

2018

## BOSNIA AND HERZEGOVINA

By Kečo Adis

Socio-economic developments

Industrial relations

Forecasts

# Annual Review

of Labour Relations and Social Dialogue

State policies

Tripartite social dialogue



# Annual Review 2018

## of Labour Relations and Social Dialogue

Bosnia and Herzegovina / By Kečo Adis

- The economy of Bosnia and Herzegovina started to slightly recover in 2017. GDP has been rising for the past several years but unfortunately has not contributed to a higher employment rate and an increase in salaries, more foreign investment, economic development or a better quality of life in BiH. The official unemployment rate continues to be high at the level of 40.4 per cent. A large number of citizens are living below the poverty line and year after year an increasing number of citizens, mostly young people, are leaving BiH in search of a better life and working conditions. The average monthly net wage in BiH increased to 851.00 KM while living costs also increased, so the share of average salary required for the consumer basket remained unchanged. Pensions did not rise significantly.
- In terms of EU integration, Bosnia and Herzegovina submitted its application for EU membership and in September 2016 the EU Council invited the European Commission to prepare its opinion on the membership application. The European Commission delivered a questionnaire to BiH, after which BiH will be provided with the opinion, including the accompanying analytical report. The questionnaire was completed and delivered. However, the EU Commission issued an additional 500 questions that BiH needs to answer. It is important to note that the trade unions were not consulted in the process of answering the questions stated in the questionnaire.
- With regard to industrial relations, the General Collective Agreement initially concluded for a period of 12 months expired in 2018 in the Federation of Bosnia and Herzegovina (FBiH) and the branch collective agreements either expired or had not even been concluded.
- In terms of tripartite social dialogue in Bosnia and Herzegovina, it can be stated that there was no significant progress: no measures were undertaken towards establishing an Economic and Social Council at the level of BiH. The Economic and Social Councils only operate at the entity level. A positive shift in social dialogue in Republika Srpska was the signing of a memorandum on joint measures and policies for the period 2018-2020, which the government of RS separately signed with the Confederation of Trade Unions of RS and the Union of Associations of Employers of RS. The memorandum sets deadlines and specifies holders of activities in implementation of the measures stipulated in the Economic Reforms Programme for the period 2018-2020 that was adopted in Republika Srpska.

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## Socio-economic developments

The nominal GDP of Bosnia and Herzegovina for 2017 amounted to 31.332 million KM. When compared with 2016, the nominal GDP is 4.79 per cent higher while real GDP growth amounted to 3.07 per cent. The GDP deflator for 2017 was 1.67 per cent. GDP per capita in 2017 amounted to 8,941.00 KM.

Macroeconomic projections predict GDP growth of 3.7 per cent for 2018 and 3.9 per cent for 2019.

The positive trend of GDP growth in the last few years continued in 2018 as well. GDP growth in 2017 was a consequence of increased exports so this year, 2018, the coverage rate of exports to imports has been 58.3 per cent. By activities, significant growth in the gross value added was recorded in agriculture, forestry and fishing by 5.61 per cent, in services by 3.18 per cent, in electricity production and supply by 3.72 per cent and transport and storage by 3.76 per cent. Net foreign direct investment inflows increased to around 3.2 per cent of GDP in 2018. Net foreign exchange reserves reached 30 per cent of the value of GDP in mid-2018. The fiscal deficit amounted to almost 3 per cent of GDP during 2018. Indirect tax revenues had positive growth during 2018. Measures for increasing tax discipline, together with an increase in excise taxes on alcohol and tobacco, contributed to the increase in public revenues. Additional revenues were generated by increasing excise taxes on fuel and petroleum products. The public debt of BiH amounts to 11,353,620,000 KM and the share of public debt to GDP is 39.71 per cent. Debt servicing payments exceeded five per cent of GDP in 2018 due to increased issuance of short-term government securities.

The registered unemployment rate was reduced to 38.4 per cent while the results of the annual labour force survey (according to ILO methodology) indicate that the unemployment rate was 18.4 per cent. The significant difference between the registered data on labour force and those based on surveys indicates the existence of a fairly large informal labour market.

The structural character of unemployment is visible through a high proportion of long-term unemployed persons, accounting for about four-fifths of the total number of those seeking employment. Young people are a particularly high share of the unemployed (an unemployment rate of 61 per cent among young people aged between 15 and 24). According to the latest data, the number of unemployed persons in BiH was 437,783 in 2018. In the FBiH, the number of unemployed persons amounted to 248,509 and in RS it was 189,274. In March 2018, the number of employed persons in BiH was 794,505 of which 336,356 were women.

