

January 2012

**Annual Review
2011
on Labour Relations and Social Dialogue in South East Europe:
Montenegro**

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The views expressed in this publication are not necessarily those of the Friedrich-Ebert-Stiftung or of the organization for which the author works.

1. Summary

In decision of the European Council of 17th December 2010, Montenegro was granted a status of a candidate country for the membership in the European Union, after which it had to meet seven key requirements of the European Commission in order to obtain a date for starting the accession negotiations. The European Commission recom-

mended as a starting date for accession negotiations with Montenegro, October 12, 2011, and introduced a novelty – that negotiations should start with chapters related to legislation and human rights (chapters 23 and 24). Afterwards, on December 9, 2011, the European Council adopted a conclusion that Montenegro should start with accession negotiations in June 2012, provided that the criteria related to the implementation of initiated reforms are met. Besides, it is expected that Montenegro will by the end of December be granted a membership in the World Trade Organization.

The year 2011 in Montenegro was marked by positive but slow economic growth. This is also confirmed by the GDP, which recorded a growth of 2.5%, and low inflation of 0.7%, measured by consumer prices. On the other hand, compared to 2010, there was a decrease of the average monthly wage by 0.4%, while consumer prices increased by 3.4%.

In the past year several systemic laws were issued, which create conditions for improvement of the relations in the field of labour as well as promotion of tripartite social dialogue and affirmation of peaceful methods of settling labour disputes. On the other hand, last year was marked by the strike of the public sector employees, which was the result of dissatisfaction with the overall socio-economic position. It resulted in the signing of agreements on wage policy for employees who are financed from the Budget of Montenegro, valid for the period 2012-2015.

According to the Report of Doing Business on facility of doing business (DB2012), for the period of July 2010 – June 2011, Montenegro is ranked on 56th place out of 183 countries in total. In comparison to last year, our country has in total ranking achieved progress of 10 places. Reforms have been identified in 3 indicators: starting of business, paying taxes and closure of business.

2. Socio-economic developments

Economic development of Montenegro in 2011 is marked by positive, but slow growth. At this moment, GDP in Montenegro amounts to 3.192,0 billion euros, which represents the real growth of 2.5%¹. The unfavourable global developments and reduced interest of foreign investors resulted in absence of major privatizations of state-owned enterprises, as well as in reduction of the inflow of foreign direct investment to Montenegro in 2011. The inflow of foreign direct investments has been reduced on the basis of equity and debt investments. The price movement in Montenegro during 2011 has reflected the adjustment to the market in recession. The reduced aggregate demand and absorption lower than expected, adverse shocks to the international market have resulted in very low inflation of 0.7% measured by consumer prices. It is the lowest inflation rate ever since inflation is statistically monitored in Montenegro².

The planned budget for the next year provides for the total consumption of 1,252 billion euros, and it was drafted in such a way to provide financial stability of the state and functioning of all state institutions. The budget was based on the conservative estimate of the economic growth of 2%, with a planned reduction of consolidated state consumption of below 40% of GDP, reducing the budget deficit to 1.25% and public debt to 46.8% of GDP.

The average (gross) salary in September 2011 in Montenegro amounted to 712 euros, while the average salary without taxes and contributions (net) amounted to 477 euros.

¹ The calculation of GDP in Montenegro was done in accordance with the System of national accounts (SNA 93) and European system of national accounts (ESA 95).

² However, economics predict that in the next year a more significant inflation growth can be expected, because there will be a transfer of effects from the global market in the form of price growth of food and energy.

The average salary without taxes and contributions (net salary) in September 2011 compared to the same month of the previous year recorded a reduction of 0.8%, while compared to the average monthly salary without taxes and contributions (net salary) in 2010 it recorded a reduction of 0.4%. The consumer prices in September 2011 are increased by 3.4% compared to September 2010. The total amount of the minimum consumer basket for September 2011 reached 767.2€, out of which 251.2€ are spent on food and non alcoholic beverages, 340.3€ is spent on non-food products and services and 175.7€ on the value of imputed rent. The value of minimum consumer basket in September 2011 is increased by 2.1% compared to September 2010.

