



SSD-SMM: Strengthening social dialogue in the retail, food-processing and agriculture sector in Slovenia, Macedonia and Montenegro





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The publication can be obtained free of charge from: www.zds.si, <http://www.poslodavci.org/> and <http://orm.org.mk/>.

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1. ABOUT THE PROJECT

SSD-SMM: Strengthening social dialogue in the retail, food-processing and agriculture sector in Slovenia, Macedonia and Montenegro (December 15, 2011 - December 14, 2012)

The project SSD-SMM: Strengthening social dialogue in the retail, food-processing and agriculture sector in Slovenia, Macedonia and Montenegro is a part of a category Support to European social dialogue and is co-financed by the European Union.

The aim of the project SSD-SMM is:

- to promote the implementation of the Acquis Communautaire in the area of social dialogue in the FYR Macedonia and Montenegro,
- to increase the awareness and understanding of employers and workers representatives of European Social Dialogue,
- adaptation of social dialogue to changes in employment and work and related challenges, such as modernisation of the labour market, flexicurity, skills, quality of work and decent work,
- Strengthening the capacity of social partners in Slovenia, Macedonia and Montenegro to contribute so European Social Dialogue.

The main outcome of the project will be improved expertise in the field of European Social Dialogue in the involved countries (Slovenia, Montenegro and Macedonia). The involved employers' organizations, their branch associations in the agriculture, food-processing and retail, their members as well as their trade union partners will increase their expertise and hand on knowledge in this field by the exchange of experiences and know-how in workshops, meetings, the study tour, panel discussions and other national activities, the jointly drafted publication and at the conference.

The expected deliverables of SSD-SMM are:

- A publication on social dialogue in the agriculture, food-processing and retail sector in Macedonian and Montenegrin websites on (European) social dialogue, changes in employment and work, modernisation of labour market,
- 4 national workshops on European social dialogue in the agriculture and food-processing and retail sector in Macedonia and Montenegro,
- 3 panel discussions on social dialogue and the modernisation of the labour markets,
- Study tour visiting social partners representatives in the retail, food-processing and agriculture sector in Slovenia (best practise, workshops, meetings),
- Final conference on European social dialogue in retail and agriculture.

Project partners: ZDS - Association of Employers of Slovenia, ORM – Organization of Employers of Macedonia, UPGC – Montenegrin Employers Federation, SRTM – Trade Union of the Workers in Trade in Macedonia, AgroSindikar – Trade Union of Workers from the Agro-industrial complex, SSCG – Confederation of Trade Unions of Montenegro, TZS – Slovenian Chamber of Commerce, ZZS – Co-operative Union of Slovenia, SDTS – Union of Trade of Slovenia, KŽI – Trade Union of Agriculture and Food Industry of Slovenia, COGECA – Committee of Professional Agricultural Organizations, EuroCommerce – The Retail, Wholesale and International Trade representation to the EU.

2. EUROPEAN SOCIAL DIALOGUE¹

The term social dialogue is mentioned in primary EU law in the Treaty on the Functioning of the European Union (TFEU). Article 152 TFEU states: “The Union recognises and promotes the role of the social partners at its level, taking into account the diversity of national systems. It shall facilitate dialogue between the social partners, respecting their autonomy.” Articles 154 and 155 TFEU further provide a procedure that combines the consultation of the social partners by the Commission with the option to leave social regulation to bipartite agreement between management and labour organised at European level.

Article 154(2) states that “before submitting proposals in the social policy field, the Commission shall consult management and labour on the possible direction of Union action.” Article 154(3) states that “if, after such consultation, the Commission considers Union action advisable, it shall consult management and labour on the content of the envisaged proposal. Management and labour shall forward to the Commission an opinion or, where appropriate, a recommendation.”

Article 155(1) provides the procedure for EU-level social partner agreements, stating that “should management and labour so desire, the dialogue between them at Union level may lead to contractual relations, including agreements.” In the course of the consultation, the social partners also address the question posed by Article 154 (4) TFEU: whether they wish to initiate the process provided for in Article 155 TFEU – the bipartite social dialogue – which may lead to contractual relations, including agreements. Article 155(2) states that “agreements concluded at Union level shall be implemented either in accordance with the procedures and practices specific to management and labour and the Member States or, in matters covered by Article 153, at the joint request of the signatory parties, by a Council decision on a proposal from the Commission.”

The forms and content of the responses of the social partners in this consultation phase may be very different. The Commission suggests that the “formal consultation of the social partners provided for in Article 154(3) TFEU may lead to the adoption of opinions, recommendations or agreement-based relations (including agreements) within the social partners’ sphere of competence”. If the social partners ask to deal with the issue by bipartite social dialogue, known as the autonomous route, the Commission will suspend its legislative initiative. An autonomous agreement is guided by the principle of subsidiarity, empowering national affiliates with the task of implementing such an agreement in line with national procedures and practices. Alternatively, Article 155(2) TFEU allows social partners to request that the Commission take a proposal to the Council, which leads in practice to implementation by Council directive, including all legal consequences specific to the instrument of a directive. However, should the social partners fail to reach an agreement, a fallback position exists which allows the Commission to address the issue via the normal legislative procedure, as famously occurred in the case of the European Works Council Directive in 1994.

Notions of European social dialogue

The European social partners use a very narrow definition, since they reserve the notion of social dialogue for their bipartite, autonomous work. Whenever European public authorities are involved, the social partners prefer to speak of tripartite concertation.

¹ Source: Eurofound

<http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/europeansocialdialogue.htm> and <http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/europeansocialpartners.htm>

Eurofound, the European Foundation for the Improvement of Living and Working Conditions, is a European Union body, one of the first to be established to work in specialised areas of EU policy.

The European Commission sees social dialogue as encompassing both the bipartite and the tripartite processes between the European social partners themselves and between the two sides of industry and the Commission. These processes are rooted in Articles 154 and 155 TFEU and may lead to legally or contractually binding agreements. At European level, social dialogue takes two main forms: a bipartite dialogue between the European employers and trade union organisations, and a tripartite dialogue involving interaction between the social partners and the public authorities.

