

2017

SERBIA

By Dragana Petkovic Gajic

Socio-economic developments

Industrial relations

Forecasts

Annual Review

of Labour Relations and Social Dialogue

State policies

Tripartite social dialogue



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Serbia / By Dragana Petkovic Gajic


- The convincing victory of the former Prime Minister in the presidential elections in April provided the political course of the ruling coalition gathered around the Serbian Progressive Party. Even though government officials often claim that the pace of Serbia in terms of the EU accession process is good when it comes to implementation as well as in general, concerning respect for democratic values and the rule of law, substantial progress in policy implementation of the *acquis* is non-existent. Civil society and trade unions require greater transparency and monitoring of the EU accession process.
- The economic recovery policy, the establishment of fiscal consolidation and improvement of business environment have continued. Reform of the education system, the fight against corruption, the fundamental changes towards a more efficient public sector, the strong development of digitalization and the IT sector, then the EU accession, have been the government's priorities. Public debt has been reduced but despite the budget surplus considerable public investments have also been reduced. The reform of public companies is not being realized at a fast enough pace.
- Impressive results in the labour market and a significant decline in unemployment are the result of an increase in employment in the informal sector, mainly agriculture, trade and services. There has been an evident imbalance in supply and demand, resulting in the increase of precarious work in all spheres.
- The crisis of collective bargaining on a branch level is deepened by putting extended effect of concluded collective agreements in the sectors of construction, agriculture and chemistry on hold. No branch collective agreement in the non-government sector has been applied.
- Social dialogue is still very weak on all levels. Trade unions are still not participating in drafting and implementing economic and social policies. The absence of social dialogue has resulted in strikes in the metal sector. A sixteen-day strike at Fiat Chrysler and the eight-month strike in GOŠA shook Serbia as well as the European trade union public.



Contents

- [Socio-economic developments](#)
- [Governmental policies and legislation](#)
- [Industrial relations](#)
- [Tripartite social dialogue](#)
- [Forecasts](#)

Annex - Information about:

- [Collective bargaining](#), social dialogue, social security, education & vocational training, employment, wages
 - [Trade unions](#) and employer organizations
- 

Socio-economic developments

Positive trends from 2016 continued in the first half of 2017 as well, with 90 per cent of the economy, and above all manufacturing, recording growth in line with the projection. Growth of productivity in production in the first half of 2017 by 3.0 per cent was mainly due to productivity growth in the manufacturing of machinery and equipment, tobacco and wood products, as well as in the manufacturing of refined petroleum products. GDP movements were adversely affected by weather conditions, while domestic and foreign demand provided a boost to growth. Even though major International Financial Institutions and the European Commission gave a positive assessment of the growth dynamics and composition of Serbian GDP, at the end of Q3 the World Bank decreased the assessment growth to 2.0 per cent.

According to the data of the National Bank of Serbia, during the eight months of 2017, net Foreign Domestic Investment (FDI) inflow stood at €1,504.4 million (+15.9 per cent year-on-year). FDI is still predominantly concentrated in tradable sectors. The net FDI projection for 2017 is revised upwards and stands at €1.7 billion. Improvement of the business environment is confirmed by the World Bank's Doing Business list where Serbia is ranked among the ten most-improved countries. According to FT, Serbia has the best global performance index for greenfield FDI in the world. Within manufacturing, most FDI inflows went to the production of basic metals, food products, motor vehicles, chemicals, pharmaceutical and rubber and plastic products.¹ Since the beginning of the year inflation has moved within the new, lower target tolerance band (3.0 ± 1.5 per cent) with year-on-year inflation at 3.2 per cent in September. Core inflation stayed low and amounted to 1.5 per cent in September, confirming low inflationary pressures.

Until October 2017 goods exports and imports grew by 11.1 per cent and 12.8 per cent y-o-y, respectively, while the exports-to-imports ratio stood at around 79 per cent. Export growth is led by manufacturing exports (+13.3 per cent y-o-y) with nearly all branches recording growth (21 out of 23). The largest positive contribution to export growth came from a significant (around 50 per cent y-o-y) rise in exports of basic metals. In 2017 the current account deficit continued to improve – declining to 4.0 per cent of GDP.

Monetary policy was the main driver of the strong fall in dinar lending rates to enterprises and households (by 10.1 per cent and 9.9 per cent respectively up to August 2017).² The fiscal balance switched to a surplus of 2.2 per cent of GDP in 2017, with the primary surplus at 5.7 per cent of GDP. Since the beginning of this year public debt was reduced by \$700 million. The bulk of the consolidation program was based on expenditure-side measures in the first year and improved collection of all tax revenue items. According to the World Bank report, despite the budget surplus in the first nine months, the decrease of public investments was 11.0 per cent. The investment share of GDP is 18.0 per cent.

Share of wages and pensions in GDP declined further by 0.5 per cent in 2017. The informal economy is estimated at around 20-30 per cent of GDP and leads to losses to the budget. Macroeconomic stabilization in Serbia (combined with a fall in global risk aversion) resulted in a fall in the country's risk premium. Currently it moves between 120 and 130 billion. In March 2017, Moody's upgraded Serbia's sovereign credit rating from 'B1' to 'Ba3' with a stable outlook. In June 2017, S&P affirmed Serbia's 'BB-' rating with a positive outlook and Fitch affirmed its 'BB-' rating with a stable outlook.

• Employment, salaries and pension benefits

According to the Labour Force Survey, the unemployment rate in Q3 equalled 12.9 per cent, which is 0.9 percentage points lower than Q3 2016. The employment rate increased by 1.4 per cent in the same period (from 46.8 per cent in Q3 2016 to 48.2 per cent in Q3 2017) as a result of higher employment in industry and services. The most favourable trends are present in the formal segment of the labour market where employment in the private sector in the last three years has increased by 7.7 per cent, and this increase in employment mostly came from manufacturing. Labour

market indicators improved further in 2017, to a large extent driven by rising informal, in particular agricultural, sectors of commerce and catering industry employment and precarious jobs.

Pensions are still paid in line with the Law on Temporary Payment Arrangement of November 2014. According to the announcement of the Pension and Disability Insurance Fund, the average pension in September equalled 23,814 dinars (€201.01).

¹ FDI inflows are increasingly diversified by the region of origin as well, with a greater share of countries from the Asia Pacific and Middle East regions, alongside the EU.

² In August, interest rates on new dinar loans stood at 6.3% for corporates and 10.7% for households.

• Youth unemployment

Although in decline, unemployment is still particularly high among young people – 28.8 per cent (Q3) of youth are jobless and close to one in four is not in employment, education or training (NEET – 17.1 per cent). The young are still a vulnerable category, especially those with insufficient qualifications, around 20 per cent. Trade unions are sceptical regarding statistical data saying that youth unemployment has been reduced and young people have been included into the work process. The demographic structure is unfavourable, there is a brain drain, which has led to the lack of some professions and employment.³

Gender segregation is mostly pronounced among the young (20-24) and older (55-59) groups where women are doubly marginalized. There is a sectoral segregation and segregation by occupation. Women more so than men have limited access to the formal sector (29.2 per cent of women compared to 41.7 per cent of men are formally employed), thus resulting in their engagement in the informal sector, mostly as a source

of unpaid or cheap labour (the informal employment rate for women was 23.4 per cent and for men 21 per cent). Over 40 per cent of women of working age are excluded from the labour market (compared to 27 per cent of men).

The average net salary (without taxes and contributions) paid in October 2017 amounted to 46,879 dinars (€393) and is nominally lower by 2.8 per cent compared to the previous month and in real terms by 3 per cent. In October the minimum wage (net) amounted to 22,880 dinars (€191.77). The average net salary covered 67.18 per cent of the average consumer's basket.

