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

Bosnia and Herzegovina

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1. Summary

Bosnia and Herzegovina participates in the Stabilisation and Association Process. All EU Member States have ratified the Stabilisation and Association Agreement (SAA) signed in June 2008, but the Council has refrained from taking a decision on its entering into force, due to the country's failure to implement the Sejdić-Finci ruling of the European Court of Human Rights. Full implementation of the Sejdić-Finci ruling is a key element

for Bosnia and Herzegovina's membership application to be considered as credible by the EU.

It is crucial that Bosnia and Herzegovina re-engage in constructive discussions with the EU and reaches an agreement on technical adaptation as a matter of urgency. The European Commission adopted a proposal to make the prolongation of the Autonomous Trade Measures for the Western-Balkan countries after 2015 conditional for Bosnia and Herzegovina, until it accepts the adaptation of the SAA with the EU to take into account its bilateral traditional trade with Croatia.

As a response to the political situation in Bosnia and Herzegovina and demonstrations calling for improvements in the social and economic situation in the country, in February, there were three new initiatives: broaden the EU-Bosnia and Herzegovina Structured Dialogue on Justice, accelerate the implementation of projects under the Instrument for Pre-accession Assistance (IPA) and strengthen economic governance. Civil society is closely involved in all three initiatives.

As regards the first initiative, the Structured Dialogue on Justice, which focuses on the reform of the judiciary and issues related to processing war crimes, has been broadened to additional rule of law matters. A new set of agenda items was identified with the domestic authorities and civil society representatives: anti-corruption, anti-discrimination, prevention of conflict of interest, and measures to strengthen the integrity, accountability and efficiency of police forces within the existing legal framework.

The second initiative, focusing on strengthening economic governance, consists of assistance in preparing a National Economic Reform Programme and a Competitiveness and Growth Programme. As an immediate response to the socio-economic concerns of the citizens of Bosnia and Herzegovina, in May, the EU launched a Compact for Growth initiative through a Forum on Prosperity and Jobs. The conference and subsequent follow-up events in July identified economic policy measures, the so-called Compact for Growth, that targets key economic issues. Bosnia and Herzegovina continues to participate in a multilateral economic dialogue with the Commission and EU Member States to prepare the country for participation in multilateral surveillance and economic policy coordination under the EU's Economic and Monetary Union.

Regarding the third initiative, a Joint EU-Bosnia and Herzegovina, to accelerate the implementation of projects under the IPA was established in March. Following the floods that hit the country at the end of May, after consultation with the country's authorities, the Commission decided to reallocate € 42 million from projects under previous IPA national programmes that could not be implemented due to blockages on the side of Bosnia and Herzegovina. In July, the Commission hosted a donors' conference for Bosnia and Herzegovina and Serbia, co-organised with France and Slovenia. Total pledges for Bosnia and Herzegovina amounted to € 810 million of grants and soft loans out of which € 85 million grants from the EU budget.

The country's authorities have made no progress towards establishing the structure necessary for indirect management of EU funds. Implementation of the 2008-13 national IPA programmes is ongoing. Due to the country's lack of progress in the EU integration process and the absence of countrywide strategies in many sectors, the draft IPA II Country Strategy Paper is restricted to the period 2014-17, as compared to the full period for IPA II 2014-20 and the following sectors: democracy and governance; rule of law and fundamental rights; competitiveness and innovation, local development strategies; education, employment and social policies. The establishment of a coordination mechanism on EU matters and countrywide sector strategies remain key requirements for Bosnia and Herzegovina to benefit fully from IPA funding.

The economy in BiH started to improve slowly in 2014 but this has unfortunately not contributed to an employment increase, to higher salaries, to an increase of foreign investment or the development of economic activities. The official unemployment rate is still above 44,30%. Economic growth in Bosnia and Herzegovina was stopped by the May floods that have made damage in the amount of two billion euros, or 15 percent of gross domestic product.

2013 was marked by government reconstructions on all levels, by workers' protests and strikes because of the lack and reduction of wages as well as violations of basic workers' and trade union rights. In the Republika Srpska (RS) the protests and strikes took place because of the decision of the RS Government to reduce the salaries of budget beneficiaries by 10%. In the Federation of BiH the protests were held because labour legislation was not adopted for two years in a row.

When it comes to social dialogue, there are no significant changes. The social dialogue programme is functioning without disruption on the level of individual entities but on the national level the social-economic council has not been established.

2. Socio-economic development

The gross domestic product amounted for Bosnia and Herzegovina is 28,325,000.00 KM nominally in 2013 (1 KM = 0.51 EUR); compared to 2012 it is nominally 4.1% higher while the real growth rate amounted to 1.5%.

