

With the TCL project to the new collective agreement in textile industry

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Content of presentation

1. Current situation in Montenegro;
2. Social partners and negotiation process;
3. What's new in CA for Textile, leather and pharmacy industry.

Economic State in Montenegro and textile sector

GDP NOMINAL RATE



NUMBER OF EMPLOYEES IN TEXTILE SECTOR IN MONTENEGRO

MONTENEGRO	2009	2010	2011	2012
Production of textile	410	321	231	209
Production of garment	285	235	239	256
Production of leather and leather products	272	235	121	161
Total textile	967	791	591	626
Percent in total employment	0.56%	0.49%	0.36%	0.38%

Branch Collective Agreement in Montenegro



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- Branch collective agreement for textiles, leather and rubber, chemical and pharmaceutical industries was signed in 2004 by Independent Trade Union of Textile, Leather and Chemical Industry of Montenegro and the Committee of Association of Textile, Leather, Rubber, Chemical and Pharmaceutical Industry of the Chamber of Commerce of Montenegro.
- Negotiations related to conclusion of Branch Collective Agreement for this sector, needed for alignment with provisions of Labour Law and General Collective Agreement, started in a period of implementation of the project. Social partners discussed the old BCA and they agreed that the new one should be more flexible and harmonized with current economic strength of textile sector in Montenegro.
- Branch Collective Agreement concluded in 2004 is still in force and is applied to all employers and workers from this economic sector, except of those provisions that are opposite to Labour Law and General Collective Agreement provisions.

Social partners and negotiation process

SOCIAL PARTNERS IN MONTENEGRO IN FIELD OF TEXTILE



PROCESS OF NEGOTIATION

1. Project TCL – Workshop in April 2014

Formal meetings:

2. Meeting – 02.06.2014

3. Meeting – 04.09.2014

4. Meeting – 06.10.2014

What's new in CA for Textile, leather and pharmacy industry

Annual leave can be raised: under the conditions of work (work in subsidized jobs) - 2 business days

On the accounting value of the coefficient and the starting part of the salary shall apply the provisions of the General Collective Agreement, provided that the coefficients in relation to the General Collective Agreement enlarged from 15 to 30%.

Elements for determining the coefficient of work are: the necessary qualifications, level of complexity, the working conditions under which such operations are principally engaged in, responsibility for the work and other elements essential to the evaluation of a particular job.

The performance of the employee is expressed in relation to the norms - standards of work, and plans and programs of work.

The employee must be informed in advance of standards - standards of work, and plans and programs of work, the criteria for determining performance and stimulating part of salary which he belongs on that basis.

If you have not established norms - standards of work, and plans and programs of work is considered to be employed full time, full time or equivalent to full-time achieved an average performance.

An employee is entitled to compensation earnings during downtime of work occurring through no fault of the employee in the amount of 70% of the basis for a fee, what is average wages earned in the previous half-year. The fee may be paid maximum six months in a calendar year and can not be lower than the height of the minimum wage in Montenegro.

What's new in CA for Textile, leather and pharmacy industry

- The employer pays the employees redundancy upon retirement in the amount of not less than two average net wage in Montenegro, in the year preceding payment.
- The severance pay referred shall be paid on the day of retirement, but not later than 30 days from the date of termination of employment.
- An employee may be paid anniversary award for work with the same employer, in accordance with the collective agreement with the employer, or the general act of the employer.
- In case of death of the employee, to his immediate family employer provides assistance to the amount exempt from taxation on personal income, according to the law.
- In case of death of an immediate family member of an employee, the employer provides the employee assistance up to the amount exempt from taxation on personal income, according to the law.

What's new in CA for Textile, leather and pharmacy industry – WORK INJURY



MINOR VIOLATIONS OF THE OBLIGATION ARE:

- 1) violation of working time;
- 2) not clear or unconscientiously keeping of official documents or data that dent have character confidential;
- 3) unexcused absence from work for two days in a row or two working days within six months;
- 4) non acting with regulations on safety at work;
- 5) other injuries proposed with BCA, CA on employers level, employment contract.

SERIOUS VIOLATION OF THE OBLIGATIONS ARE:

- 1) failure to perform to consciously, untimely or negligent performance of work duties, or if the employee unreasonably refuses to enforce the obligations stipulated in the employment contract;
- 2) improper disposal of entrusted funds;
- 3) abuse of authority or power;
- 4) disclosure of business secret established by an act of the employer;
- 5) violation of duties, which has serious consequences for the employer;
- 6) the psychological abuse or humiliation of another employee, with the aim of compromising his reputation, personal dignity and integrity (mobbing);
- 7) if negligent refers to the property of the employer or property damage have caused large-scale established by an act of the employer; and
- 8) other injuries proposed with BCA, CA on employers level, employment contract.

