities have taken certain fiscal policy measures and carried out structural reforms that had a restrictive character. The required 10% savings were realized through cuts of certain allocations to budget users and reducing of transfers for social benefits for certain categories of population, whereas there were no changes in the tax policy, the rates of VAT and direct taxes remained unchanged and there was no reduction of pensions. The stated measures resulted in maintaining of financial and monetary stability. However, the budget is still not sustainable, and the quality of public finances remained low.

Back in June 2008 BiH signed the Stabilization and Association Agreement with the EU, but has since made limited progress in implementation of the reforms necessary to accelerate the process of obtaining of the status of a candidate country. The main reason for this is a lack of consensus of the political leaders on the main reform priorities. According to the European Commission's Progress Report on BiH for 2010, it was noted that BiH has made some progress in harmonization of the state legislation, its policies and capacities comply with European standards in areas such as freedom of capital movements, intellectual property, education and research, transport, financial control and a range of issues related to justice, freedom and security.

In BiH the social and labor relations laws are at the Entity level, so it is necessary to analyze the results of the Federation and Republika Srpska separately. It is important to stress that the BiH Social Inclusion Strategy, although drawn up, has not yet been adopted. With respect to the Federation of BiH, in the course of 2010, the new reformed Law on Health Care was adopted, as well as the Law on Vocational Rehabilitation, Training and Employment of Persons with Disabilities, the Strategy of Pension and Disability Insurance Reform was revised but has not yet been adopted, and certain regulations in the area of veterans disability protection have been amended. In Republika Srpska the Strategy of Pension and Disability Insurance Reform was adopted, but adoption of the necessary legislation has not yet been initialized. The Law on Mediation in Employment and Rights during Unemployment has also been adopted. In the Federation of BiH there are ongoing activities aimed at drafting of amendments to the Labor Law, the General Collective Agreement, and the Law on Mediation in Employment and Social Security of Unemployed Persons. The new Law on Occupational Health and Safety has not yet been adopted. In Republika Srpska it was in May 2010 that the RS Prime Minister, the President of the RS Union of Associations of Employers and the President of the RS Confederation of Trade Unions signed the General Collective Agreement, the Minimum Wage Decision and the Agreement defining the implementation of the stated documents.

As regards the employment policy, the Employment Strategy for the Period 2010-2014 has been adopted at the state level. In the Federation of BiH a similar strategy was adopted in 2009, whereas in Republika Srpska a framework document has not yet been adopted in this area. The structural imbalance clearly continues to exist, being mainly caused by the transition to a market economy, privatization and the emergence of small and medium-sized enterprises. On the other hand, the labor market was institutionally not ready for the resulting structural changes and the structural imbalance was further prompted by the legacy of war, unresolved political relations and insufficiently harmonized regulations governing this area. There is also a still noticeable traditional gender segregation of professions as well as the labor force mobility of the poor in the labor market.

4. Industrial relations

Given the fact that the labor legislation in BiH remained exclusively at the Entity level, all negotiations and agreements concerning industrial relations are conducted and concluded at the level of the Federation of BiH (and in certain cases at the cantonal level), the level of Republika Srpska and to an extent at the level of the Brčko District. As regards the Federation of BiH, 2010 was marked by negotiations of the trade unions with social partners on amendments to the existing Labor Law and the General Collective Agreement for the territory of the FBiH. Also, during the summer, the Trade Union of Workers of Administration of FBiH together with trade unions of other budget users conducted intensive negotiations with the FBiH Government on the Law on Wages and Allowances in the authorities of the FBiH and the Law on Wages and Allowances of Police Officers in the FBiH. In Republika Srpska the new General Collective Agreement was signed and the mediation was introduced. The year was also marked by numerous strikes whereby the workers tried to get their rights. Thus the workers of "Krivaja" Zavidovići, "Granit" Jablanica, Construction Company "Hidrogradnja" Sarajevo, Tobacco Factory Banja Luka, Medical Electronics from Banja Luka, "Trebinjeprevoz" from Trebinje, "Feroelektro" Sarajevo and many others went on strike. The main reason for so many strikes lies in the numerous irregularities that have taken place in the privatization process in BiH. There is a relatively small number of companies that continued to work successfully after their privatization was carried out. At the same time, the majority of new owners are not inclined towards the respect of workers' rights and union rights. That is also the case with most multinational companies that have in the past ten years entered the BiH market.