Key dates in the development of European social dialogue

1985	First meetings of the social partners at Val Duchesse (Belgium) at the invitation of Jacques Delors
1986	First formal recognition of European social dialogue by insertion into the EC Treaty by the Single European Act 1986 of a new Article 118B EC
1991	Social partner agreement on the basic principles of social dialogue (taken up by the Treaty of Maastricht)
1993	The Maastricht Treaty of the European Union included a protocol incorporating an Agreement on Social Policy, the result of negotiations between the European social partners. The agreement, adopted by all 11 Member States with the exception of the United Kingdom, outlined the procedure for European social dialogue.
June 1996	Adoption of Council Directive 96/34/EC of 3 June 1996 on the framework agreement on parental leave concluded by UNICE, CEEP and ETUC.
June 1997	The signing of the Treaty of Amsterdam resulted in the Agreement on Social Policy being incorporated into a revised Social Chapter of the EC Treaty.
December 1997	Adoption of Council Directive 97/81/EC of 15 December 1997 concerning the framework agreement on part-time work concluded by UNICE, CEEP and ETUC.
June 1999	Adoption of Council Directive 1999/70/EC of 28 June 1999 concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP.
December 2001	European social partners' declaration on social dialogue, which defines the conceptual differences between tripartite concertation, consultation and social dialogue
2002	A framework agreement on telework was signed by the European social partners in 2002.
2004	A framework agreement on work-related stress was signed by the European social partners in 2004.
2007	A framework agreement on harassment and violence at work was signed by the European social partners in 2007.
December 2009	Coming into force of the Treaty on the Functioning of the European Union (TFEU), which elaborates on the European social dialogue in articles 152, 154 and 155 TFEU
2010	A framework agreement on inclusive labour markets was signed by the European social partners in 2010.

Intersectoral social dialogue

According to the Commission's definition, intersectoral "covers the whole economy and labour market" and its 'purpose is to promote dialogue between trade unions and employers' organisations in key areas common to all fields of employment and social affairs'. The existence of the Social Dialogue Committee (SDC) is central to this process. Founded in 1992, the SDC brings together employee representatives (ETUC, Eurocadres and the European Federation of Executives and Managerial Staff) and employer bodies (BUSINESSEUROPE, UEAPME and CEEP) to discuss key employment-related issues. The social partners have produced a number of notable intersectoral agreements, which were either transposed via directives or via the autonomous route. These include:

- Council Directive 96/34/EC of 3 June 1996 on the framework agreement on parental leave concluded by UNICE, CEEP and ETUC. In 2009, the European social partners agreed on a revision of the parental leave agreement (EU0907029I).
- Council Directive 97/81/EC of 15 December 1997 concerning the framework agreement on part-time work concluded by UNICE, CEEP and ETUC.
- Council Directive 1999/70/EC of 28 June 1999 concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP.
- A framework agreement on telework was signed in 2002. This was the first time that the signatory parties implemented an agreement in accordance with the procedures and parties specific to the social partners in the Member States.
- A framework agreement on work-related stress (2004).
- A framework agreement on harassment and violence at work (2007).
- A framework agreement on inclusive labour markets (2010).

Sectoral social dialogue

European sectoral social dialogue is an instrument of EU social policy and industrial relations at sectoral level. It consists of negotiations between the European trade union and employer organisations of a specific sector of the economy. The Commission, in its Communication on “The European social dialogue, a force for innovation and change”, has expressed the view that the sectoral level ‘is the proper level for discussion on many issues linked to employment, such as working conditions, vocational training and industrial change, the knowledge society, demographic patterns, enlargement and globalisation’ (COM (2002) 341 final of 26 June 2002). For this reason, the Commission is committed to establishing more committees in order to ensure that all the main sectors are covered. In February 2012, there were 41 sectoral social dialogue committees, which have produced a variety of joint texts and agreements, covering over 6 million companies and 145 million workers in a range of sectors.

European social partners

“Social partners” is a term generally used in Europe to refer to representatives of management and labour (employers’ organisations and trade unions). The term “European social partners” specifically refers to those organisations at EU level which are engaged in the European social dialogue, as provided for under Article 154 and 155 of the Treaty on the functioning of the European Union (TFEU). Primary Union law for the first time refers to the notion of ‘social partners’ in Article 152 TFEU:

“The Union recognises and promotes the role of the social partners at its level, taking into account the diversity of national systems. It shall facilitate dialogue between the social partners, respecting their autonomy.”

The identification of organisations to be included in the category of European social partner raises potential difficulties. Although the current TFEU Treaty never uses the word “representativeness”, the European Commission has clearly been drawn to this criterion for identifying the relevant organisations of management and labour. The question of the representativeness of the social partner organisations at European level is fundamental as it constitutes the basis of their right to be consulted by the Commission under the article 154 of the Treaty.

In its “Communication concerning the application of the Agreement on Social Policy²” (COM (93) 600 final, Brussels, 14 December 1993), the Commission set out criteria for the representativeness of organisations and these are still valid today. According to the Commission, organisations should:

- be cross-industry or relate to specific sectors or categories and be organised at European level;

- consist of organisations, which are themselves an integral and recognised part of Member State social partner structures and with the capacity to negotiate agreements, and which are representative of all Member states, as far as possible;
- Have adequate structures to ensure their effective participation in the consultation process.

The Commission regularly publishes a “list of European social partner organisations” which, in the Commission’s view, comply with these criteria and, therefore, are consulted by the Commission under Article 154 of the TFEU treaty. According to the Commission’s 2010 report on the European sectoral social dialogue, the list includes 86 organisations (of which 79 are sectoral organisations) and is divided into five groups:

- general cross-industry organisations (CEEP, ETUC, BusinessEurope);
- cross-industry organisations representing certain categories of workers or undertakings (Eurocadres, UEAPME, CEC);
- specific organisations (Eurochambres);
- sectoral organisations representing employers (62 organisations); and
- sectoral European trade union organisations (17 organisations).