Observed according to the statistical indicators the labour market is gradually recovering. The number of employees in June 2011 compared to the previous year was higher by 6.7% and a slight decrease in the number of unemployed persons is also recorded. The number of registered unemployed in the first half of this year, in average, amounted to 31,930, which is 1% less than in the same period last year. The trend of gradual increase of the unemployed is recorded ever since March this year which affected the increase of unemployment rate that according to the data of the Employment Agency in December was 12.15%. The absolute poverty line for Montenegro in 2009 was 169.13 euros by the equivalent of an adult person. The consumption below the poverty line had 6.8% of the population. The risk of poverty is higher more than twice on the north of the country compared to the risk in the central and southern part. The poverty rate in the north was 13.2%. The poverty rate in the central part is 4%, and on the south 4.4%. According to the available data, GINI coefficient is 26.7%³.

3. Governmental policies and legislation

The Law on amendments to the Labour Law – in Montenegro in 2011 the area of labour legislation was marked by a work on amendments to the Labour Law. Tripartite working group worked on amendments to the Labour Law. With the Labour Law which is in practice since 2008, the reform of labour legislation continued in Montenegro, in order to adapt work relations to the conditions of market economy. However, in implementation of this law there was a need for further adjustment of the existing provisions with certain ILO Conventions, amended European Social Charter, which was approved in the end of 2009 and with a number of EU Directives. The most important novelties in the Labour Law are related to the following: a rule is introduced that employment is based on permanent basis; provisions related to the length of Work Contract for definite time are specified, however, the work is limited to two years with a possibility of a longer period of limited time employment in case of substitute for an absent employee or during the work on a specific project; new provisions on protection of the employees who report the existence of corruption are introduced; the institute of parental leave is introduced and provisions on maternity leave are more specified in terms of equalization of rights to parental or maternity leave for both parents (mother and father of the child); provisions on wages and minimum wage are specified; provisions on cancellation of Work Contract and termination of employment according to the force of law are improved and simplified; a new institute is introduced – assignment of employees by the Agency of temporary work; provisions on additional work are improved and made more flexible; provisions on collective agreements are revised and made clearer for its application in practice; Contract on performance is abolished since it was the most misused institute in labour legislation, and legal and technical improvements of certain provisions are performed in order for them to be more applicable in practice.

Law on amendments to the Law on Social Council – amendments are related to the adjustment with the Law on Trade Union Representativity introduced in the mid 2010.

³ The last available data on poverty are for 2009, and in December 2011 Monstat will publish data for 2010. See: www.monstat.org

Namely, in the further reform of labour legislation in the area of freedom of association due to the presence of trade union pluralism at the national level, which appeared for the first time in Montenegro in November 2008, the previously mentioned law established the manner and procedure for determining the representativeness of trade unions at all levels in the area of social dialogue: at the company level, branch level, groups or subgroups of activities, as well as on the state level. The afore mentioned amendments to the Law on the Social Council established the manner of division of the total number of representatives of the representative organizations in case there are more representative trade union organizations. At the level of principle, it also determines the modes of division of the total number of representatives of the representative associations of employers in case there are more representative associations of employers. Moreover, in the implementation of the Law on Social Councils some deficiencies were noted regarding the status of the Social Council and the Secretary of the Council, who performs professional duties in social dialogue. Therefore, with the revision of this law, greater autonomy in the development of social dialogue and tripartism as well as strengthening of social cohesion in Montenegro is gained. The reason for the amendments to the Law on Peaceful Settlement of Labour Disputes is previous experience in the work of the Agency, which in the process of resolving these disputes by applying the previously mentioned law, identified some shortcomings and has launched an initiative for its amendment, in order to make this process more efficient and confident for the participating parties. In the revision of this law, among other things, there are new solutions regarding the special role of the Agency in the situation when participants that conclude Collective Agreement agree to resolve disputes before the Agency by proposing the participation of a conciliator in collective bargaining for the purpose of providing expert and other assistance to the participants of the negotiations, as well as to indicate the provisions of collective agreements that are not in accordance with the law and other regulations (Article 31a of law). Also, the novelty is that the Agency must act *ex officio* if the parties in the dispute announce the strike in the activities of public interest, when there is an obligation of providing the minimum work process, and they do not submit a proposal for the peaceful settlement of labour dispute within 24 hours since the announcement of the strike.

Law on amendments to the Law on Peaceful Settlement of Labour Disputes - related to specifying provisions which are related to the participation of an arbiter in settlement of individual labour disputes, as well as to the role of conciliator in collective labour disputes, especially to the more active participation of the Agency for Peaceful Settlement of Labour Disputes in relation to strikes that arouse in sectors of public interest.

