



**SOCIAL AND ECONOMIC COUNCIL  
OF THE REPUBLIC OF SERBIA  
SECRETARIAT**

**THE 2009 ACTIVITY REPORT OF  
THE SOCIAL AND ECONOMIC  
COUNCIL AND THE  
SECRETARIAT**

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## I INTRODUCTION

The Activity Report follows the structure and goals defined by the 2009 Activity Plan of the Council and the Secretariat<sup>1</sup>. The Activity Plan provides for the Council Secretary to submit the Report at the first regular session in 2010, which is published after its adoption on the bulletin board at the Council Secretariat.<sup>2</sup> Also, the Report is posted on the Council's website. As the Activity Plan of the Council and the Secretariat was adopted for the first time in 2009, so will this be the first time that the Activity Report of the Council and the Secretariat is submitted; in accordance with that the discussion about the Report should be directed to both the contents and the structure of the document.

During the reporting period, the Council Chairperson was rotated – in September 2009, the term of Stevan Avramović, President of the Serbian Association of Employers, ended<sup>3</sup> and Rasim Ljajić, Minister of Labour and Social Policy, was elected chairperson for the October 2009 - October 2010 term of office.<sup>4</sup>

The Report should present not only if and to what extent what had been planned was realised but also show if the basic preconditions of the Activity Plan implementation have been met:

1. Regular (at least monthly) sessions of the Council.
2. Adoption of the 2009 Financial Plan which can cover the proposed activities;.
3. Secretariat staff recruitment.
4. Establishment and regular operation of the Council's standing working bodies and operation of ad hoc working bodies, as needed.
5. Tolerance and dialogue between the social partners conducive to the continuity in operation and realisation of the Council's basic goals, defined in the Law on the Social and Economic Council.<sup>5</sup>

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<sup>1</sup> Conclusion no. 54/09, adopted at the 30th regular session held on 24 February 2009.

<sup>2</sup> After translation into the English language, the Report will also be delivered to the International Labour Organisation, the European Economic Committee/West Balkans Group, the European Commission Office in Belgrade, as well as other interested partner organisations in the country and abroad.

<sup>3</sup> Conclusion no. 230/09 adopted at the 34th regular session held on 02 October 2009

<sup>4</sup> Decision no. 229/09 adopted at the 34th regular session held on 02 October 2009.

<sup>5</sup> The Law on the Social and Economic Council of the RS, Article 3, Official Gazette of RS, no. 125/04.

## II COUNCIL BUDGET AND FINANCIAL DOCUMENTATION

In March 2009, the Council Secretariat, in accordance with its legal obligations, submitted the Financial Report<sup>6</sup> to the Treasury Administration, the Tax Administration and the Ministry of Labour and Social Policy – Group on Economic Affairs in the Field of Labour, Pension and Disability Insurance and Protection of Disabled Persons. The preparation of the financial report was preceded by an inventory of assets and liabilities as of 31/12/2008.<sup>7</sup> Also in March, Form B was submitted to the Public Procurement Office of the Republic of Serbia with the data on awarded low-value public procurement contracts for 2008.<sup>8</sup> The subject of public procurement was the purchase of an official automobile (middle lower class category) in the gross amount of RSD 1,136,063.41 and accounting software in the gross amount of RSD 318,000.00.

Individual tax returns of calculated and paid tax and contributions for mandatory social insurance for 2008 and 2009 were delivered to the Tax Administration in accordance with legal procedure.

In 2009, the Budget Performance Reports (Form 5) were submitted to the Ministry of Labour and Social Policy – Group on Economic Affairs in the Field of Labour, Pension and Disability Insurance and Protection of Disabled Persons for the following periods:

- 01/01 – 31/03/2009
- 01/01 – 30/06
- 01/01 – 30/09
- 01/01 – 31/12

The Monthly Cost Summary Reports were delivered for the first and second half of 2009. Also, a Cost Specification for the relevant month has been enclosed with each Monthly Fund Transfer Request addressed to the direct budget beneficiary (the Ministry of Labour and Social Policy) since the beginning of 2009. The value of the Council Inventory List updated on 01/09/2009 is RSD 2,577,000.00.

### Budget

- At the 30<sup>th</sup> regular session of the Council held on 27 February 2009, the Financial Plan of the Council<sup>9</sup> and the Council budget in the amount of RSD 30 million were adopted.
- At the 32<sup>nd</sup> regular session of the Council held on 25 May 2009, an Amendment to the 2009 Financial Plan of the Council<sup>10</sup> was adopted, whereby the final amount of the 2009 Council Budget amounted to RSD 22 million 200 thousand. The reason for the adoption of the Amendment to the Financial Plan was the adoption of the Law Amending the Law on the 2009 Budget of the Republic of Serbia and

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<sup>6</sup> The Financial Report includes the Balance Sheet, Income Statement, Capital Expenditure Report, Cash Flow Statement and Budget Execution Report.

<sup>7</sup> Decision on Inventory Results no. 23/09.

<sup>8</sup> Report no. 62/09.

<sup>9</sup> Conclusion no. 52/09.

<sup>10</sup> Conclusion no. 137/09.

- the Law on Temporary Reduction of Wages and Salaries, Net Benefits and Other Income in Public Administration.<sup>11</sup>
- At the 35<sup>th</sup> regular session of the Council held on 25 December 2009, the second Amendment to the 2009 Financial Plan of the Council<sup>12</sup> was adopted, which was necessary for the purpose of reconciling the planned with the actual amount of spent funds.

- The Ministry of Labour and Social Policy of the RS informed the Council Secretary by a letter dated 21 July 2009 that, pursuant to Article 17 of the Law on Budget System, the Minister of Finance had passed an Instruction for Preparing the 2010 Budget of the Republic of Serbia in accordance with the Memorandum on Budget and Economic and Fiscal Policy for 2010 with projections for 2011 and 2012, adopted at the session of the Government of the Republic of Serbia held on 04 June 2009. The total proposed amount of funds for financing current expenditure of budget beneficiaries was determined in a restrictive manner in accordance with the Government's budget and fiscal policy of reducing the share of public expenditure in gross domestic product, so that the total sum of requests must not exceed the proposed amount of funds allocated to a budget beneficiary. A novelty is the fact that the limits determined for budget beneficiaries were defined for the first time in the Memorandum on Budget. The given limits were also a consequence of unfavourable economic trends in the development of economic activity under the impact of negative effects of the global economic crisis on the economy of Serbia, so they were determined in accordance with the balance sheet capacities of the Republic of Serbia.

The 2010 limit of total expenditure for the Social and Economic Council of the RS was RSD 23,600,000.00, with a note that the limits for 2011 and 2012 are the same as for 2010.

**- By the letter of the Ministry of Labour and Social Policy dated 30 December 2009 (no. 401-00-4/524/2009-18) the Council was informed that, in accordance with the Law on the 2010 Budget of RS (Official Gazette of RS, no. 107/09) funds in the amount of RSD 22,200,000 were provided for the functioning of the Social and Economic Council in 2010.<sup>13</sup>**

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<sup>11</sup> Official Gazette of the Republic of Serbia, no. 31/09.

<sup>12</sup> Conclusion no. 300/09.

<sup>13</sup> At the middle rate of the National Bank of Serbia as of 04/01/2010, the Council budget expressed in euros is 231,733 euros. The moving of the Secretariat to the premises owned by the government that is planned for February 2010 will enable the funds previously allocated to office lease to be reallocated to other purposes such as the activities and employment of one more person in the Secretariat.