The European Social partners are either engaged in sectoral social dialogue or in cross-industry social dialogue. In these cases, representativeness is not based on the criteria mentioned, but in the “mutual recognition” between the social partners on their capacity to engage in collective bargaining.

3. SOCIAL DIALOGUE IN SLOVENIA

History

The heritage of the former economic system as well as the circumstances of political and economic transition in the 1990s shaped the industrial relations environment that enabled the existing scope and content of social dialogue in Slovenia. Although both trade unions and employer organisations have a long tradition in Slovenia, it could be said that industrial relations started to assume their contemporary form only after the break with the communist regime. Constitutional and legal changes in 1989, which fundamentally changed the nature of the employment relationship, are a crucial point in the development of industrial relations in Slovenia (Vodovnik, 1999).

The Law on Basic Rights of the Employment Relationship replaced the so-called »associative« employment relationship with one based on the contract of employment. The 1989 law also contained the first legal regulations concerning collective bargaining and collective agreements (Skledar, 2002). In the 1990s new actors emerged in Slovene industrial relations and started to perform the new, previously non-existent roles of social partners. The change of economic and political system caused the reform of previously existing organisations and formation of new ones.

Trade union pluralisation was a consequence of the process in which some parts of the old trade union seceded from it and of the formation of new organisations.

Stanojevic (2003) establishes that ideological and political splits among Slovene trade unions in the early 1990s were, by the end of the 1990s, replaced by ideologically more neutral new groupings (based on the interests of employees in private industry and public services). New social partners were gaining power during the 1990s. According to Stanojevic (2004) the system of industrial relations that was established in the 1990s was

characterised by: strong trade unions, centralised organisation of employers, a system of centralised collective bargaining and institutionalised tripartite communication (that presupposed openness of the government to the dialogue with social partners). Both the analysts and all actors of social dialogue unanimously consider that social dialogue in 1990s in Slovenia was a successful and a good basis for a successful transition to the market economy.

Legal framework

The legal framework of the industrial relations system in Slovenia is changing. The most important of these changes was the adoption of a new Law on Collective Agreements (LCA). It was in preparation for almost 10 years and it changed the position of employer associations with compulsory membership in collective bargaining and introduces a voluntary system of collective bargaining based on autonomous employer organisations and trade unions with voluntary membership. The LCA stipulates the following: the parties in collective agreements; the content; the procedure for conclusion; the form of agreements; the validity and cessation of agreements; the peaceful resolution of collective labour disputes and the recording and publication of agreements.

The current rules on trade union representativeness are based on the Law on the Representativeness of Trade Unions (LRTU), which has been in force since 1993 (Skledar, 2002).

Tripartite dialogue and Economic and Social Council

Social partners in Slovenia cooperate at national level in the Economic and Social Council (*Ekonomsko Socialni Svet*, ESS). ESS was established in April 1994 by a tripartite agreement on pay policy in the private sector as a central body for tripartite cooperation in Slovenia. Currently the ECS operates according to commonly adopted rules and not on legislation. During the 11 years of its existence, ESS has contributed to the successful implementation of basic economic and social reforms and the process of transition. The consultative function of ESS is realised through its activity in the preparation of legislation and other documents (such as social agreements and pay policy agreement) and giving opinions on working and draft documents that are relevant to the scope of ESS work: industrial relations; conditions of work; labour legislation etc. and broader issues affecting workers; employers and government policy. ESS discusses all reports or documents that in international/EU practice demand the opinion of the social partners. The ESS has 21 members (7 representing each of the three parties) and adopts its decisions unanimously. In case of differences in opinions, these are reported. ESS has working groups (members are representatives of all three parties, and sometimes independent experts) that contribute to resolving of issues on the ESS's agenda (e.g. drafting of law proposals, evaluating reforms of social security system and various tripartite agreements). Although ESS opinions and suggestions are not legally binding, they are taken into account in discussions and decision-making. The administrative costs of the work of ESS are covered from the state budget.

The main social actors agreed that social dialogue is the precondition for successful joint and individual actions. Thus social partners conclude 'social agreements' that cover important social and economic topics such as employment and unemployment policies, income policies, tax reforms, social policies, living and working conditions. The first social agreement was signed in 1995.

Besides the ESS, there are other institutions whose governing bodies have a tripartite or 'multipartite' structure, or include employers' and trade union representatives. The most important are those running social security schemes, such as agencies for employment and unemployment insurance, pensions and disability insurance, and health insurance. One of the bodies with a multipartite structure is the National Council (NC). According to the Constitution of the Republic of Slovenia, the NC is the representative body for social, economic, professional and local interests and has 40 members including four representatives of employers and four representatives of employees. The strongest power of NC is its right to require the National Assembly to reconsider a law prior to its promulgation. It can also convey to the National Assembly (NA) its opinion on all matters within the competence of the NA (Skledar, 2002b).

Bipartite social dialogue

The present collective bargaining structure in Slovenia is fairly centralised and inclusive. There are three levels of collective agreements in Slovenia: general agreements (for public sector); sectoral agreements and agreements for certain professions (in public sector e.g. doctors and journalists or agreements at the level of company (except for micro employers – up to 10 employees).

The sectoral agreements are negotiated by sectoral trade union organisations and corresponding employers' associations (Stanojevic, 2001).

Unlike many other countries in EU (both old and new members) the bargaining coverage rate in Slovenia is high. Almost the total labour force is 'covered' by the provisions of collective agreements. The only two categories of employees that are not covered by collective agreements in Slovenia are managers (who have individual contracts) and higher administrative employees in the state administration and the administration of municipalities. (Skledar, 2003).