As regards the trade union organization in BiH, it has changed in the last few years as it did in most of the other countries in the region. The consequences of the war and war destruction, the almost completely ruined economy, the transition to a market economy and the transition that BiH is still going through have all led to major changes in the very structure of trade union organizations and the labor movement in general. In 2010 trade unions recorded a certain decline in the number of members but it is very difficult to obtain the accurate data. The fact is that there is a large number of companies wherein workers have not received wages for several years or months or have received them irregularly, so that their payments of membership fees, which represent one of the indicators of the number of members, are irregular or smaller than they should have been. It is this financial situation, as well as increasingly common problems in companies related to respecting of basic workers' and human rights, that represent the most important challenges that the trade unions in BiH are currently facing. The trade unions have, at least for now, succeeded in their efforts to prevent the privatization of strategic companies, particularly in the Federation of BiH, according to the method that was advocated by representatives of the government, which would at this point in time have been detrimental to both the workers and the economy of the state as a whole.

The umbrella trade union organization in BiH – the Confederation of Trade Unions of BiH, which is comprised of the Confederation of Independent Trade Unions of BiH, the Confederation of Trade Unions of RS and the Trade Union of the Brčko District, sent yet another request to the authorities at the BiH level requesting to be granted the right to attend the sessions of the Parliamentary Assembly of BiH and the right to speak when the agenda of the sessions includes issues concerning workers, as well as those related to the European integration. The Confederation of Independent Trade Unions of BiH was especially active in the pre-election process before the general elections in October. It sent to all political parties and individuals that stood for elections, the statement of the Attitudes of the Confederation of Independent Trade Unions of BiH and requested from recipients to express their opinions on the content of the document.

The Congress of the Confederation of Independent Trade Unions of BiH was held in February, when the new leadership was elected, and in the course of the year, ten branch unions that are members of the Confederation also convened their congresses, or assemblies. The positive development in the trade union movement in BiH is that there were no significant divisions within the trade unions themselves recorded in 2010. In some companies so-called yellow unions emerged as a direct consequence of the difficult economic situation and the dissatisfaction of workers with the trade union efforts aimed at its overcoming. Under such circumstances some employers saw opportunities to gain control over trade unions, so that they enthusiastically supported organization of new trade unions or splitting of existing trade union organizations.

With respect to associations of employers, there are several associations active in BiH. At the state level there is the Employers' Association of BiH, which is comprised of the Employers' Association of the Federation of BiH, the Confederation of Employers of RS and the Association of Employers of the Brčko District. In Republika Srpska the representative association is the Union of Associations of Employers of Republika Srpska, which is not a member of the Association at the state level. The Union of Associations of Employers of Republika Srpska has expressed interest in forming an organization of employers at the BiH level that would be comprised of representative organizations of employers from both Entities and the Brčko District, which is presently not the case.

5. Tripartite social dialogue

In Bosnia and Herzegovina there is still no institution for conducting the social dialogue at the state level. Although the trade unions have for years advocated the establishment of the Economic and Social Council at the BiH level, to this date it has not happened. This year there was a popular initiative to establish the Open Forum for Social Dialogue as a precursor of the Economic and Social Council at the state level, but the trade unions and employers were unanimous in rejecting the idea. Any further postponement of establishment of the Economic and Social Council at the BiH level will diminish the importance and successfulness of the social dialogue in the country. For the time being, the social dialogue is conducted at the Entity level, that is through the Economic and Social Councils of the FBiH and RS, while in the BiH Brčko District the social dialogue exists only declaratively. In addition, there are Economic and Social Councils established in some cantons of the Federation of BiH, functioning more or less successfully. It is important to stress that for the time being both Entity Economic and Social Councils have only an advisory role and that, unfortunately, the Parliaments of the Entities very often do not take into consideration the positions adopted by the Economic and Social Councils.