### III COUNCIL DOCUMENTS

- **The Council Rules of Procedure were adopted at the 28<sup>th</sup> regular session held on 26 December 2008.**<sup>14</sup> By adopting the Rules of Procedure, the work of the Council was improved in procedural terms compared to the previous solution, but also the coming into effect of the Rules of Procedure was formally enabled by their posting on the Council bulletin board at the Secretariat.
- **The 2009 Activity Plan of the Council and the Secretariat was adopted at the 30<sup>th</sup> regular session of the Council held on 24 February 2009.**<sup>15</sup>
- **The Regulation on Budget Accounting Organisation was adopted at the 30<sup>th</sup> regular session held on 24 February 2009.**<sup>16</sup> For the purposes of the Social and Economic Council, this Regulation regulates: budget accounting, determination of responsible persons, accounting policies, inventory of assets and liabilities and reconciling of claims and obligations, preparing and delivering financial reports and balancing and keeping business books, accounting documents and financial reports.
- **The Report to the Commissioner for Information of Public Importance on the activities and measures undertaken for the purpose of application of the Law on Free Access to Information of Public Importance in 2008**<sup>17</sup> **was delivered on 16 January 2009.** The Law on Free Access to Information of Public Importance obliges all government authorities, autonomous territorial unit authorities, local self-government authorities and organisations to which the performance of public authority was delegated to deliver annual reports on the activities and measures undertaken for the purpose of application of this Law to the Commissioner for Information of Public Importance. Reports of government authorities present the basis for preparation of the report on the situation in this field that the Commissioner delivers to the National Assembly.

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<sup>14</sup> Conclusion no. 01/09.

<sup>15</sup> Conclusion no. 54/09.

<sup>16</sup> Conclusion no. 60/09.

<sup>17</sup> Report no. 09/09.

## **IV SESSIONS IN 2009: TOPICS, OPINIONS, DECISIONS, EFFECTS**

Nine sessions in total were held in 2009, of which seven regular and two extraordinary.<sup>18</sup> The Council sessions were preceded by meetings of the Management Committee at which the Draft agenda of each session was determined, with the Secretariat being obliged to provide relevant materials. In addition to the Council members or their deputies, the sessions were also attended by presenters of introductory reports on particular subjects, with the Council Secretary being also present at all sessions.

### **Extraordinary sessions**

**The first extraordinary session** of the Council in 2009 was held on 17 February with just one agenda item – Measures of the Government of the Republic of Serbia for Mitigating the Effects of the Global Financial Crisis. The session was also attended by the Serbian Prime Minister, and the presenter of introductory report at the session was a Council Member, Minister of Economy and Regional Development. The Minister presented the Programme of the Government Measures, aimed at facilitating the overcoming of the crisis and facing new growth with preserved human and physical capital. The following were stated as specific goals of the programme: a) provision of adequate liquidity of the real sector; b) reduction of operating costs to a level contributing to the maintenance of the existing level of business activities, and thereby also to the settlement of all obligations; c) maintenance of the existing employment level with a possibility of creating new jobs; d) achieving business competitiveness, which enables exports to the existing markets and/or penetration of new markets; e) harmonisation of sources, institutions and criteria according to which funds for lending and other forms of financial incentives will be provided. The social partners agreed that continuous monitoring of the implementation and, if necessary, adjustment to newly created conditions are of crucial importance to success of the measures. The Council session ended with support to the set of measures of the Government of Serbia.

**The second extraordinary session** was held on 07 May 2009, with a single agenda item – Protests of Workers and Possible Social Consequences. The session results were as follows:

- The Council sent an appeal to the workers to refrain from radical forms of protest by which they endanger their lives and survival of their families.
- An expert working body of the Council is formed on the tripartite basis, which will deal with crisis events in companies and deliver its analyses to the Council members for the purpose of acting in a timely and, above all, preventive manner in all crisis situations. The working body starts to operate immediately and will consist of the representatives of the Ministries of Labour, Economy and Finance and representatives of the Serbian Association of Employers, Confederation of Autonomous Trade Unions of Serbia and the Trade Union Confederation “Nezavisnost”. The social partners will deliver data on the real situation in the

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<sup>18</sup> Regular session dynamics, after an eight-month break, was established immediately after the constitution of the Council's new convocation at the 25<sup>th</sup> regular session of the Council held on 05 September 2008.

field, in order to perform the mediation role of this body and the Council as efficiently as possible and find solutions in a timely manner within the legal framework.<sup>19</sup>

- Once again, the Council emphasised the need for intensifying social dialogue at the sectoral level, which would consider all specific characteristics of particular industries and lead to the conclusion of industry-level collective agreements.
- The Minister of Economy and Regional Development presented to the Council members the new incentive measures for the economy as part of the Government Plan for Economic Stability of Serbia. The social partners stated that they would analyse the measures within their organisations, and the first assessment was favourable in the sense of general orientation of the measures towards further investment in the economy.

### **Regular sessions**

Seven regular sessions were held in 2009:

- the 29th session was held on 30 January;
- the 30th session was held on 24 February;
- the 31st session was held on 15 April;
- the 32nd session was held on 25 May;
- the 33rd session was held on 27 July;
- the 34th session was held on 2 October;
- the 35th session was held on 25 December.

The most important subjects and results of the sessions were as follows:

- The Council adopted a Decision by which the minimum wage net of taxes and contributions for the January-June 2009 period was determined in the amount of RSD 87.00 net per hour of work. Considering that no consensus of negotiating teams was reached regarding the amount of minimum wage for the July-December 2009 period as well as the fact that the Council did not reach a consensus at the session itself, the decision was left, in accordance with the Labour Law, to the Government, which kept the above mentioned amount for the following six-month period as well.<sup>20</sup>
- A favourable Opinion on the Agreement on Further Development of Social Dialogue was adopted. The Agreement was signed after the end of the Council session by the representative of the Government Rasim Ljajić, Minister of Labour and Social Policy; Stevan Avramović, President of the Serbian Association of Employers; Branislav Čanak, President of the Trade Union Confederation “Nezavisnost” and Ljubisav Orbović, President of the Confederation of Autonomous Trade Unions of Serbia.<sup>21</sup>
- A Conclusion was adopted by which a favourable opinion was given on the Draft Law Amending the Law on Amicable Resolution of Labour Disputes (submitting

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<sup>19</sup> The expert working body did not start to function in practice in the form provided for by the Council Conclusion.

<sup>20</sup> Labour Law (Official Gazette of the Republic of Serbia, nos. 24/05, 61/05 and 54/09).

<sup>21</sup> Appendix 1 of the 2009 Activity Report of the Council and the Secretariat.

party: the Ministry of Labour and Social Policy). The Law extended the types of collective and individual labour disputes that may be resolved in accordance with this Law, it was also made possible for other parties to a dispute, in addition to the parties to collective agreements, to resolve their disputes in accordance with this Law, special conditions were prescribed for the appointment of arbitrators and other.<sup>22</sup>

- A Conclusion was adopted by which funds were allocated from the 2009 Council Budget for covering the costs of participation of representatives of the social partners in the Eighth European Regional Meeting of the International Labour Organisation in Lisbon, in the 09-13 February 2009 period. The Council also adopted the text of the Platform for Participation of the RS Delegation in the Lisbon meeting and charged the Delegation representative with submitting a report to the Council after returning from the trip.
- The Council adopted a Recommendation by which it recommended to the Government of Serbia to accept the Proposal of the Confederation of Autonomous Trade Unions of Serbia requesting the Government to delete Article 28 of the Law on Budget through the 2009 budget revision and resolve the issues regulated by the provision of Article 28 in accordance with the Agreement on Further Development of Social Dialogue. (The Government did not accept the recommendation).
- A favourable Conclusion was adopted on the Draft Decision on Determination of the Programme of Active Employment Policy in the Republic of Serbia for 2009 (submitting party: the Ministry of Economy and Regional Development).
- An unfavourable Opinion was adopted on the Draft Law on Employment and Unemployment Insurance and a request was made that it be withdrawn from the procedure considering that the law had become a bill before the Council discussed it in the form of a draft. Upon the Government's enquiry, the line Ministry of Economy and Regional Development informed the Government that the Draft had been submitted to the Council in a timely manner but the Council had been late in delivering its opinion. The bill was not withdrawn and soon got into the parliamentary procedure and was adopted<sup>23</sup>.
- The 2009 Activity Plan of the Council and the Secretariat was adopted.
- The 2009 Financial Plan of the Council was adopted.
- The Regulation of Budget Accounting Organisation was adopted.
- The Prime Minister presented the Government Plan for Economic Stability of Serbia to the Council members. The Plan was heard in the form of information, but the Council did not express its position about it in the form of opinion but only through discussion.
- The Council adopted a Conclusion by which a favourable Opinion was given on the Draft Law on the Prevention of Harassment at Work (the Draft Law has not yet been placed on the agenda of the National Assembly of the Republic of Serbia; the submitting party was the Ministry of Labour and Social Policy).