4. CURRENT ECONOMIC SITUATION AND STATE OF PLAY IN SOCIAL DIALOGUE IN RETAIL, FOOD-PROCESSING AND AGRICULTURE SECTOR

4.1. Macedonia

Macedonia Statistics

In Macedonia the total population is over 2 million, from which 61% are men and 39% are women. The number of total employees is over 650 .000 from which, 60% are men, and 40% are women. The rate of unemployment is around 31.7%. The Average gross wage is around 490 EUR, and the net wage 334 EUR (2010 year) , whereas the Minimum wage is 130 EUR (2011)-regulated by law .

Macedonia is facing the following economic problems: Unemployment, Economic problems: Low living standards, Increasing poverty, high rate of unemployment, relatively low economic growth.

But each day, the business environment is getting better, and according to the World Bank, among 183 countries, Macedonia was ranged on the 22nd place in 2012, as a country of business leadership. Macedonia is ranged on a higher level than 19 EU members. The regulatory guillotine is implemented in three stages, where

most of the regulations are simplified with the administrative procedures on behalf of the business and the citizens.

The employers require equal conditions for all of the investors (foreign and from our country as well). At the moment, the conditions for the investors from abroad are more pleasant than for those from our country, and the main reason is attracting foreign investors.

The fact that Macedonia is a candidate country for EU membership and that it expects negotiation date is very important. EU Membership negotiation process for Macedonia will mean finalization of the approaching process, adoption of its benefits and complete adjustment of the Macedonian institutions to the way of working of the Union's institutions.

The negotiations present, basis formulation and preparation for further success for the membership of Macedonia in EU.

Social Dialogue in Macedonia

In Macedonia, the large companies and the companies with foreign capital are focused on the social dialogue. This is because the large companies on the one hand have large number of employees and must pay attention to the relations with the employees, and on the other hand, the foreign employers have an experience in social dialogue practicing from the countries from which they are coming. The employers of the small companies neither are interested in social dialogue, nor have the intention to become members of some of the associations of employers, because the collective agreements may provide more rights of the employees from those which are proscribed in the Labour Code and the General Collective Agreement.

The Labour Code is legal framework for social dialogue functioning on a bipartite and tripartite level in Macedonia. The law regulates the rights for Organizations of employers' foundation and Trade unions. It provides the basis for Economic and Social Council establishment. In August, 2010, the government of the Republic of Macedonia and the representative trade unions (federation of trade unions of the private sector and the trade union of the public sector) and the representative Organization of Employers of Macedonia (OEM) have signed an agreement for ESC establishment. The first ESC is founded in 1996. However, because of the emergent situation in the Labour Code area in the course of 2010, ESC determined the representativeness of the social partners and new agreement for ESC was signed.

The successfulness and the acting of the social partners depend on the number of accepted suggestions and proposals, adopted in consensus of ESC.

According to that, OEM with the proposed amendments of Labour Code through ESC for improving the working conditions and enlargement of the appliance of Labour Code and the acceptance of the amendments in the law have confirmed that we are on the right path for policy creating which are enabling the conditions for economy in each country.

It's up to them, to what extent our companies will be concurrent on the domestic and on the foreign market. The results form that market competition is felt not only by the employers, but from the employees as well.

The road of building and development of the social dialogue is neither easy nor can be achieved overnight. As a matter of fact it requires gradual, focused and persistent capacities strengthening on the social partners, but it also requires mutual trust.

OEM and the Federation of Trade unions (both are representative) are contractors of the General Collective Agreement for the private sector, which is mandatory for the whole sector in which the degree of complexity of jobs, payments for overtime work, payments for holidays, night work payment and etc. are regulated.

In the last 6 years, the branch associations of OEM and the representative branch associations of Trade Unions have signed 9 Collective Agreements, and one of them is ongoing.

These are the following branches for which Collective Agreement is signed: tobacco industry, textile industry, leather and shoe making industry, hotels, restaurants and cafeterias –HOTAM, associations for employment of disabled persons, chemical industry , agriculture and food processing industry, banking activities . The collective agreement for energy is ongoing.

The condition in the sector of agriculture and food processing industry and in the retail sector

The agriculture (including the fishing and hunting, wood processing) is the third biggest economic branch, after the services and the industry.

In 2008, the agriculture, hunting, silviculture and fishing participation in the total gross added value is 10%. This means that, unlike the developed countries, in Macedonia the share of agriculture in the total GDP is still on a high level.

In the period from 2005-2010, average growth of services is being registered (5% annually), while the agriculture and food processing industry over 3 %. Thereto till the end of 2010, the services sector was about 30 % higher than the one in 2005, until the value added in agriculture and industry has grown up for 13% in a period of 6 years.

In 2010, there were about 630 thousands employees in Macedonia with average rate of employment of 43.5%. This rate is very low in comparison with the average rate of employment in EU-27 of 64.6% in 2009 (target rate of employment of 75%), as well as in comparison with the rate in Bulgaria – 62,6 % of Croatia – 55,6 %.

If we look at the employment structure in Macedonia we will see that unlike the industry from 2007 till today, there is a slight decreasing, and in the services – certain growth of the employees, while in the agriculture the number of employees is almost constant and it is around 19 % from the total number of employees.

Structure of employment in Macedonia (workers in the age of 15-74)

	2005	2006	2007	2008	2009	2010
Employment Sector						
agriculture	19.5	20.1	18.3	19.7	18.5	19.3
industry	32.3	32.6	31.3	31.3	29.7	28.9
services	48.2	47.3	50.4	49.1	51.7	51.9
Economic status						
Employed	71.9	70.8	72.3	71.8	72.0	71.5
employer	5.7	5.9	5.5	4.9	5.2	5.4
Self-employed	12.0	12.4	12.1	12.9	12.7	13.1
Family worker	10.4	10.9	10.1	10.3	10.2	10.1
Properties						
private	62.3	66.1	69.0	71.4	73.7	73.7
other	37.7	33.9	31.0	28.6	26.4	26.3

The agriculture have significant contribution in the foreign trade in the period from 2000-2005 the relative share from the export of the agricultural and fishing products in the total trade was between 16 and 19%. (17.4% in 2005).

