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**Annual Review  
2011  
on Labour Relations and Social Dialogue in South East Europe:  
Macedonia  
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## **1. Summary**

In 2011 the governing coalition in Macedonia once again proved its legitimacy on extraordinary elections. The general policy mix remains oriented towards maintenance of macro-economic stability, which is feasible in the last decade in spite of all difficulties (high unemployment and poverty rate, low FDIs, slow growth rate, etc). According to

relevant factors, the country dealt better than many with the global crisis, the short period of recession is over, but the industrial production level is still below the level before the crisis. The weaknesses in the rule of law and corruption are still problems that have to be dealt with. Industrial relations are in process of development. However, the malfunctioning of the labour market and the weak capacities of the institutions responsible for enforcement of the labour legislation are among the factors that engrave that process. On the other hand, the workers are more and more strained, but also reluctant to stand up for their rights, fearing particularly for their jobs. The tripartite social dialogue, which finally seemed to have come to real track, is in problems again, after the Government evaded the Socio-Economic Council consultations for very important legislation changes. The position of unions in the country is weakening and they are not able to realize what structural and political changes are necessary for regaining the power and confidence.

## **2. Socio-economic developments**

In Macedonia, the real GDP rose by 1.8% in 2010, after the decrease of 0.9% in the year before. The positive trend seemed to be fortified in the current year, since the growth reached 5.2% in the first half of 2011. Overall, economic activity started to regain strength and depth since autumn 2010. The volume of industrial production, which contracted in 2010 for -4.3% started to recover and in the first ten months of 2011 raised for 5.2% compared to the same period the year before. However, its overall level is still lower than before the crisis. According to the EC Progress Report 2011, average per capita GDP remained largely stable in 2010, at 35% of the EU-27. The government spending for construction played an important role in the rise of gross fixed capital formation. However, new cycle of crisis impact can be expected in the next year, signs for which are already present in form of another slowing down in the industrial production. The projection for the real GDP growth rate for 2011 has been reduced from 4.5% to 3.9% (according to the National Bank).

The FDI, according to the World Bank SEE Regular Economic report, in the whole SEE make more stable funding source that is less likely to lead to instability, although it has slowed down since second half of 2008 and is now at about 60% of the pre-crisis level. This stands equally for the situation in Macedonia, since the raise of FDI in 2010 compared to 2009 in net amount is only little over 200 million euro, and it is yet higher inflow than the year before. However, after the more positive trend in the first quarter of 2011, there is negative raise (outflow) in the second and it is realistic to expect worsening of the investments due to the huge financial problems in Europe. The overall fiscal policy is oriented towards achieving the deficit targets (2.5% for 2010), which was reached in spite of 7.8% lower revenues than envisaged. The current account deficit has widened: in the mid-2011 it has risen to some 3.5% of the estimated GDP of 2011, compared to -2.8% in 2010. The main reason for this is the higher increase of the trade balance deficit (higher imports) that was accompanied by increase in capital inflows, which accounted in June 2011 to some 4.5% of the estimated GDP.

The inflation accelerated in the last quarter of 2010 reaching 3% at the end of the year, while the annual average was 1.6% (compared to -0.8% in 2009). Main driver of the increase was the rise of prices of food, energy and base metals. The increase continued to grow over this year reaching average of 3.9% for the first ten months of 2011, which meets the National Bank expectations for annual average. The average gross wage increased for 3% in 2010 compared to 2009, reaching 503 euro (337 euro in net amount). The Law on minimum wage is in procedure of approval by the Parliament, which will establish minimum wage of 183 euro in gross (131 euro in net) amount (without supplements and additional payments). It will be effective as of 2012, except for textile, apparel and leather industry, where 3-year period of adjustment is allowed.

The unemployment rate remains very high, 32,1% in 2010, although it has slightly declined, in the first semester of 2011 to 31,3%. At the same time, the employment rate, which was 38,1% in 2010 has slightly inclined to 38.8% in 2011 (first half). The poverty rate has slightly declined to 30.9% in 2010 from 31.1% in 2009.

### 3. Governmental policies and legislation

In June 2011 there were extraordinary parliamentary elections in Macedonia, after which the governing structure is not changed and the opposition parties has somewhat larger number of deputies.