It has been estimated that every sixth person in Bosnia and Herzegovina lives below the general poverty level. This is not surprising when taking into consideration the number of unemployed persons as well as average salaries and pensions.

Macroeconomic analyses show that inflation should amount to 0.5 per cent in 2018 after several consecutive years of deflation in BiH. According to the latest data, the average monthly net wage in BiH for September 2018 amounted to 877.00 KM. According to data by trade unions, the minimum consumer basket was about 1,900.00 KM.

The number of inhabitants in BiH is 3,531,159.

## State policies

In December 2014 the European Union took a new approach towards Bosnia and Herzegovina that provides a new order of conditions for the country to make progress towards the EU and address the remaining socio-economic challenges it faces. This led to entry into force of the Stabilisation and Association Agreement signed between BiH and the EU. In 2015 BiH adopted the Reform Agenda aimed at combating the difficult socio-economic situation and improving judicial and public administration reform. Bosnia and Herzegovina submitted its application for EU membership in 2016. In September 2016 the EU Council invited the European Commission to submit its opinion on this application. The European Commission delivered a Questionnaire to BiH and the country's answers were finalised and submitted in February 2018. However, the EU Commission delivered 500 follow-up questions that Bosnia and Herzegovina needs to answer. Bosnia and Herzegovina's Constitution remains in breach of the European Convention on Human Rights, as per the Sejdić-Finci case. The country is at an early stage with

the reform of its public administration. There has also been a downturn in this area because amendments to the legislative framework adopted in the FBiH increase the risk of politicisation and in RS certain progress was made by passing the Law on the Register of persons financed from the Republika Srpska budget. The harmonized approach to policy development and cooperation between different parts of the administration continues to be largely lacking. It is necessary to enact a new strategic framework for public administration as well as budget management strategies. Economic reform programmes for a three-year period were adopted at the entity and state levels. With regard to labour legislation, it is important to emphasise that the new Law on Safety at Work has still not been enacted in the FBiH. Currently, the Law on Safety and Health at Work is still in force although its penalty provisions cannot be implemented since they are prescribed in Yugoslavian dinars. Moreover, the new Law on Bridging Breaks in Service has not been enacted and the number of workers who need to bridge their breaks in service is rising.

## Industrial Relations

With regard to industrial relations in Bosnia and Herzegovina, certain statistical data indicate that although some modest progress has been made, it is nevertheless extremely slow and unnoticeable to ordinary citizens. The industry in this region was destroyed during wartime but its destruction continued even after the war through certain shady privatisations for which there have not been any investigations into whether they had been conducted according to the law. Many gigantic companies were intentionally brought to bankruptcy and some of them even went into liquidation. As a result the workers' rights have been reduced, especially in terms of unpaid salaries and by not bridging breaks in service. The trustees in bankruptcy as well as the authorities are still dealing with the consequences, but without any significant progress.

Additional problems were caused by the labour laws that were passed in 2015 in the Federation of Bosnia and Herzegovina and Republika Srpska in an urgent procedure, without a public debate and without the participation of social partners, especially the trade unions, which did not bring about any positive change. Unfortunately, the laws were found to be incomplete and inapplicable in practice as they were enacted in order to gain capital and were based on the requests by the IMF and other international financial institutions. After the laws were adopted, the existing collective agreements

ceased to be valid and workers' rights were reduced as well as severance payments and also termination of employment was made easier, as the trade unions had already anticipated. In the FBiH, the General Collective Agreement was terminated by the Employers' Association of the FBiH in the beginning of 2018, while the branch collective agreements either expired or had not even been concluded. There are some rare positive examples in certain fields and enterprises. The negotiations are ongoing at all levels but without any concrete results.

The trend of breaching basic human and workers' rights is still present in many companies in BiH. Furthermore, certain multinational companies do not allow their workers to form a union organisation or become members in the existing trade unions.