Still our country is still food net importer as well as for other agricultural products (15 % from the total import in the period of 2004-05). Although in 2005, the difference was reduced with the tobacco and whine export expanding, in the last years it came to increasing of the agriculture trade deficit.

The total area of Macedonia is around 25.713 km square from which 6% of the land is mountainous with many valleys. The hills cover around 80% from the total land surface of Macedonia, and around 19% planes and only 2 % of natural lakes. The agricultural land disposes with 688.000 ha pasturages (55.6%)

The structure nowadays, of the agricultural farms in the Republic of Macedonia is created in the period of 1990 and it is characterized with large number of small private firms (individual sector) which covers 80% of the whole agricultural land and limited number of bigger agricultural firms and 20 % of them are processing the land. In the period of transition, as a result of the bankruptcy procedure and the liquidation procedures for some bigger agricultural combines it came to further assets partialness. In addition in the past, the surface of the processed land which could have been owned by a private person was limited. This restriction together with the procedure for inheritance resulted with high degree of private firm fragmentation.

The tobacco industry association and the agriculture and food industry within OEM as a representative social partner, and the Agro Trade Union have signed Collective Agreements for the tobacco industry, agriculture and food-processing industry. In each agreement they have agreed a minimum wage which in the three sectors is higher than the minimum wage on a national level.

Other characteristic of this sector is that it employs many season workers. With the Law on working relations this workers have the same rights as the workers from the industry and services. Because of the works' character which the workers have been doing, often they are employed as undeclared and no one pays them the revenues for social insurance. Therefore, in the future, OEM together with the Trade Unions will work on the proposal drafting for amendments on the Labour Code, by which the workers will gain certain employment conditions for realization of their own working rights.

Retail Sector

In the retail sector, in the period of 20 years, of small enterprises with only few employees, they became large Associations. One of those rear big firms is Makpetrol AD –Skopje. There were many foreign investments which have contributed to make more companies of this type, but in comparison with the rest they are in small number. In the retail sector there are 29,270 enterprises from total 70,710 which present 41.4 %.

Number of employees	Enterprises	Percentage of total number of employees in the retail sector
Not more than 10 employees	26.326	89,90
from 10- 19 employees	619	2,10
from 20- 49 employees	275	1,01
from 50- 249 employees	96	0,32
over 250 employees	9	0,03
0 employees	1945	

In the trade sector the number of total employees is 97,761 from which 90,429 are retail and from the wholesale are 6,332 employed persons.

In accordance with the abovementioned structure of the small enterprises which have no more than 10 employees and represent 89.9 % from the total number, they don't have interest and capacity to become members of the retail association of OEM.

These enterprises have been founded in the collapsing period of many larger combines. In that period they represented the minimal existence of the people but their living means maintenance of the social peace on the Earth.

The biggest trade associations are members of the retail assembly of OEM. The association itself is funded thanks to the project activity in the development of the capacities of the association regarding the knowledge building and the increasing of the negotiations. We expect that the experiences that we had so far from the workshops and the study tour in Ljubljana within the project will help us to strengthen the capacities of the Retail trade union in Macedonia , so that they can become a decent partner for collective bargaining.

4.2. Montenegro

Basic economic indicators

In the first part of this paragraph MEF will provide all information about current economic situation in Montenegro. Here is very important at the beginning to point out that Montenegro reached a big improvement on economic filed after the 2006. Also having in mind that Montenegro done a lot of reforms on the EU accession process business environment is better and that factor also indicate improvement in Montenegrin economy. But in the last few years influence on Montenegrin economy of economic crises is big. First table show data for basic economic data for Montenegro for 2011.

Table: Basic economic indicators Montenegro

INDICATORS	2010	2011
GDP (EUR MILLION)	3.104,0	3.273,0 ²
GDP GROW	2.5%	0.5% ³
INFLATION	0.5	3.1
AVERAGE SALARY IN EURO	715	722
AVERAGE SALARY WITHOUT TAXES AND CONTRIBUTIONS IN EURO	479	484
UNEMPLOYMENT RATE	19.7	19.7

Source: MONSTAT, www.monstat.org

Like it can be seen from the table economic situation in Montenegro is improved in several past years. But currently there are lot of problems especially in a field of SMEs. According to last data of Central Bank of Montenegro huge amount of the SMEs are blocked (about 15.000 SMEs) and lot of companies is closed. So, on

Projection of Ministry of Finance for 2011²

Projection of Ministry of Finance for 2011³

the one side Montenegro reached big improvement in a field of living standard but on the other side economic crises bring other problems. In the previous period services sector in Montenegro reached a big grow especially retail sector and tourism. These are strategic important sectors for Montenegro like very interesting tourist destination.

Current situation in agriculture and food industry sector

According to % in GDP sector, agriculture, fishing and hunting, wood processing in 2010 participate with 7.7%.

Table: Economic indicators for sector agriculture, fishing and hunting, wood processing

INDICATORS	2010	2011
GDP %	7.7	N.A.
AVERAGE SALARY IN EURO	841	903
% OF TOTAL EMPLOYMENT	6.2%	5.5%

Source: MONSTAT, www.monstat.org

According to last agriculture census total number of Agricultural holdings in Montenegro in 2010 was 48,870. Number of Family agriculture holdings is 48824, and number of business entities was 46. Family agriculture holdings and businesses listed in the Census of Agriculture 2010th year had a total of 309,240.7 hectares of land available. Census included 48,824 family farms with a total of 294,400.7 hectares of utilized agriculture land, which is 95.2% of the total area of land available. Average family farming household has 6.0 ha of land available. Total of 48,277 farms with an area of 221,297.6 ha of utilized agricultural area makes 71.6% of the total area of land available. Average farming household has 4.6 hectares of utilized agricultural area.

In past several years agriculture sector in Montenegro record decline in all relevant indicators. Like main reason for that we can name just few problems. First and most important problem is small intervention of the State, small agriculture budget, small substances for producers. Also, big problem for the agriculture sector in Montenegro is huge price of the primary products necessary for the further production.

