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

Serbia records in 2011: the stable monetary indicators, value of exports and FDI of 2 billion Euros, Government policy for stimulating investment, skilled labour force, and the possibility of the presence in many markets due to Serbia agreements on free

trade which have brought significant foreign companies as: Fiat, Panasonic, Leonie, Flake, Benetton, Jura and Bosch are. Many new laws and regulations adopted by the Government were prepared to support the reforms implementation. It is expected that the stand-by arrangement with the IMF as a precaution, of 1.1 billion Euro, which supports the economic agenda of the Republic of Serbia, to contribute to improving the investment climate and an additional protection against negative external effects of the crisis to the country's economy. However, the problems of high unemployment of 24%, the economy, the public liquidity and external indebtedness of the state, as well as low competitiveness were the dominant issues in 2011. In industrial relations, tripartism and collective bargaining have been shown unsatisfactory results. In three years of implementation of the General Collective Agreement, with the period of suspension of financial provisions since the arrival of the global financial crisis to Serbia, pointed out a need for radical changes in the very approach to the conclusion of the general and sectoral collective agreements, as well as to more carefully consider those provisions which represent a financial burden on employers, or whose administrative and technical implementation cause additional costs to companies.

## 2. Socio-economic development

In 2011 in Serbia was carried out census, according to which Serbia has got is 7,120,666 inhabitants. That is 377,355 / 5%/ fewer inhabitants than in 2002, what demonstrates continual depopulation tendency, mostly young and educated people. Serbia is a aging country too, as in total population 41, 40% are older of 65.

Total economic activities in 2011 measured by gross domestic product and expressed at previous year prices, noted growth of 1.9% in real terms, compared to the previous year. GDP 32,993 mill Euro, and per capita has been of 4,543 Euro. The greatest growth of gross value added was noted in the following sections: electricity, gas, steam and air conditioning supply, construction and mining and quarrying. The physical volume of industry in 2011 is estimated to go up by about 3.5%.

The export of goods rose on the year-on year level by 21.2% and equalled EUR 5.6bn. The export - import ratio equalled 59.4% and was higher if compared to the same period last year. The share of exports of goods and services in GDP is about 32%, and in world exports was 0.07%. The share of investments in GDP was (21.5%) with the growth of inflow of foreign direct investment about 2bn USD, and according to the World Investment Report<sup>1</sup>, Serbia was the best in the region.

The employment rate in 2011<sup>2</sup> fell by 1.6pp and equalled 45.5%, while the rate of unemployment of working age population (15-64) rose by 2.9pp and at 23.7%. There were 1,743,411 employed and 735,053 unemployed persons. The structure of registered unemployed is very unfavourable, due to the fact that 73% are in long-term unemployment. What specifically can be considered as unfavourable is the fact that the decline in employment actually takes place in the private sector, while employment in the public sector is almost unchanged.<sup>3</sup> Informal economy is around 1 million persons, /accounted by World Bank to 1% of Serbian GDP in 2011/.

The average gross salaries and wages paid in November 2011 in the Republic of Serbia amounted to RSD 53,239. The average net salaries and wages totalled 38,363 RSD /379, 8 euro/.<sup>4</sup> Average pension in 2011 amounted to 21,016 RSD<sup>5</sup>, down in real

<sup>1</sup> UNCTAD, **World Investment Report 2011**, <http://www.unctad-docs.org/files/UNCTAD-WIR2011-Full-en.pdf>, p. 187.

<sup>2</sup> P3C, the Labour Force Survey 2011

<sup>3</sup> The greatest decrease of the employed at the level of activity was registered in manufacturing industry, of 3.0% (9,241 persons).

<sup>4</sup> Viewed at the level of activity, the highest net earnings was registered in manufacture of tobacco products (87,751 dinars), financial services except insurance and pension funds (78,129 dinars)

terms by 6.3% on the same period 2010. At the same time, an average pension accounted for 55% of average net earnings.

In 2011 in Serbia 106,000 enterprises were in function, 80,000 enterprises with less than 3 employees, 0,9% large enterprises with 420,151 workers. The SMEE sector accounted for 45.4% of overall employment, 43.9% of total investments, generated 44.5% of exports, 52.3% of imports, 63.3% of external trade deficit in Serbian economy, and accounted for around 33% in Serbia's GDP. Insolvency has been a very serious problem. The number of blocked accounts of enterprises at the end of 2011 were 62,326, /most were small companies/ with the value of blocked accounts of 180bn RSD. <sup>6</sup> The budget deficit is up to 4.5%. The share of external debt to GDP stood at 75.6%.<sup>7</sup> Public debt has increased to 46.7% of GDP. The deficit of the consolidated state sector rose in 2011 (4.5% of GDP). In 2011, inflation has reached 8.1%.

In 2011 through the method of tender and auction privatization and the sale of minority share packages on the capital market 12 companies were privatized and privatization revenues of EUR 13.1m were generated and investment of EUR 4.3m contracted. Due to the failure to meet contracted obligations 4 tenders and 27 auctions were annulled. At the same time, in the process of restructuring are 158 large industrial companies in which it is necessary to continue activities aimed at the realization of defined concepts (amending the Programme, the sale of property, selection of a councillor, initiation of the bankruptcy procedure, etc.), among which there are 45 large companies from metal sector with 25,000 employees. The design and amendment to the restructuring programme is needed to complete privatization of many large companies, most of them are from metal sector.<sup>8</sup> Privatization of public enterprises is yet to come.<sup>9</sup>

In the latest Competitiveness Report 2011-2012 of the World Economic Forum (WEF), which includes 142 countries (3 more than in the previous report), Serbia is ranked 95th.<sup>10</sup> Areas in which Serbia significantly lags behind countries in the group are institutions, labour market efficiency, and business sophistication, where most of the indicators are above 130<sup>th</sup>.

### 3. Governmental policies and legislation

Serbian government priorities in 2011 were: full commitment to Serbia joining the EU as soon as possible, development of Serbian economy and improvement of living standard of its citizens, development of socially responsible state and caring society, resolutely combating crime and corruption, and preservation of Kosovo and Metohija within the Republic of Serbia. The government has adopted a program of measures to mitigate the negative effects of the crisis in 2011 along with the Revision memorandum on the budget and economic and fiscal policy for the 2011. It was allocated 7bn for the stimulation of specific industry sectors (manufacture of wagons, production of tractors,

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<sup>5</sup> 100 RSD (Dinars) = 1 Euro

<sup>6</sup> Source: NBS, Analysis of the debt of Republic of Serbia, 2011, [www.nbs.rs](http://www.nbs.rs)

<sup>7</sup> It is very close to the level of indebtedness of 80% which is threshold of high indebtedness on the criteria of the World Bank. Participation of private sector external debt to GDP stood at an estimated 42.5%.