6. Forecasts

It will only be possible to talk about the recovery of the BiH economy with any amount of certainty once the official indicators of the GDP growth confirm it. For the time being, it is clear that the full recovery is still uncertain, that the crisis had hit BiH before the recession, and that in order to overcome it, it would be necessary to effect a radical change in the treatment of the economy on the part of the authorities, and secure a much greater support of the economy, that will result in faster recovery. The first step on this path must certainly be a faster forming of the executive and legislative authorities at all levels in BiH. Given that BiH signed the Stabilization and Association Agreement with the EU, and that BiH politicians express their commitment to the European integration on a daily basis, it will be very important to see as soon as possible whether their commitment is only of a declaratory nature and whether BiH is truly ready to face the challenges on its path towards the European Union.

Annex

System of collective bargaining

The collective bargaining in BiH is guaranteed by the Constitution of BiH, the European Social Charter, the ILO Conventions, as well as the Entity Labor Laws. 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 the minimum rights and obligations of both workers and employers, are reached and signed. In Republika Srpska the parties 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, whereas 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 collective agreements in both Entities are concluded by the respective branch trade unions and respective employers' associations. The specific characteristic of collective agreements in the Federation of BiH are the collective agreements that are concluded at the cantonal level, which primarily pertain to budget users and must be in accordance with the General Collective Agreement and respective branch agreements. Collective agreements may in both Entities also be concluded at the company level, naturally, provided that there is an organized form of a trade union organization in the given company. Currently there is a trend in BiH, especially advocated by associations of employers, to reduce the scope of rights regulated by the General Collective Agreements and 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 defense of workers' rights and that their reduction would lead to a radical reduction of workers' and union rights.

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, i.e. the Federation of BiH and Republika Srpska. They involve the representatives of the Entity governments, the largest confederations of trade unions and the Entity associations of employers. In Republika Srpska the representativeness of trade unions and associations of employers is legally regulated by the Amendments to the Labor Law. In the FBiH this issue has not yet been legally regulated, so that the decisive factor for participation in the tripartite social dialogue is the number of members of trade unions or associations of employers.

Social security systems

According to the law, all registered employees in BiH should be 100% covered by health and pension insurance, as well as unemployment insurance. However, in the years following the war, there has been a marked presence of grey economy, as well as the practice on the part of many companies of not paying the contributions for their employees regularly. It is impossible to obtain accurate data on the number of such workers because they vary on a monthly basis.

Education and vocational training

The Constitution of BiH stipulates that the Entities and the BiH Brčko District are inter alia competent for regulating of the area of education as an integral part of the social policy, and the Constitution of the FBiH stipulates that all powers in the area of education are within the exclusive competence of the cantons (10 cantons). The Entities and the BiH Brčko District are bound to regulate the area of education in accordance with

the framework legislation adopted at the BiH level. The process of the 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. The elementary education is compulsory and according to the new reformed law it consists of 9 years. The secondary education is voluntary (except in the Canton of Sarajevo, where it is compulsory as of this year). There is a recorded decline in the number of students enrolled in secondary schools and their number is 146,919 in the 2010-11 academic year as compared to the number of 154,666 students in the 2008-09 academic year.¹³ In addition, in 2010 BiH still faced the phenomenon of unequal access to education as well as the existence of national curricula and syllabi. The higher education is going through a transformation by means of introduction of the Bologna Process. There is a recorded increase in the number of enrolled university students, but the problem occurs after they complete their studies according to the Bologna system. The fact is that the official nomenclature of occupations in BiH still does not include those occupations for which students are trained upon completion of one of the cycles of education under the new system. In addition, there is still a clear gap between supply and demand in the labor market arising from inadequate coordination of economic planning policies and the education system, which significantly increases the unemployment rate among young people. The lifelong learning is incorporated into the Vocational Education Strategy in BiH, the policies have been defined and the objectives set for the development of the lifelong learning system, but this type of education has not yet been systematically developed and none of the formulated objectives and measures have been met or taken until September 2010. Besides, the adult education and training does not represent an important segment of, and is not a priority in the program of any of the governments, and accordingly there is no clear responsibility for taking of measures at any of the levels of government. Before the war there were three adult training centers in BiH. Today there is only one center of this type operating in BiH.¹⁴ In the Labor and Employment Agency of BiH they believe that the establishment of centers for retraining and additional training is a demanding task from the financial perspective. They also note that the informal education system has not been regulated in terms of defining of the training programs and recognition of their certificates in BiH and abroad.