## Tripartite social dialogue

As far as tripartite social dialogue is concerned, it can be stated that there were no significant improvements. No measures were undertaken towards establishing an Economic and Social Council at the national level. Tripartite socio-economic councils operate at the entity levels (RS and the FBiH) and in some cantons of the FBiH. It can be stated that tripartite social dialogue exists mainly on paper and especially so in the FBiH. Namely, after the Labour Law was adopted in 2015, the FBiH government together with the Prime Minister practically privatised the Economic and Social Council since not a single session has been held since October 2017. The fact that the FBiH Government sent certain laws into parliamentary procedure without them being previously discussed at the Economic and Social Council is particularly concerning. Although the social dialogue in Republika Srpska is in a slightly better position, its results are nevertheless still at a very low level.

With regard to collective bargaining for branch collective agreements, it can be stated that it is more visible in the public sector than elsewhere. The trade unions in the non-public sector are in an extremely difficult bargaining

position since employers are trying by all possible means to reduce their workers' rights or they refuse to negotiate at all. Since most branch collective agreements were concluded for a one-year period, during 2017 and 2018, previous agreements were extended and new branch collective agreements were signed. Unfortunately, since the Labour Law was adopted, to date for certain sectors in the FBiH such as the construction industry, oil and petrochemicals industry, utility services and chemistry and non-metal industry, branch collective agreements have still not been signed. These areas have been particularly targeted by employers in terms of reduction of workers' rights as well as but in endangering their health and dignity.

## Forecasts

Since investment in infrastructure projects and the energy sector should particularly expand in 2019 and following years, a positive economic trend should continue in the following years as well. Exports and foreign investment flows are expected to continue, which should lead to GDP growth, a mild drop in unemployment rates and an increase in private consumption. Actually, serious steps are expected to be made towards a further increase in economic activity in BiH that should lead to an increase in wages and the employment rate.

In accordance with the Employment Strategy for the period 2016-2020, Republika Srpska plans to allocate around 15 million KM for employment action plans in order to reduce unemployment, especially among young people, most of them having no experience, as well as for workers who are over 50 years old. It is planned to adopt amendments to the Law on Employment and Rights during Unemployment and the RS Law on Health Insurance in order for the Employment Office to remove persons who are not actively seeking work but are entitled to some other rights (such as the right to health insurance, the right to payment of pension and disability contributions, etc.) After the previously concluded collective agreements expired in the FBiH, in the process of collective bargaining with the employers and the FBiH government, the trade unions are expected to harmonize

and conclude collective agreements in order to restore at least some of the workers' rights reduced after the new Labour Law had been adopted. Moreover, the adoption of other laws in the labour-administrative field is expected.

The general elections that were held in 2018 made the political situation at all levels even more complicated at all levels, especially in the FBiH.

Workers' demonstrations and strikes in the private and public sectors for realization of basic labour rights are imminent in the following period.

## Annex - Information About:

- 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 bargaining in BiH is at 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 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 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. 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, of course provided that there is an organised form of trade union organisation in that particular company.

Currently there is a trend in 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 radical reduction of workers' and union rights.

- System of tripartite social dialogue

The system of tripartite social dialogue is organised through the work of the Economic and Social Councils at the level of entities. They involve the representatives of the entity governments, the Confederation of Trade Unions of BiH, the Confederation of Trade Unions of Republika Srpska 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 the FBiH, this issue has been resolved by the Labour Law both for trade unions and employers' associations. In the Federation of BiH, tripartite social dialogue exists at the level of certain cantons (Sarajevo Canton, Bosnian-Podrinje Canton, Zenica-Doboj Canton and Herzegovina-Neretva Canton).

- Social security systems

According to the law, all registered employees should be 100 per cent 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 a gray economy, as well as the practice of many companies of not paying the contributions for their employees. It is impossible to obtain accurate data on the number of such workers. The official unemployment rate in BiH is 38.4 per cent. Accordingly, the survey unemployment rate (applying ILO methodology) is 18.4 per cent. Furthermore, there are many employed persons whose contributions for pension and health insurance funds are not paid. These funds are on the verge of non-existence, and with the 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 an increasing unemployment rate, the education system, including vocational education and training activities, is by far 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, inter alia, responsible for regulating the area of 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 are not significant items 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 nine 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 undergoing a transformation by 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. The ethnically-based and divided educational systems still prevent the achievement of full inclusiveness in education.

Lifelong learning is incorporated in the strategy of vocational training in BiH and its policies and goals of development of a system for lifelong learning have been defined, but this type of education is not yet systematically developed and none of the envisaged goals and defined measures have been met since September 2010.