<sup>8</sup> IMP Majdanpek, ILR Belgrade, Holding *Electronic Industry JSC Nis*, *Cable Industry Jagodina*, *Raska Holding Novi Pazar*, IHP *Prva Petoljetka Trstenik*, JSC *Dnevnik Novi Sad*, *Romulijana Zajecar*, *Gosa Holding Corporation Smederevska Palanka*, *Vrsacki vinogradi Vrsac*, *Severtrans Sombor*, *Rudnik Gornji Milanovac*, *Vulkan Nis*, *BIP Belgrade*, *Javor Ivanjica*. **Investors** take an interest in cooperating and taking part in the privatization of *SE Glass Industry Pancevo*, *IMT Belgrade*, *IMP Belgrade*, *Jumko Holding Vranje*, *Betonjerka Aleksinac*, *Koncern Fabrika vagona Kraljevo*, *Vulkan Nis*, *Fontana Vrnjacka Banja*, *FAP Priboj*, *Zorka Holding*

<sup>9</sup> When it comes to the restructuring of *large public infrastructural companies*, a major prerequisite for their privatization is a change of their legal form. So far a change of the legal form from a PE to a shareholding company has been made with *JAT Airways (2008)*, *Airport Nikola Tesla (2010)*, and *Serbian Railways* (the Decision taken in May 2011), and in the following period one could expect that public companies *Elektroprivreda Srebije*, *Elektromreza Srbije*, *Transnafta*, *Srbijagas*, *PTT Communications 'Srbija'*, *Srbijasume* and *Srbijavode*, followed by deeper organizational and structural changes in these companies.

<sup>10</sup> The Global Competitiveness Report 2011–2012, World Economic Forum Geneva, Switzerland 2011. p.15

buses, trucks, construction machinery, etc.) as well as the continuation of subsidized lending business and citizen's liquidity through loans, investments, consumer goods and cooperation of a purchase of newly built apartments. The Program of credit support to the economy through the Development Fund has been provided, for subsidizing interest on loans for liquidity and invests one's own, granted loans for agricultural sector and services, for the realization of programmes and measures of active employment policy.

An agreement was reached through the Draft Strategy Serbia 2020 defined in 2011, about a new development concept. The strategy and policy for industry development in Serbia for a period 2011-2020 has been adopted in 2011; a Strategy for restructuring of mines; The Energy Development Strategy; Labour Inspection Law prepared in 2011, which has to improve institutional framework of employees' rights protection in the area of work relations. A law will be adopted that will amend the Labour Law, a new Labour Records Law and Strike Law. Creation of conditions for social inclusion and employment of persons with disabilities, Roma, refugees and displaced persons, returnees under the Readmission Agreement, victims of trafficking and material welfare beneficiaries has been forced by new legislation and Strategy, Occupational safety and health started to be harmonized with the EU directives and ILO conventions and improved to reduce the number of injuries at work and professional illness.

Key objectives and guidelines of the education system reform were based on the definition of Education System Reform Strategy on all levels. A Health Care Development Plan was started to be defined with the aim of the health system reform and insurance of quality of health services and patient safety, while forming appropriate health care workers and instituting a sustainable financing system in accordance with the society's material means. Changes to the Pension and Disability Insurance Law go toward gradually increasing the minimum age limit for retirement for men and women (from 53 to 58 years of age) until 2020 and gradually increasing the necessary work experience for retirement for women. The New Law on Social Protection adopted in 2011 defines social protection measures focused on improving the quality of life of sensitive groups of citizens, with a social protection system reform.

#### 4. Industrial relations

According to the research taken in 2011, Serbia has taken the 134 place in the cooperation of workers and employers, 21 places worse than in 2010, which indicates the deterioration in industrial relations. Three *years of implementation of the General Collective Agreement*, with the period of suspension of financial provisions since the arrival of the global financial crisis to Serbia, showed some improvements in social dialogue, but also problems: The labour relations regulation has been implemented, except in the big world of small companies, which didn't have Rules of Organization and Job Classification. Sometimes an employment policy or plan exists at bigger companies and with investors who open new plants, but this accounts for just 0.1% of companies in Serbia. The cost of implementation for these companies was too high. The largest financial provisions under the General collective agreement, such as paying for hot meal and vacation allowance, are rarely subject to negotiations between trade unions and employers - hot meal in 17.65% of the cases, and vacation allowance in 20.59% of cases. These liabilities were most often paid in the amount defined by the employer (in 44.12% cases for the hot meal, and in 43.38% cases for vacation allowance). To annual leave, practice has shown that most companies allow two days of paid leave - 60.55%.<sup>11</sup>

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<sup>11</sup> the Serbian Association of Employers in cooperation with the representative trade unions - the Confederation of Autonomous Trade Unions of Serbia and the United Branch Trade Unions "Nezavisnost", sponsored by Swiss Labour Assistance (now SOLIDAR Swiss) research among companies 136 companies/ sectors: financial services, construction industry, chemistry and non- metals, metal industry, agriculture and food industry, transportation, commerce and tourism

The Serbian Association of Employers took into account the views of competent authorities of the Serbian Chamber of Commerce and of the Foreign Investors' Council, and initiated the cancellation of the General Collective Agreement. The SAE also urged the State to take, as soon as possible, other measures to alleviate the negative effects of the global economic crisis and ensure long-term economic and social progress of the Republic. At the same time, the SAE invited the signatory parties to the Agreement, in accordance with the provisions of Article 264 of the Labour Law, to start negotiations about a new General Agreement, which would better reflect the real situation in the economy. (Since that time the economic situation has in fact worsened.) The SAE has also informed the social partners that it remains open to negotiations about sectoral collective agreements.

There were a lot of organized strikes in 2011, most according to unsolved problems with failed privatized process (in more than 25% privatized companies, sometimes with the result that the state took the conduction in fabrics and preparing the companies for new investor), as well as in the public sector, where trade unions in education, health, social services, public utility companies, even in police, were trying to increase their wages, to be paid residual hot meals and jubilee awards. Some unions succeeded to present their proposals to the Government, even to local authorities, but with very low willingness to solve the problems, especially when requested increase had no real basis in budget expenditure planned for 2011.

## 5. Tripartite social dialogue

The development of an institutionalized (tripartite) social dialogue initiated after the democratic changes in Serbia has been insured by establishing the Social - Economic Council of Serbia, the Labour Law which defines specific representativeness criteria for each of social partners, the Law on Mediation, providing the possibility of resolving individual and collective industrial disputes through conciliation, arbitration and mediation, the Law on employment and unemployment insurance which has been amended in 2011, General Collective Agreement, specific and sectoral agreements. The government has initiated a Working Group for resolving workers' problems and Agency for Peaceful Settlement of Labour Disputes.