According to the EC 2011 Progress Report, there has been significant progress in the area of economic and monetary policy. A new law defining the operations, organization and independence of the National Bank was enacted. The EC finds that the quality of the pre-accession economic programme has improved and preparations in the area of economic and monetary policy are advanced. While the general policy mix remains stability oriented, the capital investments are spent in manner that was not enough growth-supportive. At the same time, the quality of public finances has not improved significantly and the issue of high unemployment (particularly among the young) remains a major policy challenge. The long-term unemployment, which prevails in its structure, indicates that the labour-market is not functioning and the barriers to higher employment are of structural nature. On the other hand, the budget allocated to the active labour market programme has decreased second year in a row and is still inadequate.

The weaknesses in the rule of law are still noticeable, particularly in the judiciary and the prevalence of corruption still affects the business environment.

Though the Law on Labour Relations and Law on Temporary Employment Agencies have been amended in accordance with the *acquis*, the implementation of the applicable laws is still slow. There is lack of administrative capacities of the institutions responsible for implementation and enforcement of the labour law and there are scarce attempts to improve this situation. The labour inspectorate seems to deal mostly with undeclared work, but the employment in the grey economy has not diminished.

At the same time, the transfers from the public budget towards the Pension Insurance Fund and (particularly) to the Health Insurance Fund continue to grow. In 2010 the public budget had to fill in the deficit of 34% in the PIF, while the transfers to the HIF has risen more than 30 times from 2006 till 2010 (D. Tevdovski 2011), and still there are no signs of improvement in the public health system. The situation has worsened after the reduction of percentage of insurance contributions collected from the gross-wage in 2009.

According to the research of the Institute for Social Democracy Progress (Tevdovski 2011) the unions remain marginalized and under government control, through the criteria for representativeness. The Constitutional Court has annulled the article in the Law on Labour Relations that regulates the composition of the Committee that established representativeness of unions and employers associations and it has to be amended. By the end of 2011 the government has proposed amendments to the Law on Employment and Insurance in Case of Unemployment aimed to reduce the period for which senior workers are entitled to receive compensation during unemployment (from 60 to 18 months). However, the reaction of the unions in the first moment was rather mild.

#### 4. Industrial relations

Industrial relations are in process of development. The malfunctioning of the labour market, high level of unemployment/low level of employment and job-offer, weak rule of law and weak capacities of the institutions responsible for implementation and enforcement of the labour law are factors that engrave the development. This way, the capital is more in disposition to higher profit margins, disrespect to the workers' organization and violation of the rights stipulated by laws and collective agreements. On the other hand, the workers are more and more strained, but also reluctant to stand up for their rights fearing for their jobs particularly.

After the amendments of the Law on Labour Relations by the end of 2009 and establishing a new regulation on union representativeness and bindings of the National Collective Agreements (NCA) the things improved. The NCAs became generally binding for all workers in the public and private sector, respectively. The Confederation of Unions of Macedonia (SSM) proved representativeness both in the private and public sector, while the Organization of Employers of Macedonia (ORM) proved representativeness as employers' organization. Those two signed the NCA for the private sector in June 2010, which is valid until 2012. It gives good grounds for negotiating collective agreements on sectoral and company level, but can also be implemented directly. This way, the workers in the private sector are covered by collective agreement. However, the unions claim enforcement and have control upon the implementation at employers' where workers are organized. The Confederation of Free Trade Unions (KSS) has proved representativeness in the public sector. However, the NCA for the public sector is not concluded between the unions and the government (as employer in the public sector). The employees in the public sector with status of "civil servants" have no legal constraints for organizing; however their labour rights, including payments, are regulated in the Law on Civil Servants. The Union of Independent and Autonomous Trade Unions (UNASM) has not claimed prove of representativeness as confederation.

The dialogue on sectoral level is working for the sectors with registered employers' organizations (as legally required for negotiating collective agreement). After concluding the NCA for the private sector, few branch collective agreements were concluded, such as for: food industry; agriculture; tobacco industry. In more sectors the employers do not organize in accordance with the legal requirements, hence the social dialogue does not exist at sectoral level (e.g.: metal, mining, forestry industry). In the public sector new collective agreement was concluded for employees in the Ministry of internal affairs, while the one in health sector is still on power.