Also, this sector in Montenegro employs many season workers. Because of this many foreign workers in Montenegro is in summer employed in this sector. The biggest part of season workers are employed during the summer in the biggest company 13.Jul Plantaze, which is the biggest exporter of good from Montenegro.

Current situation in retail sector

Regarding to retail sector it is obvious that this sector in Montenegro participate with the biggest share in domestic GDP. This data show that this is most important sector for Montenegrin economy and that this sector record grows from year to year.

Table: Economic indicators for retail sector

INDICATORS	2010	2011
GDP %	12.2	N.A.
AVERAGE SALARY IN EURO	444	466
% OF TOTAL EMPLOYMENT	22.5%	23.6%

Source: MONSTAT, www.monstat.org

After 2006 and after many changes in Montenegrin economy services sector become one of the most important sectors. Because of that retail become most important part of Montenegrin economy. Regarding to that, it is obvious that retail sector in Montenegro growing from year to year. There are not just domestic companies there are also big foreign companies witch recognized Montenegro like significant market for business development.

If we analyze domestic trade development total number of retail shop in Montenegro in 2011.was 4.025 and it reach grow comparing with the 2010.year. On the other side number of employees in wholesale in 2011 were 16.509 and decreased comparing to 2010 by 0.9%. Also, analyzing turnover in retail trade it is obvious that 2011.was very successful. Total turnover in 2011 compared with 2010 increased for 24%. And also, turnover in wholesale trade increase in that period for 6%.

In the next part of this chapter it will be described most important problems, role of social dialog and measure for improvement in both sectors.

Social dialogue in Montenegro

Social dialogue in Montenegro is performed on tripartite basis (Government of Montenegro, representative employers'association, representative trade union associations), as well as on bipartite basis (on one hand – „trade unions“, and on the other – „employers“).

According to Law on Social Council (2007), the national Social Council has been established, having role of the highest institutional framework for tripartite negotiations between social partners – the Montenegrin Government, representative employers' and trade union's associations, i.e. their official representatives. The Social Council comprises 33 members, which means 11 Government's officials, 11 officials from representative employers' association side (Montenegrin Employers' Federation) and 11 officials from representative workers' associations (6 officials from Confederation of Trade Unions of Montenegro and 5 officials from Union of Free Trade Unions of Montenegro).

Social Council is also recognized in the articles of the Montenegrin Constitution (adopted at the Parliament Session in 2007): „*Social position of workers is coordinated in Social Council. Representatives of trade unions, employers and the Government are members of the Social Council.*“

Social Council considers and makes opinions on issues, such as development and promotion of collective bargaining, influence of economic policy and its enforcement measures on social development and stability of employment, wages and price policy; competitiveness and productivity; privatization and other issues in terms of structural adjustment; environment and working environment protection, education and professional training; social and health safety and protection; demographic movements and other issues of importance for achievement and promotion of economic and social policy.

During the last decade, several laws from the domain of labour and social legislation have been adopted, which are now adapted to the market economy conditions. Those are: Labour Code, Law on Employment and

Right for Protection from Unemployment, Law on Employment and Work of Foreigners, Law on Amicable Labour Disputes Resolution, Law on Professional Rehabilitation and Employment of Persons with Disabilities, and, of course, previously mentioned, Law on Social Council.

The creation of trade union's pluralism, both at the national (two trade union's associations) and the branch level (but not in all branches), needed also ratified representativeness, and at the same time the creation of necessary legal infrastructure, in particular - adoption of Law on trade union's representativeness in 2010.

Montenegrin Employers' Federation (MEF) is the only representative employers' association in Montenegro, whose status has been determined back in 2005, and whose members realize around 80% of the national GDP and employ over 65% of workers, which encompasses all branches of economic activity in Montenegro.

Labour Law recognizes three levels of collective agreements (general, branch and collective agreement within the employer).

At the national level, there is one General Collective Agreement (signed by all three social partners) and 17 branch collective agreements.

Collective agreements regulate wages, working conditions and relations, rights of trade unions and employers, as well as the procedures of correction, revision and conclusion of collective agreements. The content of those agreements is determined by Labour Law provisions.

Social dialogue in agriculture sector

Branch collective agreement for the agriculture, food and tobacco industry and water management industry was signed in 2004 by Independent trade union of agriculture, food and tobacco industry of Montenegro and the Committee of Association of agriculture, food and tobacco industry of Chamber of Commerce of Montenegro.

From then many changes occurred: adoption of the Labour Law in 2008 and its changes and amendments in the end of December 2011; latest changes and amendments of the General Collective Agreement in 2011 and prolongation of its validity until 30th September 2012, and, above all, the change of social partner from the employers' side, i.e. „entrance“ of Montenegrin Employers Federation as voluntary, representative employers' association and the only employers' representative in social dialogue at tripartite and bipartite level.

In terms of bipartite social dialogue, representative branch trade union is still Trade Union of Agriculture, Food and Tobacco Industry of Montenegro, with representative status confirmed in the beginning of 2011.

Negotiations related to conclusion of Branch Collective Agreement for this sector, needed for alignment with provisions of Labour Law and General Collective Agreement, haven't started yet.

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 from Labour Law and General Collective Agreement provisions.

Having recognized agriculture as a strategic economic sector in Montenegro, Montenegrin Employers' Federation has founded MEF Committee for agriculture, food and tobacco industry in 2010, whose activities, beside analysing barriers and taxes, as well as conditions needed for strengthening of economic opportunities, are also issues related to social dialogue in this branch.

Social dialogue in retail sector

At the trade union's scene there are two trade union associations in this sector: Trade union of commerce of Montenegro and Trade union of workers in commerce of Montenegro. Nevertheless, insufficient level of organization of trade union activity of workers in this sector has led to the point in which neither of two

associations fulfil (even on the agreement basis) the condition related to the census for obtaining the representative status.

The Constitutional Court's Decision (No:9/11 from 29th May 2012) identified that Branch Collective Agreement for Commerce, signed in 2004 by Independent trade union of workers in commerce and the Committee of Association of Commerce of Chamber of Commerce of Montenegro, is not harmonized with the Constitution of Montenegro and Law, and decided its termination.