*Achievements:* According to actual researches in this field, for three years, the average score for social dialogue is higher, from the lack to "improved". Good results were recorded at the lower level, ie. employers, especially in public companies that have signed collective agreements: / JP "Power Industry of Serbia," JP "Electric Power," JP "Srbijagas" JP "Official Gazette" JP "Transnafta" et al.). The importance of social dialogue between unions, employers and government in public companies is important as incoming reforms to public enterprises. There are examples of a more developed system of tripartism, formal and informal in Vojvodina, for example all the factors that make up the Social Economic Council worked better in companies. The company emerged as the government representatives on the court together with unions and solves the problem. The dialogue exists in very stabile companies where employers are responsible, as well as negotiations and collective agreements. Most of social partners jointly fight in 2011 against the informal economy and undeclared work, through the training of employees and employers, and by strengthening the capacity of labour inspectors and inspection cooperation authorities.

*Failures:* The principles of tripartism: the effort to problems between workers, employers and governments to help solve the ternary relationship or not, however, furnishing

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from six local self-governments in Serbia about collective agreements concluded on the company level and contractual rights of employees.

the institutionalized relationship as a whole in 2011, have not been realized as a part of social partnership, policy concentration, societal corporatism. In ruined economy and depleted society, social dialogue has not been used in the best way to leave the country areas of high social and political risks, and open prospects of further development of democracy and prosperity. Social dialogue, all sides: unions, employers and the state in 2011 evaluated as lack of trust among the social partners, maintained in a narrow room for manoeuvre, in which each party was lobbying for its interests without the willingness to listen and hear the claims of other parties. The general impression is that the government neglected to some extent the process, bringing still key decisions, such as the adoption of the budget, development policies and strategies of privatization and restructuring of large systems without considering or just more or less formal, "infiltration" by SES, on the way to Parliament. For small businesses and entrepreneurs, and some middle enterprises the dialogue didn't exist at all, and a lot of mobbing against employees, union leaders, and women has been recorded. As a result, there is no collective agreement in that part of the real sector. Social dialogue at the local level is still very underdeveloped.

*Reasons:* The employers' scene was divided, with each of the employers' organizations' own rules of the game, so it was difficult to send off and get insight into a strategy of employers. The question of the status of representation of social partners has been an obstacle to the functioning of social dialogue and its institutions. Problems affecting the slow progress of social dialogue are also: failed privatization in more than 40% of privatized enterprises, the lack of direct investment and lack of opportunities for job creation. Inefficiency of functioning of social dialogue in Serbia is the result of opportune conduct of governing the structure of the social partners, especially the trade unions, representatives of the Chamber, and lack of credibility of the Union of Employers. In branch and signed collective agreements, collective agreements and the activities are often carried out obstructions in the implementation of the achieved rights in these sectors and reached the level of law is not applied. Limited effects of the widespread dissatisfaction with current practices are the result of just the absence of mutual trust and willingness to adequately measures take into account the interests and positions of other participants in social dialogue.

*Consequences:* 2011 was marked by the struggle of trade unions in estranged industrial relations where the problems are transformed into models of keeping social peace through the power, with acceptable short-term solutions rather than modern social dialogue. What is the essence of socio-economic dialogue and tripartism in 2011?, it could be described as the life-law: "Everyone is smiling and make mad, and nothing is amiss." However, since the establishment of a productive social dialogue is one of the preconditions for integration into the EU it would be an rapid progress necessary in this area, the pressure on the government to ensure the implementation of the Convention N ° 144 of the International Labour Organization Tripartite Consultation, as well as Agreement in Geneva which Serbia ratified and pledged to implement it. Then: to increase the capacity of social partners at local and national level for the better and more active participation in the content and processes of social dialogue, promoting best practices of social dialogue, better understanding the needs and concerns of the stakeholders, the establishment of more permanent social dialogue development strategy.

According to the recent communication of trade union organisations, Confederation of Autonomous Trade Unions of Serbia, "Independence" Trade Union Confederation and Association of the Free and Independent Trade Unions with the Democratic Party, SNP, LDP, SPS, and SDP some prospects of labour relations within the frame of the elections would be possible. All unions are seeking for parliamentary representation, so:

SSSS would not support just one option, but if they decide to involve in elections-they would like to be on list elections. They believe that unions can at last moment consolidate their force and got together as unique list on elections. They like to achieve: the control of government, guaranteeing the rights of employees, not to be layoffs and job creation. Seek caucus, councilors of all local and provincial assemblies. Having a good infrastructure, skilled personnel, with a half-million members they believe that will give new strength to the party program options with which to agree on the election.

ASNS find that the worker takes more vital interests in these times of crisis and will vote for the unions. They would like to take a responsibility to make decisions politically and opportunity to the public at all times voice of the union. The requirements are: restoration of social dialogue, cheaper countries, reducing the number of ministries and state agencies. They are seeking two seats, to deal with customer signatures and certify to the court.

KSS, Confederation of the Free Trade Unions, which represent large companies and unions in public sector, would decide at the Presidency about engagement in elections, but with the wish to be. They search for: legitimate socio-economic Council at state level, with the solved issue of representativeness of trade unions and employers in that body, that the unions could have control over government activities, to take part in creating social and political life. They also are looking for a chair in the Assembly debating with that addressed the public.

At the same time, the UGD "Nezavisnost" or United Trade Union "Independence", has criticized the political involvement of unions. Platforms should be sent from the party to trade unions and not vice versa. The institutions of social dialogue are introduced and the unions place is not in Parliament not believing that unions could not contribute to progress in the Assembly, and that union membership will not vote in elections as their centrals will.

## 6. Forecasts

The budget for 2012 is restricted, reduced to 55 billion RSD, lower by 13bn Dinars from 2011. The main purpose of these funds will be aimed at: 20 billion RSD agriculture, 16 billion RSD Railways, 12 billion RSD would be directed through MERR to the- FIAT, National development Fund, tourism, ecology, subsidizing production of cars, tractors, trucks, construction machinery. The NIP obligation will be serviced only started projects. More money will be to attract foreign investors through incentives, about five billion RSD which is significantly higher than the 3.7 billion it took in 2011. With 4.5 billion RSD will be subsidized only the interest on investment and liquidity loans in previous years. National development Fund would be transformed into National development Bank.