- Employment and unemployment

|                                     | <b>2012</b><br><b>(As of 30.09)</b> | <b>2015</b><br><b>(As of 30.09)</b> | <b>2017</b><br><b>(As of 30.09)</b> | <b>2018</b><br><b>(As of 31.03)</b> |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>Number of employed persons</b>   | 688,318                             | 716,230                             | 753,975                             | 794,505                             |
| <b>Number of unemployed persons</b> | 545,508                             | 539,703                             | 480,379                             | 458,355                             |
| <b>Unemployment rate</b>            | 44.2 %                              | 44.0 %                              | 44.0%                               | 39.6 %                              |
| <b>Survey unemployment rate</b>     | 28.0 %                              | 27.0 %                              | 25.4 %                              | 18.4 %                              |
| <b>Survey employment rate</b>       | 31.7 %                              | 31.2 %                              | 28.8 %                              | 34.2 %                              |

Source: Agency for Statistics of BiH; Labour Force Survey 2018 – Final results

- Average monthly salaries

| <b>Year</b> | <b>Average monthly salary (EUR)</b> |
|-------------|-------------------------------------|
| 2011        | 417.21                              |
| 2012        | 420.79                              |
| 2015        | 425.64                              |
| 2017        | 436.31                              |
| 2018        | 443.74                              |

Source: Agency for Statistics of BiH; Press Release – Average paid net salaries in 2018

- Gender pay gap

There is a noticeable wage gap between men and women in BiH, which is primarily the consequence of the 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 the largest in the industrial sector and smallest among public servants.

As regards the amounts, the largest gender pay gaps are found in the category of the population without a degree, where the difference is 87 € in favour of men. The wage gap is reduced as the education level goes up so that at the level of a secondary school diploma the gap is around 60 €. Women with a university degree earn on average 91 per cent of net wages of their male colleagues. According to the research conducted by the Agency for Gender Equality of BiH, the BiH gender gap is larger than the EU average.

- Monthly minimum wage (Euro)

|                          | 2012   | 2013   | 2015   | 2017   | 2018   |
|--------------------------|--------|--------|--------|--------|--------|
| <b>Federation of BiH</b> | 184.00 | 190.00 | 190.00 | 209.00 | 209.00 |
| <b>Republika Srpska</b>  | 189.18 | 189.18 | 189.18 | 201.18 | 201.18 |

- Actual weekly working hours

The Labour Codes and the General Collective Agreements at the entity levels of BiH define the weekly working hours of employees as including 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 the law limits 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

- Persons in employment - full time or part time - by groups of sections of economic activities<sup>1</sup> and sex, HiH

|                    | Total |      |      | Male |      |      | Female |       |      |
|--------------------|-------|------|------|------|------|------|--------|-------|------|
|                    | 2016  | 2017 | 2018 | 2016 | 2017 | 2018 | 2016   | 2017  | 2018 |
| <b>Total</b>       | 801   | 816  | 822  | 514  | 509  | 515  | 288    | 307   | 307  |
| Full time          | 746   | 742  | 765  | 484  | 466  | 484  | 262    | 276   | 281  |
| Part time          | 55    | 74   | 57   | 29   | 43   | 31   | 25     | 31    | 27   |
| <b>Agriculture</b> | 144   | 154  | 129  | 93   | 93   | 80   | 51     | 61    | 49   |
| Full time          | 116   | 117  | 103  | 79   | 73   | 67   | 37     | 44    | (36) |
| Part time          | (28)  | (37) | (26) | (14) | (20) | (13) | (14)   | (17)  | (13) |
| <b>Industry</b>    | 251   | 241  | 264  | 199  | 189  | 210  | 51     | 52    | 55   |
| Full time          | 242   | 229  | 257  | 192  | 179  | 203  | 49     | 50    | 53   |
| Part time          | (9)   | (12) | (8)  | (7)  | (10) | (6)  | ((2))  | ((2)) | *    |
| <b>Services</b>    | 407   | 421  | 429  | 221  | 227  | 225  | 185    | 194   | 203  |
| Full time          | 389   | 396  | 405  | 213  | 214  | 214  | 176    | 182   | 191  |
| Part time          | (17)  | 25   | 23   | (8)  | (13) | (11) | (9)    | (12)  | (12) |