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<sup>22</sup> The Law came into force on 24 December 2009

<sup>23</sup> (Official Gazette of the Republic of Serbia, no. 36/09)

- A Conclusion was adopted by which a favourable opinion was given on the Draft Strategy of Safety and Health At Work. (submitting party: the Ministry of Labour and Social Policy)
- The Council gave its support to the signing of the Declaration of Safety and Health At Work in the Republic of Serbia.
- The report was adopted of the tripartite delegation that participated in the Eighth European Regional Meeting of the International Labour Organisation in Lisbon in February 2009.
- The Council adopted a Conclusion by which approval was given to the Draft Rules of Procedure of the Council's standing working bodies, and one of the first tasks was the Analysis of Implementation of the Agreement on Further Development of Social Dialogue signed on 30 January 2009.
- The Council adopted a Conclusion by which the Analysis of Implementation of the Agreement on Further Development of Social Dialogue was adopted, with a draft expert opinion of the standing working bodies for legislation, economic affairs and collective bargaining and amicable resolution of labour disputes. Particularly emphasised in the Analysis was the problem of the lack of sectoral/bipartite social dialogue and the fact that, regardless of the recommendations from the Agreement, sectoral collective agreements were not concluded even in those industrial sectors where negotiations had been conducted for several years already.
- The Council adopted an Amendment to the 2009 Financial Plan as a consequence of the Republic of Serbia budget revision.
- The Council adopted a Conclusion by which it charged the Standing Working Body on Legislation with making an analysis of the Draft Law on Gender Equality and delivering its expert opinion to the Council.
- The Council adopted a Conclusion by which it nominates (at the proposal of the social partners themselves) representatives of employers and trade unions as members of the Managing Board of the National Employment Service. The following were proposed: Miloš Nenezić (Deputy President of the Serbian Association of Employers); Ivan Kovačević (member of the Managing Board of the Serbian Association of Employers); Vlada Andrić (Deputy President of the Confederation of Autonomous Trade Unions of Serbia) and Branislav Čanak (President of the Trade Union Confederation "Nezavisnost").
- The Council adopted a Conclusion by which it accepted the Report of the Council Secretary on the 98<sup>th</sup> regular meeting of the International Labour Organisation in Geneva, held in June 2009.
- The Council adopted an unfavourable opinion on the request of the Zanus d.o.o. Company, Valjevo, for exemption from application of Article 32 Paragraph 1 Indents 1 and 2 of the General Collective Agreement, the effect of which was extended to all employers in the territory of the Republic of Serbia.
- The Council adopted a Conclusion accepting the Report of Chairperson Stevan Avramović for the September 2008 - September 2009 term of office.

- A Decision was adopted on the election of Rasim Ljajić, Minister of Labour and Social Policy, Chairperson of the Social and Economic Council for the October 2009 - October 2010 term of office.
- The Council adopted a Conclusion by which it adopted in principle the Initiative of the Standing Working Body on Legislation for supplementing the Law on Employment and Unemployment Insurance under urgent procedure, which relates to Article 73 Paragraph 1 Item 2 and deals with financial and social position of unemployed pregnant women. The Council also charged the Chairperson of the Standing Working Body on Legislation with commencing talks about possible amendment to the Law with the Assistant Minister of Economy and Regional Development.
- The Council adopted a Conclusion by which it gave a favourable opinion on the Action Plan for Solving Social Consequences of the Energy Community.<sup>24</sup>
- The Council adopted a Conclusion by which it gave a favourable opinion on the Draft Law on Gender Equality, but also accepted the opinion of the Standing Working Body on Legislation by which particular provisions of the Law are improved. The party submitting the Law, the Ministry of Labour and Social Policy, undertakes the obligation to try to improve the text of the Law by amendments. The Law was passed by the RS National Assembly<sup>25</sup> and belongs to the group of anti-discrimination laws, by which the constitutional principle of gender equality is codified into a legal obligation. This Law regulates the creation of equal opportunities for exercising rights and obligations and taking special measures for the prevention and elimination of discrimination based on sex and gender and the procedure of legal protection of persons exposed to discrimination.
- The Council adopted a Conclusion by which it gave a favourable opinion on the Information on the Need and Manner of Settling Unpaid Pension and Disability Insurance Contributions for Certain Economic Entities.<sup>26</sup>

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<sup>24</sup> The Energy Community Treaty came into force on 27 July 2006. During the application of the Energy Community Treaty the signatory states and the European Commission recognised the need for identifying and considering social consequences of its implementation, which led to the signing of the Memorandum of Understanding on Social Aspects of the Energy Community in October 2008. One of the activities provided for by the Memorandum was also the preparation of an Action Plan. In June 2008, by a decision of the Ministry of Labour and Social Policy, a working group was formed for the preparation of the Action Plan, which consisted of the representatives of the Ministry of Labour and Social Policy, Ministry of Mining and Energy, Ministry of Economy and Regional Development, Ministry of Finance, Energy Agency of the RS, and representatives of employers and representative trade unions in the energy industry.

<sup>25</sup> (Official Gazette of the Republic of Serbia, no. 104/09).

<sup>26</sup> The following effects are expected to result from the measures proposed by the Information and the conclusion of the Government: a) for employed persons: uninterrupted years of service and thereby also unhindered exercise of pension and disability insurance rights; b) for privatisation subjects: the due obligation is transformed into a long-term obligation with a more favourable interest rate, potential partners for the purchase of the privatisation subjects' capital are encouraged to participate in public tendering, the number of forced collections and tax violations decreases; c) for the Republic: social tensions due to inability to exercise rights stemming from labour relations decrease, higher number of successful privatisations and lower number of cancelled contracts of purchase of socially-owned capital, regularity of payments of current obligations is provided whereby the income of the Republic Pension and Disability Insurance Fund will increase.

- A Conclusion was adopted by which a favourable opinion is adopted on the Action Plan for Implementation of the Strategy of Safety and Health at Work in the Republic of Serbia for the period from 2009 to 2012.<sup>27</sup>
- A Conclusion was adopted by which it is recommended to the Minister of Labour and Social Policy to sign the Decision on Application of the Special Collective Agreement for employees with the cultural institutions founded by the Republic to all employers performing a business activity in the field of culture.
- A Conclusion was adopted by which it accepted the Initiative of the Provincial Social and Economic Council for holding a joint session of the Republic and Provincial Councils at which the economic environment of employers' activity and the position of employees in the conditions of economic crisis would be discussed.
- A Conclusion was adopted by which it adopted the Amendment to the Financial Plan of the Social and Economic Council of the RS for the 01/01/2009-31/12/2009 period.
- A Conclusion was adopted by which it charged the Management Committee of the Social and Economic Council with monitoring the work on amending the Law on Pension and Disability Insurance, having in mind the significance of this subject for all participants in the social dialogue in Serbia. The Conclusion was adopted with a view to keeping the Social and Economic Council informed of all activities related to this field, so that it would conduct a discussion on the draft law in a timely manner and adopt an opinion in accordance with the Law on the Social and Economic Council of the RS.

The problem remains that still not all draft laws falling within the Council's competence come to the Council for opinion, and frequently the problem is also that, according to the Government Rules of Procedure, the time limit for giving opinion on systemic laws is 20 days, while it is 10 days for non-systemic or for by-laws, strategies, action plans and similar. In this way, the Council is prevented from responding within the time limit because, after receiving the material, a session should be convened at which the working bodies would get an order to prepare an expert opinion within a specific time limit and then deliver it to the Council for the next session. Several attempts of the Council in this and previous convocation to change the Government Rules of Procedure in the sense that the Government cannot consider the draft laws falling within the Council's competence until the Council has given its opinion failed.