Law on amendments to the Law on Employment and Work of Foreigners – new provisions alleviated the procedure of employment of foreign workers, by abolishing the obligation of reporting the beginning and termination of work relation with foreigners and shortening the procedure for issuing work permits.

The Law on Prohibition of Discrimination of Persons with Disabilities which provides for the prohibition of discrimination in the proceedings before authorities, use of facilities and public surfaces, providing public services within the area of health protection, upbringing and education, employment and labour, marital and family relations and public transport, achieving veteran right even in non-governmental organizations.

Law on amendments to the Law on Professional Rehabilitation and Employment of persons with disabilities that provides for the novelties in respect of expansion of a term employer to state bodies – which will, according to expectations influence the increase of the number of employed disabled people and their equal participation on the labour market. The second reason for the amendments to the law is due to the fact

that the steps and activities of professional rehabilitation, contained in the basic text of the law were difficult to standardize in practice. Therefore, the new provisions specify legal background for realization of the program of professional rehabilitation and encourage faster employment of the people with disabilities.

4. Industrial Relations

Previous year was marked by strikes of the employees in the public sector.

A one-day warning strike of medical workers in Montenegro was organized on 10.10.2011 with the interruption of work hours between 10.00 and 11.00, and with respect of the minimum work process. Employees in health care began a "general" strike on 31.10.2011, and their basic request was an increase of the salaries by 20%. Among the strikes in the public sector, the strike of health workers was of a special importance. What has characterized this strike is the common organization by the representatives of the Union of health workers (which is a member of the Confederation of Trade Unions of Montenegro) and the Union of the Clinical Centre of Montenegro (which is a member of the Union of Free Trade Unions of Montenegro). First, the warning strike was organized, with an interruption of work hours between 10 and 11, with respect of the minimum work process. After that, workers in health care began a "general" strike on 31.10.2011, and their basic requirement was an increase of the salaries by 20%. Both strikes ended with the signing of agreements with the relevant ministries. Among other things, one of the conclusions of these agreements is to start the process of negotiation with an aim of signing branch collective agreements.

Employees of the judicial administration of Montenegro were on strike from 30th September until the end of October 2011. The reason for going on strike was dissatisfaction with the income level of employees and the overall socio-economic status. Employees of the 22 courts in Montenegro went on strike, and their demands were related to the conclusion of branch collective agreement in the field of administration and justice as well as a collective contract with the employer for the employees working in courts and increase of the salaries for officers and employees. The strike began with daily work stoppage, which lasted for one hour (from 11 to 12), and from 20th October strike was radicalized in a way that the employees would every day stop working for three hours, from 11 to 14. After negotiations between the representatives of the trade union of judiciary and the Government the strike ended on 16.11.2011 by signing an agreement, which regulates the payment of the variable part of salaries of the civil servants, based on criteria prescribed by special resolution, established by the negotiating team, composed of both social partners.

Trade Union pluralism is intensively developing in Montenegro on all levels of trade union organizing. This year, one more organization is registered at the state level – Associated Trade Union of State Institutions of Montenegro. The procedure for determining representativity of this trade union organization is in progress. Several trade union organizations were registered on branch level. Thus, besides Trade Union of Sports, a representative organization on the branch level, Autonomous Trade Union of Sports and Sports Employees has been registered, but it has not yet met the requirements for acquiring the status of representative organization.

Considering that the last year was marked by the strikes of employees in the public sector and that their demands were mainly related to an increase of salaries, representatives of relevant ministries and branch associations of trade unions signed in December an agreement on wage policy for employees who are financed from the budget of Montenegro, which covers the period from 2012 to the end of 2015. The agreement is the result of understanding the difficult economic and social status of employees in the public sector, but also of understanding the need for fiscal consolidation. The agree-