What's new in CA for Textile, leather and pharmacy industry – Cancellation of Employment Contract



Employer can cancel employment contract in next cases: Short procedures without disciplinary proceedings

- 1) if the employee in employment or assignment to another position (job) gave false information relating to conditions of employment, or to perform other tasks;
- 2) if the employee without the knowledge of the employer, and contrary to the contract of employment, violated the rights and obligations of non competition;
- 3) unjustified absence from work for more than two consecutive working days, or five days with interruptions during the calendar year;
- 4) come to work in tense situation, drinking during work or use of narcotics, with the refusal of appropriate test to determine these facts by trained persons, in accordance with special regulations;
- 5) use and disposal of official car, machines and tools for working opposite act of the employer with whom the employee has previously familiar;
- 6) if he abused the right on leave for temporary incapacity for work, especially if the period of temporary disability was actually employed by another employer or if the employer fails to submit a report on temporary inability to work, either personally or through another person, within a five days of the date of this report;
- 7) if he injured protection on workplace regulation,;
- 8) abusive, indecent or insulting behaviour towards clients or employees;
- 9) if the employee without justified reason does not return to work within two working days after the end of unpaid leave, ie, within 30 days of the termination of the reasons for which they were suspended on the rights and obligations of work;
- 10) if the employee commits a criminal offense at work or in connection with the work
- 11) other cases determined by CA on employers level.

What's new in CA for Textile, leather and pharmacy industry - redundancy

Value of redundancy, is paid according to working time that employees spent with employer:

- $\frac{1}{2}$ of average net wage of employees in last 6 month, for each year of work with employer, for first 10 years spent at this workplace of $\frac{1}{3}$ of average net wage in Montenegro if that is better for employees;
- $\frac{1}{3}$ of average net wage of employees in last 6 month, for each year of work with employer, for each next work year after 10 years spent at this workplace of $\frac{1}{3}$ of average net wage in Montenegro if that is better for employees;
- redundancy can't be lower than three average net wage on state level;

What's new in CA for Textile, leather and pharmacy industry

– TRANSITIONAL AND FINAL PROVISIONS



- This CA is signed on period of 2 years - It was unspecified period;
- Both of two side that signed this CA can ask for changes and amendments of this CA;
- 5 months before this CA is ended both side have obligation to start negotiation for new CA;

Necessary steps in improvement of TCL sector

- Situation in Montenegro – low number of medium and big companies, higher number of micro and small companies;
 - Make business environment more comfortable for investments in this sector;
 - Harmonization of existing education system with the needs of market;
 - Reducing of grey economy!
 - Better networking among micro and small companies;
 - Better regional cooperation;
 - Keep good relation of social partners and improvement of social dialog...

FOR THE END, SOCIAL PARTNERS OPINION

MEF

Social dialogue and its implementation in the country, along with compliance with legislation, can contribute to economic development and progress of society as a whole. It is a tool that upholds the creation of business environment supportive to new businesses growth, sustainability and investments. For that reason, the main interest of social partners – on both bipartite and tripartite level – has to be based on agreement, compromise and best possible solutions.

Projects implemented by social partners focused on strengthening social dialogue in certain sectors through examples of good practices in bipartite negotiations in EU countries (Slovenian example is very interesting and useful for Montenegro) additionally point to necessary steps Montenegro is to take towards implementing European social dialogue model in certain sectors. Transfer of knowledge and experiences of EU member states contributes to the development of textile industry in Montenegro

TRADE UNION

Despite negative trends in textile and leather production in Montenegro, there is a great potential for future recovery and development in this area. In order to achieve this we have to join forces and influence decision makers so that a more favourable environment for enterprises in this sector is created. This should be the main goal of social partners when providing clear guidelines for recovery and development of the sector.

One of the main rules of social dialogue is that employers and workers associations are considered partners and not enemies. Joint consultations of social partners, formal meetings, exchange of experiences and suggestions can only contribute to strengthening this partnership. In the coming period, social partners in Montenegro should work more intensely on adapting and aligning social dialogue to EU standards thus promoting further development of their organisation in the process of EU accession.



THANK YOU FOR YOUR ATTENDTION!



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