The reduction of state aid to the economy will certainly have a negative impact on its growth. The situation is further exacerbated with world crisis that the offer of funding will further tighten, and make it more tricky and expensive. High illiquidity from the previous year will be in 2012 mitigated by Government Decree for compulsory debt collection in the public and private sectors of 60 days. According to NBS, the biggest challenge would be the preservation of macro-fiscal discipline (the level of restrictiveness of the budget deficit and public debt). It would be needed to establish mechanisms for the control of directing public money into projects that encourage investment and production for export and create mechanisms to assess the effects of public spending. The greatest internal challenge in 2012 will be to preserve jobs and reducing unemployment, for which a new investment incentives would be necessary. As the realization of the planned GDP growth of 1.5% will be possible with support of active measures that are oriented towards stimulating exports and attracting investment and creating more attractive investment environment, new wave of crisis in developed countries, this would make an additional risk that may contribute to the destabilization of the Serbian

economy in the future. Elections at all levels in 2011 will certainly slow down the economic and social reforms and increase the budget deficit because of costs and slower economic activity.

## **Annex of data**

### **System of collective bargaining**

Labour Law of the Republic of Serbia<sup>12</sup> is brought into accordance with the international conventions, and in its Articles 3, 240, 242, 249,254, 256 defines a process for collective bargaining. The collective agreements may be on general, sectoral or company level. In order to implement economic and social policy in Serbia, to ensure equal working conditions of employees and the prevention of unfair competition, the Minister of Labour and Social Affairs made the decision to extend the General Collective Agreement and the Annex it to all employers in the Republic of Serbia. The Serbian Association of Employers has taken the position that it was only unfair to retain the legal enforcement of the Agreement.

#### **Implementation of ongoing Collective Agreements**

The Annex II temporarily postponed the implementation of the provisions from the General Collective Agreement relating to the financial burden on employers. Due to the widely acknowledged consequences of the global economic crisis and the difficulties in the domestic economy, these provisions have never again been enforced, and the General Collective Agreement ceased to be valid on May 17, 2011 after the expiration date. By the end of 2011 there was no agreement between employers and trade unions about his appearance. Sectoral collective Agreements which regulate: the method of calculating income, the minimum level of most simple work and level of benefits have been signed for the Sectors: Agriculture, food and tobacco industry. These sectoral agreements have an extended effect. Sectoral collective Agreements were signed also for: **building, metal, nonferrous and chemical industries, but no extended effect.**

If the goal of both the entrepreneurs and employees in Serbia is to have by 2011 production and export increased and living standard improved, it is necessary to make way for establishment of as many companies as possible and development of the existing ones. This means that the bigger part of the excess funds must be directed to the accumulation of funds, i.e. to production, purchase of new machinery, equipment and high-tech tools, training of human resources, opening new facilities, rehabilitation of those parts of industry that have a realistic chance of recovery and working capital to increase production and sell their goods and services on foreign markets. In order to save the future of companies and enable them to invest in new technologies and working capital in addition to payment of wages, the shift from the general to the individual approach, when determining rights and obligations in relation employer-employee, is necessary.

### **Social insurance system**

Serbia social insurance system, include all branches of the insurance, and within the legal regulations of the Republic of Serbia areas: health insurance, pension and disability insurance and unemployment insurance. In the field of health insurance, by the Law on Health Insurance<sup>13</sup>, the Republic Fund for Health Insurance has been set up, where employees and persons performing independent activities and farmers realize their rights.

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<sup>12</sup> ("Official Gazette RS" no. 24/2005, 61/2005 and 54/2009

<sup>13</sup> Official Journal of the Republic of Serbia, No. 18/1992



### Serbia Labour Chart 2011

Contributions paid by the employer	
Pension and disability insur-	11.00%
Health insurance	6.15%
Unemployment insurance	0.75%
Contributions paid by the employee	
Pension and disability insur-	11.00%
Health insurance	6.15%
Unemployment insurance	0.75%
Personal Income Tax	12.00%
Average gross salary	450€

Source: Statistical Office of the Republic of Serbia

The rate at which contributions for social security are calculated are as follows:

1. the mandatory pension and disability insurance - 22%;
2. for mandatory health insurance - 12.3%;
3. Insurance for the case of unemployment - 1.5%.

When contributions are paid at the same time from the base and at the base, the calculation of the contribution is made at the following rates:

1. for compulsory pension and disability insurance - 11%;
2. for compulsory health insurance - 6.15%;
3. for unemployment insurance - 0.75%

### Pension insurance

Insurants	Number of users
<b>Employees</b>	
Old-age pension	702.851
Disability pension	324.450
Family pension	313.462
<b>Self-employed</b>	
Old-age pension	26.231
Disability pension	16.718
Family pension	14.621
<b>Farmers</b>	
Old-age pension	184.581
Disability pension	13.169
Family pension	25.10

Source: Republic Fund for Pension and Disability Insurance

The pension system reform continues with a view to creating a long term sustainable system that will not jeopardize the country's macroeconomic stability. This implied changes to the Law on Pension and Disability Insurance toward gradually increasing the minimum age limit for retirement for men and women (from 53 to 58 years of age) until 2020 and gradually increasing the necessary work experience for retirement for women (from 35 to 38 years). Occupations with the right to a beneficial work experience will be strictly restricted. Conditions for granting family pensions will grow stricter. These measures will be gradually introduced, to be fully in force by 2020. To stimulate voluntary pension insurance, the Law on Voluntary Pension Funds and Pension Schemes are changed. The changes are primarily related to shifting the age limit for withdrawing the accumulated funds from 53 to 58 years of age. The one-off amount of accumulated funds that can be withdrawn will be limited to 30% of funds in the account.

### The structure of health insurants in the Republic of Serbia in April 2011

Employees	2.875.243	42,01%
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Unemployed	95.358	1,39%
Pension users	1.895.397	27,69%
Self-employed	287.214	4,20%
Farmers	320.771	4,69%
Other insurants	1.370.015	20,02%

Source: Republican Institute for Health Insurance

In addition to the above-mentioned law, a person may be compulsory insurance against unemployment, to provide the following rights:

1. financial compensation
2. health insurance
3. pension and disability insurance

In the field of social insurance in force are the following laws: Health Insurance Act, Law on Health Care, Law on Pension and Disability Insurance, Employment Law and unemployment insurance, Law on the Conditions for employment of foreign nationals and

Act on contributions for compulsory social insurance.