Examples of some of the laws passed in 2009 without the Council's opinion:

1. The Law Amending the Labour Law. The Ministry of Labour and Social Policy, as the submitting party, delivered the Draft Law to the Council Secretariat two days before the session of the Government. After its adoption at the session of the Government, the Draft Law was passed by the National Assembly under urgent procedure on 16 July 2009. The amendment concerns the provision which (due to

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<sup>27</sup> The Action Plan determined the competent authorities of the public administration, social partners and other factors in the system of safety and health at work with specific individual goals and activities by which the goals and measures from the Strategy, as the most important strategic document in the field of safety and health at work, are developed.

the effects of the global economic crisis) allows that, in case of employment termination, or decrease in the work volume requiring a prolonged leave, the employer may, with prior approval by the Minister, send an employee on a leave longer than 45 working days with stipulated wage compensation. Prior to giving his approval, the Minister is obliged to request an opinion of the representative trade union of the branch or industry established at the Republic level. Paid leave longer than 45 working days presents one of the measures that, amidst the negative effects of the global economic crisis, enables the maintenance of the employment level, reduction of employers' costs and thus the overcoming of temporary problems in providing full operating capacity of employers<sup>28</sup>. The above mentioned effects were, in the Ministry's opinion, just the reason why the law was adopted under urgent procedure.

2. The Draft Law on Determining the Maximum Number of Employees in the Republic Administration (submitting party: the Ministry of Economy and Regional Development). The Draft Law was not delivered to the Council for opinion.
3. The Draft Law on Determining the Maximum Number of Employees in Local Administration (submitting party: the Ministry of Public Administration and Local Self-Government). The Draft Law was not delivered to the Council for opinion.

Although provided for by the Council Conclusion (no. 237/09) the Draft 2010 Budget of the Republic of Serbia was not placed on the agenda, either.

It is obvious that the Council will have not only to establish a continuity of regular sessions in accordance with its Rules of Procedure (at least once a month), but it would also have to hold sessions even more frequently whenever necessary. That is, it is necessary to establish better coordination with line ministries when it comes to the draft laws on which the Council provides its opinion, while they are still in the planning and preparation phase.

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<sup>28</sup> In the 2009 Activity Report of the Ministry of Labour and Social Policy it is stated that 86 requests were submitted and processed for 96 employers for giving approval to paid leave longer than 45 working days in a calendar year, in accordance with Article 116 paragraph 2 of the Labour Law, of which an approval was granted to 74 requests, while 12 requests were rejected.

## **V STANDING WORKING BODIES OF THE COUNCIL**

The foundation and operation of standing working bodies of the Council are in accordance with Article 11 of the Law on the Social and Economic Council of the Republic of Serbia.

By adopting the Rules of Procedure of the Council at the 28<sup>th</sup> regular session held on 26 December 2008 the number was reduced of the standing working bodies that had not started to function at all until then and four standing working bodies were defined, composed on the tripartite basis:

- standing working body for legislation;
- standing working body for economic issues;
- standing working body for collective bargaining and amicable resolution of labour disputes; and
- standing working body for the issues of safety and health at work.

By its Conclusion (no. 53/09), the Council appointed members of the standing working bodies, which after that proposed to the Council their Rules of Procedure, which the Council adopted by its Conclusion (no. 100/09) at the 31<sup>st</sup> regular session held on 15 April 2009. After that, in coordination with the Council Secretary, the standing working bodies started their regular operation. The task of the working bodies is to consider from the technical point of view and in a responsible manner the materials relating to the issues for which the working bodies were formed and which the Council delivers to them. The standing working bodies are obliged to deliver their expert opinion to the Council through the Council Secretary, within the time limit determined by the Council. At its session, the Council may accept or not accept a working body opinion, of which it adopts a special Conclusion, or decide to return the material to the working body for improvement. The meetings and operation of the standing working bodies are chaired by the chairperson of the working body. Administrative and technical operations for the standing working bodies are performed by the Council Secretariat, where the documentation on the operation of the standing working bodies is also maintained.

### **ANALYSIS OF IMPLEMENTATION OF THE AGREEMENT ON FURTHER DEVELOPMENT OF SOCIAL DIALOGUE WITH DRAFT EXPERT OPINION**

The Analysis was prepared in accordance with the Conclusion (no. 101/09) of the Council and three standing working bodies participated in its preparation: standing working bodies on legislation, on economic affairs, and on collective bargaining and amicable resolution of labour disputes. By its Conclusion no. 135/09 at its 32<sup>nd</sup> regular session held on 25 May 2009, the Council adopted the Analysis with the expert opinion. The Analysis included, before all, an analysis of the Agreement on Further Development of Social Dialogue, also using the analyses, surveys and estimates of expert services of the Ministry of Labour and Social Policy, the Serbian Association of Employers, the Confederation of Autonomous Trade Unions of Serbia and the Trade Union Confederation "Nezavisnost". Macroeconomic indicators, developments in the labour market as well as the set of measures of the Government of Serbia for the mitigation of negative effects of the global economic crisis were taken into account.

- The Analysis pointed to the still present non-observance of the legal obligation of delivering draft laws falling within the competence of the Council to the Council for opinion and delivering them on time while they are not yet in the form of the Government bill.
- The need for a commencement of operation of the Coordinating Committee on Monitoring the Implementation of the General Collective Agreement as soon as possible was also pointed out<sup>29</sup>.
- It was noted that no special/sectoral collective agreement of the total of four agreements regarding which negotiations had been held before 30 January 2009 was concluded within the time limit stipulated by the Agreement. The main reason for this were divergent positions regarding the determination of the level of base wage for the simplest labour and coefficients by job group, the amount of vacation and meal allowance.
- The Analysis recommends to the Council to perform its obligations referred to in Article 16 of the General Collective Agreement as follows: a) adopt and publish, within 30 days from discussing the analysis, a recommendation for determination of base wage for the simplest labour in special collective agreements by industry; b) determine the contents and value of the consumer basket; c) recommend to the social partners – participants in negotiations to conclude the four special collective agreements mentioned above.
- Also, that the Council insist and recommend to the social partners to observe the provision of Article 19 of the General Collective Agreement, which reads as follows: "The base wage for the jobs an employee performs for characteristic jobs in special agreement or for groups of jobs in collective agreement with the employer shall be determined by multiplying the base wage for the simplest labour by the job coefficient".
- The Analysis also confirmed that, although the obligation for starting negotiations on concluding the other special collective agreements had been undertaken by the Agreement – negotiations had not started regarding any of the special collective agreements.
- The Serbian Association of Employers” carried out its obligation by revoking the cancellation of the General Collective Agreement on 06 February 2009.
- The Minister of Labour and Social Policy carried out his obligation determined by the Agreement and signed the Decision on Extended Effect of the General Collective Agreement immediately after signing Annex II to the General Collective Agreement.
- The situation in the area of conclusion of special collective agreements for public services, government agencies and bodies of local self-government units is satisfactory.

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<sup>29</sup> The Coordinating Committee adopted its Rules of Procedure, elected its chairperson, and the Council Secretariat enabled the meetings of the Coordinating Committee to be held in the Secretariat's premises and enabled the receipt and distribution of requests for interpretation to be conducted through the Secretariat. Unfortunately, the Committee did not become fully operational and it has so far published just one authentic interpretation. The Council, as well as the social partners, also opened a special page on its website for publishing interpretations of this Committee.

- Regarding the negotiations for conclusion of the Special Collective Agreement for health care, considering that they have been lasting for a long time and having in mind the disputable issues, it is recommended to the Council to recommend to the participants to intensify the negotiation process and conclude this collective agreement as soon as possible.
- It is recommended to the Council to launch an initiative for an Amendment to the Law on Wages of Civil Servants and Employees and the Law on Wages in Government Agencies and Public Services, with the aim of ensuring equal rights of employees in government agencies and public services compared to the employees to which the Labour Law applies and in connection with observance of payment of minimum wage as well as payment of vacation allowance and meal allowance during work.
- It is recommended to the Council to initiate an amendment to Article 246 Paragraph 1 of the Labour Law for the purpose of creating a legal basis for the conclusion of Special Collective Agreement for utility services for the territory of the Republic of Serbia by authorising the Government to conclude this collective agreement.
- It is recommended to the Council to adopt a Conclusion by which it will be noted that the Agreement is not observed and the competent ministries and public enterprises (managers and trade union representatives) will be requested to deliver an explanation why the collective agreements are not concluded and labour regulations are applied instead.
- It is recommended to the Council to insist that the Government act according to Council Recommendation no. 32/09 dated 02 February 2009, by which it recommends the deletion of Article 28 of the Law on Budget, which prevents the application of particular provisions of collective agreements for direct and indirect beneficiaries of the budget of the RS and thereby prevents and invalidates the process of collective bargaining.
- It is recommended to the Council to send a recommendation to the parties to the Special Collective Agreement for work engagement of entertainers/music artists and performers in hospitality industry, recording industry and concert industry to reconcile the disputable provisions with the law and the Constitution, whereby legal preconditions would be created for adopting the decision on extended effect.
- It is proposed to the Council to insist that the Minister of Labour and Social Policy complete the process of consulting and discussing with the signatories to the Special Collective Agreement for hospitality and tourism industries of Serbia, for the purpose of creating preconditions for giving this collective agreement an extended effect.