The GDP per capita for 2013 amounted to 7.372,00 KM and macro-economic projections foresee a slow growth of 1% in 2014.

Despite the reduction of the domestic demand the economy in BiH has started to slowly recover and it has experienced a slight growth in the first three quarters of 2014, mostly due to the reduction of the foreign trade deficit of 17,3%.

Consensus between the authorities at different government levels led to an agreement on a medium-term countrywide fiscal strategy -the Global Frameworks on Fiscal Balance and Policies for 2014-2016 and 2015-2017- were adopted, albeit with some delay. Consensus was also reached regarding some adjustments in excises along with several reform steps aimed to improve fiscal sustainability. However, significant efforts are still needed to develop further the medium-term fiscal strategy in order to strengthen its role as a fiscal coordination tool. In January 2014, the authorities submitted their Economic and Fiscal Programme (EFP) for 2014-2016. It foresees a gradual economic recovery based on strengthening of domestic demand, but at the same time remains silent on pressing structural reforms, in particular beyond 2014, and faces non-negligible implementation risks.

The economy recovered somewhat in 2013 but this recovery is fragile. Output growth reached 2.5 % in 2013 and accelerated to 2.7 % in the second quarter of 2014, compared to a drop by 1.2 % in 2013. Per capita GDP in purchasing power standards remained at 29 % of the EU-28 average in 2013. Net exports were the main drivers of economic growth, a result of declining imports coupled with buoyant export activity. Despite a modest growth of real wages and broadly unchanged remittances, domestic demand in 2014 was held back by a stagnating private consumption on the back of a slowing credit growth and persistently high unemployment. At the same time, investment activity posted a meagre growth thanks to foreign-financed public investments, while private investments were stagnant. Signs of fragility are becoming evident in 2014. Partly due to base effects export growth came to a halt in the first nine months in 2014 but showed signs of modest recovery afterwards, while imports reversed their negative

trend. Heavy floods in the spring severely damaged transport- and energy infrastructure as well as production and are expected to result in a drag on short-term GDP growth.

External imbalances narrowed substantially in 2013 on the back of stagnating private consumption and imports coupled with a solid export performance, but started to widen again in the first half of 2014. The current account deficit nearly halved to 5.5 % of GDP in 2013 from well above 9 % of GDP in the previous two years, mainly linked to a strong improvement of the trade deficit to 30.5 % of GDP from 33.6 % of GDP in 2013. At the same time, the contribution of current transfers, although slightly declining from last year, amounted to some 10 % of GDP. The trend for a narrowing trade deficit reversed in the first seven months of 2014 when merchandise exports expanded at a slower pace (1 % in annual terms), while imports of goods picked up by some 6 %. The current account deficit increased to 6.1 % of GDP in the four quarters to March 2014. Net foreign direct investment (FDI) inflows, which accounted for only one-third of the current account deficit financing, continued their declining trend and amounted to a meagre 1.9 % of GDP in 2013 even narrowing further in the second quarter of 2014. Investments mostly increased in the non-financial sector and above all in the production of basic metals and in wholesale markets. Limitations for foreign direct investments are still being applied in the media sector where a limit of 49% for foreign capital has been introduced. Net foreign exchange reserves steadily increased in the course of 2013 and the first half of 2014 and covered more than five months' worth of imports, boosted partly by financial assistance under the IMF Stand-By Arrangement.

The deficit reduction occurred due to nominal export growth of 6.1% and an import drop of 4,7%. Despite unfavourable processes on export markets export growth was achieved due to a significant increase in electric power production and export. On the other hand, a slight domestic demand reduction led to a drop of imports. The domestic demand reduction was the consequence of the negative trend of private and public consumption and the drop of private investments which was somewhat mitigated by the growth of public investments. The bad situation on the labour market in BiH and in its surroundings has significantly endangered the available income of the citizens while the drop of budgetary income in 2014 has limited expenditure; including public spending.

The average growth of industrial production amounted to 7.1% percent in the first nine months of 2014 and merchandise exports enjoyed an almost 8.3% increase thus expressing stronger economic activity as well as an influence of the base. Relatively favourable processes in the area of trade in the first half of 2014 have helped to additionally narrow the current account balance.

Official foreign currency reserves have had a 0.7% increase in 2013 and in the first seven months in 2014 an additional annual increase of 4.8% was noted. The public foreign debt of Bosnia and Herzegovina experienced an increase of 6.1% in 2013 thus amounting to 26.8% of GDP while foreign debt decreased and amounted 31.7% of GDP. In the first half of 2014 public foreign debt had an additional annual increase of 6.3%. The World Bank Group is still the largest creditor and more than 90% of the public external debt of the country goes to international public creditors. In total, in spite of certain im-provements in 2013 and in the second half of 2014 the lack of external balance is still high. Financing the deficit is increasingly based on foreign loans which have led to an increase of the gross public external debt.