There were no major developments in the internal situation of the trade unions, regarding the growth/decline of membership, or mergers/splits. The membership density is more/less the same as year before (metal - 50%; construction - 30%; agro - 35%; textile - 9%; public healthcare - 45% -all in SSM; teachers- 78% - in KSS). There are other registered trade unions (in the railways particularly) and that are not affiliated to any confederation. The Autonomous Trade Union of Media is worth to mention, since, after establishment and registration in 2010 it is making serious efforts to organize and deal with the labour problems of employees in the private media, which are rising day by day. This union is associated to the respective international.

There have been few strikes at employers' level organized over the year, caused by irregular payment (delay) of the wages. This is typical for the few companies that are last to be privatized (one from defence industry, one chemical, one tobacco and one from electro-industry). The government is majority owner and several attempts for privatization have been unsuccessful so far. One strike was organized because the employer refused to negotiate collective agreement. In this case, repercussions were

taken by the employer in form of termination of the contracts for few organizers of the strike and change of the job position for the local union organization representative. All cases are in court procedure; however, the outcome is uncertain, since the strike is not mentioned as reason for terminations. The labour inspectorate in this, but also in many other cases, has shown inefficient, sometimes even biased to the employer's side, to the great dissatisfaction of the unions. The inefficiency and prejudice (bias) of the institutions contribute to further weak rule of law and undermine the role and efforts of the unions in enforcement of (legally guaranteed) labour rights. The weak capacities of the institutions responsible for implementation and enforcement of the labour law are explicitly noted in the EC Progress Report, as well as the absence of efforts in their strengthening.

## 5. Tripartite social dialogue

The tripartite social dialogue seemed to finally come on good track after the signing of Agreement on establishment of the Economic-Social Council in September 2010, in which the representative confederations of unions and employers, as well as of the government, were represented with four representatives of each party (for the unions, two from SSM and two from KSS). One year the dialogue was exercised in acceptable manner, according to the Agreement. By the end of 2011, however, the government passed changes of the Law on employment and insurance in case of unemployment (one of the acts that are supposed to be subject to obligatory tripartite dialogue) without consultations whatsoever. After the changes were promoted by the minister of labour as adopted by the government, the ESC was called, where the unions objected, while the employers refused to participate. Now the act is in parliamentary procedure (where the governing parties have safe majority) and only SIER, the Union of Industry, Energy and Mining, which publicly stated the objections and arguments against the proposed changes, is in state of preparing public protest and requires meeting with the prime-minister on this matter. This example illustrates the manner in which the process of the social dialogue operated in the past period. After a period of one year in which the three partners were trying to reconcile their positions and managed to come to joint solutions in few cases, the previous history is repeating where the government shows total disrespect of the other partners and tries to evade the dialogue and bring the ESC to pro-form body.

## 6. Forecasts

The forecasts for the future in the moment are very uncertain. The National Bank's projections for GDP growth in 2011 might be reached (growth between 2 and 3%), as the growth accelerated in the first semester, however the second semester's results are not optimistic. Positive, but modest growth (3% according to the National Bank; 2% according to IMF) is expected in 2012 too. However, the business community has expressed fears of harder impact of the crisis, since the economy has not recovered from the previous downfall.

Unfortunately, it seems that the unions are not able to realize that structural changes are necessary in terms of mergers, amalgamations and so on. Even the initiatives in such direction have been scarce. It is not realistic that the merger on global level and creation of industrial federation will contribute to starting such process on national level, however, changes are feasible by the end of this mandate period (2015/2016).

The association process to the EU is important too and further delays might slow down all processes and discourage the positive trends in many fields.



## **Annex of data:**

### **• Collective bargaining system**

The collective bargaining system continued as once designed before the end of former joint state (Yugoslavia) in the last federal labour act. It was part of each labour law brought since then (1994 and 2005).

The existing Law on Labour Relations stipulates three levels of collective bargaining: national (for private and public sector, respectively); sectoral (branch) and single (for single employer). The national collective agreements are signed by representative confederations of unions and employers associations (for private sector) and by representative confederations of unions and minister of labour (for public sector). The sectoral (branch) collective agreements are signed by adequate and representative unions and employers organizations. The single collective agreements are signed between the (representative) union organization in the company and the employer.

According to the law, all levels of collective agreements are independent. However, since the unions negotiate them at all levels, it is generally accepted and implemented that each next level can stipulate only broader rights than the previous. This means that the single collective agreement usually stipulates broadest rights for the workers.