It is also proposed to the Council to note the following:

- that there was an increase in the number of unemployed persons by 30,766 compared to December 2008;
- that the net wage paid in March 2009 was lower by 1.45 percent in nominal terms compared to the net wage paid in March 2008;
- that a 16.9 percent decrease in industrial production was recorded in the first three months of 2009 compared to the same period of 2008;

- that there was a decrease in total visible foreign trade of the RS for the January-March 2009 period compared to the same period of the previous year;
- that the retail prices increased by 7.0 percent in April 2009 compared to December 2008:
- that the economic slowdown in the first quarter of 2009 resulted in endangering the in budget preparation and performance, which created the need for amending basic budget goals and principles in the area of public finance management, especially the 2009 budget of the RS.

Concluding opinions of the standing working bodies are the following:

- Proceeding from current economic situation in the country, the situation in the economy and the budget of the RS, the adopted laws and proposed Programmes of measures for mitigation of negative effects of the global economic crisis, the coming into force of the General Collective Agreement provisions whose application was temporarily postponed would cause an increase in the employers' costs.
- The implementation of the General Collective Agreement provisions relating to financial obligations of employers and covered by the Agreement should be temporarily postponed, i.e. for a period of the following six months.
- The possibility of implementation of the General Collective Agreement articles whose application is temporarily postponed should be continuously analysed, and the possibility of their implementation should be analysed one month before the expiry of the six-month period.
- In the majority of employers where collective agreements were concluded the acquired level of rights was not maintained but was being reduced due to negative effects of the global economic crisis, which had an impact on Serbia as well.
- Considering that the Analysis shows a downward trend in the employment rate, it is necessary to prepare an analysis of effects of incentive measures of the Government for keeping jobs, increasing the employment and growth of economic activity, with a summary of the employers that used the incentive measures.

When it comes to draft laws and other, the standing working bodies delivered the following to the Council:

- A favourable opinion on the Draft Law on Gender Equality with proposals for improving the text of the Law.
- An initiative was launched for amending the Law on Employment and Unemployment Insurance and Article 73 Paragraph 1 Item 2 relating to financial and social position of unemployed pregnant women with the aim of protecting maternity and contributing to the birth rate increase.<sup>30</sup>
- On the initiative of the Standing Working Body on Economic Affairs, discussions were held with the Ministry of Labour and Social Policy regarding the Conclusion

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<sup>30</sup> The Ministry of Economy and Regional Development did not accept the initiative also supported by the Council Conclusion and delivered an explanation to the Council.

of the Government accepting the Information on the Need and Manner of Settling Unpaid Pension and Disability Insurance Contributions for Certain Economic Entities. The Standing Working Body will propose to the Council to adopt a Conclusion proposing that the Government amend the previous Conclusion considering, before all, that it is necessary to extend the coverage of the enterprises that may link the years of service (the enterprises where the government owns 25 percent of the capital, privatised according to previous laws, government institutions, companies in bankruptcy and similar).

## VI PUBLISHING ACTIVITY OF THE COUNCIL

The 2009 Activity Plan of the Council and the Secretariat provided for publishing activity pursuant to Article 3 of the Law on the Social and Economic Council. The Council was registered for this type of activity with the ISBN Agency for Serbia in order to enable the cataloguing of publications.

The entire publishing activity was conducted with the financial support of Swiss Labour Assistance and fully respecting the initiative of the Secretariat in connection with subjects, structure, contents, number of copies and authors of printed publications.<sup>31</sup> The SLA allocated 10,513 Swiss francs in total in dinar equivalent for the publishing activity of the Council in 2009. The funds were not transferred to the Council account but all payments were made through the SLA account in accordance with legal procedures.

Three brochures were printed in 2009:

**1. "Global Response to Economic Crisis – International Labour Organisation Standards"**

Edited by: Council Secretary

No. of pages: 54

No. of copies: 700 (Council: 500, SLA: 200)

Distribution method: social partners, Government ministries, National Assembly of the Republic of Serbia, Faculty of Law and Faculty of Political Sciences – University of Belgrade, nongovernmental sector, local social and economic councils, Provincial Social and Economic Council, International Labour Organisation...

About the brochure: The brochure is aimed at presenting the most important document of the International Labour Organisation, written and adopted in the form of a resolution at the 98<sup>th</sup> regular annual conference of ILO in Geneva, in June 2009, in whose work the tripartite delegation of the Republic of Serbia also took part. The Global Jobs Pact presents a global response to the economic crisis and it is the obligation of the governments and employers' and workers' organisations to contribute to the success of this document through joint work. One of the ways is also to popularise this document and make it available to all relevant participants in social relations in Serbia and, before all, to social partners and executive authorities. Also, a part of the brochure is the text of the ILO Declaration on Social Justice for a Fair Globalisation.

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<sup>31</sup> The brochures are also posted in electronic form on the websites of the Council and the SLA.

## **2. "Revised European Social Charter – Obligations of States and Role of Social Partners after Its Ratification"**

Author: Prof. Branko Lubarda, PhD

No. of pages: 102

No. of copies: 700 (Council: 400, SLA: 300)

Distribution method: social partners, government ministries, National Assembly of the Republic of Serbia, Faculty of Law and Faculty of Political Sciences – University of Belgrade, nongovernmental sector, local social and economic councils, Provincial Social and Economic Council, International Labour Organisation...

About the brochure: In late 2009, the Republic of Serbia ratified the Revised European Social Charter (RESC). This document is considered a special "Social Constitution" of Europe after it came into force in 1999. By the Law on the Ratification of the RESC, Serbia accepted a very large number of provisions, which puts us among the Council of Europe member states that are at the top of the scale by the number of the Charter Articles and provisions accepted by the ratification document. Having this in mind, the brochure also points to legislative activity of significance for the RESC implementation and for the control mechanism, knowing that the first report after the ratification is to be delivered within three years, therefore in 2012. The Government of Serbia (in consultation with the social partners) should deliver the report to the Council of Europe (European Committee of Social Rights). In addition to the author's text, there is also an integral text of the Revised European Social Charter in the brochure.

## **3. "The System of Safety and Health at Work in the Republic of Serbia"**

Authors: members of the Standing Working Body on the Issues of Safety and Health at Work of the Social and Economic Council of the Republic of Serbia

No. of pages: 160

No. of copies: 700 (Council: 400, SLA: 300)

Distribution method: social partners, government ministries, National Assembly of the Republic of Serbia, Faculty of Law and Faculty of Political Sciences – University of Belgrade, nongovernmental sector, local social and economic councils, Provincial Social and Economic Council, International Labour Organisation...