Unemployment is still very high and went from 29,4% in 2013 to 29.0% in 2014. The total level of employment stagnated in 2013 and in the first half of 2014 it was reduced minimally on the annual basis (-0.2%). Certain increases of the number of employed in the service sector and in the public sector were not enough to compensate for the constant loss of the labour force in the largest part of the private sector, especially in construction, mining and agriculture. The number of employees in public administration

at all levels continued to grow during 2013 and in the first half of 2014 which additionally increased the public sector which was already too large. Unemployment was especially high among young people (64.3% among young people between 15 and 24 years of age). The very high unemployment rate and the big difference between the official data and the data based on research points to a very large informal labour market. According to the last indicators the number of unemployed persons in BiH is 556,328. The number of un-employed persons in November 2014 amounted to 388,304 in FBiH and 168,024 in RS. That means that in Bosnia and Herzegovina the unemployment rate in this period was 44.6% which is a devastating fact. The number of employed persons is 685,432.

It is estimated that every sixth inhabitant of Bosnia and Herzegovina is living below the poverty line. This is not surprising if we take into consideration the number of unemployed persons and average salaries and pensions.

The inflation pressure was reduced in 2013 and in the beginning of 2014. The average annual inflation of consumer prices dropped to 1,9% in 2013 and to 1.7% in 2014 compared to 2.1% in 2013. The main factor which led to lower inflation is the slower growth of food and transportation prices under the influence of changes of international prices.

Macroeconomic analyses show that the inflation rate in BiH should amount to between 1.3% and 1.5% in 2015. The average disbursed net salary in BiH for November 2014 (this is the latest information) amounted to 822.50 KM (average gross salary 1,2980.00 KM). The average net salary in FBiH for November amounted to 828.00 KM and in RS 817.00 KM.

According to the data from the CIA and UNDP the Gini index in Bosnia and Herzegovina was 0.36 (or 36.2). This information is relatively old since the analysis was done in 2007. Bosnia and Herzegovina was not included in subsequent analysis. According to the only available data the Gini index for BiH in 2003 amounted 0.32 which shows the increase of inequality in our society.

3. Governmental policies and legislation

The past year was extremely difficult both on political and socio-economic levels. BiH has not achieved any progress on the international level when it comes to the EU-accession. Bosnia and Herzegovina is still a potential candidate for the EU-membership.

Bosnia and Herzegovina is receiving IPA funding. The funding of the state IPA programme for 2014 amounts to 73,4 million EUR, which is meant for projects dealing with support for the judiciary, the implementation of laws, transportation, education, refugees and expelled persons as well as mine clearing. Since it was not possible to achieve an agreement, the procedure was initiated for 63%.

The year was marked by government reconstruction in both entities and on the level of BiH which were performed after a series of demonstrations, protests and strikes concerning the lack of ability of authorities to change the current situation.

Labour market conditions improved somewhat during 2014 despite continuous adverse developments in some sectors (e.g. construction). Notwithstanding a slight rise of employment in the manufacturing sector, the public sector still accounts for the largest share in the workforce (27 %) in 2013. The unemployment rate (ILO methodology) dropped by half a percentage point to 27.5 % of the workforce in 2013 and remained unchanged in 2014. At the same time, the already low employment and activity rates of the population aged 15 years and older also slightly declined further to 31.6 % and 43.6

%, respectively. The structural nature of unemployment is reflected by the high share of long-term unemployment accounting for around four fifths of total jobseekers, while youth unemployment remains close to 60 %. A significant difference between the registered and survey-based labour figures points towards the existence of a fairly large informal labour market.

Inflationary pressures abated in the course of 2014 bringing consumer price inflation from 2 % in 2012 down to -0.2 % in 2013. The deflationary trend started in August 2013 and continued in the first half of 2014. Consumer prices declined by 1.4 % in the period January-July 2014. Despite some fiscal consolidation measures in 2013 such as the freeze of public sector wages and restrictive employment policy in both Entities and the central government, as well as additional measures including the one-off cut of salaries in Republika Srpska, the general government deficit remained broadly unchanged at 2.2 % of GDP. Expenditure consolidation was coupled with some underperformance of revenues dropping to 43.4 % of GDP in 2013 partly due to the decline of net indirect taxes, in particular because of high VAT refunds. In the second half of 2014, the fiscal situation deteriorated again as a result of the spring floods and the temporary stalemate of the Stand-By Arrangement with the IMF against the backdrop of elevated debt servicing needs in 2014.