Employment rate

Year	Employment Rate (%)
2007	31.2
2008	33.6
2009	33.1
2010	32.5

Source: BiH Agency for Statistics, Labor Force Survey

Average monthly wages

Year	Average Monthly Wage (EUR)
2007	322.11
2008	384.50
2009	403.92
2010 (January-September)	407.24

Source: BiH Agency for Statistics

¹³ Source: BiH Agency for Statistics.

¹⁴ Source: BiH Agency for Statistics.

Gender differences in wages

There is a noticeable wage gap between men and women in BiH, which is primarily the consequence of the traditional distribution of employment by certain 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 class, where the number of male and female employees is approximately the same. The wage difference between men and women is largest in non-industrial sector, and smallest among clerks. As regards the amounts, the largest difference in wages is found in the category of the population without a diploma, where the difference is EUR 88.5 in favor of men. The wage gap is reduced as the education level goes up, so that at the level of the secondary school diploma the gap is EUR 57.6. Women with university degrees earn on average 92% of net wages of their male colleagues.¹⁵ 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 (EUR)

	2007	2008	2009	2010
Federation of BiH	157.48	175.37	184.00	184.00
Republika Srpska	104.81	127.82	163.61	189.18 (as of July)

Source: General Collective Agreement for the Territory of the FBiH and General Collective Agreement of Republika Srpska

Actual weekly working hours

The Labor Laws 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 the mandatory 12 consecutive hours of rest between two working days and the 24 consecutive hours of rest in the course of one week. Employees may work overtime, but the number of overtime work hours is limited by the law. If demanded 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	Number of Employees Working Full-Time	% of the Total Number of Employees
2007	758,000	89.28
2008	645,000	72.47
2009	789,000	88.65
2010	755,000	89.56

Year	Self-Employed		Unpaid Family Workers		Part-Time
	Total	% Women	Total	% Women	
2007	193,000	26.94	37,000	70.27	91,000
2008	197,000	27.41	48,000	68.75	102,000
2009	176,140	27.40	58,039	68.90	
2010	175,440	29.78	47,265	73.03	87,000

Source: The data used in the Tables above are taken from the Labor Force Surveys carried out on limited samples according to the ILO methods.

¹⁵ Source: Agency for Gender Equality of BiH.

Unemployment Rate

Year	Official Unemployment Rate	Unemployment Rate according to the ILO Methodology
2007	43.3	29.0
2008	41.6	23.4
2009	45.9	24.1
Sept. 2010	43.2	27.2

Source: BiH Agency for Statistics

Migration

In BiH there are no statistics on migrations of BiH citizens within the domestic labor market. However, the fact is that due to the fragmentation of the internal labor legislation and social security systems the movement of workers within the labor market in BiH remains at a very low level. It is only possible to obtain the data on the number of work permits issued to foreign nationals in BiH.

Year	Number of Work Permits Issued to Foreign Nationals
2007	2,679
2008	2,993
2009	2,592
2010 (up to September 30)	1,717

Source: Labor and Employment Agency of BiH

HDI

Year	Index	International Rankings
2007	0.706	
2008	0.710	
2009	0.709	
2010	0.710	68

Source: UNDP

Gini Coefficient

Year	Index	International Rankings
2007	36.3	68
2008		
2009		
2010		

Source: UNDP

Coverage of collective agreements

In the General Collective Agreements in both the Federation of BiH and Republika Srpska it is stipulated that they are binding and 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. The 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.