ment implies that the Government and the representative organizations of employees funded from the Budget of Montenegro will negotiate on the movement of wages in the stated period, the increase or decrease of which will follow the increase or decrease in GDP. Specifically, if during the period 2012-2015 the real GDP growth is below 2% or the budget deficit is 2% of GDP or more, the signatories of the agreement have committed to negotiate a way of reducing wages in the public sector. On the other hand, the negotiation on the ways of increasing the amount of wages shall be conducted if the real GDP growth is higher than 3.5%, if the budget is in balance, and inflation exceeds 2%. This way, it is expected that the salaries of the employees funded from the budget will be reduced to 11% of GDP in the period until 2015. The agreement determines the amount of severance pay in case of consensual termination of the employment contract, as well as in the case of termination of the need for work of employees funded from the budget of Montenegro. In order to achieve the goals, the establishment of a commission is foreseen, which will be composed of the representatives of state bodies and public institutions and trade union representatives, to deal with the reallocation of funds based on savings in the fund of earnings on some beneficiaries. This redirection will be made to employees based on their performance, and will be also used to improve conditions at work and housing. In addition, the creation of a special committee is also planned, which will consist of representatives of branch Trade Unions and the Ministry of Finance, whose task will be to examine all the wages funded from the budget, and which without the taxes and benefits exceed the amount of 1,100 euros.

The special quality of the agreement in terms of the global economic crisis, the impact of which is largely felt in Montenegro, is the fact that the signatories agreed that in the period until the end of 2015 they will not initiate any mechanisms of trade union struggle, if the government, as the other party, complies with the provisions stipulated in the agreement. Evaluation of the respect of implementation of the agreement will be done at least once every six months, by the Coordination Committee, which consists of two representatives of the signatory.

5. Tripartite Social Dialogue

After the amendments to the Law on Representativeness of Trade Unions and the Social Council, the Social Council in the new structure has representatives of the Government of Montenegro, the representative employers' associations - Association of Employers of Montenegro and representatives of the two representative trade union organizations: Confederation of Trade Unions of Montenegro and the Union of Free Trade Unions of Montenegro. Besides the regular activities conducted by the Social Council, the most significant contribution of the social dialogue is noticed in the negotiations that were conducted during the passing of the Amendments to the Labour Law, extending the validity of the General Collective Agreement by signing the General Collective Agreement on Amendments to the General Collective Agreement. In December, the Council established a working Group, which has an obligation to make a proposal of a new General Collective Agreement, in accordance with amendments to the Labour Law.

There are social councils now at local level in the following municipalities: Podgorica, Budva, Danilovgrad, Nikšić, Mojkovac, Berane, Cetinje, Tivat, Bijelo Polje, Kolašin, Herceg Novi, Bar, Plužine, Šavnik, Plav and Rožaje. Effectively exist and work the Social Councils of the capital Podgorica, Bijelo Polje and Herceg Novi. These councils have a regular dialogue and cooperation with the Social Council of Montenegro. The most common reason for not functioning of local councils is the lack of resources (which the local governments are obliged to provide). Due to the lack of funds and the impact of the crisis the secretariat is not established, so the only employee of the Social Council is the Secretary of the Council.

With an aim of improving social dialogue at the local level of negotiations, the Social Council of Montenegro during this year has conducted a project: "With Dialogue to Compromise". Besides, the project had the following goals:

- promotion of social dialogue in social communities through the examples of good practice;
- strengthening trust between the actors of social dialogue at the local level;
- improving capacities of all three social partners at the local level;
- improving mechanisms for prevention of labour disputes through raising awareness of the employees and employers on their rights and obligations in the labour relation;
- affirming alternative (peaceful) methods of settlement of labour disputes

The project included all three social partners – representatives of local authorities, employers and employees. Within this project round tables were organized where the participants could learn about international standards, comparative experience and practice in Montenegro in the area of collective bargaining and collective exercise of labor rights. At the same time, a special emphasis was on European integration and social dialogue, as well as on the skills needed to conduct social dialogue. Besides, within the project, a publication was made with an aim of acquainting with collective bargaining in comparative practice – through analysis of the system of collective bargaining on different sectoral levels, and acquainting with standards and comparative practice in prevention and peaceful settlement of labour disputes.

6. Forecasts

The Law on Prohibition of Abuse at Work is being drafted, which for the first time regulates matters related to the protection of employees from mobbing. Also, negotiations started on the conclusion of a new National Collective Agreement, with the participation of government representatives and representatives of the representative organizations of employers and employees, organized at the state level.

According to the Agenda of the Government for 2012, passing of a new Law on strike is expected. Reasons for it are found in a number of strikes, both in industry and non-economy, therefore it is necessary to specify the provisions related to minimum work process in areas of public interest, as well as on the status of employees and their income for their work, which were imposed as a mandatory regulation in the area of the strike, and which are noticed in the implementation of this law, in order to facilitate its application in practice.