4. Industrial Relations

The trade unions continued negotiations with the government and they managed to return 5% of the reduced salaries to the budget beneficiaries from July 1st 2013 by signing the new labour agreement. It was promised that the other 5% would be returned from Jan. 1st 2014. That didn't happen and workers in these areas (presidents of trade union organizations) were forced to express publically their dissatisfaction in the form of a protest walk from the trade union building to the Parliament of the RS where the members of parliament were meeting. On that occasion a clear message was sent to the RS Government that they would intensify their activities within the trade union fight should this issue not be solved.

In 2014 the Union of Employers' Associations and Ministry of Labour and Disabled Soldiers' Protection worked on adopting a new Labour law which would suspend or significantly reduce workers' rights. The Trade Union Confederation of RS and the workers have decisively said NO to the new Labour Law. Such a decision was made by all bodies of the Confederation of Trade Unions of RS and the branch trade unions as well as by the presidents and representatives of the Confederations of Trade Unions through protests all over RS. Trade unions demanded an analysis of the current Labour law in order to understand why the current law is not being applied after which possible new solutions should be negotiated. Bearing in mind the economic crisis in RS and BiH and the confrontational political situation it is clear that it is not possible to change the system of law at this time since it is the most important legal act after the Constitution of RS, referring as it does to workers, pensioners, students and pupils i.e. the future workers. At the request of the Trade Union Confederation of RS more than 100,000 workers who are trade union members signed the petition NO to the new Labour Law after which the working text of the law was withdrawn from the procedure. The working text of the Labour Law foresees the suspension of collective bargaining i.e. the employer would have the authority to regulate independently through internal regulations (Rules of operations) the salaries and other income of employees if the employer is not a signatory of the collective agreement. Nobody can be forced to sign the collective agreement; thus the employer would decide independently whether the worker has the right to a salary increase due to working years, to severance payments, dismissal periods, warm meals, holiday allowances, transportation and how high those amounts will be. It is also planned to prolong the limited labour contract and to introduce an Agency for temporary employment (rental of workers).

In the Federation of Bosnia and Herzegovina during 2014 the Confederation of Independent Trade Unions of BiH organised general protests of workers asking, among other things, for the adoption of Changes and Amendments of the Labour Law, the Strike Law and the Law on Security and Health at Work as well as the bridging of service periods of workers who were dismissed due to bankruptcy and liquidation. There is still a trend of violating basic human and workers' rights in many companies in BiH. This trend was additionally increased during the world economic crisis since the violation of workers' rights was justified by the crisis. A large problem remains certain multinational companies which are not allowing their workers to organise themselves in trade unions or to be members in already existing trade unions. There were no losses of trade union members in 2014 and there was no development of any trade unions controlled by employers.

5. Tripartite social dialogue

When it comes to the tripartite social dialogue in Bosnia and Herzegovina we can say that there has been no significant progress compared to previous years. The Government and the Parliament of the Brcko District have signed a Cooperation Agreement with the Employers' Association, the Chamber of Commerce and the trade unions in order to improve the business environment and to increase employment in the District. Social dialogue on the level of entities takes place with no problems besides the fact that social dialogue in RS has experienced a crisis because of the reduction of salaries for budget beneficiaries and the attempts to adopt a new Labour Law. The social-economic council is not founded on the state level because it is not decided yet who would represent each social partner.

6. Forecasts

For 2014 it is expected that BiH should experience a mild growth of 1.5%. It is forecasted that exports and final consumption will rise due to increased demand and that investments will be increase for the first time by 7.8%. It is expected that first the serious steps will be made toward a renewed increase of economic activities in BiH which should lead to a minimal increase of salaries and employment.

It has been planned to adopt a new labour law in RS for three years in a row. The Confederation of Trade Unions in RS will be challenged to keep the current level of workers' rights or to try to prevent the adoption of a new law which would reduce the these rights. In that sense they will be facing a huge fight in 2014 when it comes to Social Dialogue at the highest level in RS. The Confederation of Trade Unions in RS will most certainly have to use all forms of trade union power in order to prevent the reduction of workers' rights. There will be general elections on the level of entities and on the level of BiH in 2014 and the economic and political situation in BiH will depend on the outcome of these elections. The political parties will try to show that they are on the side of trade unions in order to get support in the election campaign.

It is planned to allocate means for employment action plans in RS next year (around 20 million KM) in order to reduce the large number of unemployed persons especially among young people, many of which don't have a day of working experience.

It is certain that there will be no lack of protests and strikes in the period to come, both in the private and public sectors. It is especially expected for budget beneficiaries to be exposed to different pressures after the finalized general elections when there will most probably be problems in forming the government (which could result in slower completion of the budget and the lack of possibility to pay out salaries of the planned amount).