| Structure (%)      |        |       |       |        |        |        |         |         |        |
|--------------------|--------|-------|-------|--------|--------|--------|---------|---------|--------|
| <b>Total</b>       | 100,0  | 100,0 | 100,0 | 100,0  | 100,0  | 100,0  | 100,0   | 100,0   | 100,0  |
| Full time          | 93,2   | 90,9  | 93,0  | 94,3   | 91,6   | 94,0   | 91,2    | 89,9    | 91,3   |
| Part time          | 6,8    | 9,1   | 7,0   | 5,7    | 8,4    | 6,0    | 8,8     | 10,1    | 8,7    |
| <b>Agriculture</b> | 100,0  | 100,0 | 100,0 | 100,0  | 100,0  | 100,0  | 100,0   | 100,0   | 100,0  |
| Full time          | 80,3   | 75,7  | 79,7  | 84,8   | 78,5   | 83,5   | 72,0    | 71,5    | 73,5   |
| Part time          | (19,7) | 24,3  | 20,3  | (15,2) | (21,5) | (16,5) | (28,0)  | (28,5)  | (26,5) |
| <b>Industry</b>    | 100,0  | 100,0 | 100,0 | 100,0  | 100,0  | 100,0  | 100,0   | 100,0   | 100,0  |
| Full time          | 96,5   | 95,1  | 97,1  | 96,5   | 94,7   | 97,0   | 96,3    | 96,3    | 97,4   |
| Part time          | (3,5)  | (4,9) | (2,9) | (3,5)  | (5,3)  | (3,0)  | ((3,7)) | ((3,7)) | *      |
| <b>Services</b>    | 100,0  | 100,0 | 100,0 | 100,0  | 100,0  | 100,0  | 100,0   | 100,0   | 100,0  |
| Full time          | 95,7   | 94,1  | 94,5  | 96,2   | 94,2   | 95,0   | 95,1    | 94,0    | 94,0   |
| Part time          | 4,3    | 5,9   | 5,5   | (3,8)  | (5,8)  | (5,0)  | (4,9)   | (6,0)   | (6,0)  |

1) groups of activity's section (NACE Rev. 2): agriculture (A), industry (B,C,D,E,F) services (G,H,I,J,K,L,M,N,O,P,Q,R,S,T,U)

Source: Agency for Statistics of BiH; Labour force Survey 2018

## • Migration

With regard to migration, there are no official data. However, in the past two years there has been a lot of discussion about massive emigration from Bosnia and Herzegovina, especially of the working-age population, which can be regarded as economic migration. More than 151,000 people left Bosnia and Herzegovina in the period from 2013 to 2017:

- the Federation of BiH – 68,000
- Republika Srpska – 68,278
- Brčko District – 14,755.

Apart from economic migration, other types of migration are evident as well. Entire families are emigrating and not only young people, leaving whole areas abandoned. This definitely represents the second blow to the demographics of BiH after the wartime victims. Estimates show that every year a middle-sized town in Bosnia and Herzegovina loses 10,000 inhabitants. According to the data recorded by the Agency for Statistics of Bosnia and Herzegovina, in the first ten months of 2018 there were 21,006 live born children and 27,182 inhabitants who died, resulting in a negative natural growth of 6,176.

## • HDI

| Year | Index | International Ranking |
|------|-------|-----------------------|
| 2011 | 0.733 | 74                    |
| 2012 | 0.742 |                       |
| 2014 | 0.759 |                       |
| 2016 | 0.760 |                       |
| 2018 | 0.768 | 77                    |

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](http://www.indexmundi.com/bosnia_and_herzegovina/distribution_of_family_income_gini_index.html)

## • Collective agreement coverage

The General Collective Agreement in the FBiH is binding for all the parties who signed it, i.e. for its members. However, it has not encompassed all employers and workers due to the FBiH government's lack of interest. In Republika Srpska, the General Collective Agreement is binding and it applies to all workers and employers. No collective agreement 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 sector 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 two social partners in 2016. In addition to the General Collective Agreement, there are also 12 branch collective agreements in force. In some branches, mainly in the private sector, the collective agreements have not yet been fully harmonised with the General Collective Agreement due to the absence of respective sectorial employers' associations so the agreements signed with the line ministries are in force. At the cantonal level there are collective agreements in force in public administration, education, police and

health care, signed between the respective trade unions and the cantonal line ministries. In RS there is the General Collective Agreement, signed in 2016, 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 organisation 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, the ratio between this number and the number of registered employees according to estimates makes the level of trade union density in BiH at approximately 50 per cent. When making this assessment, one definitely needs to have in mind the aforementioned fact that accurate data on trade union membership are not available, which is the consequence of the existence of great number of firms where workers have not received their salaries for several years or months so that the payment of the 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. In addition, there are workers who are members of trade

unions who due to economic problems in their companies, are in a sort of "waiting" status and 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 accurate records of actual membership.