#### National budget transfers to social sector 2011

Description	EUR
Pension Fund	2.199.047.619
National Employment Service	174.761.904
Republican health Institution	5.857.600
Transition Fund	45.142.857
Child care	372.978.095
Disability protection	141.777.142
Social care	181.939.342
Pupils standard	18.586.961
Students standard	31.057.304
Fund for young talents	5.611.923
Sport scholarship	7.619.047
Refugees	10.175.209
Transfers to local governments	3.028.557.142

Source: Ministry of Finance of Serbia, 2011

Concerning **coordination of social security systems**, the Serbian social security scheme includes all traditional branches of social security which fall within the scope of EU coordination rules. The system is based on the principle of compulsory insurance in the country of work. Serbia also has a number of special benefits for war victims.

Serbia has signed a number of bilateral social security agreements, including with 17 EU Member States (most recently with Slovenia in 2009). Agreements have also been signed with, amongst others, the Former Yugoslav Republic of Macedonia, Croatia, Bosnia and Herzegovina and Montenegro. In spite of the experience acquired in administering the existing bilateral agreements, the main challenge for Serbia will be to build up the administrative capacity necessary in order fully to apply the EU rules on coordination of social security systems upon accession. This will entail training staff from the Serbian Fund for Pensions and Disability Insurance, the Health Insurance Fund and the National Employment Service, along with investment in IT infrastructure. Upon accession, and independently of national health cards, Serbia will have to issue the **European health insurance card** to persons entitled to healthcare in Ser-

bia.

## Education

The Census of Population, Households and Dwellings, was carried out in 2011, and provide current data on education of population. *Total number of population is 7 120 666.*

Education comprises four levels: pre-school, primary, secondary, and tertiary, whereby the share of individual levels settled during the preceding years. Thus, illiterate population counts up to 4%, without complete primary education up to 18%, primary education comprises 24%, secondary 41% and tertiary 11% in 2011.

Primary schools comprise four-year, five-year, six-year, (incomplete) and eight-year (complete) primary schools. As regards the coverage of generation, six-month curriculum in pre-school institutions covers fewer than 90% of pupils, while in primary schools (compulsory attendance) the coverage is almost 97%. There are 99% of pupils that continue primary school, but the generation coverage in secondary schools is 84% because there is a dropout of students after enrolment to secondary schools. The number of pupils in primary schools showed a decrease of 2% in school year, which is a typical trend in recent years, mainly because birth rate has decreased in the country.

Secondary school can be established as a high-school (general and specialized) art school, vocational, mixed (high-school and vocational or art school) or religious. At high-school, general education in natural and social sciences is acquired for the purpose of further education. High-school education lasts four years, after completion of which students take the general certificate of education (matriculation). Vocational education is meant to provide skills for work and further three-year or four-year education. After completing a three-year vocational school, students take the final exam, and after completing of a four-year the vocational certificate. Specialization-mastery education means further specialization after two-year working experience and lasts one or two years. After completing specialized education, students take a specialization-mastery exam. Starting from the school-year 1990/91, secondary education has been organized by fields of work and in the scope of them - by educational profiles (occupations.) In secondary schools and tertiary education, the number of pupils/students students has stabilized and showed minor fluctuations in the school year, when compared with the previous school year.

### Education indicators

Indicator	Value
Public expenditure on education (% of GDP) (%)	0.4
Expected Years of Schooling (of children) (years)	13
Adult literacy rate, both sexes (% aged 15 and above)	97.8
Mean years of schooling (of adults) (years)	10
Education index	0.79
Combined gross enrolment in education (both sexes) (%)	79.0

Source: HD Report 2011, UNDP

### Population with high education

	2009.	2010.	2011
High educated as % of total population	11,9	9,6	11

Source: Republican Statistical Office

As regards **education and training**, Serbia has initiated reforms in all areas of education and the legal framework is largely in place, including legal texts for pre-school, primary, secondary, vocational, higher and adult education. Serbia started to introduce Bologna reforms in higher education in 2003 and has introduced the European Credit

Trading System across the entire higher education system. The higher education system has benefited greatly from Tempus. Strengthening quality assurance, designing national qualifications and ensuring social inclusion at all stages of education deserves specific attention in further years.

## Health

According to UNICEF (United Nations Children's Fund), the mortality rate of children under five was reduced in the Republic of Serbia in 2011 is seven cases per 1,000 live births. This downward trend is preserved this ratio in the first decade of the 21st century. Although still below the EU average, the Republic of Serbia at the rate of mortality of children is under five and can be considered a country with highly developed health care system in this area. Infant mortality rate in Serbia is in the long term decline. Healthy life expectancy stood at -64 for men and 66 for women.

### Health indicators

Indicator	Value
Expenditure on health, public (% of GDP) (%)	0.6
Under-five mortality rate (per 1,000 live births)	7
Life expectancy at birth (years)	74.5
Health index	0.86

Source: HD Report 2011, UNDP

Healthy life expectancy at birth in the Republic of Serbia in 2011 amounted to 74 years (71.11 for men and 76.4 for women). Although the rise in life expectancy of the population of the Republic of Serbia continued in 2011, compared to EU-27 average life expectancy in the Republic of Serbia continuously behind / -27 in the EU is 82 years for women and 76 years for men /. Percentage of population with compulsory health insurance in the Republic of Serbia amounted to 93%. In primary care population in the area of general medicine, occupational medicine, health care of children, school children and youth, women, and specialist-consultative health care, achieved a total of 8 visits per capita total number of visits to the doctor in these areas of health care in 2011 increased by 5%. The average number of inhabitants per doctor ranges from 660 in health care services to 5600 children in the service of health care for women.

### Labour supply Chart 2011

Employed people	1.743.411
Unemployed people	735,053
Unemployment rate	24%

Source: Statistical Office of the Republic of Serbia

### Rates of employment

	2010/october		2011/april		2011
	15 year and more	Working age (15-64)	15 year and more	Working age (15-64)	
Employment rate	37,7	47,1	36,2	45,5	35,3 %* ▪ In grey economy 17,8

• Source: Statistical Office of the Republic of Serbia

\*Employment rate for men in 2011 was 43.1 %, and for women 28.2%.

### Employment and Wages

	Employment (in thousands)		Wages (in dinars)		Indices of unit labour costs in industry (2010 = 100)
	Number of persons employed, total		Average gross wages, total	Average net wages, total	
	1		2	3	
2009	1 857		44 147	31 733	111
2010	1 771		47 450	34 142	100
2011	1.754.000		53 239	38 363	98

Source: Statistical Office of the Republic of Serbia

### Structure of labour market by education, Serbia 2011

	Employed	At labour market
Without qualification	499.473	244.128
Secondary school	1.300.976	410.798
High education	481.546	87.650

Source: Statistical Office of the Republic of Serbia

### Actual weekly working hours

The Labour Laws and the National Collective Agreements define 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 cannot be 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.