Annex of data

• Collective bargaining system

Collective bargaining in BiH is guaranteed by the Constitution of BiH, the European Social Charter, the ILO Conventions, as well as by entity Labour Codes. The most important level of collective bargaining in BiH is the entity level because it is at this level that General Collective Agreements, which guarantee minimum rights and obligations of both workers and employers, are agreed and signed. In Republika Srpska, parties involved in collective bargaining and concluding of the General Collective Agreement are: the RS Government, the Confederation of Trade Unions of RS, and the Union of Associations of Employers of RS. In the Federation of BiH, they are: the FBiH Government, the Confederation of Independent Trade Unions of BiH and the Employers' Association of the Federation of BiH.

At the branch level, the respective branch trade unions and respective employers' associations conclude the collective agreements in both entities. A specific characteristic of collective agreements in the Federation of BiH are collective agreements that are concluded at the cantonal level, which primarily pertain to budgetary users and must be in line with the General Collective Agreement and with respective branch agreements. In both entities, collective agreements may also be concluded at the company level provided, of course, that there is an organized form of trade union organization in the given company.

Currently, there is a trend in BiH, especially advocated by the associations of employers, to reduce the scope of rights regulated by the General Collective Agreements and to bargain most of the rights and obligations at the branch or enterprise level. The trade unions are unanimous in their condemnation of such efforts since they believe that it is the General Collective Agreements that represent the last line of defence of workers' rights and that their reduction would lead to a radical reduction of workers' and union rights.

Collective agreements are generally not harmonised with General Collective Agreement (especially in FBiH) several years after their adoption.

• System of tripartite social dialogue

The system of tripartite social dialogue is organized through the work of the Economic and Social Councils at the level of entities. They involve representatives of the entity governments, the largest confederations of trade unions and entity associations of employers. In RS, the representativeness of trade unions and associations of employers is legally regulated by the Amendments to the Labour Code. In FBiH, this issue has not yet been legally regulated, so the decisive factor for participation in tripartite social dialogue is the number of members of trade unions or associations of employers. In FBiH, the new Labour Code, which is to be adopted, envisages representativeness through trade unions and through employers' associations.

• Social security systems

According to the law, all registered employees should be 100% covered by health and pension insurance, as well as by unemployment insurance. However, in the years following the war, there has been a marked presence of the grey economy, as well as the practice of many companies not paying contributions for their employees. It is impossible to obtain accurate data on the number of such workers. According to the official rate, unemployment in BiH is above 40%, i.e. about 44%. According to the survey the unemployment rate (applying ILO methodology), is at about 28%. Furthermore, there

are many employed persons whose contributions for pension and health insurance funds are not paid. These funds are on the verge of collapse, and with an increase in the number of beneficiaries of pension funds, the future is dark, unless urgent reform of the system is introduced. Currently, the ratio of workers vs. pensioners is about 1.2:1 which is unsustainable even in much stronger economies.

- **Education and vocational training**

As demonstrated by the increasing unemployment rate, the education system, including VET activities, is woefully insufficient and incapable of providing the workforce with skills that are needed to find a job on the labour market. Cooperation between the education system and employers is still weak and the proper functioning of the labour market continues to be hampered by structural rigidities and the weak performance of the education and training system.

The entities and Brčko District are, competent for regulating Education as an integral part of social policy. In the FBiH all powers in the area of Education are within the exclusive competence of the cantons. Education and training is not a significant item, nor are they a priority in the programmes of any of the governments. The process of education reform in BiH is proceeding at an uneven and slow pace, and is mainly focused on the adoption of the necessary legislation in the area of preschool, elementary, secondary, higher and vocational education. Elementary education is compulsory and according to the new reformed law it consists of 9 years. Furthermore, in all these years BiH has been faced with the phenomenon of unequal access to education, as well as with the non-existence of national curricula and syllabi. The Higher Education system is going through a transformation by means of introduction of the Bologna Process. There is an increase in the number of enrolled university students, but the problem occurs after they complete their studies according to the Bologna system. Ethnically based and divided educational systems still prevent the achievement of full inclusiveness in education.

Life-long learning is incorporated in the strategy of vocational training in BiH and its policies, and goals of development of the system of life-long learning have been defined, but this type of education is not yet systematically developed and none of envisaged goals or defined measures had been met by September 2010.