According to the Survey on Income and Living Conditions the risk-of-poverty rate in Serbia increased slightly to 25.5 per cent with the highest rates among young people aged 18-24 and those under 18, unemployed persons, and households with two adults and three or more children. GINI (inequality co-efficient) amounted to 38.6.⁴

Governmental policies and legislation

Serbian Prime Minister Aleksandar Vucic won 54.9 per cent of the vote on the 2 April presidential elections, securing a five-year term as Serbia's president. Vucic's opponents were left trailing behind him in the polls with Sasa Jankovic coming in second with 16.2 per cent. After the release of the election results, organized civil protests were held which in relatively lower intensity lasted for two months in which the protesters expressed dissatisfaction with the unfair election campaign and concern about the state of democracy in the country. The government was formed by the end of June and it continued a program of reforms and fiscal consolidation. Prime Minister Ana Brnabić pointed out in her exposé that the government's main priority would be the further reform of public governance, strong development of digitalization and the IT sector, as well as dual education which would strengthen the tie between education and the economy. In the next period the government's priorities are also: reduction of unemployment, a balanced budget, reform of the education system, the fight against corruption, fundamental changes towards a more efficient public sector, and then EU accession.

After a vote in the National Assembly which considerably increased the role of private capital in all 15 public utilities, Serbian citizens lost sovereignty in another part of public domain. In order to realize its strategy of privatizing everything, neoliberals resorted to concessions and public-private partnership, two models already used in

similar situations all around the globe. So, from now on, private interests will have much more say in distribution of water, central heating, garbage collection, maintenance of cemeteries, and street lighting. Trade unions were against the sale of large public companies that the unions said would ensure the quality of customer service and protect the status of employees. After many troubled years the pharmaceutical company Galenika has been privatized. Elius s.a.r.l took over as the new owner of 93.73 per cent of Galenika's shares.

The public discussions on the drafts for the Law on Strike and the Law on Temporary Employment Agency, as well as the amendments to the Law on Peaceful Settlement of Labour Disputes went on for more than two years. So far, only the amendments to the Law on Peaceful Settlement of Labour Disputes have been completed, which, by the way, adopted the union's proposals.

As for the Law on Strike and Law on Temporary Employment Agencies, the positions are not harmonized. The unions argued for the new Law on Strike as the only rule governing this matter, so as to prevent the current practice that the matter of the strike is regulated by a series of special laws, including executive act. Secondly, to significantly narrow the scope of professions which are under the special regime of the strike, and thirdly, to prevent a legal solution which enables the employer to determine the minimum service.

³ The young do not know about their rights at the labour market and there is a high percentage of those who would accept to work without an employment contract, and even 58% of respondents said that they would work on 'the black market' if there was no other choice.

⁴ Survey on Income and Living Conditions, Announcement, No. 087, LXVII, 03.04. 2017

Regarding the Law on Temporary Employment Agencies and some of the key demands of the unions, there has not been an agreement primarily to limit the number of workers that an employer may engage through an agency.⁵ The other side insists on enabling employers to substitute strikers with workers engaged through employment agencies.

The government has maintained its law-adopting and urgent-procedure policy. It happened with the Economic Reform Program for 2017. Consultations which took place at the end of January were the only ones but a ready-made text was put on the website of the Ministry without the possibility for social partners to express their opinions. Representatives of social partners expressed their dissatisfaction due to the lack of essential discussion. It was emphasized that in the future the Economic Development Program needs to include an ecological and social component as well as an influence assessment on the environment.

In the area of employment the situation is still complex due to the privatization process which is not finished and huge grey economy. Besides consultations, the National Employment Plan is still the result of political decisions and dual education which would facilitate employment is the responsibility of the Chamber of Commerce, so it is not known which model is being applied. The trade union's opinion is that development and modernization of the education system should be in line with European values and principles of equality, anti-discrimination and active citizenship and closely follow initiatives developed at the EU level, such as the New Skills Agenda for Europe which is focused on digital skills and better cooperation between the education system and needs of the labour market.

Although the main indicators of the labour market in Serbia indicate a significantly lower level of participation of women in the labour market, the gender perspective in the analysis of the labour market that is gender neutral is completely omitted from the employment policy in Serbia. The draft of the law on gender equality was returned for revision due to numerous complaints from trade unions and employers, as well as the difficulties of its implementation.

On the path to the EU in 2017 Serbia has opened Chapter 20 (Enterprise and Industrial Policy), Chapter 29 on

Customs Union and Chapter 7 on Intellectual Property and it opened Chapter 26 and temporarily closed it (Education and Culture). In December it opened Chapter 6 (Company Law) and Chapter 30 (External Relations). Now there are 12 opened chapters of the Stabilization and Association Agreement (SAA) out of which two are temporarily closed but the process should be sped up and made more open for civil society representatives.⁶ Even though participation of social partners in this process has also been realized by the EU-Serbia Civil Society Joint Consultative Committee (JCC), it has been constantly remarked by the two representative trade union confederations that there is a lack of transparency in the accession process. Trade unions fiercely oppose the feigning of social dialogue for the benefit of opening SAA Chapters.

At the JCC sessions held in February and October devoted to education and freedom of the media and Chapter 27 of the SAA, which is related to environmental protection, the JCC invited Serbian authorities to provide effective, transparent and anti-discriminatory financing of the media, regarding political partiality. More independence of the public media should be reached by establishing independent mechanisms for financing and electing management and governing bodies.⁷

Despite mentioning the satisfaction coming from the opening of twelve chapters, as well as the recent statement of the President of the European Commission that the EU would intensify cooperation with Serbia in 2018, the need to constantly monitor the values related to the rule of law is important. Substantial progress in policy implementation of the *acquis* is non-existent, the number of activities foreseen in the action plans for democratic values and the rule of law is delayed, and data on these segments of the negotiating process is lacking and non-transparent.⁸

The IPA National Program 2016 amounts to €166.4 million overall, with most of the funding supporting competitiveness, justice, SME, employment on a local level and energy. The government continued implementing the Stand-By Arrangement with the International Monetary Fund (IMF). In November, after the eighth revision of the Stand-By Arrangement, because of fiscal consolidation policy, a pension increase was announced as well as improved public sector wages, which have been frozen since 2011.

⁵ Even though there are around 70,000 agency employees, this area still has not been regulated. Trade unions demand that the rights of those who work through agencies are regulated, and agency's licenses and guarantees are controlled.

⁶ It was established that the opening of Chapters within the Stabilization and Accession Agreement was going very slowly and Chapter 35 concerning the Agreement between Belgrade and Pristina should not influence the results that have been achieved up to now in Serbia's accession process to the EU.

⁷ The Declaration that was adopted at the end of February and the recommendation that the EU and Serbia should timely reach all temporary standards, especially those from Chapter 23 and Chapter 24 which are very important for the progress of accession negotiations. JCC members invited Serbian authorities to use the National Climate Change Council better and develop educational programs and training on climate change and its effects. Serbian authorities should develop projects which support real reduction of greenhouse gases and building of soil resilience to influence climate conditions in order to get access to EU funds, regional and international donors. Declaration on 3 October 2017

⁸ The area of the fight against corruption is one of the most problematic in the new prEUgovor report. "Not only is there a lack of progress, but it seems that this area is a lower priority for the Serbian government". Report of the prEUgovor coalition tracking the areas of judiciary and fundamental rights (Chapter 23) and justice, freedom and security (Chapter 24), October, 2017

Industrial Relations

Industrial relations in Serbia are very polarized. On one hand there is the fragmented trade union scene - six national Confederations of Trade Unions out of which the most representative ones – the Confederation of Autonomous Trade Unions of Serbia (CATUS) and TUC NEZAVISNOST – and on the other hand, the Serbian Association of Employers (SAE), the only representative employers' organization. According to the data of the Ministry of Labour, Employment, Veteran and Social Affairs, there are 23,000 registered trade unions (there are six confederations at the national level, but also in small enterprises unions with different views of solving problems). The enterprise level worker-employer relationship is mainly realized through labour contracts, which is confirmed by numerous difficulties in negotiations and conclusion of collective agreements with the employer, and consequently by small coverage of employees with collective agreements.⁹ The issue of representativeness, which is related to different views of social partners, has not been resolved.¹⁰

Trade unions are losing members due to the shut-down of enterprises and loss of jobs, flexibility of work but also internal factors. In addition, a large number of people are employed in the informal sector and are not registered and therefore cannot be union members. The problem is also that the labour legislation strictly specifies that only employees with a labour contract can be members of a union (excluding the so-called new forms of employment). So, the rate of trade union organization is around 25 per cent – the rate in the public sector is significantly higher than in the private where it stands at about 15 per cent.