### Employees with part time job

Year	%
2011	9,0
2010	8,4
2009	8,7

Source: Statistical Year Book of Serbia, 2011

### Unemployment

Unemployment rate in 2011 in Serbia was 23,7% : for men 22,8%, for women 22,9%.

#### Unemployment rate

Year	2009	2010	2011
Serbia	15,6	19,2	23,7%

Source: Labour Force Survey, 2011

### Average salaries and wages per employee by activities, 2011 in RSD

	Gross salaries and wages	Net salaries and wages
REPUBLIC OF SERBIA - TOTAL	51994	38.763
Agriculture, forestry and fishing	43235	31115
Mining and quarrying	80524	57375

<b>Manufacturing</b>	44588	32339
Manufacture of food products	41261	29916
Manufacture of beverages	69092	49820
Manufacture of tobacco products	115730	82236
Manufacture of textiles	29330	21857
Manufacture of wearing apparel	26906	19710
Manufacture of leather and related products	29101	21185
Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	25119	18350
Manufacture of paper and paper products	47557	34929
Printing and reproduction of recorded media	35828	25937
Manufacture of coke and refined petroleum products	110737	79281
Manufacture of chemicals and chemical products	61603	42866
Manufacture of basic pharmaceutical products and pharmaceutical preparations	83735	60227
Manufacture of rubber and plastic products	47556	34973
Manufacture of other non-metallic mineral products	45824	33620
Manufacture of basic metals	62050	44374
Manufacture of fabricated metal products, except machinery and equipment	38145	27696
Manufacture of computer, electronic and optical products	44986	32382
Manufacture of electrical equipment	45482	33063
Manufacture of machinery and equipment	47600	34673
Manufacture of motor vehicles, trailers and semi-trailers	38820	29028
Manufacture of other transport equipment	36247	26243
Manufacture of furniture	29085	21188
Other manufacturing	28673	20992
Repair and installation of machinery and equipment	27287	20673
Electricity, gas, steam and air conditioning supply	91096	64712
Water supply, sewerage, waste management and remediation activities	48138	34659
Construction	45011	32380
Wholesale and retail trade and repair of motor vehicles and motorcycles	38635	28201
Transportation and storage	56277	40678
Accommodation and food service activities	28438	20792
Information and communication	73150	52373
Financial and insurance activities	98511	70895
Real estate activities	60853	43516
Professional, scientific and technical activities	67250	48829
Administrative and support service activities	39060	28260
Public administration and defence; compulsory social security	64696	46212
Education	52952	37922
Human health and social work activities	52988	37992
Arts, entertainment and recreation	50692	36574
Other service activities	35344	25751

Source: Statistical Office 2011

## Monthly Minimum Wage

850.000 people were users of social assistance in 2011. More than 150.000 employees were receiving minimal wages of 17.748 RSD. Beside them there were 100.010 employed persons who did not receive their wages, and 680.000 employees got their wages - but not regularly – monthly. According to the Poverty Reduction Strategy data, 11,6 per cent of the population lives below the poverty line defined as less than 80 euro monthly. Estimation can be making on 700.000 persons living under the poverty line. The lack of public capacity to meet the needs of these populations and their reduced access to the existing health, education and social welfare services increases their vulnerability.

In 2011 there were 1.680.000 pensioners, 47.000 more than in 2010. Monthly budget expenses for pensions were 47, 4%, or 12, 7% GDP in 2011 /363, 88 billion RSD/ Average pension was 21.510 RSD. Ratio of pensioners to employees is 1, 62 : 1.

## Monthly Minimum Wage in Serbia, in EUR, 2007-2011

	2007	2008	2009	2010	2011
Serbia	189	159	114	155	162

Source: Business Magazine public data

## Gender gaps

According to the National Statistics 2011 gender gaps can be highlighted as follows:

- Among students who graduated from high school in 2011, the most common occupational profile for girls are grammar school, economics, law, administration and health and social care, and for boys, mechanical engineering and metal processing, electrical engineering and grammar school. Not only are more women enrolled in colleges and universities (55%), but women make up a higher percentage of graduates – 61%. Among graduates, men account for more than half in the fields of natural sciences, mathematics, computer science (61%) and technical science, manufacturing and construction (56%), while women constitute the majority of all graduates in the fields of education (as much as 91%), health and social care (77%), arts and humanities (65%), and social sciences, business and law (62%). A more or less equal number of male and female students graduate in the fields of services, agriculture and veterinary medicine. The number of women and men with doctoral degrees had evened out, and women accounted for 44% of all doctoral and master's degrees and specialists among teaching personnel at universities and colleges.
- Men use computers and the Internet more than women, even among the younger generation.
- In the period from 2007 to 2011, the proportion of women in the total number of victims of serious homicides increased from 28% to 43%.
- Approximately 90%<sup>14</sup> of employees work over 40 hours per week, with no significant differences between women and men.
- The activity rate for women aged 15 to 64 is 16 percentage points smaller than the activity rate of men (51% and 67%), with earlier retirement for women partly affecting this ratio.
- The activity rate of women with vocational school or university education is higher than the activity rate of men with the same level of education (75% vs. 65%), and is almost twice the average activity rate for all women aged over 15 years, which is 39%.
- There are twice as many self-employed among men than among women (28% of all men aged 15 to 64, and 14% of women are self-employed); thus women account for less than a third of all self-employed
- 13% of all women and 24% of women aged 55 to 64 (compared to 4% and 2% of men, respectively) have the status of a contributing, i.e. unpaid, household member who works in a family shop or on a farm.
- 28% of all farms are registered as women-owned; women, however, make up only 23% of all independent farmers and 71% of unpaid contributing family workers in agriculture.
- There are somewhat more women in each age category of the unemployed and long-term unemployed persons of working age, and among the registered unemployed. Among unemployed women, the majority have secondary education.
- Among old-age pension beneficiaries, women account for just over a half, while men make up almost two-thirds of all disability pension beneficiaries. In both categories, women on average receive lower pensions than men: women on average have 18% lower old-age pensions, and 14% lower disability pensions than their male counterparts.

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<sup>14</sup> According to the Labour Force Survey 2011

- Men on average have more free time than women (just over one hour per day), although on average they spend more time doing paid work than women. On the other hand, women on average spend two hours more doing unpaid work.
- In the 150 municipalities in Serbia (including municipalities within cities), there are 137 male mayors and only 10 women (in three municipalities there is no elected mayor). In the 23 cities, 22 mayors are men and one is a woman.

### *Gender differences in wages*

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. As regards the amounts, the largest difference in wages is found in the category of the population without a diploma, the wage gap is reduced as the education level goes up.