At the moment, in Macedonia the National Collective Agreement for the private sector is on power, as well as few branch collective agreements and more single collective agreements. However, since by law the national agreements are obligatory for all employers both in the private and public sector, the coverage of employees appears to be 100%.

### **• System of tripartite social dialogue**

The system of tripartite social dialog is administered through the Economic Social Council - ESC, which is consultative body, established on basis of Agreement and composed of representatives of the social partners. The current ESC was established in September 2010 and now it consists of 4 representatives of each social partner: unions (by two from SSM and KSS), ORM (only representative employers' association) and the Government (ministries of labour, economy, finances and the vice-prime minister). It is governed by the minister of labour (no rotation in governing).

The tripartite social dialog did not give any results in the past; one can say the ESC existed only pro-form. It seemed that real chance was given to it with the last Agreement from September 2010. The ESC started to meet regularly during the last year and showed that the three social partners can develop dialog and reach mutually acceptable solutions. However, the last example of changes in the Law on employment and insurance in case of unemployment undermine the previous efforts and results. Particularly since the Agreement contains the issues for which the reconciliation at ESC is obligatory and this law is one of them.

### **• Social security systems**

According to the Constitution, Macedonia is declared as a social country. Social security covers:

- employees, that pay insurance contributions;
- retired persons;
- children, whose parents are covered by insurance (until age of 26);
- unemployed persons that actively seek for job; etc.

Generally, only people with unsolved civil status are practically out of the system of social security.

However, the number of persons covered by insurance is compatible with number of registered employment, which is around 70% of the number of employees by statistics (inquiry employment)).

There are no official statistics of grey economy, but it is estimated by some experts that it might go up to 40% of the GDP, which adequately reflects the number of persons which are not covered by the insurance.

The Programme for effectuation of social protection in 2011 of the Ministry of Labour and Social Affairs targets 18600 minors and 26000 adults of different categories for social welfare and health insurance. The categories of aid in case of energetic poverty and conditional aid for secondary education are additional and coordinated with the WB.

- **Health**

The health insurance rate is 8% from the gross wage and is in process of reducing until it reaches 7%. The employee is the only entity obliged to pay the contributions –obligee (for all contributions from gross wage, there is no distribution between the employer and employee), while the employer is obliged to calculate and pay the contributions on employee's behalf. So far, the payment of the insurance is proved with special coupons issued by the Fund; the insurant that has no coupon for the month (because their wages are delayed) has to pay the health services used in that month, and than to claim remuneration from the Fund, which takes months. The health insurance system is based on solidarity, but it works only for those insurants who pay the fee regularly. The delay of the wages, which is caused by problems on employer's side, makes the insurants victims of the situation. According to statistics, 3-4% of employees do not get their wages on time; hence have problems with their health security. The introduction of electronic evidence of insurance payment (and electronic health insurance card) is still in experimental phase.

The health system is in constant reforms for years. The deficit in the health fund is huge; it has risen more than 30 times in the last 5 years and is around 70million euro at the moment. In spite of that, the contribution rate will continue to decline.

- **Pension**

The pension insurance system relies on 3 pillars:

- state obligatory fund
- private obligatory fund
- private voluntary fund.

The insurance rate is (at the moment) 18% of the gross wage (and will be reduced until 17%), which is divided between the private and state obligatory funds: 35% in the private and 65% in the state fund. The age for earning retirement pension is 64/62 (men/women), and the ultimate age is 65. The years of service are important for the level of the pension: full amount is paid if 40/35 years of service (men/women) are completed; if less, the pension is reduced proportionally.

The Law on Pension and Insurance in Case of Disability regulates the family and disability pension rights.

- **Unemployment**

The insurance for case of unemployment is obligatory too. The rate is 1.2% of the gross wage.

In case of unemployment, depending on years of service, the unemployed person is entitled to maximum 12 months unemployment allowance unless he is 59, or she is 57. In that case they are entitled to allowance until retirement, or new employment (which almost never happens). This stipulation is in procedure to be changed. Instead of

maximum 5 years allowance payment for senior workers who lost their jobs in redundancy or due to bankruptcy of the employer, the period will be reduced to maximum 18 months. The unions resisted with arguments against it, but the government would not take back the proposal, on the contrary, it is in parliamentary procedure already. The ESC did have the issue on agenda, but after the government adopted the proposal and sent it to the Parliament. The employers did not participate in the discussion, while the unions' proposals were not taken into consideration.