Employers, especially foreign investors who do not allow trade unions which is contrary to freedom of association, represent the problem. But after the campaign and support of the Italian Confederation of Labour (CIGL) and IndustriALL, a trade union organization was founded in GEOX in the sector of leather and footwear production. On the shop floor of the British company Delphi, which produces electrical installations for the automobile industry, a trade union organization including 300 members has recently started working. This is the result of efforts invested by the Serbian trade union and the foreign trade unions affiliated with IndustriAll and the British TUC. In Yura, a South Korean company, the status quo still exists. It is forbidden to organize trade unions and the workers are in fear of losing their jobs and are threatened with dismissal so the pressure by trade unions did not give adequate results.

Although there is only one representative employers' organization, SAE, a member of the Social and Economic Council, it is not actually representative at the branch and sectoral level. The biggest employers are outside the SAE, at the Chamber of Commerce and the Association of Businessmen. Therefore, the main problem in collective bargaining also represents a weak employer scene. There is an evident imbalance in social dialogue where the importance of the state prevails (the biggest employer) and where trade unions are actors rather than social partners. The result of such a situation – a crisis of collective bargaining, collective agreements concluded only in the public sector, not a single one in the private sector (three which were concluded last year in the sectors of chemistry, construction and agriculture which were unilaterally cancelled by the Serbian Employers' Association) and again, after the Serbian Labour Minister was requested to take measures in line with ILO Convention No. 98 and the European Social Model, the extended effect of the collective agreements was put on hold. The agreement for road maintenance was concluded and extended, granted by an employers' association that is not a member of SAE.¹¹ At the beginning of August, the extended effect was granted to a branch collective agreement for entertainers in Serbia, providing a better position and preventing the grey economy.

The SAE held an annual assembly in December where a new leadership was elected and new guidelines of action were presented.

The Foreign Investors' Council (FIC) still has a huge impact on labour legislation. Prolonging the validity of an employment contract for a definite period of time from 24 to 36 months was recommended to the government and the expert public by the Foreign Investors' Council (FIC). This would be beneficial for the employers, not workers, and it is unclear what benefits the state would have from this – representatives of unions and employers in Serbia are unanimous in this assessment. Unions think that only the employers' fiscal burden was reduced and workers, especially young ones, are still afraid because they work on precarious jobs. It is also required to shorten the term of three years for reviewing the representativeness or to determine that, for the purpose of determining the representativeness, a membership longer than 12 consecutive months is necessary.¹²

⁹ When it comes to branch collective agreement, their attitude is shown by the so called White Book issued by the Foreign Investors Council (FIC).

¹⁰ Analysis of the Capacities and Organizational Structure of Social Dialogue Participants, prepared by a group of experts

¹¹ Regarding set conditions, the most recent amendments to the Labour Law (July 2014) brought the possibility of extended effect of collective agreements to the level of theory. The most demanding condition is submitting proof that the collective agreement whose effect is about to be extended binds the employers who employ more than 50 per cent of employees in a specific branch, group, sub-group or profession (previously it was 30 per cent).

¹² At this moment, the Foreign Investors' Council employs 5 per cent of the overall number of employees and at the same time it accounts for more than one fifth of GDP. Until the Labour Law was passed in 2014, work for a definite period of time could last 12 months and the prolongation to 24 months did not do any good to the state or employees.

In 2017, much like during the past few years, CATUS and TUC NEZAVISNOST managed to take common positions and public addresses – whether with the Social and Economic Council, work groups for law drafting or through organizing protests. The two trade union confederations argued for similar positions in the context of drafting the Law on Strike and the Law on Temporary Employment Agencies and participated in activities and campaigns, roundtables and debates. Trade unions' representatives insist on the necessity of linking macroeconomic policies, job creation and inclusive growth. TUC NEZAVISNOST and CATUS have demanded that economic progress of the country be followed by the pay rising and increase of the employees' standard of living because it is not just a way of reducing inequalities and poverty but also the means for initiating economic growth and recovery where everybody will prosper.¹³ They expressed their dissatisfaction because of the amendments to labour legislation that will lead to the situation where the system of labour relations would include several "labour laws" which would regulate the existing Labour Law. They warned about the process of "deconstructions" of labour legislation, which started by the adoption of a law regulating the salary system in the public sector and was continued and intensified by the preparation of the Law on Employees in Public Services. Deconstruction is done in a way that mentioned laws (one adopted, and the other one being prepared) that define a special system of labour relations for employees in the public sector. Also, these laws envisage the enforcement of even "more special" laws that will regulate salaries and labour relations in individual public services.

• Industrial conflicts

In 2017 strikes in Serbia were frequent.¹⁴ In July Serbia was marked by numerous strikes. The general strike in the factory Fiat Chrysler Automobiles Serbia lasted 16 days and included 95 per cent of 2500 employees. The strike ended with the signing of an agreement but it only partially fulfilled the requirements – an increase in wages and the arrival of "Fiat" Inspection, which will make measurements related to occupational health and safety. During the strike, the employees were supported by the unions from Fiat's factories in Italy, Turkey, Poland and Brazil, and European trade unions and IndustriAll. CATUS and TUC NEZAVISNOST pointed out that one of the major reasons for the employees' situation is the non-transparent contract

As for the other trade union confederations, they did not come to convergence or common action. Mutual public accusations amongst trade unions as to who is the real representative of the workers were not missing this year.

The focus of trade union activities in Serbia was the digital transformation of the labour market. Identified problems in the sphere of digitalization in Serbia are the disharmony between supply and demand in ICT jobs in the labour market, the loss of a great number of jobs in production and services, uncontrolled withdrawal of workers from legal forms of work and their transfer into the informal economy through cyber space – beyond the Labour Law, without social and healthcare coverage. Trade unions and institutions have an important and responsible task ahead – strengthening protective mechanisms; preparation of public policies in the employment sphere and social care for the individuals who will be harmed by the changes in the labour market, and the broader struggle against work on the black market in cyberspace.

Realized important European projects were "Dismiss – Digital Single Market Influence on Strong and Sustainable Employee Involvement", "Overcoming Challenges in the Field of Posting of Workers through Joint Cooperation of Social Partners from the Public Sector", "Future of Workplace Relations: Opportunities and Challenges for Trade Unions in Europe".

concluded between the government of Serbia and Fiat, parts of which are still unknown to the general public.¹⁵ The eight-month long strike in wagon-factory GOŠA in Smederevska Palanka, where workers demanded from the employer the remaining payment of wages and certification of health insurance cards, was formally terminated after an agreement but ended in a debacle – a bankrupt company.

There were so many protests in the public sector because of low wages – in state-owned TV, the Pension Fund, health service, public utilities and in Post of Serbia where employees get only 37,000 dinars (€313) per month and it is less than the Serbian average.¹⁶

¹³ The fact that salaries in Serbia are at a low level is shown by the mere datum that in order to buy an average consumer's basket in 2016 it was necessary to spend one and a half of an average salary and last years average salary amounted to 374EUR, which is a lot less than in the majority of European countries.