About the brochure: The brochure was created with the aim of consolidating in one place everything that makes up the system of safety and health in the Republic of Serbia and thus making it useful to the participants in the social dialogue on this very important subject. The brochure structure is as follows:

### Institutional framework

- Social and Economic Council of the RS
- Council for Safety and Health at Work
- Ministry of Labour and Social Policy
- Serbian Association of Employers
- Confederation of Autonomous Trade Unions of Serbia
- Trade Union Confederation "Nezavisnost"

### Legislative framework

National sources of law

- Constitution of the Republic of Serbia
- Law on Safety and Health at Work

- Labour Law
- Law on Health Care
- Law on Pension and Disability Insurance
- Law on Health Insurance
- Criminal Code
- Law on Private Companies
- Law on Private Entrepreneurs

#### Strategic documents

- National Policy of Safety and Health at Work
- Declaration on Safety and Health at Work
- Strategy of Safety and Health at Work in the Republic of Serbia for the period from 2009 to 2012
- Action Plan for Implementation of the Strategy of Safety and Health at Work in the RS for the period from 2009 to 2012

#### International sources of law

- International Labour Organisation
- Origin and Development of Safety and Health at Work in the European Union
- EU *acquis communautaire* and directives
- Other international sources of law

#### Safety and health at work from the perspective of employers and employees

- Safety and health at work – interest of employers
- Rights, obligations and responsibility of employers
- Safety and health at work – interest of employees
- Role of the persons in charge of safety and health at work
- Role of representatives of employees/committees
- Social dialogue and safety and health at work

Although provided for by the Activity Plan, the printing of the brochure and leaflet about the Council in the Serbian and English language was postponed until the beginning of 2010 having in mind that as of 01 February the Council Secretariat will move to other official premises, so it is necessary to enter valid contact data in the printed material.

## VII INTERNATIONAL COOPERATION

### Swiss Labour Assistance (SLA)

Cooperation with this organisation in 2010 included support to the entire publishing activity of the Council but also fit into the SLA programmes supporting the development of social dialogue at the local level.<sup>32</sup> The Council Secretary participated in the work of the International conference organised by the SLA head office in November<sup>33</sup> under the auspices of the Ministry of Foreign Affairs of Switzerland and social partners. The Conference named Social Partnership in Switzerland and Central and Eastern Europe aimed at familiarising the guests with the social partnership model of the host country and, on the other hand, the Swiss partners' better understanding of new social partnership mechanisms in the countries of Central and Eastern Europe, for the purpose of as good and useful involvement of Switzerland in the region as possible. The Conference was attended by the representatives of employers' and trade union organisations from the region, representatives of ministries, representatives of social partners from Switzerland, as well as the Minister of Foreign Affairs of that country. The SLA will implement its programmes in Serbia in the following years as well, with the cooperation with the Social and Economic Council of the Republic of Serbia as part of it.

### International Labour Organisation (MOR)

**The tripartite delegation of the Republic of Serbia participated in the Eighth European Regional Conference of the International Labour Organisation, which was held in Lisbon from 09 to 13 February<sup>34</sup>.** The Conference subjects were:

- Estimate of the trends of decent work in the labour market and estimate of working conditions and employment conditions in the region in the previous period.
- Review of the results of the International Labour Organisation activities in the period from mid-2004 to mid-2008.

Meeting at the time of economic crisis, the participant countries of the Lisbon Conference undertook to take into account the general conclusions such as: avoidance of state protectionism in assistance to the economy as a measure of preventing long-term market distortions; coordination of measures for economic recovery at the regional level; moderate state assistance to the economy; avoidance of the so-called social dumping and consistent observance of the basic ILO principles for the purpose of preventing a slump in the real value of wages and implementation of measures for the most adequate utilisation of human resources through the creation of new jobs. The ILO emphasised

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<sup>32</sup> Chapters VI and X of the 2009 Activity Report of the Council and the Secretariat.

<sup>33</sup> The Conference was also attended by the representatives of the Serbian Association of Employers, the Trade Union Confederation "Nezavisnost" and the Confederation of Autonomous Trade Unions of Serbia. The Secretary presented a report on Challenges of Social Partnership in Transition Countries, as well as a report on cooperation on the SLA Project in Serbia. The costs of participation of the representatives from Serbia in the conference were covered from the organiser's budget.

<sup>34</sup> Participation of the representatives of social partners in the Conference was financed from the Council budget, Conclusion no. 26/09

once again the importance of tripartite consultations in the countries' efforts towards overcoming the crisis. The State Secretary of Labour and Social Policy presented the report from the Conference to the Council at its 30<sup>th</sup> regular session held on 24 February 2009.

**In June, the tripartite delegation participated in the 98<sup>th</sup> regular session of the International Labour Organisation in Geneva<sup>35</sup>.** The Council Secretary presented the Report to the Council at its 33<sup>rd</sup> regular session<sup>36</sup>, in which the work of the Conference through six committees was presented (Committee of the Whole on Crisis Responses; Committee on Gender Equality; Committee on the Application of ILO Standards; Committee on HIV; Finance Committee and Credentials Committee). One of the most important documents of the Conference is the result of the work of the Committee of the Whole, which consisted of three segments:

- A series of twelve thematic dialogues was held, at which crisis consequences and different solutions for mitigation of its effects as well as recovery models were discussed. The thematic dialogues were an opportunity for the members of this committee to hear and talk to some of the most relevant world scientists, experts of different international organisations and leading national-policy makers.  
Also, the committee members had an opportunity during the Global Summit (15-16 June) to hear the positions of nine heads of state regarding the crisis and exit strategies.<sup>37</sup>
- The second segment consisted of a series of general discussions that concerned the issues from the Report of the Secretary General or the issues from the thematic dialogues. These discussions provided guidelines for the working group for writing the Report.
- The third segment of work were discussions based on several working versions of the Report.

On 19 June, the ILO General Conference adopted the document entitled Recovering from the Crisis: A Global Jobs Pact in the form of a resolution, building on the Decent Work Agenda and the Declaration on Social Justice. The most important basic elements of this document are the following:

- Decent work must be the response to the crisis.
- The world must be better and look different after the crisis.
- There is a need for a coordinated global policy in order to strengthen national and international efforts towards increasing employment, creating sustainable enterprises, quality public services, protecting rights and promoting participation.

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<sup>35</sup> Participation of the representatives of social partners in the Conference was financed from the Council budget, in accordance with the 2009 Financial Plan (no. 52/09) and Amendments to the 2009 Financial Plan (no. 137/09), Decision no. 138/09.

<sup>36</sup> The Report was adopted by Conclusion no. 169 /09

<sup>37</sup> The Global Summit was addressed by: Lech Kaczyński, President of Poland; Tarja Halonen, President of Finland; Armando Guebuza, President of Mozambique; Lula da Silva, President of Brazil; Nicolas Sarkozy, President of France; Cristina Fernández, President of Argentina and Faure Essozimna, President of Togo.

- The response must be a fairer globalisation, a "greener" economy, sustainable enterprises and creation of new jobs, respect of employees' rights, gender equality, protection of vulnerable categories of people, assistance to countries in provision of quality public services and enabling countries to achieve the Millennium Development Goals.
- Governments, workers and employers must commit to work together to secure the success of the Global Jobs Pact. The ILO's Decent Work Agenda is the framework for all of the above mentioned.
- Development of social dialogue and tripartism and participation in collective bargaining between employers and workers as a manner of constructive process in order to find the crisis response within real economy.
- Short-term actions must be in line with economic, social and environmental sustainability.
- Ensuring synergy between the state and the market, including legal and regulatory measures that will enable enterprise sustainability and thereby also preserve and improve employment. The ILO, together with other international organisations and international financial institutions, will strengthen the policy of development assistance that should help the developing and transition countries to exit the crisis as efficiently as possible.
- Necessity of effective, properly targeted and active employment policy measures. Investment in continuous education of workforce.
- Investment in infrastructure, research and development.
- Strengthening sustainable small and medium-sized enterprises and maximum facilitation of borrowing possible.
- Strengthening the system of social care for all.
- Extension of the period for which unemployed persons are eligible to receive financial assistance, parallel with the measures for their training and creation of new jobs through various forms of facilities.
- Regular determination of minimum wages with necessary adjustments.
- Strengthening international labour standards because the crisis cannot be an excuse for their violation. Especially emphasised within that context is the need for strengthening the capacity of labour inspectorates that are within the Ministry of Labour.

The ILO is ready to assist the countries, with all of its capacities, in the preparation of this important document, and the Administrative Council has an obligation to monitor its implementation.