- **Employment and unemployment**

	2012 (As of 30.09)	2013 (As of 30.09)	2014 (As of 30.09)
Number of employed persons	688,318	683,645	685,432
Number of unemployed persons	545,508	552,707	556,328
Unemployment rate	44.2 %	44.8 %	44.6%
Survey unemployment rate	28.0 %	27.5 %	27.7%
Survey employment rate	31.7 %	31.6 %	31.5%

Source: Agency for Statistics of BiH; Labour Force Survey 2014 – Final results

- **Average monthly salaries**

Year	Average monthly salary (EUR)
2000	408.01
2011	417.21
2012	420.79
2013	423.58
2014	425.63

Source: Agency for Statistics of BiH; Press Release – Average paid net salaries in 2014

- **Gender pay gap**

There is a noticeable wage gap between men and women in BiH, which is primarily the consequence of traditional distribution of employment in some sectors and levels of education. The analysis of wage differences shows significant gender differences in all wage classes, with the exception of the highest and lowest wage classes, where the number of male and female employees is approximately the same. The wage difference between men and women is largest in non-industrial sectors, and smallest among clerks.

As regards the amounts, the largest difference in wages is found in the category of the population without Degrees, where the difference is 88.5 Euro in favour of men. The wage gap is reduced as the education level goes up, so that at the level of the secondary school diploma the gap is 57.6 Euro. Women with a university degree earn on average 92% of the net wages of their male colleagues. According to research conducted by the Agency for Gender Equality of BiH, the BiH gender gap is larger than the EU average.

- **Monthly minimum wage (Euro)**

	2010	2011	2012	2013	2014
Federation of BiH	184.00	190.00	190.00	190.00	190.00
Republika Srpska	189.18	189.18	189.18	189.18	189.18

Source: General Collective Agreement for the Territory of FBiH and General Collective Agreement of RS

- **Actual weekly working ours**

The Labour Codes and the General Collective Agreements at the entity level of BiH defined the weekly working hours of employees at a total of 40 hours with a mandatory 12 consecutive hours of rest between two working days. It also includes 24 consecutive hours of rest in the course of one week. Employees may work overtime, but laws limit the number of overtime working hours. If required by the nature of work, the full-time working hours can be redistributed but in such a way that the average working hours can be no longer than 52 hours per week, and for seasonal jobs no longer than 60 hours per week. If a redistribution of working hours is introduced, the average working hours in the course of one year may not be longer than 40 hours per week.

- **Normal work /atypical work**

Year	Number of persons in full time employment	% Of total number of employed
2008	645,000	72.47
2009	789,000	88.65
2010	755,000	89.56
2011	732,000	89.70
2012	686,000	90.01
2013	679,000	89.90
2014	683,000	90.00

Source: Agency for Statistics of BiH; Labour Force Survey 2014 – Final results

Year	Self-employed		Unpaid family members		Employed on part-time Sa b
	Total	% womer	Total	% women	
2008	197,000	27.41	48,000	68.75	102,000
2009	176,140	27.40	58,039	68.90	101,000
2010	175,440	29.78	47,265	73.03	87,000
2011	163,000	28.22	43,000	72.09	84,000
2012	185,000	30.20	38,000	71.05	128,000
2013	183,000	29.98	39,000	71.80	121,000
2014	184,000	30.10	37,900	71.00	127,900

Source: Agency for Statistics of BiH; Labour Force Survey 2014 – Final results

- **Migration**

Data not available

- **HDI**

Year	Index	International ranking
2008.	0.710	
2009.	0.709	
2010.	0.710	68
2011.	0.733	74
2012.	0.742	
2013	0.739	

Source: <http://hdr.undp.org/en/statistics/>

- **Gini-coefficient**

Year	Index	International ranking
2007.	36,3	68

Source: http://www.indexmundi.com/bosnia_and_herzegovina/distribution_of_family_income_gini_index.html

- **Collective agreement coverage**

The General Collective Agreements, both in the Federation of BiH and in RS, stipulate that they are binding and that apply to all workers and employers. No collective agree-

ment concluded at the branch or company level may grant lesser rights than those stipulated in the General Collective Agreements. Differences between the public and private sector are especially pronounced in the area of implementation of the existing collective agreements and it is a fact that the provisions of agreements are more frequently violated in the private than in the public sector.

- **Ongoing important collective bargaining agreements**

The most important collective agreement in the FBiH is the General Collective Agreement signed by the three social partners in 2005. So far it has been amended twice, with the amendments pertaining to the amount of the minimum wage, and there were ongoing negotiations of social partners on more substantial amendments. In addition to the General Collective Agreement, there are also 23 branch collective agreements in force. In some branches, mainly in the private sector, the collective agreements have not yet been fully harmonized with the General Collective Agreement due to the absence of respective sectoral employers' associations; which leaves the agreements signed with the line ministries in force. At the cantonal level there are collective agreements in the areas of administration, education, police and health care in force, signed between the respective trade unions and the cantonal line ministries. In RS there is the General Collective Agreement, signed in 2012 between the RS Government, the Union of Associations of Employers of RS and the Confederation of Trade Unions of RS. There are also 15 branch collective agreements in force. Brčko District has not adopted a general collective agreement due to the specific characteristics of its organization where employers were free to act in accordance with the collective agreements in force in one of the two entities of BiH.