¹⁴ Demands for the payment of remaining salaries, connecting the years in the length of service, payment of taxes and contributions and launch of production were set in those companies where restructuring failed or where badly managed privatization influenced further worsening of the position of workers who had not been paid for months.

¹⁵ Contrary to the situation in Fiat Chrysler Automobiles Serbia, where the company's management did not want to negotiate until the end of the strike, at the refrigerating plant Gorenje from Valjevo the management immediately started negotiations with the union and quickly reached an agreement.

¹⁶ In 2014 the Serbian government reduced salaries in the public sector by 10 per cent causing great discontent among more than 600,000 employees. Since then, to come back to the previous level and even exceed it was one of the main unions' objectives. In November the government announced some increases but not for all. The new draft would leave 100,000 to 150,000 employees without an increase, a fact that made the above-mentioned federations firmly deny their agreement.

- **Mediation and Arbitration**
 - the National Agency for Peaceful Settlement of Labour

According to the data of the National Agency for Peaceful Settlement of Labour Disputes, from January to December 2017, 1028 procedures for peaceful settlement of labour disputes were being processed by the agency arbiters - out of which 979 were resolved, and 49 are still in procedure.

According to the adopted amendments to the Law on Peaceful Settlement of Labour Disputes, trade union requirements saying that disputes regarding working hours are also included within the jurisdiction of arbitrators, as

well as determination of the annual leave and the minimum wage, have been accepted – which had not been the case before. In addition, the adopted decision expressly states that the decision of the arbitrator within an individual labour dispute is an executive document, which means that it can be enforced. Despite the fact that the number of disputes for peaceful settlement has increased, this mechanism has not been used in the right way. The reasons are insufficient visibility of the agency as well as the tradition to settle the dispute before the court.

Tripartite Social Dialogue

The Decent Work Program for Serbia (2013-2017) ended this year but with a very modest result. In the ILO Report¹⁷ it was pointed out that social dialogue in Serbia has not been realized – laws within labour legislation are passed in an urgent procedure without consulting social partners, then the Social and Economic Council is avoided in the decision-making process and local social and economic councils have not lived up to the expectations. It was suggested that the next Decent Work Program should include more realistic goals. Representatives of the two trade union confederations urged strengthening of the Social and Economic Council, for activities directed to keeping the Labour Law as the umbrella law that other laws must be compatible with, then establishing labour courts in order to finally realize the right to a fair trial in a reasonable period of time.

Tripartite dialogue has shown some progress with more frequent meetings of the Social and Economic Council at the national level (nine meetings from January to December 2017);¹⁸ however, the Council is not systematically consulted on all relevant draft legislation and the problem is reaching a consensus, then non-implementation of agreed decisions. At the session of the Social and Economic Council in November two representative trade unions were against the issue and refused to give their consent. Nevertheless, the Minister of Public Administration and Local Self-Government said the draft would be put to a vote (first to the Government and later on to Parliament). This proves that “tripartism is in the state's shadow” and only through equal engagement of all participants in social dialogue situation can it be solved.

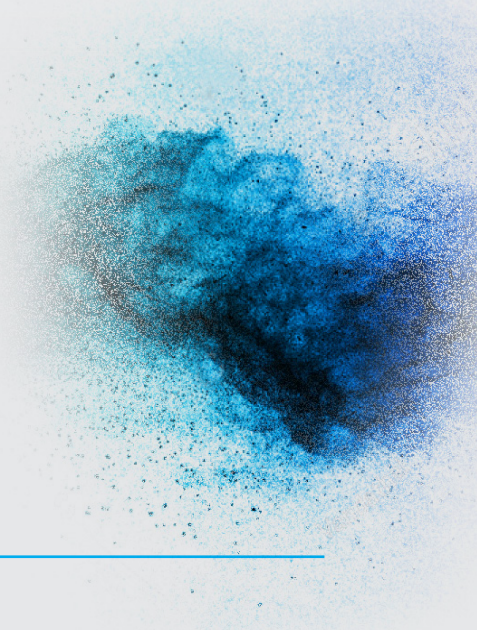
By raising the awareness of the importance of social dialogue, social partners will be able to exit the so-called crisis model and make a step towards a genuine dialogue that all are interested in because important issues are resolved thanks to it.

In September 2017 the social partners reached a consensus agreement on adopting of the minimum hourly wage for the next year of 143 RSD (€1.20) per working hour.

There are 18 registered local economic and social councils but only a few are active; their sustainability is hampered by the problem of representativeness of social partners, lack of capacity and funding. At the local level, tripartite social dialogue still needs to be developed.

¹⁷ Report on the Decent Work Program for Serbia (2013-2017), September 21, 2017 in Belgrade ILO workshop

¹⁸ www.socijalnoekonomskisavet.rs



Forecasts

Reforms have only been done partially. Therefore, maintaining macroeconomic and fiscal stability, improving the efficiency of public administration and accelerating the reform of public enterprises will be a big challenge for the government in 2018-19. The fight against corruption, the rule of law and greater transparency will continue to be the basic measure of progress by Serbia in the EU accession process and the democratic changes.

Even though the overall performance of the labour market improved, compared to the previous period, establishing the balance between supply and demand in the labour market requires inter-sectoral cooperation and inclusion of social partners. Trade unions are interested in effective employment, statistics are not only “showing constant reduction of unemployment” as important but that it is necessary to stop the trends of precarious jobs and employees need to be introduced to more decent work. A more offensive attitude by the trade union should also be directed to the reduction of precarious work as well as to small enterprises.

The burden of economic reforms will be on employees, pensioners and the unemployed and their material and social position will deteriorate further without many prospects for improvement. To overcome the disadvantages of social dialogue and collective bargaining, employers and trade unions should use accession negotiations as an instrument in finding the best solution.

Trade union priorities are organizing and regulation of the employment contract, a ban on discrimination and an innovative approach to collective bargaining harmonized with the needs of the world of labour.

A crisis of trust in trade unions is the basic problem. Trade unions in Serbia need to follow social changes and implement new strategies in order to strengthen their positions, keep the existing and attract new members. The biggest challenge will be to organize and mobilize the apathetic membership. The fight for better living conditions and successful campaigns could unite trade unions so that they would finally act as one joint force, and through the realization of this goal trade unions would gain the trust of the existing and future members.¹⁹

Annex - Information about:

- Collective bargaining system

According to the Labour Law (Official Gazette of the Republic of Serbia, No. 24/2005, 61/2005, 54/2009, 32/2013 and 75/2014) a collective agreement can be concluded at a general, branch and company level. Representatives of trade unions and employers, i.e. the Serbian Association of Employers, who participate in negotiations for the conclusion of a collective agreement and sign it in the end, need to be authorised by their governing bodies. A general collective agreement and

branch collective agreement for a specific branch, group, sub-group or profession are concluded for the territory of the Republic of Serbia. A branch collective agreement is concluded for the territory of a unit, territorial autonomy or local self-government. All agreements are concluded by representative employers and representative trade unions, i.e. if agreements for public enterprises are in question, they are signed by representative trade unions and representatives of those who founded the public enterprise.

Levels of collective bargaining:

- The national level – it is very important and evident through the engagement of the Social and Economic Council that it considers labour legislation, working conditions, and determining minimum hourly wage. Even though there are initiatives for the conclusion of a General Collective Agreement, which would improve collective bargaining at the branch level as seen by the advocates of collective bargaining, it has not been renewed since 2010.
- The branch, i.e. sectoral level is important but only in the public sector which has a relatively high rate of trade union organization and high coverage of collective agreements of around 60 per cent; In the non-public sector it is very weak, which is confirmed by only one concluded branch collective agreement in the road maintenance industry that was also granted extended effect.
- The company level is dominant in the private sector, which is characterized by low union density, but also in public enterprises where collective agreements were concluded.