**The Council Secretariat, in cooperation with the ILO Coordinator in Belgrade and the ILO's Sub-Regional Office in Budapest, organised a workshop entitled Collective Bargaining Outcomes: Challenge of Putting Them into Practice for members of the Council's standing working bodies on their initiative.** The workshop was realised as part of the ILO and Austrian Development Agency project, which relates to the development of institutions for social dialogue in the Western Balkans and in Moldova. The lecturers at the workshop were Cristina Mihes, ILO Senior Specialist on Social Dialogue, Labour Law and International Labour Standards; Brian McGinn, Labour Relations Commission, Ireland, and Valentin Mocanu, State Secretary and Social

Dialogue Coordinator of the Ministry of Labour, Family and Social Protection of Romania. The subject for the workshop was chosen having in mind the underdevelopment of bipartite social dialogue in Serbia and the needs for hearing the experiences of other countries in concluding collective agreements, applying and observing them and the benefits that trade unions and employers' associations have from this.

### **Friedrich Ebert Foundation (FES)**

As part of the project of cooperation with the Friedrich Ebert Foundation/Labour Relations and Social Dialogue in Southeast Europe Project, the Serbian Association of Employers organised a series of three workshops dedicated to the minimum wage determination methodology/criteria which were also attended, in addition to the representatives of employers, by the representatives of trade unions and of the Ministry of Labour and Social Policy, and the Council Secretary. Practically, the workshops (the first organised in Ljubljana, the second in Zagreb and the final one in Belgrade, with participation of representatives from Montenegro) were attended by the expert/negotiating team, all with the aim of obtaining the knowledge, in the talks with the partners from the region, that would serve to the social partners for strengthening their negotiating capacities.

### **Trade Union Institute for Development Cooperation (ISCOD)**

The Spanish Trade Union Institute for Development Cooperation implemented a project in Serbia that was primarily intended for strengthening the capacities of trade unions for their participation in social dialogue. Direct partners of the ISCOD are the Confederation of Autonomous Trade Unions of Serbia and the Trade Union Confederation "Nezavisnost"; however, as part of the project, a series of tripartite meetings were organised on different current issues (labour market, legislation reforms, privatisation problems and other transition-related subjects) which were attended by the representatives of the Serbian Association of Employers, the Council Secretary and members, and the representatives of the relevant ministries. A visit to Serbia is planned for February 2010 by a tripartite delegation of the Social and Economic Council of Spain, which will present the experiences in the work of this institution and mark the beginning of bilateral cooperation of the Social and Economic Councils of Spain and Serbia.

### **European Economic and Social Committee**

Council Secretary Čedanka Andrić participated in the pilot programme of the Winter School of the European Economic and Social Committee (EESC) in Brussels from 14 to 18 December 2009. In addition to the representatives of Serbia, representatives of the civil society from the other countries of the Western Balkans also were participants of the Winter School (18 participants in total). The School was financed by the funds of the European Commission, General Directorate for Enlargement. The participants received

the complete material used for instruction as well as the basic EESC documents and opinions relating to the Western Balkans.

The programme goals were:

- Acquiring knowledge as to how the civil society organisations may participate in the design and implementation of European policies.
- Improving the existing cooperation between the countries of the Western Balkans region and the European Union in order to define policies and strengthen capacities for the EU convergence process as well as possible.
- Increasing the level of knowledge about the policies and institutions of the European Union.
- Promoting the values of participatory democracy, the European Social Model and key policies.
- To point to the possibilities of organised civil society in creating social dialogue at the global level.
- Exchange of concrete experiences in different environments and conditions.
- The assumption is that the participants in this pilot programme will stay in contact not only for the purpose of further education but also for the possibility of educating social partners in their own countries and constantly working on the improvement of their own knowledge and skills.

The Winter School was opened by the Chairperson of the European Economic and Social Committee, Mario Sepi, while professors of the University of Leeds and the University of Rome and representatives of the European Commission and the European Economic and Social Committee participated as lecturers. The School participants also attended the 458<sup>th</sup> Plenary Session of the European Economic and Social Committee.

The subjects dealt with during the instruction:

- Institutions of the European Union/origin, activities and policies.
- European social/market model; European social dialogue.
- European Union enlargement process.
- European Economic and Social Committee: members, structure, method of operation, decision-making process, preparation of opinions and strategic documents. Work of the Western Balkans Group.
- The Lisbon Treaty and the future of the EU.
- Legislation, political and economic reforms, lobbying.

## **VIII COOPERATION WITH GOVERNMENT INSTITUTIONS AND NONGOVERNMENTAL ORGANISATIONS**

### **National Assembly of the Republic of Serbia**

In July, the Council Chairperson was informed by the Speaker of the National Assembly of the Republic of Serbia that the National Assembly had formed a Working Group on the Rights of the Child by the decision of the Poverty Reduction Committee, as a result of the signing of the Memorandum on Long-Term Cooperation between the National Assembly of the RS and the United Nations Children's Fund from November 2008. The Speaker of the National Assembly is also the Chairperson of this Working Group, which, in addition to her, consists of all six Deputy Chairpersons, Chairpersons of the Poverty Reduction Committee and the Committee on Labour, Veterans' and Social Affairs, as well as ten deputies delegated from all caucuses, and representatives of the UNICEF are also involved in its work as partners. At the session held on 23 April 2009 in the form of a seminar, the Working Group members identified the need of cooperation with the Social and Economic Council as one of the priorities. This was adopted in the form of a conclusion at the Third Session of the Working Group held on 27 May 2009. It was proposed that this cooperation be realised by inviting the Working Group members to the Council sessions at which issues would be discussed that are of significance for children and youth, in accordance with the possibilities given by the Law on the Social and Economic Council. In his reply to the Speaker of the National Assembly, the Council Chairperson accepted the invitation for cooperation and pointed to the possibility of engaging the Working Group with the standing working bodies of the Social and Economic Council, and emphasised the Council's readiness to get involved in all activities in which the rights of children and youth in Serbia are promoted.

### **GTF – Regional Centre for Gender Equality**

In 2009, the Council Secretariat provided support to, and took part in, the project entitled Tripartite Social Dialogue and Gender Equality in Serbia, implemented by the Gender Task Force – Regional Centre for Gender Equality. The general goal of the project was to contribute to the creation of a quality and fair social dialogue. Specific goals of the project were:

- Strengthening gender sensibility within trade unions, employers' associations and the Government.
- Harmonising the activities within the framework of gender-sensitive dialogue with employers, the Government and trade unions about the issues of importance to male/female workers and finding joint solutions and strategies in the three countries – Serbia, Bosnia and Herzegovina, and Montenegro.

The Council Secretary took part as one of the lecturers at the seminar at the local level and also provided support to the Project Coordinator in Serbia in ensuring the participation of social partners in towns and involving the representatives of local social and economic councils as well as the Council members at the national level in the

programmes realised in several towns in Serbia. Evaluation of this project is scheduled for February 2010 at the final regional conference at which the adoption of recommendations is expected as well.

### **Standing Conference of Towns and Municipalities (SCTM)**

In June, the Standing Conference of Towns and Municipalities organised a debate about its strategic document entitled SCTM Programme Document in the Area of Social Activities. The Council Secretary took part in preparing the draft for the part of this document that related to social dialogue, primarily at the local level but also at the national level. Having in mind that all the analyses so far have shown that the local self-government units are least engaged and interested in forming social and economic councils, it is exceptionally important that this strategic SCTM document defined as a task the encouragement and strengthening of local self-government units to take initiative for social dialogue at the local level as well as their obligations to provide financial and logistic support to the activities of local social and economic councils.

### **European Movement in Serbia**

The European Movement in Serbia realised the second cycle of the project entitled National Convention on the European Union in Serbia, with a desire to establish an institutionalised, thematically structured debate between representatives of the state and nongovernmental sector, local self-government, politicians, experts, business community, nongovernmental organisations and general public about the preparations of Serbia for EU accession. The Working Group on Social Dialogue, in which the Council Secretary also participated, as well as the Council members on behalf of the social partners and line ministries, agreed at three of its sessions on the recommendations relating to increasing the capacities of social dialogue stakeholders, labour market and employment strategy, as well as social pact. The book of recommendations was printed in September 2009 as part of the European Union's European Integration Fund programme for the Republic of Serbia and distributed to all relevant organisations.

## **IX INFORMATION ON ACTIVITIES OF THE COUNCIL**

Article 13 of the Law on the Social and Economic Council defines that the activities of the Council are public. The public is informed of the Council activities through press releases, press conferences, interviews and in other appropriate manner. The Chairperson, or the Council Secretary by the Chairperson's authorisation, decides on the ways of formally informing the public of the Council activities.