Montenegrin Employers' Federation expects that these branch trade unions will overcome the current situation and will encourage workers from the commerce sector to improve their position and use the existing institutions, which will contribute to strengthening of social dialogue through the legal instruments of the Branch Collective Agreement for the commerce sector, or collective agreements on the level of employer in the framework of bigger systems – commercial chains in Montenegro

Social partners are aware of the fact that the additional efforts and a good will should be put into social dialogue strengthening, especially at bipartite level, although the progress in social dialogue is visible lately as a result of the activities of the National Social Council of Montenegro, as well as of „awakening“ of some local social councils (the positive example can be the Local Social Council of Podgorica).

In addition, Montenegrin Employers' Federation has made agreements with social partners, which resulted in conclusion of national collective agreements:

- General Collective Agreement on Amendments of General Collective Agreement (in 2011);
- Branch Collective Agreement on Amendments of Branch Collective Agreement for Banks, Other Financial Institutions and Insurance (in 2009);
- Branch Collective Agreement for Tourism and Catering Industry (2011);
- Branch Collective Agreement for Construction Industry and Construction Materials Industry (2012);
- Branch Collective Agreement for Energy Industry, Processing and Trade of Coal, Oil Derivatives and Gas (2012).

Considering strong commitment of Montenegro to EU integration process, it is clear that the development of relations and high cooperation between Government, employers and trade unions (participants in social dialogue) is one of the basic issues that needs to be promoted in the future period and which should be a guarantee for the accomplishment of economic and social reforms. And, as a precondition for further development of tripartism, every country needs highly developed bipartism, which means direct dialogue between workers' and employers' representatives.

5. NECESSARY STEPS TOWARDS IMPLEMENTATION OF EUROPEAN SOCIAL DIALOGUE OUTCOMES IN THE PARTICIPATING COUNTRIES AND SECTORS

VELJKO BAOŠIĆ, PRESIDENT OF TU OF AGRICULTURE

“Social dialogue in Montenegro is still at the beginning of development. But we think that the thinks in Montenegro give an encouraging sign for future activities in this field and the implementation of the concept of European Social Dialogue.”

SONJA KNEŽEVIĆ, PRESIDENT OF TU OF TRADE

“Most needed at this time is to find a way to sign a collective agreement in trade sector. Today there is a big problem in the fear of employees when creating Unions because all the big employers in this field do not support the foundation of Unions. We need to improve cooperation with the Employers Federation in order to reach more efficient and faster solutions and bring all parties satisfied after the signing of the collective agreement in this area. At this moment, the Employers Federation needs to be a partner, for unions and for employers and to assist in resolving this situation.”

SUZANA RADULOVIĆ, GENERALY SECRETARY MONTENEGRIN EMPLOYERS FEDERATION

“Social dialogue in Montenegro in recent years has recorded strong growth. The fact is that in the trade sector firstly we have to solve the problem of trade union representation in order to start dialogue and the harmonization of the sectoral collective agreement. In the case of agriculture it is necessary to strengthen the cooperation between the social partners to sign SCA which will be in accordance with the provisions of the GCA's. MEF strongly supports this action through the work of MEF bodies (Committee for Agriculture) and trying to find the most efficient way to implement the provisions of the European Social Dialogue in Montenegro.”

6. NECESSARY MODERNISATION OF LABOUR MARKETS AND COLLECTIVE AGREEMENTS IN ORDER TO FACILITATE CREATION OF MORE AND BETTER JOBS

6.1. Macedonia

The Condition on the Labour Market

In compliance with the data there are some shortcomings on the labour market which are allocated in the following categories: Slow economic development and a low level of jobs creation, as well as low investments level; High unemployment rate, especially the youth , long-term unemployed persons; non-qualified work force , other jeopardized groups , Insufficient alignment among the educational system and the market labour needs; Insufficient efficiency and effectiveness of the usage of the labour market institutions and the presence of the informal economy.

Here is the picture of the employer's population on the age of 15 - 64 years: activity rate 64.2 %, employment rate 43.5 %, and unemployment rate 32 %.

In compliance with the National employment strategy 2015, the National action employment plan of the Republic of Macedonia 2011-2013 and the annual operational action plans of employment (in which OEM has took active participation through suggestions, addendums and proposal through the Economic and Social Council), the tendency of Macedonia till 2015, to increase the employment on 55%, and to reduce the unemployment.

The purposes of the employment policies are: Motivation for the labour market demand and alignment with the offer; Employment increasing; Women inclusion, other ethnicities and other jeopardized groups;

Enlargement of the efficiency of the labour market institutions and Increasing of the quality, productivity and security of the employees.

Policies in accordance with Europe 2020

These policies are directed towards:

- improving the business environment and competition strengthening,
- expanding the participation in the labour market
- decreasing of the structural unemployment
- alignment with the demand and the supply of the work force
- development of qualified work force and life-long learning
- improving the educational contributions and the training systems on each level,
- enlargement of the participation in the educational system especially in the area of tertiary education
- improving the social inclusion
- poverty fighting
- Ongoing action employment policies.

Action employment programs

- Direct employments (programs for self-employment, prolific agriculture and agricultural fields etc. , stimulation of employment (subventions)
- Trainings for familiar employer (training, re-training and further training), the employer is obliged after finishing the training to establish work relation with at least 50 % of the total number of unemployed persons included in the preparation for employment.
- The rest types of trainings are done in order to enlarge the employment through acquiring additional knowledge and skills which have tendency for expanded interests.
- Increasing the unemployed persons (trainings for familiar and unfamiliar employer in compliance with the labour market requirements , the practice and the volunteer work

Solutions

- Partner approach for policy creation and implementation;
- Multi-sectorial approach (macroeconomics, microeconomics, employment policies, educational policies, social inclusion and poverty fighting);
- Targeting the real conditions (short-term and long-term projection);
- Monitoring the needs of the labour market -what are the employers looking for?