There is a higher trade union density in the public sector while trade unions in the private sector most often exist only in companies that used to have organized trade unions before they were privatized. It is rarely the case in newly-established private companies that employers allow union organization of workers. The problems that organization of trade unions faced in multinational companies that have entered the BiH market have been especially prominent.

## • Employer's organizations density

There are 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 whereas the Union of Associations of Employers of Republika Srpska, which comprises 13 branch employers' associations, has 430 affiliated companies from the non-public sector.

## • Workplace representation

According to the law, workers in Bosnia and Herzegovina are given the opportunity to be represented at work through trade union organisations and works 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. a branch in the trade union organisation. Any employed worker can become a member of a trade union upon signing a membership

application form, whereby he/she accepts the rights and obligations arising from the statute and other acts of a particular trade union. Employers cannot be members of a trade union. As for the employees' councils, i.e. works councils, their organization is regulated in entity laws. In order for an employees' council to be formed, the employer must have at least 15 employed workers.

| Name                        | English name                         | Membership | Membership in international organizations |
|-----------------------------|--------------------------------------|------------|---|
| Konfederacija sindikata BiH | Confederation of Trade Unions of BiH | 213,000    | ITUC, observer status in ETUC             |

| SAVEZ SAMOSTALNIH SINDIKATA BiH<br>(CONFEDERATION OF INDEPENDENT TRADE UNIONS OF BOSNIA AND HERZEGOVINA) |   |                                   |
|--|---|-----------------------------------|
| Branch trade union   | Name in English   | Membership in intl. 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 u F BiH  | Independent Trade Union of Workers of State Administration F BiH              | EPSU/PSI                          |
| Samostalni sindikat osnovnog obrazovanja i 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, prerade drveta i papira BiH   | Independent Trade Union of Forestry, Wood Processing and Paper in BiH         | BWI                               |
| Samostalni sindikat radnika hemije i nemetala BiH  | Independent Trade Union of Chemistry and Non-metal Workers BiH                | IndustriAll-Global Union          |
| Sindikat građevinarstva i IGM BiH  | Independent Trade Union of Building and Const. Materials Industry in BiH      | BWI                               |
| Sindikat saobraćaja u F BiH  | Traffic Trade Union in F BiH  |                                   |
| 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 radnika BiH  | Trade Union of Electricity Workers BiH  | EPSU/PSI                          |
| Sindikat radnika komunalne privrede u F BiH  | Trade Union of Utility Workers in F BiH                                       | EPSU/PSI                          |
| Samostalni sindikat radnika nafte i petrohemijske BiH  | 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 F BiH   | Union of Police Trade Unions in F BiH   | CESP                              |
| Nezavisni strukovni sindikat radnika zaposlenih u zdravstvu BiH  | Independent Trade Union of Health Service Employees BiH                       | EPSU/PSI                          |
| Sindikat radnika željeznica BiH  | Trade Union of Railway Workers BiH  | ITF                               |
| Sindikat srednjeg i visokog obrazovanja, odgoja, nauke i kulture BiH                                     | Trade Union of Secondary and High Education, Nursing, 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   |                                   |
| Samostalni sindikat PPDIVUT  |   |                                   |

| <b>SAVEZ SINDIKATA RS<br/>(CONFEDERATION OF TRADE UNIONS OF REPUBLIKA SRPSKA)</b> |  |  |
|---|--|--|
| <b>Branch trade union</b>   | <b>Name in English</b>   | <b>Membership in intl. organizations</b> |
| 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            | BWI                                      |
| Sindikat medija 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                 |
| Sindikat Telekoma 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.

| <b>Name</b>                 | <b>English name</b>           | <b>Membership</b> | <b>Membership in international organizations</b> |
|-----------------------------|-------------------------------|-------------------|--|
| Asocijacija poslodavaca BiH | Employers' Association of BiH |                   | UEAPME   |

| <b>Name</b>                           | <b>English name</b>                          | <b>Membership</b> | <b>Membership in international organizations</b> |
|---------------------------------------|--|-------------------|--|
| 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     |                   |  |



# Annual Review 2018

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