Annex of data

Collective bargaining system

In Montenegro negotiations over National Collective agreement are in progress, their implementation will apply to both employees in private and in public sector. Members of the tripartite working group are representatives of the Ministry of Labour and Social Welfare, the Ministry of Finance as well as representatives of the representative trade union and employers' organizations at the national level: Union of Free Trade Unions and Confederation of Autonomous Trade Unions and Association of employers of Montenegro. The new National Collective Agreement will regulate elements for determining salaries, wage compensation; other forms of receiving of the employees, and it will determine the scope of rights and obligations in work relation according to the law.

At branch level, 17 Collective Agreements were signed, and negotiations over the Branch Collective Agreement for the health sector are still in progress.

With an aim of improving the system of collective bargaining, according to the new provisions contained in the Labour law, it is foreseen that each side can start negotiations by offering the other side a written proposal of the new text or an amended text of the collective agreement. The party that received the proposal is obliged within 15 days to reply in writing to the offered proposal for negotiation. In this way, the obligation of the social partners to negotiate collectively is foreseen, but not an obligation to conclude collective agreements. However, in order to resolve possible interest disputes as soon as possible, the Labour law foresees that if the parties do not continue negotiations or reach an agreement within three months since the beginning of the negotiations, they will refer to the Agency for Peaceful Settlement of Labour Disputes. In this case, after the mediation process between the two parties is finished, if the agreement is not reached, the mediator will introduce a recommendation on the solution to the dispute. If both parties in the dispute accept the recommendation of the mediator it becomes an integral part of the collective agreement.

System of tripartite social dialogue

With the amendments to the Law on Social Council conditions were made for improvement of tripartite social dialogue in Montenegro. According to this law, the Social Council is an independent body, founded on tripartite basis, it is a legal entity composed of Government representatives, (i.e. local self-government, if it is created on a local level) and representatives of representative trade union organization and representative employers' association, as social partners. If there are several representative trade union organizations and employers' organizations, the number of representatives is divided with the number of representative trade union and employers' organizations, so that they have an equal number of representatives. If it is not possible to establish the same number of trade union representatives, more representatives will have the representative trade union organization with more members. However, when it comes to the representatives of employers, if it is not possible to establish the same number of representatives, more representatives will belong to the representative employers' organization with higher percentage of employees in the economy of Montenegro and with higher GDP.

Social security systems

	2009	2010	2011
Users of old-age pensions	44.466	46.024	53.550
Users of disability pensions	24.323	24.277	24.762
Users of family pensions	27.724	28.272	29.688
Users of compensation for body injury	6.632	6.413	6.209
Users of compensations for care and assistance	1.476	1.394	1.323

Education and vocational training

According to the data of the Employment Agency of Montenegro, there is an evident increase of participation of the unemployed with higher and with high education in the total number of the unemployed. Among the unemployed the majority has II, IV and V level of education, and this percentage amounts to 59.86%, while the percentage of the unemployed with I and II level of education amounts to 23.87%⁴.

According to the census of 2011, out of the total number of employees older than 15, 35% are computer literate, 16% are people who partly know how to work with a computer. Even 48% of the population does not know how to work with a computer, while 1% did not reply to this question. Gender structure indicates that there is an equal number of computer literate men and women. However, if we observe only women older than 15, 34% are computer literate, 15% partly know how to work with a computer, and 50% does not know how to work with a computer. In regard to men older than 15 35% are computer literate, 17% partly know how to work with a computer and 47% are computer illiterate.⁵

According to the census, the majority of population in Montenegro speaks English, 26% of the total number of population age 15 and more. Russian language is spoken by 9% of the population, Italian 5%, German 3% and French 3% of the population⁶.

Employment rate

	Total
2007.	42,7%
2008.	43,2%
2009.	41,3%
2010.	38,9%

Unemployment rate⁷

Date	Rate of unemployment
2009.	11,431%
2010.	12,01%
05.12.2011.	12,15%

⁴ In the system of education of Montenegro, according to the existing laws on education, there are two types of qualifications: qualification of the level of education (the level of education) and professional qualification. Qualifications of the level of education are acquired at the end of educational program of the formal education. Besides, with the end of education program one acquires one or more professional qualifications, which are verified with a certificate. A decree on acquired lower education is received after the end of the program of the lower professional education and with passing of the practical exam. A decree on acquired secondary education of three years is received with a completion of the program for the secondary vocational education and passing of the final exam. The continuation of education is possible with passing of additional exams. A decree on acquired secondary education of four years is received with the completion of the program for secondary four year professional education and passing a qualifying exam.