- **Education and vocational training**

Table: Structure of labour force by education, second term 2011

	% of labour force	% in unemployed population
no education, incomplete primary school and lower secondary education	28.4%	34.9%
3 years secondary education	11.5%	11.7%
4 years secondary education	40.4%	38.2%
higher (industrial college) level education	2.8%	2.0%
academic university level education	16.7%	13.2%

Source: State statistical office, Labour force by education 2011

The table shows the situation regarding the existing education structure of labour force and unemployed population. The long-term unemployment is signal that obstacles to employment are of structural nature (Tevdovski 2011, p.4); however the inappropriate education structure is very important factor.

Life-long learning is mentioned in long-term strategies for employment and the education system is under constant upgrade changes. The universities started dispersed studies all over the country; secondary education is mandatory, etc. However, the interest for education in industrial jobs is decreasing year after year and the interest for education in non-industrial jobs is rising (particularly for medical, economy or judicial education). This has prolonged negative impact in terms of further increasing (instead of decreasing) the needs for re-qualification and inability to get suitable job. On the other hand, the industry needs skilled (young) workforce that is not available at the labour market; hence, the structural nature of the unemployment and inability to cope with such high unemployment rate.

- **Employment rate**

Employment rate

	2006	2007	2008	2009	2010	2011*
active population	891,679	907,138	919,424	928,775	923,323	936,256
employed	570,404	590,234	609,015	629,901	627,129	642,809
activity rate	55.1	55.7	56.3	56.7	56.9	56.6
employment rate	35.2	36.2	37.3	38.4	38.7	38.8

Source: State Statistical Office

\* Last published data: second quarter of 2011

Employed by economic status

	employed total	%	employee	%	employer	%	self-employed	%	unpaid family worker	%
2006	570,404	100	403,564	71	33,853	6	70,789	12	62,193	11
2007	590,234	100	426,662	72	32,655	6	71,245	12	59,672	10



2008	609,015	100	437,475	72	30,084	5	78,824	13	62,632	10
2009	629,901	100	453,031	72	32,469	5	80,053	13	64,349	10
2010	637,855	100	462,445	72	33,394	5	85,068	13	56,948	9
2011*	642,809	100	454,428	71	42,227	7	81,118	13	65,036	10

Source: State Statistical Office

\* Last published data: second quarter of 2011

- **Unemployment rate**

	2006	2007	2008	2009	2010	2011*
Labour force	891,679	907,138	919,424	928,775	938,294	936,256
unemployed	321,274	316,905	310,409	298,873	300,439	293,448
unemployment rate	36,0	34,9	33,8	32,2	32,0	31,3

Source: State Statistical Office

\* Last published data: second quarter of 2011

- **Average monthly salaries**

Monthly average by section of activity in €\*\*

	2006	2007	2008	2009	2010	2011*
∅ total	375	394	428	488	503	503
∅ agriculture	318	286	283	315	353	358
∅ industry	384	390	415	473	499	534
∅ services	418	433	465	539	544	554

Source: State Statistical Office

\* Last published data average wages 09/2011; State Statistical Office

\*\* Own calculations in €, by middle exchange rate

- **Gender pay gap**

There is no official information of gender pay gap. The legislation on non-discrimination is on power; the equal opportunities are taken seriously and exist since the previous system. The salaries/wages are negotiated for groups of job complexity and make no gender discrimination.

However, Macedonia is still very traditional society and the gender gap is more present in the opportunities for promotion or taking more responsible positions. The discrimination acts on gender grounds are rarely disclosed or appealed.

The unions also do not have internal data on gender pay gap.

- **Monthly minimum salary**

The Law on Minimum Salary is in parliamentary procedure. It will be established in amount of 132 euro in net and 183 euro in gross amount. As proposed, the minimum salary will be calculated as % of the average wage in the country (39%, contrary to the OECD recommendations).

There is minimum peg on contributions payment in amount of 50% of the average salary in the country, hence, in case of lower salary than 251 euro (gross amount) additional payment has to be made only in the contributions (not in the net amount). The same regulation remains after the Law on Minimum Salary is brought.