Relevant current collective agreements

The most important collective agreement in the Federation of BiH is the General Collective Agreement for the territory of the Federation of BiH, signed by the three social partners in 2005. So far it has been amended twice, the amendments pertaining to the amount of the minimum wage, and there are 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. It should be noted that in some branches, mainly in the real 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 the area of administration, education, police and health care in force, signed between the respective trade unions and the cantonal line ministries. In Republika Srpska there is the General Collective Agreement, signed this year between the RS Government, the Union of Associations of Employers of RS and the Confederation of Trade Unions of RS, and there are also 14 branch collective agreements in force. The BiH Brčko District has so far not had a general collective agreement due to specific characteristics of the organization of the District itself. The employers were given freedom to act in accordance with one of the entity's collective agreements.

Trade union density

Although there are no official data that could accurately indicate the actual number of members of trade unions, and the ratio between this number and the number of registered employees, according to the existing estimates the level of trade union density in BiH is currently approximately 55%. There is a higher trade union density in the public sector, whereas in the private sector trade unions are most frequently present only in those companies that used to have organized trade unions before they were privatized, while it is seldom the case in newly established private companies that employers allow union organization of workers. Especially prominent were the problems that organization of trade unions faced in multinational companies that have entered the BiH market.

Employers' association density

There are no accurate data on 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, whereas the Union of Associations of Employers of Republika Srpska, which is comprised of 13 branch associations of employers, has 430 affiliated companies from the real sector.

Workplace representation

Workers in Bosnia and Herzegovina are, according to the law, given the opportunity to be represented at work through trade union organizations and workers' councils. The 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. branch in the trade union organization. Any worker that is employed can become a member of the trade union upon signing of the membership application form, whereby he/she accepts the rights and obligations arising from the Statute and other acts of the trade union. Employers can not be members of the trade union. As for the employees' councils or workers' councils, their organization is regulated by the Entity laws. In order for the employees' council to be formed, the employer must have at least 15 workers in permanent employment. In the FBiH the employees' council can be organized upon re-

quest of the trade union or not less than 20% of employees of a single employer, and in RS the decision on establishment of the workers' council can be made by no less than one third of the total number of workers of a single employer. The rights and obligations of employees' councils and trade unions, as well as the obligations of employers to these representatives of employees, are laid down in the legal regulations and trade union acts. It is also stipulated that, in case that there is no organized trade union in an employer, the powers and obligations of the trade union are assumed by the workers' council (RS), that is 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, especially in RS, so that the employees' councils are organized sporadically. Workers still have more confidence in trade unions as their legitimate representatives, which is partly a consequence of the long standing tradition of trade union organization. Generally, the problem with failure to organize employees' councils and reduced activity of workers in trade unions is a consequence of denying the workers' representatives of their legal right to participate in the co decision process.

Trade unions

At the state level in Bosnia and Herzegovina there is the Confederation of Trade Unions of BiH, which is comprised of the Confederation of Independent Trade Unions of BiH, Confederation of Trade Unions of RS and the Trade Union of the Brčko District.

Name	Name in English	Number of Members	Membership in International Organizations
Konfederacija sindikata BiH	Confederation of Trade Unions of BiH	223,000	ITUC, observer status in ETUC

SAVEZ SAMOSTALNIH SINDIKATA BiH (CONFEDERATION OF INDEPENDENT TRADE UNIONS OF BOSNIA AND HERZEGOVINA)		
Branch Trade Unions	Name in English	Membership in International Organizations
Sindikat metalaca BiH	Trade Union of Metal Workers BiH	IMF, EMF
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	PSI, EPSU
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	ICEM
Sindikat građevinarstva i IGM BiH	Independent Trade Union of Construction and Building Materials Industry in BiH	BWI
Sindikat saobraćaja u FBiH	Traffic Trade Union in FBiH	
Sindikat BH Telecoma	Trade Union of BH Telecom	UNI