⁵ Computer literacy is defined as an ability to use basic computer applications for performance of everyday tasks. In relation to this data were collected on knowledge of software applications such as word, excel, internet and the use of e-mail. A computer literate person is a person who knows to work with all four applications mentioned (word, excel, internet and use of e-mail). Persons who are partly familiar with the work with a computer are the ones who are familiar with one, two or three applications, but not all four. Persons who are computer illiterate are the ones who are not familiar with either previously mentioned software application. The replies were collected on the basis of statement.

⁶ With the census conducted in April this year, Statistical Office of Montenegro has for the first time collected the data on knowledge of foreign language. Knowledge of foreign language is defined as an ability to understand, speak, read and write some foreign language. The data were collected for up to three foreign languages.

⁷ Source: Employment Agency of Montenegro. See: www.zzzcq.org.

Average monthly salaries

	Total (net amount)
2007.	338,00
2008.	416,00
2009.	463,00
2010.	473,00
2011.	477,00

Gender pay gap

According to the data of Monstat, the average salaries of women in Montenegro are about 23% lower in relation to the average salary of men. In such a way, an indirect discrimination of women at work place is noticeable. This was a reason for the amendments to provisions of the Labour Law that regulate the right to salary. According to new provisions, an employee, either man or woman, is guaranteed equal salary for the same work or the work of the same value done for an employer. (The work of same value implies the work which requires the same level of education, or qualification of level of education, or professional qualification, responsibility, skill, conditions of work and work results. In case of violation of this right an employee has a right to compensation of damages in amount of the unpaid part of salary.) The decision of an employer or an agreement with an employee which is not in accordance with this provision shall be considered void.

Monthly minimum wage

Employees are entitled to minimum wage for standard performance and full-time working hours, or working hours which is equal to the full-time working hours. Minimum wage can not be lower than 30% of the average wage in Montenegro in the previous six months according to the official data that establishes the administrative authority for statistics. According to the amendments to the Labour Law of 2011, the amount of minimum wage is established by the Government of Montenegro at the proposal of the Social Council of Montenegro, on semi annual level (until now, the minimum wage at the state level was determined by the National Collective Agreement).

Actual weekly working hours

According to the official data, 96.1% of employees are employed on a full-time and 3.9% work less than full time work hours. According to the Labour Law, full-time working hours extend to 40 hours per week. Besides, the employment contract can be concluded with less than full time working hours (depending on the nature of work and organization of work), but not less than $\frac{1}{4}$ (10 hours) of full time working hours. The law provides for the possibility of concluding an employment contracts with part-time working hours for employees who work in particularly difficult, arduous and unhealthy occupations, but not less than 36 hours per working week. In addition, these employees have the same labour rights as employees who work full time and cannot work overtime on such jobs, and they cannot be engaged in employment contract with another employer. Employees can work more than full time, but not longer than 10 hours per week.

According to the data of MONSTAT in 2010, the average working hours per week extend to 42.9% of employees. The longest work hours per week have been recorded in the service sector - 43.4%, and the shortest in agriculture - 38.5%

Normal work /atypical work

One of the most important novelty in the Law on amendments to the Labour Law is introduction of the principle that starting an employment for a permanent period of time and revision of provisions that relate to the work contract for a definite period of time. Namely, according to the Labour Law of 2008, work relation for a definite period of time and work relation for indefinite period of time were equal with respect of possibilities of employment, so that it was up to employers to decide on one of these two types of employment. However, in practice it turned out that employers very much misused this legal provision to the detriment of an employee, because the majority of employees were hired for a definite period of time.

With a new legal provision employment for a definite period of time is bounded to two years, with a possibility of longer employment for a definite period of time when it comes to the substitute of an absent employee and work on particular project.

Migration

According to the first results of the Register of population, households and dwellings in 2011 in Montenegro, there are 625,266 inhabitants, which is about 27,000 people more compared to 20 years ago⁸. The most inhabitants live in Podgorica, 187,085 which is 30% of the total population of Montenegro. It is followed by Nikšić and Bijelo Polje. In these three municipalities there is about 50% of the total population of Montenegro. Municipalities with the lowest number of inhabitants are Šavnik 2 077, Plužine 3 286 and Žabljak 3 599. These municipalities also have the lowest density (less than 10 inhabitants per km²)⁹.