Which are the most common barriers of the unemployed persons for job finding?

- Working experience ;
- practice
- additional knowledge and skills

The employers have pointed out that with the employment of high qualified person or person with university degree he/she must have the above mentioned requirements.

Regarding the requirements for special knowledge and skills which need to be on the list of the employment candidates, the employers have highlighted the requirement for speaking foreign languages (English, German,

Italian etc), usage of basic computer operations (MS Office, Auto Cad), as well as acquired advanced knowledge and skills in the information and technology area (service provider administrator, CISCO, Java programmer, Oracle). Thereto, the employers have pointed out the mandatory need for certificates of the finished are trainings.

Among the other skills it is stressed out that the requirement for communicational skills, ambitiousness, responsibility, trustfulness, preciseness, team-oriented working, skills for data collection, flexibility, sale skills, marketing management skills are also needed.

Also there are the measures against the informal economy; Policy implementation adequate to the terms and opportunities; International cooperation and sharing the experience.

6.2. Montenegro

According to national Strategy for employment and development of human resources 2012-2015 main weakness in a process of creating a new working places in the labour market in Montenegro are low economic grow, informal economy (disloyal competition), huge level of long-term unemployment, huge level of youth unemployment and also the discrepancy between labour supply and labour market needs. On the other side, besides the above mentioned weaknesses, threats that are currently characterized creation of new jobs in Montenegro are: reduction in the demand for labour force, lack of balance between flexibility and security, bad diversification of help of active measures and limited resources for active labour market measures.

However, like the biggest problem of the labour market in Montenegro we can identify structural mismatch between supply and demand of labour force. This problem manifests itself in three forms:

- There is a market demand for labour force of a certain profile, but the education system does not produce a sufficient number of such profiles, mainly due to lack of interest of students to be educated for these profiles;
- There is a market demand for labour force of a certain profiles and sufficient supply of these profiles, but vacancies are not filled;
- Labour market offer a certain profile, but there is not sufficient demand of the labour force of those profiles.

On the other hand, the great problem of the labour market in Montenegro is existence of large differences in the unemployment and employment rates in the different regions. Because of this reason this reason north of Montenegro, for years largely, is behind comparing with the central region and in the past few years behind the south - tourism region of Montenegro.

At the end there are two key problems at the labour market in Montenegro: huge employment in informal sector and a small investment in further education and training of all actors in Montenegro. But the informal economy is one of the leading problems in Montenegro. The informal sector employs in average 20 - 25% of the workforce.

Except negative factors there are huge numbers of positive facts that suggest the potential of the future improvement of the labour market in Montenegro, primarily in the context of job creation. As the most important positive factors we will include the following:

- Less taxation than in the most EU member states;

- Increased flexibility as a result of the reform of Labour Law;
- The potential for economic recovery from the economic crisis.

The situation analysis point out huge number of positive factors that mainly stimulate the labour market in Montenegro for additional reforms and creation of favourable environment for the future development of new jobs. Most important factors pointed in analyze are: potential grow of the economy and potential of Montenegro. Special emphasis must be placed on the service sector in Montenegro, which from year to year record a significant growth, and creates the potential for further creation of new jobs and improvement of the state at the labour market in Montenegro. In this regard, the tourism and trade are very attractive and a great potential for future development and job creation in these areas.

According to a survey of Montenegrin Employers Federation, which was conducted on a sample of 300 small and medium enterprises in Montenegro, one of the major problems in the labour market is the lack of educational workshops to individuals that seeking employment and also already employed persons in Montenegro. It is clear that the educational system does not recognize the need for still more practical training of students and they have to look for additional ways to enhance their education and their quality. However, this is not just a problem that has been identified in the educational system. It is clear that SMEs do not recognize the need to allocate more resources for investments in the continued training of its employees. The fact that only 10% of companies have a budget for education tells us that there is a need for further improvement of the education of both subjects: the employers and the education system.

In this regard survey target needs of SMEs, especially in the trade for further education i.e. need for personnel with experience in the following areas:

- Communication skills;
- Communication with the client;
- Information skills and knowledge;
- Strengthening organizational skills ...

Here, in particular, we want to highlighted the need for more staff concerning to direct communication with customers as well as the need to link research and markets. Very big disadvantage is creating a wrong picture of the situation on the market precisely because there are no researches about the actual needs of the trade sector in Montenegro.

From the point of view of agriculture, it is clear that this is a sector which is largely seasonal, and that is certainly loaded with seasonal fluctuations. Also there are some fluctuations which are characterized by both a lack of university graduates in certain areas and a lack of willingness to perform certain jobs. In this regard, it is clear that we all have to influence on decision-makers and those responsible for creating new jobs and to the citizens in the future to choose occupations that are offered on the market to bring the adjustment of supply and demand in the labour market.

In order to overcome the deficiencies in the labour market it is necessary to perform the following steps. Most importantly it is necessary to improve the knowledge, skills and competencies in order to increase employment opportunities through formal learning, informal learning and training. Here it is very important to mention that it is necessary to improve the implementation of the concept of lifelong learning. This can be

most effectively achieved through the promotion of this type of learning, through the further development of a qualifications framework for the sector and the development of standards and educational programs, through promotion of entrepreneurial learning, connecting science and business sectors as well as the involvement of industry in research. Also, in order to harmonize the labour market and educational programs it is necessary to establish stronger cooperation between the social partners and policy makers in order to promote the scarce jobs and the creation of future stability in the labour market.

Montenegrin Employers Federation promotes another way to increase employment on the labour market and this is a way of self-employment through the promotion of entrepreneurship especially in underdeveloped territories of Montenegro. This is very important for the north of Montenegro, with jobs scarce, and where self-employment assistance should be increased. In Montenegro, there are certain programs that promote self-employment. MEF believes that as soon as possible stakeholders should adopt a credit line (policy) with favourable condition to help start-up companies in the field of agriculture, trade, tourism and craft.