Sindikata tekstila, kože obuće i gume BiH	Trade Union of Textile, Leather, Footwear and Rubber Industry BiH	ITGLWF
Sindikata elektroenergetskih radnika BiH	Trade Union of Electricity Workers BiH	PSI
Sindikata radnika komunalne privrede u FBiH	Trade Union of Utility Workers in FBiH	PSI, EPSU
Samostalni sindikat radnika nafte i petrohemije BiH	Independent TU of Oil and Petrochemical Workers BiH	
Samostalni sindikat radnika u finansijskim organizacijama BiH	Independent Trade Union of Financial Organizations' 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	PSI
Sindikata radnika željeznica BiH	Trade Union of Railway Workers BiH	ITF
Sindikata radnika trgovine BiH	Trade Union of Trading BiH	UNI
Sindikata grafičkih, izdavačkih i medijskih radnika BiH	Trade Union of Graphic, Media and Publishing Workers BiH	UNI
Sindikata srednjeg i visokog obrazovanja, odgoja, nauke i kulture BiH	Trade Union of Secondary and Higher Education, Nursing, Science and Culture BiH	EI
Sindikata hrvatskih telekomunikacija Mostar	Trade Union of Croatian Telecommunications Mostar	UNI
Sindikata penzionera BiH	Trade Union of Pensioners BiH	
Sindikata hrvatske pošte Mostar	Trade Union of Croatian Post Mostar	

SAVEZ SINDIKATA RS (CONFEDERATION OF TRADE UNIONS OF REPUBLIKA SRPSKA)

Branch Trade Unions	Name in English	Membership in International Organizations
Sindikata metalske industrije i rudarstva RS	Trade Union of Metal Industry and Mining RS	
Sindikata trgovine, ugostiteljstva, turizma i uslužnih djelatnosti RS	Trade Union of Trading, Catering, Tourism and Services RS	UNI
Sindikata zdravstva i socijalne zaštite RS	Trade Union of Health Workers of RS	PSI
Sindikata obrazovanja, nauke i kulture RS	Trade Union of Education, Science and Culture of RS	EI
Sindikata šumarstva, prerade drveta i papira RS	Trade Union of Forestry, Paper and Wood Processing RS	
Sindikata medija i grafičara RS	Trade Union of Media and Graphic Workers RS	
Sindikata građevinarstva i stambeno-komunalne djelatnosti RS	Trade Union of Construction, Housing and Communal Services of RS	PSI
Sindikata saobraćaja i veza RS	Trade Union of Traffic and Connections RS	

Sindikrat uprave RS	Trade Union of Administration RS	PSI
Sindikrat pravosuđa RS	Trade Union of Judiciary RS	
Sindikrat poljoprivrede i prehrambene industrije RS	Trade Union of Agriculture and Food Industry RS	
Sindikrat radnika unutrašnjih poslova RS	Trade Union of Internal Affairs Workers of RS	PSI
Sindikrat finansijskih organizacija RS	Trade Union of Financial Organizations RS	WOW
Sindikrat tekstila, kože i obuće RS	Trade Union of Textile, Leather and Footwear RS	ITGLWF
Sindikrat Telekomu RS	Trade Union of Telecom RS	EUROFEDOP

SINDIKAT BRČKO DISTRIKTA (TRADE UNION OF THE BRČKO DISTRICT)

Associations of employers

At the state level there is the Employers' Association of BiH, whose members are the Employers' Association of the Federation of BiH, the Confederation of Employers of RS and the Association of Employers of the BiH Brčko District. Representative association in Republika Srpska is the Union of Associations of Employers of RS.

Name	Name in English	Number of Members	Membership in International Organizations
Asocijacija poslodavaca BiH	Employers' Association of BiH		UEAPME

Name	Name in English	Membership in National Organizations	Membership in International Organizations
Udruženje poslodavaca u FBiH	Employers' Association of the Federation of BiH	APBiH	
Savez poslodavaca RS	Confederation of Employers of RS	APBiH	
Udruženje poslodavaca Brčko distrikta	Association of Employers of the Brčko District	APBiH	
Unija udruženja poslodavaca RS	Union of Associations of Employers of Republika Srpska		