The last decade of the twentieth century in Montenegro was characterizes by visible internal migration processes, which were marked by the change in distribution of the population among the regions. This is best confirmed by the data that in the mid-20th century, i.e. during the census of 1948 and 1953, almost half (47%) of the Montenegrin population lived in the north of Montenegro, while during the beginning of the last decade of the last century (1991), now economically underdeveloped area was populated by 36% of its total population. The negative migration balance was especially characteristic for the end of the 20th and the beginning of the 21st century. The results of the census of 2011 confirm this trend, given that since 2003 (when the previous census was carried out) some 12,000 people have left the north of Montenegro. The negative migration balance was recorded in all municipalities in the north. On the other hand, the population drain from the north caused the growth in population in Podgorica and in certain coastal municipalities. So far the capital city has 187,085 people, which is 18,000 more than in 2003.

HDI

2008.	2010.	2011.
0,822	0,769	0,771

Gini-coefficient

2006.	2007.	2009.
24,4%	26,4%	26,7%

⁸ In the census of 2003 there were 620,145 inhabitants, while in 1991 there were 593,504. See: www.monstat.org

⁹ The best density of population exists in Tivat with 307 inhabitants per km². It is followed by Budva with 157, Herceg Novi with 132 and Podgorica with 130 inhabitants per km². See: Ibid...

Collective agreement coverage

In Montenegro, 17 Branch Collective Agreements have been concluded, and they cover about 60% of the total number of employees (there are no official data on the percentage of coverage of the labour force by some Branch Collective Agreement).

The negotiations for the Branch Collective Agreement in the health sector are in progress.

Ongoing important collective bargaining agreements

There are ongoing negotiations over the new National Collective Agreement in Montenegro. Taking into consideration that the current Collective Agreement is valid until 31.12.2011, and that the negotiation procedure over the new one was conditioned with adoption of amendments to the Labour Law (which was adopted in the end of November), the social partners signed an agreement which implies that the application of the existing National Collective Agreement will extend until the signing of the new National Collective Agreement, or until 30th June, 2012, the latest. Also, within the public sector, an agreement was signed among the social partners on the modes of calculating wages for the period 2012-2014, which implies that the changes of the salaries in the public sector will follow the situation related to the increase or decrease of GDP. This agreement implies that the salaries of the employees in the public sector will be raised in case of GDP growth by 3.5%, and that the salaries will be decreased in case of GDP growth lower than 2.5%. Also, social partners agreed that within this period they will not organize a strike as a means of solving labour disputes, should the changes of the salaries follow the situation of the GDP as previously described.

Trade union density

Recently, in Montenegro, on the basis of the Law on Representativity of Trade Unions, the representativity of two trade unions was determined at the state level: Confederation of Trade Unions of Montenegro and the Association of Free Trade Unions of Montenegro, which acquired the status of a representative organization for the first time. According to data from the Association of Free Trade Unions, this organization has about 22,000 members (19,000 of whom pay affiliation fees), which is 12.5% of the total number of employees. It is interesting to note that 95% of membership in this organization comes from the private sector, and the rest of them come from the field of education (about 9,000 members), the Union of University (1,000), and the Union of Health (about 2,200 members).

Employer's organizations density

Representative employers' organization is the Association of Employers of Montenegro, whose members are entrepreneurs from small and medium enterprises and large industrial systems. The members of the Association of Employers of Montenegro account for around 80% of the total GDP of the Montenegrin economy and employ more than 50% of the workforce in the economy.

Workplace representation

The Labour Law of Montenegro from 2008 does not provide for the creation of Works Councils, so that the participation in decision-making can be achieved only through the unions. According to the Law on representativity of trade unions, at the enterprise level, a representative organization is the one that has organized at least 20% of the employees. A representative trade union has the following rights: the right to collective bar-

gaining and concluding collective agreements at the appropriate level, the right to participate in resolving collective labour disputes; the right to participate in the work of the Social Council and other tripartite and multipartite bodies at the appropriate level, as well as other rights that are by specific laws intended for an authorized union organization.