¹⁹ This was pointed out at the meeting “Innovative Trade Union Strategies in Europe” organized by the Confederation of Autonomous Trade Unions of Serbia and TUC NEZAVISNOST on September 28.

- System of tripartite social dialogue

In line with the Law on SEC ('Official Gazette of the Republic of Serbia, No. 125/04) the Social and Economic Council is an independent tripartite body including the representatives of the government of the Republic of Serbia, representative trade unions and employers' associations. There are 18 members and apart from ministers and the Prime Minister the current convocation comprises of six representatives of the Serbian Association of Employers, four CATUS representatives and two TUC NEZAVISNOST representatives. Essentially, tripartite social dialogue is basic and boils down to the exchange of information, often without the intention to reach an agreement between the participants. Important laws in labour-social legislation are still not submitted to the SEC and they are sent to the parliamentary procedure without being given "the green light" by social partners.

Employee rights. Employee rights have been under big pressure, especially in private companies, but also in the public sector because of the announcement of restrictions and reduction of the number of employees without clearly set criteria and transparency. Labour inspection activities have been intensified especially in relation to combating undeclared work, non-implementation of measures of occupational health and safety and have shown the first positive results. Labour Inspectorate offices are understaffed and their right to intervene on behalf of employees in practice is rather limited. Their administrative capacity needs to be further strengthened in order to support the implementation of the national program for fighting the grey economy.

- Social insurance systems

Pensions

Pensioners, 2014-2017

	2014 Jun	2015 Oct.	2016 Oct	2017 Oct.
Beneficiaries of pensions total (utilization of rights)	1,722,834	1,733,308	1,725,784	1,719,225
Structure				
Old-age pensions*	1,030,620 59.6%	1,061,477 59.6%	1,067,510 61.9%	1,069,979 62.2%
Disability pensions	327,501 19.2%	314,021 18.12%	304,483 17.6%	298,433 17.4%
Survivors' pensions	364,713 21.2%	357,755 20.64%	353,791 20.5%	352,261 20.5%
Compensation for physical injury (No. of users)	78,000	70,513	67,319	63,857
Compensation for assistance and nursing (No. of users)	77,000	73,708	75,385	76,315
Pension benefits (in RSD)				
Pension benefits	24,312	16,661	23,446	23,814
Real growth rate	-2.0	0.01	0.00	-1.7

Source: National Fund for Pension and Disability Insurance, 2017, October, [http://pio.rs/images/Statistic Monthly bulletin, Oct. 2017.pdf](http://pio.rs/images/Statistic%20Monthly%20bulletin,%20Oct.%202017.pdf)

Average Pensions, 2014-2017

	2014	2015 Oct.	2016 Oct.	2017 Oct.	real growth rate
Average pension adjusted by the law, (in RSD and €)	23,724 (€199)	22,726 (€186)	23,446 (€188.40)	23,814 (€201.01)	-1.7

Source: National Fund for Pension and Disability Insurance, October, 2017

Health

Number of insured persons by insurance base, 2013-2016

	2013	In %	2014	In %	2015	In %	2016	in %
Insurance basis								
Employed persons	2,828,201	40.00	2,811,088	40.50	2,810,877	40.00	2,831,379	41.00
Unemployed persons	88,000	1.30	65,245	0.94	65,078	0.94	68,607	1.00
Beneficiaries of pension	1,920,584	28.00	1,956,656	28.19	1,956,987	28.00	1,911,121	27.00
Self-employed	278,000	4.00	279,026	4.02	278,905	4.02	274,428	4.00
Farmers	300,800	3.20	283,885	4.09	283,721	4.09	205,820	3.00
Health insurance is covered from the budget of the government	1,358,202	20.00	1,370,839	19.75	1,370,593	20.00	1,379,128	20.00
Other	418,913	3.30	174,912	2.52	174,798	2.52	205,820	3.00
Total citizens covered	6,886,900	99.8	6,940,959	100.00	6,940,959	99.57	6,860,667	99.00

Source: National Fund for Health Insurance; <http://www.rfzo.rs/index.php/nosioci-osiguranja-stat> <http://www.rfzo.rs/index.php/broj-osiguranika-stat/>

• Education and vocational training

Serbian Population 15+, by Educational attainment, Census 2011

Serbia	Census 2011		2012		2013		2014		2015		2016	
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
	6,161,584	100	6,117,563	100	6,161,584	100	6,161,584	100	6,161,584	100	6,161,584	100
Without educational attainment	164,884	2.68	132,909	2.17	164,884	2.67	164,884	2.68	164,884	2.68	164,884	2.68
Illiterate	164,884	2.68	127,462	1.96	124,424	0.36	127,463	1.96	127,463	1.96	127,463	1.96
Incomplete primary education	677,499	11.00	653,032	4.57	677,499	10.99	677,499	10.99	677,499	10.99	677,499	10.99
Primary education	1,279,116	20.76	1,473,87	32.25	1,279,116	20.75	1,279,116	20.75	1,279,116	20.75	1,279,116	20.75
Secondary education	3,015,092	48.93	3,000,873	49.05	3,015,092	48.93	3,015,092	48.93	3,015,092	48.93	3,015,092	48.93
Higher education	652 234	10.59	720,000	11.76	1,000,569	16.23	1,000,569	16.24	1,000,569	16.24	1,000,569	16.24
Computer literate			2,108,144	59.9	3,906 444	63.4	2,108,144	34.21	2,108,144	34.21	2,108,144	34.21
Computer illiterate		,	3,142,854		2,255,139	36.6	3,142,854	51.01	3,142,854	51.01	3,142,854	51.01

Source: Statistical Office of the Republic of Serbia, Statistical Year Book of Republic Serbia, October 2017, p. 40, No 50. pdf, webzrzs.stat.gov.rs

- Employment rate

Employment Rate, 2014-2017 III Q (age 15-64)

	2014	2015	2016	2017.
Population aged 15 and over	6,095,268	6,047,416	6,013,200	5,981,200
Employed persons average (thousands)	2,559,4	2574,2	2,814,0	2,881,9
Employment rate	42.0	42.5	46.8	48.2
Activity rate (Working age 15-64)	51.9	51.6	54.3	55.3
Employees in legal entities average (thousands)*	1,320	1,698	2,136.5	2,253.5
Informal sector employment rate	23.4	20.4	24.1	21.8

Source: Statistical Office of the Republic of Serbia, Labour force Survey III Q, 2017

- Unemployment rate

Unemployment rate, 2014-2017

	2014	2015	2016 October	2017 October
Unemployed persons average (thousands)	608.2	551.9	450.1	428.2
Unemployment rate, ILO definition in %	19.2	17.7	13.8%	12.9
First time job seekers	258,052	249,634	232,358	207,701
Unemployment benefit recipients	67,798	49,008	46,539	36,808
Nearly registered	34,749	38,334	38,361	35,517
Deleted from the register	62,692	61,863	60,900	64,426
Registered vacancies	39,000	35,354	6,334	6,617
Employed from the register	19,234	20,913	20,275	21,752

Source: National Employment Service, Monthly bulletin, October 2017, No 182, <http://www.nsz.gov.rs>

- Youth unemployment

The worsening demographic situation and weak education outcomes demand increased focus by human capital policies. Serbia's population is aging and shrinking by around 0.5 per cent per year. Emigration of young, skilled people remains high, but also people without education. The position of the youth in the labour market in Serbia

could be described like this – a vulnerable group of people that finds it difficult to enter the labour market; and no matter what their educational background is they often find employment in precarious jobs and jobs with bad working conditions. A huge problem too is the inactivity and demotivation of youth for entering the labour market.