### Gender

Indicator	Value
Population with at least secondary education, female/male ratio (Ratio of female to male rates)	0.873
Adolescent fertility rate (women aged 15-19 years) (births per 1,000 women aged 15-19)	22
Labour force participation rate, female-male ratio (Ratio of female to male shares)	n.a.
GII: Gender Inequality Index, value	n.a.
Shares in parliament, female-male ratio	0.276
Maternal mortality ratio (deaths of women per 100,000 live births)	8

Source: HD Report 2011, UNDP

### Gini coefficient

GINI coefficient is in 2011 amounted to 0.282<sup>15</sup>. Compared to the previous year, the value of the Gini coefficient has declined. Impact of economic crisis and the deterioration of employment and poverty indicators have caused the rise of "equality in poverty". In this way the Republic of Serbia is closer to the countries that traditionally have low GINI coefficient (the Scandinavian countries and some of the most developed countries of Western Europe), but in a way to reduce the economic performance of the "heavy" and not to reduce poverty levels.

### Inequality

Indicator	Value
Income Gini coefficient	28
Loss due to inequality in life expectancy (%)	0,8
Loss due to inequality in education (%)	0,9
Loss due to inequality in income (%)	10
Inequality-adjusted education index	0.712
Inequality-adjusted life expectancy index	0.788
Inequality-adjusted income index	0.595
Inequality-adjusted HDI value	0.694

Source: HD Report 2011, UNDP

### HDI

Serbia's HDI in 2011 is 0.766, which gives the country rank of 59 out of 187 countries with comparable data. The HDI of Europe and Central Asia as a region increased from 0.644 in 1980 to 0.751 today, placing Serbia above the regional average.

<sup>15</sup> Republic Development Bureau, 2011



### Human Development Index Serbia 2011

Year	Serbia	High human development	Europe and Central Asia	World
2011	0.766	0.741	0.751	0.682
2010	0.764	0.739	0.748	0.679
2009	0.761	0.734	0.744	0.676

Source: UNDP 2011, <http://hdr.undp.org>

Regional disparities in economic and social development in the Republic of Serbia are on the rise. The relationship between the most and the least developed local governments, speaking to the level of economic development in 2008 amounted to 10: 1<sup>16</sup>, a significant increase over the previous year (6.9: 1). Regional disparities in development is most evident in southern compared to northern parts of the country, and in rural than in urban areas. Of the total 150 municipalities, 46 is extremely underdeveloped, of which 40 belong to the group of devastated municipality, or those below 50% of the average national economic development. In addition to the level of earnings and employment, regional disparities are largely manifested through the quality of living conditions, infrastructure (road networks, telecommunications, housing), health indicators and educational level of the population.

### Migrations

Serbia is among first 20 countries in the World, hosting one of the largest populations of refugees and internally displaced persons (IDPs) in Europe. There were 86.155 refugees and over 210.148 internally displaced people (IDP), most 68% are Serbs, living in Serbia in 2011, as a result of conflicts in the 1990s. Most live in private accommodation, but some 5,500, including a significant number of vulnerable people, remain in 55 collective centres.

Some 500 asylum seekers are registered in Serbia in 2011. In addition there are between 40,000 and 150,000 rejected asylum seekers being slated for return to Serbia from Western Europe in the coming years, many of them at the risk of human trafficking upon return.

There is a legal and institutional framework in place for refugees and internally displaced persons The National Strategy for Resolving Issues of Refugees and IDPs was adopted in 2002 and revised in March 2011. Amendments to the Law on Refugees have enabled refugees since 2010 to buy apartments that were built from donations. The programme to support the municipalities which prepared local action plans for the improvement of the status of refugees and IDPs that opted for local integration has been implemented for several years, yielding positive results including as regards the housing situation. A Housing Agency was established in August 2011 in order to streamline the management of the funds allocated to social housing. The number of collective centres has been gradually reduced, from 388 in 2002 to 29 as of September 2011. These centres continue to provide accommodation for almost 800 refugees and over 2,500 IDPs in poor conditions. Around 97,000 of the IDPs remain in need of assistance for housing, employment and personal identification documents. The Government designed a Migration Management Strategy and an inter-ministerial Coordination Body for Managing and Monitoring Migration (CBMMM) for migration management. In 2011 the Action Plan for the implementation of the Migration Management Strategy for period from 2011 to 2012 has been adopted too.

<sup>16</sup> Government, First National Report on Social Inclusion and Poverty Reduction in Serbia, 2011

### Migrants flows, Serbia

Residing in Serbia	2011
Refugees	86.155
Asylum Seekers	500
Returned refugees	2.705
Internally Displaced Persons (IDPs)	210.148
Returned IDPs	800
Stateless Persons	17.000
Various	400
Total Population of Concern	317.708
As % of total population	4,46%

Source: Statistical Year Book of Serbia, 2011,  
Census of population in the Republic of Serbia first results 2011

### Migrants in Serbia, by type of settlements removal, sex and age, 2011

Immigrants, emigrants and temporary working abroad	Total	Average age	As % of population
<b>Immigrants</b>	<b>131.656</b>	31,7	1,8
▪ Male	58.113		
▪ Female	73.545		
▪ Urban settlements	92.886		
▪ Other settlements	38.772		
<b>Emigrants</b>	<b>127.206</b>	31,6	1,7
▪ Male	55.503		
▪ Female	71.703		
▪ Urban settlements	81.014		
▪ Other settlements	46.196		
<b>Persons abroad</b>	<b>294. 045</b>		4,13
<b>Total number of population</b>	<b>7 120 666</b>		7,63

Source: Demography statistics Serbia, 2011

### Trade unions

Number of trade union organisations in Serbia in 2011 can be seen in two ways:

1. According to the Law each organisation at company level, local or national has to be registered in the Ministry of Labour and Welfare, and according to that obligation there were 20.052 trade union organisations
2. According to the union confederations, there are 6 Centrals, and most of above registered trade union organisations belong to first two.