In this section we can say that it is an undisputed exclusive right of a representative union to bargain collectively, to conclude collective agreements and participate in bodies that are formed on a tripartite basis. However, there is no logical explanation for assuming an exclusive right in cases of resolving collective labour disputes by the representative union. It is especially because of the fact that the Law on Strike provides for the possibility that a strike can be launched by the authorized trade union organization or by the majority of employees within an enterprise.

Trade unions

- National Trade Union Confederations

Name	English	Number of members	International affiliation
1. Savez sindikata Crne Gore	Confederation of Trade Unions of Montenegro	18.742.	International Trade Union Confederation-ITUC
2. Unija slobodnih sindikata Crne Gore	Union of Free Trade Unions of Montenegro	17.446	Ongoing accession process to the European Trade Union Confederation

- Trade Union Federations by branches

Name	English	No. of members	National confederation	International affiliation
Sindikata Metalaca	Metalworkers Union	6.301	Confederation of Trade Unions of Montenegro	International Workers' Federation, European Metalworkers' Federation
Sindikata građevinarstva i IGM	Trade Union of Construction and IBM	-	Confederation of Trade Unions of Montenegro	-
Sindikata poljoprivrede, prehrambene i duvanske industrije	Trade Union of Agriculture, Food and Tobacco Industries	-	Confederation of Trade Unions of Montenegro	-
Sindikata saobraćaja	Trade Union of Road Transport	-	Confederation of Trade Unions of Montenegro	-
Sindikata Sporta	Trade Union of Sports	1.000	Confederation of Trade Un-	-

			ions of Montenegro	
Sindikatski finansijskih organizacija	Trade Union of Finance Organizations of Montenegro	1.510.	Confederation of Trade Unions of Montenegro	International Christian Union
Sindikatski metalnih radnika Crne Gore	Trade Union of Metal Workers of Montenegro	2.734	Union of Free Trade Unions of Montenegro	-
Sindikatski radnika zdravstva i socijalne zaštite Crne Gore	Trade Union of Health and Social Welfare of Montenegro	2.936	Union of Free Trade Unions of Montenegro	-
Sindikatski banaka Crne Gore	Trade Union of Banks of Montenegro	590	Union of Free Trade Unions of Montenegro	-
Sindikatski radnika trgovine Crne Gore	Trade Union of Trade Workers of Montenegro	1.294	Union of Free Trade Unions of Montenegro	-
Sindikatski prosvjete Crne Gore	Trade Union of Education of Montenegro	9.900	Union of Free Trade Unions of Montenegro	Education International
Sindikatski Univerziteta Crne Gore	Trade Union of the University of Montenegro	1.164	Union of Free Trade Unions of Montenegro	-
Crnogorski sindikat telekomunikacija	The Montenegrin Telecommunication Union	1.253	Union of Free Trade Unions of Montenegro	-
Strukovni sindikat vatrogasaca Crne Gore	Trade Union of firefighters of Montenegro	171	Union of Free Trade Unions of Montenegro	-
Strukovni sindikat zaposlenih u stomatološkoj službi	Trade Union of Employees in the Dental Service	350	Union of Free Trade Unions of Montenegro	-
Sindikatski kulture Crne Gore	Trade Union of Culture of Montenegro	-	Confederation of Trade Unions of Montenegro	-
Sindikatski energetske Crne Gore	Energy Union of Montenegro	-	Confederation of Trade Unions of Montenegro	-

Sindikato pravo- suda	Union of Justice	-	Confederation of Trade Un- ions of Monte- negro	-
Sindikato Vojske Crne Gore	Union of the Army of Monte- negro	-	Confederation of Trade Un- ions of Monte- negro	-
Udruženi sindi- kat državnih institucija Crne Gore	Associated Un- ion of state insti- tutions in Monte- negro	-	-	-

Employer's Organizations

Name	English	No. of mem- bers	International affiliation
Unija poslod- avaca Crne Gore	Montenegrin Employers Federation	- 1020 individ- ual members; - 38 associa- tions (collective membership)	- International Organization of Em- ployers (IOE) - Association of employers' or- ganizations of Europe (Business Europe) - Centre for the employers of the Adriatic region (CEPOJAR) ¹⁰

¹⁰ Montenegrin Employers Federation is one of the founders of the Centre for employers of the Adriatic region (CEPOJAR), with its headquarters in Zagreb. The Employers' Associations of the region have founded CEPOJAR with sponsorship of IOE and initial financial support of Swiss agency for development and cooperation.