Participation of young people out of work, Serbia 2017 (%)

	Activity rate	Employment rate	Unemployment rate
Youth (15-24)	33.3	23.7	28.5
Population of working age (15-64)	55.3	48.2	12.9

Source: Labour force Survey III Q, 2017, RSO

Youth unemployment rate in Serbia and neighbouring Balkan countries

	General rate	Youth rate
EU 28	7.7	16.7
Euro zone	9.1	18.7
Slovenia	7.1	9.3
Croatia	10.6	25.9
Macedonia	22.1	49.8
Montenegro	15.1	34.5
Serbia	12.9	28.8

Source: Eurostat and national RSO, 2017 October

The National Employment Service is being strengthened and the budget for active labour market policies was increased, with a special focus on young people. The Serbian government has set aside RSD 2.8 billion dinars (€23.5 million) for youth employment. The measures and services of the active employment policy toward youth

in Serbia are: active job search (objective: increasing employability and motivation of job seekers through the development of skills for an active job search); Job Fairs; Job Club; training for active job search; motivation activation training; training of self-efficacy; workshop on coping with stress due to job loss.

Youth participation in the implementation of measures of active job search

Measures of active job search	Number of youth involved	Participation of youth in%
Job Club for job search	1,989	60.53
Training for active job search	11,923	65.28
Motivation activation training	2,924	60.74
Self-efficacy training	562	42.68
Training workshop on coping with stress due to loss work	83	31.33
Total	17,449	63.08
Employment fairs	16,806	50.89

Source: NES, Statistika@nsz.gov.rs, 2017

With the aim of raising the level of competence, competitiveness and employability of the unemployed youth, the acquisition of additional or practical knowledge and skills is organized to perform jobs within the same or a new occupation, in accordance with the needs of the local labour market. The program of professional practice lasts 6-12 months; training for independent work in the occupation for which youth acquires the proper education/

qualification (without employment) lasts 6-12 months. The National Employment Service through the creation of the professional practice program seeks to encourage employment and self-employment for young people. It launched a pilot project for the retraining of 1,000 young people in the IT sector because, according to an estimate, by 2020, 50,000 should be employed in this sector.

Youth participation in implementation of programs for additional education and training

Measures of active job search	Number of youth involved	Youth participation (%)
Professional practice	3,627	48.86
Acquiring practical skills	39	61.54
Training	1,504	47.74
Total	5,170	48.63

Source: NES, Statistika@nsz.gov.rs, 2017

The employers are encouraged to employ youth by: subsidies for job creation; employment subsidy beneficiaries for social assistance; subsidies for employment of persons with disabilities, those without work experience; and reimbursement of appropriate costs

of workplace adjustments. Incentives for starting one's own business are also developed through support for self-employment: providing technical assistance, training in entrepreneurship, subsidies for employment or a lump sum cash benefits for self-employment.

Participation of youth in the implementation of employment and entrepreneurship development

Measure	No. of youth involved	Youth participation rate (%)
Encouraging entrepreneurship development	12,935	41.51
Subsidies for opening and equipping of new jobs	905	45.97
Public works	2,065	48.28
Total involved	15,905	42.64

Source: NES, Statistika@nsz.gov.rs 2017

There are also E-applications created by the National Labour Office on educational attainment, secondary schools curricula and descriptions of occupations such as: developing new models and services to support youth employment at the local level through local partnerships

(supported by the IPA funds) and improving information services about the opportunities for career development. In 2017, from January to October, no new Job Clubs or centres for information and professional counselling (CIPS) were opened.

Average monthly Net salaries, in RSD and €, 2014-2017 (October)

	2014	2015 Oct.	2016 Oct.	2017 Oct.
Net salaries	44,021	44,764	45,281	46,879
in EUR	375.10	366.90	367.62	393.00
Real growth rate (%)	-0.3	-2.0	1.1	0.7

Source: NBS, Labour Force Survey, 2017, Statistical Office.

• Monthly minimum wage

Minimum Net salaries, period average, in RSD, 2014-2017

	2014	2015	2016 Oct.	2017 Oct.
For hours worked	21,160.00 (for 184 hours)	44,764 (for 174 hours)	45,281 (for 168 hours)	46,879 (for 176 hours)
Per hour	115.00	121.00	121.00	130.00

Source: Labour Force Survey, 2017, October, www.paragraf.rs/statistika/minimalna_zarada.html

• Gender pay gap

According to the Global Gender Gap Report compiled by the World Economic Forum, Serbia ranks 40th out of 144 countries in terms of gender equality, which is eight places higher than last year. In the last three years, since the establishment of the Coordination Body, it has done a lot on improving the position of women in Serbia – improving relevant institutions, passing laws and strategies, boosting cooperation with civil society organizations, and launching or supporting campaigns for women's wellbeing. The Serbian

anti-discrimination law is mostly in accordance with the EU gender equality acquis. In some areas, Serbian legislation has even introduced more favourable provisions in relation to the duration of parental leave and leave for the care of a seriously ill child and a child with a disability. Budgetary reform includes gender equality considerations and the budget system law adopted in 2015 introduced gender-responsive budgeting as mandatory for all budget users at a national, provincial and local level, to be introduced gradually by 2020.

Unequal gender representation in the labour market is still present. In fact, while the activity rate of men aged 15 and over is 63.5%, for women, this figure is only 47.8%. The employment rate for men was 14.7 per cent higher than the rate of female employment. The unadjusted pay gap is partially interpreted as a pay gap existing due to women being more present in sectors with lower salaries, such as the sectors of education, health and social protection.

The gap is bigger in the private sector (9.4 per cent) than the public one (1.6 per cent). According to the data of the Statistical Office 2017, the wages of employed women were lower than those of men. The biggest pay gap is among employed women with higher education – it is 37 per cent less than their male counterparts; secondary school educated women earned 26 per cent less in wages than men.²⁰

• Actual weekly working hours

Actual weekly working hours, 2014-2017 / % of total employed

Aged 15-64	2014	2015	2016	2017
1-14 hours	0.2	0.2	0.2	0.6
15-35 hours	1.2	1.2	-	3.96
36-48 hours	83.0	82.0	87.5	63.27
49-59 hours	8.2	10.2	9.2	5.55
60 and more hours	8.4	8.0	-	5.20
Other	0.2	0.6	-	21.00

Source: Labour Force Survey, bulletin No 623, 2017, p. 34

Full weekly working time is 40 hours. Working time may be shortened but not less than 36 hours. Overtime work cannot last longer than eight hours a week. In other words, a worker cannot work longer than 12 hours a day, including overtime work (premium for overtime work (% on hourly pay) is 26 per cent). The largest number of employees worked in the first half of 2017 from 36 to 48 hours per week. The

number of employees who worked over 60 hours (5.20 per cent) as well as those who worked less than 35 hours per week has increased. The structure of employees by paid and unpaid overtime work hours was 47.6 per cent with all overtime work hours paid, and 51.0 per cent with no overtime work paid. There are also employees (1.4 per cent) who get both paid and unpaid overtime work.²¹

Normal work/atypical work in %, 2014-2017

Aged 15-64	2014	2015	2016	2017
1. Normal work/full time, open-end contracts/permanent job	78.1	75.0	78.1	75.26
2. Atypical work / fixed term contracts	11.0	13.2	16.8	24.73
2.1. Part time	7.2	8.5	2.0	-
2.2. Seasonal	1.5	1.3	0.20	1.94
2.3. Temporary	2.2	2.0	2.9	18.84
2.4. Casual job				2.95

Source: Labour Force Survey, Bulletin No 623, 2017

Amendments to the Labour Law, adopted three years ago, increased the ERP policy guidance which stepped up the provision of labour market flexibility but it only slightly increased employment (mostly in precarious jobs). The growth of employment share, atypical jobs is evident and

precarious jobs have almost been doubled. The trends of salary totals in Serbia are developing faster than the trends in contributions, which is partly the consequence of the growth of part-time work in the overall employment.²²