Unions' demand was that the minimum salary is established in the same amount as the peg for contributions to the salary (251 euro in gross amount), but the employers strongly objected claiming that it would lead to job cuts and closure of businesses.

- Actual weekly working hours

Actual weekly working hours are 37.5. The ½ hour daily break is considered as part of working hours in 40 hours week.

Collective agreements have no different stipulations. The legal possibility for shorter working hours on more (physically) wasting and risky jobs is not used in practice.

The over-time is legally limited to maximum 8 hours per week and 190 hours per year. Having more than 150 over-time hours in the year (and not being on sick-leave more than 21 days), the worker is entitled to bonus in amount of one average monthly salary in the state. In spite of all limitations, actual over-time work is much longer than limited by law.

- Normal work /atypical work

year	number of contracts	%	normal contracts	%	atypical contracts	%
2005	147,965	100	85,033	<b>57.5</b>	62,932	<b>42.5</b>
2006	150,815	100	68,878	<b>45.7</b>	81,937	<b>54.3</b>
2007	191,468	100	88,393	<b>46.2</b>	103,075	<b>53.8</b>
2008	210,010	100	89,039	<b>42.4</b>	120,971	<b>57.6</b>
2009	245,314	100	101,292	<b>41.3</b>	144,022	<b>58.7</b>
2010	232,499	100	87,872	<b>37.8</b>	144,627	<b>62.2</b>

Source: Agency of employment, annual reports

Atypical work is most often in forms of short-term employment contracts (from one month duration on), regardless whether it is for normal or seasonal work. The Law on Labour relations allows keeping short term-contracts for same or similar positions up to five years, when transformation into normal contract is obligatory.

The employments through agencies for temporary employment is not prevailing, the total number of contracts concluded from the licensed agencies is given in the table:

year	Number of contracts	Number of agencies
2006	7,208	10
2007	43,513	20
2008	70,608	21
2009	93,303	24
2010	106,620	28
2011*	37,538	28

Source: Association of Agencies for temporary employment

\* 6 months of 2011

- Migration

Only external (from Macedonia to other countries) migration is observed. The number of persons that emigrated is as follows:

Year	2006	2007	2008	2009	2010
Number of emigrants	1073	224	740	769	923

Source: State statistical office

According to this data, the migration to other countries is not social problem. Out of 923 persons who emigrated in 2010, 247 are on age between 15 and 29; 545 are on age between 30 and 64. There is no data about their qualifications; hence the brain-drain can't be followed from those figures.

- **Collective agreement coverage**

As explained, with changes of the Labour Law brought in November 2009, the national collective agreements became obligatory for all employers in private and in public sector, respectively. Therefore, by power of law the coverage became universal. Therefore, the coverage at the moment is:

- Public sector 100%
- Private sector 100%

However, there is no full control to enforcement of the collective agreements, particularly in unorganized companies.

- **Ongoing important collective bargaining agreements**

After Law on labour relations was amended and national collective agreements became mandatory for all employers, the national collective agreement was re-signed for the private sector in June 2010. The one for the public sector has been prepared (as text), but not finalized yet.

Just few important collective agreements were concluded after that: for agriculture; food industry and tobacco industry, as well as for employees in the Ministry of internal affairs (police). For textile sectors collective agreements are just expiring, as well as for public health and social protection.

For the metal industry, there is no organization of employers registered. The union has been putting pressure and taking activities in attempt to accelerate formal registration of such organization, but without success so far. During 2011 special project was conducted, supported by EC, with Danish partner organization 3F, for decentralization of the social dialogue. Nevertheless, the interest on employers' side was weakest. Therefore, the collective agreements are signed at each employer's separately.

There are sectors where representative organization of employers exists, but CA is not signed because of impossibility to come to commonly acceptable solutions, (e.g. in construction). Usually, the employers are in so different conditions that for part of them it is not possible to meet the optimal stipulations. On the other hand, it is not the best solution to minimize the stipulations to level that the worst can accept. Therefore, the unions would not accept signing *any* CA, but the one that meet some normal criteria and values.

- **Trade union density**

There are no changes with regard to the figures given on trade union density in the previous report.