### National Trade Union Confederations in Serbia 2011<sup>17</sup>

	Trade Union	Number of individual members	International affiliations
1	Savez samostalnih sindikata Srbije, SSSS, Confederation of Autonomous Trade Unions of Serbia, CATUS	450,000	International Trade Union Confederation (member) European Trade Union Confederation (observer)
2	Ujedinjeni granski sindikati Nezavisnost, "Independence" Trade Union Confederation	200,000	International Trade Union Confederation (member) European Trade Union Confederation (observer)

<sup>17</sup> CATUS: They got official representativity in 2010 with 300,000 proven members ; or UGS Nezavisnost: The last congress in November stated 59.000 members

3	Asocijacija slobodnih i nezavisnih sindikata ASNS, Association of the Free and Independent Trade Unions , AFITY	159 000	-
4	Industrijski sindikat, (ISS), Industrial Trade Union of the Serbia	35,000	International Metalworkers` Federation IMF European Metalworkers` Federation EMF
5	Udruženi sindikati Srbije Sloga Associated Trade Unions of Serbia - Sloga	100,000 Members mostly from public and utilities sector	-
6	Konfederacija slobodnih sindikata, Confederation of the Free Trade Unions	185 000 Members mostly from public sector	EPSU, PSI, EUROFEDOP, UNI global union

### Trade union federations by branches

Trade union	Members	National Confederation	International affiliation
Samostalni sindikat zaposlenih u poljoprivredi, prehrambenoj, duvanskoj industriji i vodoprivredi, Autonomous Trade Union of Workers in Agriculture, Food, Tobacco Industry and Water Management	70,000	CATUS	
Samostalni Sindikat metalaca Srbije, Autonomous Metalworkers of Serbia (AMWUS)	25,000	CATUS	IMF, EMF
GSM "Nezavisnost", Trade Union of Metalworkers	20,000	UGS Nezavisnost	IMF, EMF
Sindikat radnika gradjevinarstva i industrije gradjevinskog materijala Srbije, Trade Union of Workers in Construction and Building Materials Industry of Serbia	45,000	CATUS	BWI
PTT Serbia, Postal Workers Trade Union Serbia	9,500	Confederation of the Free Trade Unions	
Samostalni sindikat trgovine Srbije, Autonomous Trade Union of Commerce Workers of Serbia	20,000	CATUS	
Samostalni sindikat hemije i nemetala Srbije, Autonomous Federation of Chemistry and Metallic Minerals Workers of Serbia	36,520	CATUS	ICEM
Samostalni sindikat ugostiteljstva i turizma Srbije, Autonomous Union of Catering and Tourism Workers of Serbia	18,000	CATUS	
Granski sindikat hemije, nemetala, energetike i rudarstva HNER, "Nezavisnost" Federation of Chemical, Non-metal, Energy and Mining industries	18,000	UGS Nezavisnost	ICEM, EPSU,
Sindikat zaposlenih u zdravstvu i socijalnoj zastiti Srbije,	80,000	CATUS	

Health and Social Protection Employees Union of Serbia			
Unija sindikata prosvetnih radnika Srbije, Association of Teachers Unions of Serbia	30,000	Confederation of the Free	

Previous studies<sup>18</sup>, concentrating on the number of employees in firms in private and public sector with more than 50, came to number of indicial base of about 30% of the total number of employees, from which that studies estimated a rate of unionization at 51%. According to data on membership number given the very union it comes to much higher in 2011 counted to the total number of employees. There are many more members of the public sector in the country over 50% in private about 21%<sup>19</sup>.

Beside representation problem and real number of members of unions, they can be seen to have problems concentrated upon following issues:

The increase of pluralism of the political and union life, political divisions, groups of workers which striving for independent political action and strong commitment of political parties. In 2011, the unions start their talks with various parties in charge and in opposition to secure their interests provision after elections, some trying to get even seats in future Parliament, other thinking of go directly to elections as a new movement. Further, union organizational unity has been breaking, tearing the new labour unions. Failure to adapt to new needs of social and economic time in which unions live and work, the important functions of the state taken by market, and the new owners and privatised subjects, primarily driven by purely profit antiunion oriented, have even make the position and impact of unions harder.

Positive trends: In 2011, through the FES' Regional Project of Labour Relations and Social Dialogue in SEE has been improved understanding of the need to increase union competences and capacity in relation to contributing to the development of modern industrial policy. Two industrial unions Centrals in Belgrade, and then in Croatia, passed seminars and workshops on trends and changes in current industrial development, the international division of labour, climate change and de-industrialization. The goal is to be more effectively involved in the development of industrial relations, tripartite social dialogue and establishment of cooperation with state bodies in the implementation of development Serbia 2020, with stronger regional union's co-operation as well. On the other hand, there are indications among the workers that are willing to support a changed union, the union that is truly committed to working interests. The workers are dissatisfied with the existing trade unions and their (non) work; trust to unions and union leaders is quite low. What's even worse for unions, there is an increasing trend of dissatisfaction and distrust to unions. As for the workers, the growing need for representing the interests of these coming from private sector, micro firms, is showing more, especially as the position of employees is extremely difficult, as well as the unemployed and other stakeholders. It is obvious that is needed to be building a new union with a higher profile and credibility. It would be needed that unions fight for their higher involvement in work on legislative initiatives and drafting bills. With their views and opinions and their knowledge of things, unions can best express particularly in relation to the state, political parties, the public, by its own membership, through legislative initiatives and proposed laws to protect workers and lead trade union interests, and public goods in general, and through getting support political parties to build partnerships, develop and implement the concept of social market economy. Organizing protests, strikes and demonstrations, actions to increase the number of members and number of organizations, VCE participation in the private sector, improving relations with other unions, common shares, investment in personal development, knowledge, technology,

<sup>18</sup> Research Swiss Labour Assistance (SLA) actors of social dialogue

<sup>19</sup> CESID survey

organization, new ways of funding and cooperation, are challenges for the unions in next period.

### Associations of employers

In Serbia, beside the oldest Employers' organisation, United Employers of Serbia, from 2008, 3 more are founded: Association of SMEE of Serbia, Association of Employers - Employer, and Serbian Business Club - Businessman, and in the process of founding is also the fifth Employers' Association, Association of SMEs and solo traders.

### Employers' Organisations, 2011

	Employer's organisations	Number of members	International affiliations
1	Unija poslodavaca Srbije, UPS / 1994/, United Employers of Serbia	1.666 Big enterprises, SMEs and associations of entrepreneurs	International Organization of Employers - IOE Union of Black Sea and Caspian Confederation of Enterprises - UBCCE Union of Mediterranean Confederation of Enterprises - BUSINESSMED Adriatic Regional Employers` Centre – AREC
2	Asocijacija malih i srednjih preduzeca i preduzetnika Srbije, (APPS), /2008/ Association of SMEE of Serbia	141.000 employers with 220.000 Employees	Eurochambers
3	Udruženje privrednika Poslodavac /2010/ Association of Employers - Employer	374 enterprises with 100.000 employees	-
4	Srpski poslovni klub Privrednik, Serbian Business Club Businessman	The biggest and most successful in private companies and financial institutions, as well as personal businessman membership It is not registered according to the Low of Labour, but of Low of Civil Associations, so is not typical employers association	International employers' associations Eurochambers
5	Udruženje poslodavaca, MSP i preduzetnika, Association of SMEs and Solo Traders	In the process of founding within National Chamber of Commerce	-

Source: Internet sites, 2011