²⁰ Statistical Office 2017 (RAD 1)

²¹ RSO, Bulletin 2017/ 623

²² Arandarenko, M., Kovačević, M., Aleksić, D. (2016). "Kretanje zaposlenosti u Srbiji između tražnje za radom i ponude rada" (Developments of Employment in Serbia: between Work Supply and Demand), Scientific Society of Economists in Serbia, "Economic Policy of Serbia in 2016", February 2016

• Migration

Migration Serbia, 2014-2017

	2014	2015 Residing in Serbia	2015 Originating from Serbi	2016 Residing in Serbia	2016 Originating from Serbi	2017
Refugees	57,083	35,309	44,892	35,295	38,273	36,522
Asylum Seekers	400	464	55,253	116	53,309	130
Returned Refugees	168	73	73	328	328	166
Internally Displaced Persons (IDPs)	227,495	220,227	220,227	203,140	203,140	219,633
Returned IDPs	780	159	159	545	545	477
Stateless Persons	-	3,490	-	2,700	-	2,377
Various	0	0	0	0	0	0
Total population of Concern	290,898	259,722	320,604	242,124	312,821	259,301

Source: UNHCR, Global Trends, Annex table 1, June 2017, p. 62

Serbia's legal framework is partially in line with the *acquis*. Positive steps have been taken through inclusion of migrant minors in the education system of Serbia at this moment about 500 children of migrants are attending some 27 primary and secondary schools in Serbia. The proposal for a new Law on Asylum is in the parliamentary procedure and

a number of by-laws that need to regulate this issue are also being drafted. On the other hand, the Law on Foreign Citizens has not yet been adopted and the Strategic Framework in the field of migration still does not exist. The national legislation is not yet in line with the *acquis* on the blue card or on the single residence and work permit.

• Human Development Index

HDI, 2013-2016

	2013	2014	2015	2016
HDI	0.745	0.771	0.771	0.776
HDI ranking	77	66	66	66

Source: Human Development Index, UNDP, Human development Report, December 2016, hdr.undp.org/country/SRB

• GINI-coefficient

GINI, 2013-2016

	2013	2014	2015	2016
GINI coefficient	38.0	38.7	38.2	38.6

Source: Survey on Income and Living Conditions, 2017

• Collective agreement coverage

The entire public sector (approximately one-third of total employment) has nearly full coverage by sectoral agreements. Therefore, the coverage rate of collective agreements can be estimated at slightly over 60 per cent. in the public sector and around 15 per cent in the private sector. The company level is dominant in the private sector, which is characterized by low union density and a low incidence of collective bargaining and collective agreements. In general, issues of training and lifelong learning are not given much attention

in branch and company collective agreements, other than repeating general prescriptions from the Labour Code. Branch collective agreements for some sectors cover the responsibility of employers to provide training and education to their employees in accordance with the changes in the working process, technological and organizational changes in the company, etc. However, there is no explicit mention of the lifelong learning concept.

• On-going important collective bargaining agreements which are concluded for important enterprises.

According to data from the SEC records, active collective agreements concluded in 2015, 2016 and 2017 are:

- A branch collective agreement for the road industry of the Republic of Serbia, published in the Official Gazette of RS, No. 3/2015, 14.01.2015;
- A branch collective agreement for cultural institutions founded by the Republic of Serbia, autonomous provinces and local governments, published in the Official Gazette of the Republic of Serbia, No. 10/2015, 29 January 2015;
- A branch collective agreement for social protection in the Republic of Serbia, Official Gazette No. 11/2015, 30.01.2015;
- A branch collective agreement for employees in primary and secondary schools and students' dormitories, published in the Official Gazette of the Republic of Serbia, No. 21/2015, 25.02.2015;
- A branch collective agreement for police officers, published in the Official Gazette No. 22/2015, 27.02.2015;
- A branch collective agreement for entertainers, for working-musical artists and performers in the catering industry, published in the Official Gazette of RS, No. 23/2015, 02.03.2015; granted extended effect, August 2017
- A branch collective agreement for public authorities effective as of 09.03.2015 and published in the Official Gazette of the Republic of Serbia No. 25/2015, 13.03.2015;
- A branch collective agreement on amendments to the Branch Collective Agreement for public authorities, published in the Official Gazette of the Republic of Serbia, No. 50/2015, 09.06.2015;
- A branch collective agreement for public enterprises in communal activities in the territory of the Republic of Serbia, published in the Official Gazette of the Republic of Serbia, No. 27/2015, 18.03.2015;
- A branch collective agreement for chemistry and non-metals of 11 September 2015, published on 23 October 2015 in the Official Gazette of the Republic of Serbia, No. 88/2015. Just a few days after its release, on 02.11.2015, the Serbian Association of Employers unilaterally cancelled this contract, not applied, putting extended effect on hold;
- A branch collective agreement for employees working in student dormitories financed by the Republic of Serbia, published in the Official Gazette of the Republic of Serbia, No. 100/2015, 04.12.2015;
- A branch collective agreement for the construction industry and production of construction material, concluded on 10.02.2016 for a three-year period, Official Gazette RS, No. 77/2016. The Serbian Association of Employers unilaterally cancelled this contract, not applied, putting extended effect on hold;
- A branch collective agreement for agriculture, food, tobacco industry and waterworks of Serbia, concluded on 28.01.2016. The Serbian Association of Employers unilaterally cancelled this contract, not applied, putting extended effect on hold;
- A branch Collective Agreement for Pre-School Upbringing and Education, concluded in November 2016.

Several collective agreements were also concluded at the company level:

A collective agreement for the Serbian Railways, 24.03.2015; a collective agreement for Post Serbia, 04.02.2015; and HIP Petrochemistry Pančevo, 27.1.2015

Since January 29, 2015 when the validity of concluded collective agreements has expired only those in the public

sector were renewed. But only four collective agreements were signed in the non-public sector. One out of these four obtained extended effect and three were published but are not implemented and were cancelled by the Serbian Association of Employers. The General Collective Agreement has not been renewed since 2010.

• Trade union density

There are no precise data – bearing in mind that the last determining of representativeness and counting affiliation forms happened eight years ago. Trade union density remains high in the public sector at over 60 per cent and is low, below 20 per cent, in the private sector, with an overall density rate of around 25 per cent. There are two sides of the trade union density equation – trade union membership and the eligible workforce. Trade union density is different in various kinds of enterprises. In 2016 and 2017 among employees one third were in the public sector (where the trade union density rate is 60 present) and the private sector where union density is as follows: from 5 per cent in micro-businesses to medium-sized businesses – around 20 per cent; and large businesses – 40 per cent. There are also self-employed, solo trades but they have low trade union activities.

Trade unions are traditionally organized with a high representation in the industrial sector and there trade

unions often have an established representation in construction and metal. In the other traditional sectors of the economy, such as agriculture and crafts, business organizations clearly prevail. In addition to these types of workers, in recent years trade unions have tried to extend their representation to new groups of workers which are formally self-employed but have a less clear-cut professional identity. This is particularly the case where new types of employment contracts have been introduced in recent years in the context of labour market deregulation – or even with the aim of normalizing formerly unregulated positions. Trade union density rates can be further categorized according to the difference between the old but privatized companies (30 per cent) and newly-established private companies (5 per cent). The factor which has significantly reduced trade union density has been its fall in private sector employment. In other words, trade union density remains high in the public sector and is low in the private corporate sector.

• Workplace representation

Workplace representation provided by trade unions could amount to 25 per cent of the labour force (Euro fund and national research data). The new Labour Law, as well as actual employers' behaviour in practice has created unfavourable conditions for workplace representation. Employee representation at the establishment level could be summarized as: trade unions – high, joint trade union committee – low, Works Councils – low, Health and Safety Committees – medium. Even though the formation of the Works Council is envisaged by the law, trade unions oppose this thinking as a conflict of interests, in other words double representation. Subsidiaries of multinational companies in Serbia have representatives in the European Works Councils.