These figures are taken from official documents issued after establishing representativeness. There is decrease in union density. Those official figures might be somewhat different from reality, because the law required proving membership both with signed membership forms and confirmation that the membership fee is paid regularly. This way, the members that are exempted from paying the fee out of different reasons (mainly because they don't earn the wage regularly) are not taken into account. Also, this way is impossible to keep as members people who lose their jobs, or retire. Overall, it means that the unions count more members than taken into account when establishing representativeness. However, officially the situation is as follows:

- Public sector: 54%
- Private sector: 31%

Or by separate sectors:

○ agriculture and food industry	34%
○ construction	28%
○ education and science	80%
○ metal and electro industry	55%
○ banks and related activities	68%
○ water supply and garbage disposal	86%
○ chemical and non-metal industry	59%
○ health and social care	44%
○ public administration and judiciary	33%
○ forestry and wood industry	74%

- **Employer's organizations density**

The Organization of Employers of Macedonia-ORM has proved representativeness in the private sector, since the employers- members of this organization employ 24% of all employees in the private sector. There is no data on number of companies (according to the labour law, the representativeness is counted only on basis of number of employees; the information on members of ORM is not publicly disclosed).

There is also Confederation of Employers of Macedonia, which has not applied for establishing representativeness; hence, there is no data on density regarding this organization. This is organization where mostly micro and small companies are members.

- **Workplace representation**

There is no change in workplace representation situation during the observed period. Although expected, no changes in the legislation were made in that direction. Therefore, the workplace representation is covered by trade unions. If there is local union organization organized at employer's site, the board of shop-stewards (elected by the members) is responsible to observe the implementation of laws and collective agreements, to react in case of violations or non-implementation of the legislation (regulation) etc. However, the trade union reacts only on behalf of the members (not of all employees). The employer will address the trade union for issues that require information and consultation. In case there is no local union organization at employer's (which is most typical for many small private employers) than there is practically no workplace representation. This is the situation so far.

The demands of the unions go in direction of legal changes that would provide system of co-determination.

- **Trade unions**

- **National Trade Union Confederations:**

1. Sojuz na sindikati na Makedonija - SSM; Trade Union Federation of Macedonia 76.000 members, application for membership in ITUC and ETUC; 17 branch unions.

2. Konfederacija na slobodni sindikati na Makedonija - KSS; Confederation of Free Trade Unions of Macedonia 43.000 members, application for membership in international associations; 10 branch unions.

3. Unija na avtonomni sindikati na Makedonija - UNASM; Alliance of Autonomous Trade Unions of Macedonia; no data for membership; 5 branch organizations; member of ITUC.

4. Konfederacija na sindikalni organizacii na Makedonija - KOSOM Confederation of Trade Union Organizations of Macedonia; no data for membership; 2 branch unions; no data for international membership.

- **Trade Union Federations by branches:**
  1. Sindikat na industrija, energetika i rudarstvo na Makedonija - SIER; Trade Union of Industry, Energy and Mining of Macedonia, 12,000 members; member of IMF, ICEM and EMF.
  2. Sindikat na rabotnicite od agroindustrijskiot kompleks na R.M. - Agro Sindikat; Trade Union of the workers from the Agricultural, Water, Tobacco and Food-Processing Complex of the Republic of Macedonia; (SSM) 8,000 members; member of IUF;
  3. Sindikat za gradeznistvo, industrija i proektiranje na RM - SGIP; (SSM) Trade Union of civil engineering, industry and planning of Macedonia, 7,000 members, member of BWI and ICEM;
  4. Sindikat za obrazovanie, nauka i kultura na Makedonija- SONK, Trade Union of Education, Science and Culture of Macedonia; (KSS) 28,000 members; member of IE;
  5. Samostoen sindikat za zdravstvo, farmacija i socijalna zaštita na RM; Autonomus Trade Union of Health care, Pharmaceuticals and Social Work; (SSM) 12,000 members; member of PCI.
  
- **Employer's Organisations**
  1. Organizacija na rabotodavači na Makedonija - ORM; Employers' Organization of Macedonia; members: employers that employ over 68.000 workers, member of SEEEF;
  2. Konfederacija na rabotodavači na Makedonija - KERM; Confederation of Employers of RM; no data for membership (collective, like National Federation of Agencies for Temporary Employment, and individual); member of few European and SEE employers' associations (no data which).