- **Trade union density**

Although there are no official data that could accurately indicate the actual number of members of trade unions, or the ratio between this number and the number of registered employees, according to the existing estimates the level of trade union density in BiH is currently approximately 50%. When making this assessment, one definitely needs to bear in mind the aforementioned fact that accurate data on trade union membership are not available, which is the consequence of the existence of a great number of firms where workers have not received their salaries for several years or months, so that the payment of membership fee, as one indicator of membership, is either irregular, or it is not regular to the extent it should be, given the actual number of members of trade unions in those firms. Additionally, there are workers who are members of trade unions, and who, due to economic problems in their companies, are in a sort of "waiting" status and who do not receive any salary, and, consequently, cannot pay their membership fees. It is for these reasons that records on paid membership fees cannot be treated as meritorious records of actual union membership.

There is a higher trade union density in the public sector; in the private sector, trade unions most often exist only in those companies that used to have organized trade unions before they were privatized, whereas it is rarely the case in newly established private companies that employers allow union organization of workers. Especially prominent were the problems that organization of trade unions faced in multinational companies that have entered the BiH market.

- **Employer's organizations density**

There is no accurate data on the membership in the Employers' Association of BiH. As for the entity associations, according to the latest available data the Employers' Association of the Federation of BiH has approximately 1,000 collective and individual members, while the Union of Associations of Employers of Republika Srpska, which

comprises 13 branch employers' associations, has 430 affiliated companies from the private sector.

- **Workplace representation**

According to the law, workers in Bosnia and Herzegovina are given the opportunity to be represented at work through trade union organizations and workers' councils. Trade union membership is voluntary and a worker becomes a trade union member by registering for membership in the trade union of the respective activity, i.e. the branch of the trade union organization. Any employed worker can become a member of a trade union upon signing the membership application form, whereby s/he accepts the rights and obligations arising from the Statute and other acts of the given trade union. Employers cannot be members of a trade union. As for the employees' councils, i.e. workers' councils organizations regulated by entity laws. In order for an employees' council to be formed, the employer must have at least 15 workers employed on a full-time basis. In FBiH, employees' councils can be organized upon the request of a trade union or minimum 20% employees of a single employer; in RS, the decision on establishment of a workers' council can be made by a minimum of one-third of the total number of workers of a single employer. Rights and obligations of employees' councils and trade unions, as well as the obligations of employers towards these representatives of employees, are laid down in the legal regulations and trade union acts. It is also stipulated that, in case there is no organized trade union within an employer, powers and obligations of the trade union are assumed by the workers' council (RS), i.e. in the case of the absence of the employees' council, its rights and powers are assumed by trade union (FBiH). In general, there is a low level of organization of employees' councils in BiH, and especially so in RS, and they are organized only sporadically. Workers still have more confidence in trade unions as their legitimate representatives, which is partly due to the long-standing tradition of organizing in trade unions. Generally, the problem of low level of organization in employees' councils and of the low activity of workers in trade unions is a consequence of the fact that workers' representatives are denied their legal right to participate in co-decision making processes.

- **Trade unions**

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

Name	English name	Membership	Membership in international organizations
Konfederacija sindikata BiH	Confederation of Trade Unions of BiH	225.000	ITUC, observer status in ETUC

SAVEZ SAMOSTALNIH SINDIKATA BiH (CONFEDERATION OF INDEPENDENT TRADE UNIONS OF BOSNIA AND HERZEGOVINA)		
Branch trade union	English name	Membership in int. organizations
Sindikat metalaca BiH	Trade Union of Metal Workers BiH	IndustriAll-ETU
Sindikat BH Pošta	Trade Union of BH Post	UNI
Sindikat državnih službenika i namještenika FbiH	Independent Trade Union of Workers of State Administration FBiH	EPSU/PSI
Samostalni sindikat osnovnog obrazovanja odgoja BiH	Independent Trade Union of Primary School Education and Nursing BiH	EI
Sindikat radnika rudnika uglja BiH	Trade Union of Miners BiH	
Samostalni sindikat šumarstva,	Independent Trade Union of	BWI