The two trade union confederations currently recognized as representative on the national level are the Confederation of Autonomous Trade Unions of Serbia – CATUS (Savez samostalnih sindikata Srbije - SSSS) and the Trade Union

Confederation "Nezavisnost" -TUC NEZAVISNOST (Ujedinjeni granski sindikati "Nezavisnost"- UGS NEZAVISNOST), both of which participate in the Social and Economic Council at the national level. Apart from these are the Association of Free and Independent Trade Unions - AFITU (Asocijacija slobodnih i nezavisnih sindikata - ASNS) that is struggling for representativeness status and the Confederation of Free Trade Unions-CFTU (Konfederacija slobodnih sindikata-KSS), which has representativeness at the national level but it is not in line with the procedure and its representativeness has been denied by CATUS and TUC NEZAVISNOST.

Another two confederations: the Industrial Trade Union of Serbia-ITUS (Industrijski sindikat - ISS), and Associated Trade Unions of Serbia – Sloga (Udruženi sindikati Srbije - Sloga) gather employees in industry or mixed type – industry and the public sector. Overall, there are more than 23,000 trade unions in Serbia at all levels, from company to national level, and sectoral trade unions belonging to

the main confederations. According to one survey (CESID), around 30 per cent of all union members are outside of the three largest confederations (mostly exist as small local “house unions”). There is some evidence that the trade union scene is becoming more fragmented and trade unions have weak social power.

Only 25-30 per cent of members pay any subscription (fees/dues) at all or the subscription established in the statutes. Membership subscriptions are collected by the employer – who can thus exercise complete control over union members in the company. The subscriptions are then

passed on directly to company trade union representatives, who under union statutes, can use between 60 per cent and, in extreme circumstances, up to 90 per cent of the funds at the local level. The remaining income from membership subscriptions is shared between the sectoral body and the umbrella organization (in Serbia the latter receives around 5 per cent). This means that a sectoral organization and national bodies keep on average a mere 10-15 per cent of membership fees at their disposal – too little for financing the running costs of the organization along with campaigns, activities or the necessary resources for organisation of strikes and protests.

• Employer’s organization density

By far the most relevant employer organisation in the recent period has been the Serbian Association of Employers - SAE (Unija poslodavaca Srbije- UPS), which remains the only representative employer organisation at the national level in Serbia and is a member of the International Organisation of Employers (IOE). In mid-2008 the SAE underwent a major upheaval (the third since 2003), which resulted in the creation of the Association

of Small and Medium-Sized Entrepreneurs - ASME (Asocijacija malih i srednjih preduzeca - AMSP), formed by breakaway members of the SAE. In 2010 another employer organisation was registered at the national level, known as Poslodavac (Employer). This employer organisation has been openly supported by the Chamber of Commerce of Belgrade. However, up to this point the SAE remains the only employer organization at the national level.

• Employer representation

The legitimacy of the SAE is disputed by other social partners on the grounds that its representativeness is questionable. The legal requirement for representativeness at the national level is that an employer organization unites at least 10 per cent of all registered employers, and that these employers employ at least 15 per cent of the total number of employees in the country. In most cases, self-employed workers are regarded as entrepreneurs and (potential) employers. Their typical collective representation is therefore to be found within the boundaries of business associations, sometimes with a general interest for a representation role with regard to public authorities and without specific employer representation functions. The SAE is the only employer organization involved in collective bargaining but without any concluded collective agreement. Recently signed branch collective agreements in the construction, agriculture and chemical sectors were cancelled and caused huge dissatisfaction amongst trade unions.

There was not a consolidation of the processes of organisational changes in employers’ organizations in 2014, just fragmented trends in SAE. According to European research and employers’ data the density of employers’ organizations is around 25 per cent. The SAE as the main national organization of employers has participated regularly in the activities of the Social and Economic Council of the Republic of Serbia and it is consulted on major economic and social issues, proposals and laws. In Serbia an association gathering employers in the public sector does not exist.

- Trade Union Mapping

National Trade Union Confederations

Trade Union		Number of individual members	International affiliations
Savez samostalnih sindikata Srbije, SSSS, Confederation of Autonomous Trade Unions of Serbia, CATUS		390,000	International Trade Union Confederation (member); European Trade Union Confederation (member)
Ujedinjeni granski sindikati Nezavisnost, Trade Union Confederation "Nezavisnost"		100,000	International Trade Union Confederation (member); European Trade Union Confederation (member)
Asocijacija slobodnih i nezavisnih sindikata ASNS, Association of the Free and Independent Trade Unions, AFITY		Members from industry and public sector	-
Industrijski sindikat, (ISS), Industrial Trade Union of the Serbia		Members mostly from industry sector	IndustriAll-ETU
Udruženi sindikati Srbije Sloga Associated Trade Unions of Serbia – Sloga		Members mostly from public and utilities sector	-
Konfederacija slobodnih sindikata, Confederation of Free Trade Unions		130,000 Members mostly from public sector	EPSU/PSI, EUROFEDOP, UNI global union

Source: There are no precise data on the number of trade union members. Data on the websites of organizations and published interviews from the previous period are significantly different than some partial research and assessment.

Important trade union federations by branches

Trade Union	Members	National Confederation	International affiliations
Samostalni sindikat zaposlenih u poljoprivredi, prehrambenoj, duvanskoj industriji i vodoprivredi, (PPDIV) Autonomous Trade Union of Workers in Agriculture, Food, Tobacco Industry and Water Management	15,369	CATUS	EFFAT
Samostalni Sindikat metalaca Srbije, (SMS) Autonomous Metalworkers Union of Serbia (AMUS)	25,000	CATUS	IndustriAll-ETU; IndustriAll-Global Union
GS "Nezavisnost", Teacher's Trade Union	21,000	UGS Nezavisnost	IEI, ETUCE
Sindikat radnika gradjevinarstva i industrije gradjevinskog materijala Srbije, (SGIGMS) Trade Union of Workers in Construction and Building Materials Industry of Serbia	7,500	CATUS	BWI EFBWW
PTT Serbia, Postal Workers Trade Union Serbia	9,500	Confederation of Free Trade Unions	
Unija sindikata prosvetnih radnika Srbije, Association of Teachers Unions of Serbia	27,000	Confederation of Free Trade Unions	
Samostalni sindikat hemije i nemetala Srbije (HEMINS) Autonomous Federation of Chemistry and Nonmetallic Minerals Workers of Serbia	4,713	CATUS	IndustriAll-Global Union
Samostalni sindikat ugostiteljstva i turizma Srbije, Autonomous Union of Catering and Tourism Workers of Serbia	2,440	CATUS	EFFAT
Sindikat zaposlenih u zdravstvu i socijalnoj zaštiti Srbije, Health and Social Protection Employees Union of Serbia	57,700	CATUS	EPSU-PSI
Sindikat obrazovanja Srbije, Teachers Union of Serbia (TUS)	31,000	CATUS	EI, ETUCE

Source: Data from some partial research and the CATUS questionnaire about the number of members and trade union organizations, 2017.

• Employer's Organisations Mapping

Employers' Organisations

Employer's organisations	Number of members	International affiliations
Unija poslodavaca Srbije UPS Serbian Association of Employers (SAE) /1994/	100,000 employers	International Organization of Employers - IOE BUSINESSEUROPE, member
Asocijacija malih i srednjih preduzeca i preduzetnika Srbije, (APPS), /2008/ Association of SMEs of Serbia		Eurochambers
Srpski poslovni klub Privrednik, Serbian Business Club Businessman	It is not registered according to the Labour Code but under the Law of Civil Associations	International employers' associations Eurochamber

Source: Number of members from partial research



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