Prerade drveta i papiraBiH	Forestry, Wood Processing and Paper in BiH	
Samostalni sindikat radnika hemije i nemetalaBiH	Independent Trade Union of Chemistry and Non-metal Workers BiH	IndustriAll-Global Union
Sindikat građevinarstva i IGM BiH	Independent Trade Union of Building and Construction Materials Industry in BiH	BWI
Sindikat saobraćaja u FBiH	Traffic Trade Union in FBiH	
Sindikat BH Telecoma	Trade Union of BH Telecom	UNI
Sindikat tekstila, kože obuće i gume BiH	Trade Union of Textile, Leather, Footwear and Rubber Industry BiH	IndustriAll-Global Union
Sindikat elektroenergetskih radnikaBiH	Trade Union of Electricity Workers BiH	EPSU/PSI
Sindikat radnika komunalne privrede u FBiH	Trade Union of Utility Workers in FBiH	EPSU/PSI
Samostalni sindikat radnika nafte i petrohemijeBiH	Independent TU of Oil and Petrochemical Workers BiH	
Samostalni sindikat radnika u finansijskim organizacijama BiH	Independent Trade Union of Financial Organization's Workers BiH	UNI
Unija sindikata policije u FBiH	Union of Police Trade Unions in FBiH	CESP
Nezavisni strukovni sindikat radnika zaposlenih u zdravstvu BiH	Independent Trade Union of Health Service Employees BiH	EPSU/PSI
Sindikat radnika željeznicaBiH	Trade Union of Railway Workers BiH	ITF
Sindikat radnika trgovineBiH	Trade Union of Trading BiH	UNI
Sindikat grafičkih, izdavačkih i medijskih radnika BiH	Trade Union of Graphic, Media and Publishing Workers BiH	UNI
Sindikat srednjeg i visokog obrazovanja, odgoja, nauke i kulture BiH	Trade Union of Secondary and High Education, Training, Science and Culture BiH	EI
Sindikat hrvatskih Telekomunikacija Mostar	Trade Union of Croatian Telecommunications Mostar	UNI
Sindikat penzionera BiH	Trade Union of Pensioners BiH	
Sindikat hrvatske pošte Mostar	Trade Union of Croatian Post Mostar	

SAVEZ SINDIKATA RS (CONFEDERATION OF TRADE UNIONS OF REPUBLIKA SRPSKA)		
Branch trade union	Naziv na engleskom	Membership in int. organisations
Sindikat metalske industrije i rudarstva RS	Trade Union of Metal Industry and Mining RS	
Sindikat trgovine, ugostiteljstva, turizma i uslužnih djelatnosti RS	Trade Union of Trading, Catering, Tourism and Services RS	UNI
Sindikat zdravstva i socijalne zaštite RS	Trade Union of Health Workers of RS	EPSU/PSI
Sindikat obrazovanja, nauke i kulture RS	Trade Union of Education, Science and Culture of RS	EI
Sindikat šumarstva, prerade drveta i papira RS	Trade Union of Forestry, Paper and Wood Processing RS	
Sindikatmedija i grafičara RS	Trade Union of Medias and Graphic Workers RS	
Sindikat građevinarstva i stambeno-komunalne djelatnosti RS	Trade Union of Construction, Housing and Communal Services of RS	EPSU/PSI
Sindikat saobraćaja i veza RS	Trade Union of Traffic and Connections RS	

Sindikat uprave RS	Trade Union of Administration RS	EPSU/PSI
Sindikat pravosuđa RS	Trade Union of Judiciary RS	
Sindikat poljoprivrede i Prehrambene industrije RS	Trade Union of Agriculture and Food Industry RS	
Sindikat radnika unutrašnjih poslova RS	Trade Union of Internal Affairs Workers of RS	EPSU/PSI
Sindikat finansijskih organizacija RS	Trade Union of Financial Organizations RS	WOW
Sindikat tekstila, kože i obuće RS	Trade Union of Textile, Leather and Footwear RS	IndustriAll-Global Union
SindikatTelekoma RS	Trade Union of Telecom RS	EUROFEDOP

SINDIKAT BRČKO DISTRIKTA (TRADE UNION OF BRČKO DISTRICT)

- **Employer's Organisations**

At the state level, there is the Association of Employers of BiH; its members are the Association of Employers of FBiH, The Union of Associations of Employers of RS, and the Association of Employers of Brčko District BiH. In RS, the Union of Associations of Employers is vested with representative status.

Name	English name	Membership	Membership in int. organisations
Asocijacija poslodavaca BiH	Employers' Association of BiH		UEAPME

Name	English name	Membership in nat. organisations	Membership in int. organisations
Udruženje poslodavaca u FBiH	Employers' Association of the Federation BiH	APBiH	
Savez poslodavaca RS	Federation of Employers' Associations of RS	APBiH	
Udruženje poslodavaca Brčko distrikta	Association of Employers of Brčko District	APBiH	
Unija udruženja poslodavaca RS	Union of Associations of Employers of RS		