For the purpose of better information on the Council activities, in addition to regular updating of its website<sup>38</sup>, the Secretariat also posted several new pages (press releases, Council documents, standing working bodies and publications). The number of press conferences held after the Council sessions is still insufficient. The Secretariat initiated the translation of materials into the English language for the purpose of activating the website in English. The basic documents of the Council have already been translated into the English language and delivered to international partner organisations and institutions as part of international cooperation.

Also contributing to better information on the Council activities is the participation of the Council Secretary and members in various educational activities, conferences and workshops in the area of social dialogue where there is an opportunity to present the Council's conclusions, opinions and decisions. The Council's publishing activity also increases the visibility of this institution, but there is still a lot of work to be done for the information on the Council activities to be at a satisfactory level.

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<sup>38</sup> [www.socijalnoekonomskisavet.rs](http://www.socijalnoekonomskisavet.rs)

## X DEVELOPMENT OF LOCAL COUNCIL NETWORK

The Council Secretariat provided assistance to the establishment of local social and economic councils on several occasions, through assistance in the preparation of documents and activity plans or exchange of information and maintenance of communication between the local and national levels. The Secretariat has neither the authority nor capacity to deal more intensively with the development of the local council network and if the Republic Council wishes to deal with this matter more seriously strategic documents must be adopted, funds must be allocated and the Council members themselves must get involved. The Council Secretary actively participated in the preparation and realisation of the Swiss Labour Assistance (SLA) Conference, held in Kragujevac on 04 December 2009 (as well as in analysing the situation and defining recommendations). The conclusions and recommendations from the Conference provide an excellent basis for more serious dealing with these issues, so they are presented here, with the consent of the SLA, as an integral part of this Activity Report:

### ***Conclusions and recommendations of the SLA Conference on Social Dialogue at Local Level, held in Kragujevac on 04 December 2009:***

*The aim of the conference was to establish a network of social and economic councils at the local level, encourage their establishment and operation, establish regular exchange of information and experience but also regular and quality exchange of information between the local and national levels.*

*Social dialogue in Serbia at the local level or at the level of local self-government units is quite underdeveloped, not only in terms of the number of registered<sup>39</sup> social and economic councils, but also when analysing the contents of social dialogue, capacities of stakeholders and, most importantly, the effects.*

*In June 2005, the Swiss Labour Assistance (SLA) initiated a project named Support to Social Dialogue in Serbia, which had as one of its main goals precisely the improvement of social dialogue at the local level, increasing the capacities of social dialogue stakeholders and promoting the idea of social dialogue and the benefits arising from this process in public.*

*The local situation was (and to a large extent still is) characterised by several facts:*

- *Lack of political will on the part of representatives of the majority of local authorities to participate in the social dialogue process, both institutional and non-institutional.<sup>40</sup>*

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<sup>39</sup> Sixteen in total, according to the records of the Ministry of Labour and Social Policy of the Republic of Serbia. They are in the following towns: Niš, Belgrade, Novi Bečej, Raška, Novi Sad, Sremski Karlovci, Sremska Mitrovica, Vrnjačka Banja, Subotica, Šid, Kragujevac, Sokobanja, Velika Plana, Knjaževac, Srbobran and the Provincial Social and Economic Council.

<sup>40</sup> In December 2008, the Minister of Public Administration and Local Self-Government sent a letter to all municipalities in Serbia in which he recommended the establishment of local councils in accordance with the law and pointed to the advantages of practicing social dialogue, but the effects remained minimal. The

- *Weak structure of employers' associations (short previous history of association and incomplete ownership transformation) even in the situations when they are ready to participate in social dialogue (small number of employees in the companies that are members of employers' associations and underdeveloped local technical services)*
- *The main advocates of social dialogue and promoters of council establishment were trade unions, but are often in conflict with one another and without enough real power to "persuade" other stakeholders. Also, technical capacities of local trade unions remain limited mostly due to financial reasons.*
- *General public is not informed of the advantages of effective social dialogue but also a bad experience and limited scope of social dialogue in the previous period.*
- *Lack of previous experience in managing joint tripartite projects and reaching consensus.*
- *Irregular meetings/consultations at the tripartite level, mostly initiated by a partner organisation with which the project cooperation is conducted.*

*These findings are also confirmed by the research entitled *The State of Social Dialogue at the Local Level in Serbia – research of social dialogue capacities in 10 municipalities in Serbia*, conducted by the SLA in 2006,<sup>41</sup> which pointed, inter alia, to the fact that there is no direct or permanent connection or at least exchange of information between social and economic councils at the local and Republic levels.*

*Taking into account all the above mentioned as well as the experience presented by the conference participants (tripartite structure), the conclusions and recommendations are the following:*

1. *Local self-government units should fulfil their legal obligation and provide financial and technical conditions for social and economic councils' operation. For this not to be reduced only to the provision of offices and computer equipment, it is necessary to include the funds necessary for concrete activities of the Council but also for the work of experts and secretaries in the town budget.*
2. *Regardless of whether it is a registered council or just an established council that will be registered in the future, it is necessary, after signing the agreement and adopting the Rules of Procedure, to adopt the Activity Plan that would define concrete activities, responsibilities, time frames and funds. Wherever stipulated by the Establishment Agreement, it is necessary to activate working groups. In this way it would be possible to assess the work done and directly hold responsible those who undertook concrete obligations. Expert analyses that would be a result of the working groups' activities would enable the raising of the level of discussions at councils' sessions through substantiated discussions supported by materials.*

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*letter especially pointed to the legal obligation of the local self-government units to support the establishment of the council in the situation when it is already initiated by social partners. Establishment agreements were signed in some ten towns, but the registration has not been conducted to date because in most cases a proof of representativity of employers is still to be obtained (Arlje, Sombor...).*

<sup>41</sup> *Towns: Leskovac, Kraljevo, Užice, Kragujevac, Šabac, Niš, Čačak, Zaječar, Zrenjanin and Sombor.*

3. *Social partners should, in accordance with the law, prove their representativity because it enables a council to be registered and obtain the status of a legal entity, and consequently a possibility of applying for funds from local and foreign donors. This, of course, should not mean that councils cannot operate prior to registration, as the signing of the establishment agreement alone presents a basis for the commitment of stakeholders to be used for regular tripartite consultations and activities of interest for citizens in the local community.*
4. *Great attention should be paid to the contents of local social dialogue. It must include key issues of local economic development and all issues within the competence of local self-government unit rather than wasting the energy and funds on the subjects that are not within the local stakeholders' competence.*
5. *Social partners, through their umbrella organisations, may take part in the issues of interest at the national level.*
6. *Constant promotion of social dialogue in local community through examples of good practice and local media involvement.*
7. *Strengthening mutual trust among social dialogue stakeholders through activities of joint interest/joint responsibility – tripartite projects.*
8. *Constant increasing of social dialogue stakeholders' capacities for competent participation in social dialogue.*
9. *Networking with nongovernmental organisations, university, donor organisations and media is of significance for strengthening the capacities of social partners at the local level.*
10. *Holding a conference of local social and economic councils once a year with the aim of mutual exchange of experience and materials as well as exchange of opinions and information with the Republic Social and Economic Council, under the auspices of the SLA Office in Belgrade.*
11. *Although, according to the law, the Republic Social and Economic Council has no authority over local councils, it is necessary to establish regular information exchange and expert capacities exchange on certain issues, as well as an exchange of research works and technical literature.*
12. *Development of cooperation of standing working bodies of the Republic Council with standing working bodies of local councils.*
13. *Assistance of the Republic Council Secretariat in preparing documents and plans necessary for the operation of local councils.*
14. *Regardless of the fact that the Republic Council publishes its activity plans, reports, the most important results of its sessions and other documents on its website, it is also necessary to inform social dialogue stakeholders at the local level of the activities and decisions of the Republic Council in a more direct manner, so one of the possible ways is also a delivery of six-month summary of activities to the local level.*

*The conference in Kragujevac was attended by a total of 35 participants: representatives of employers' and trade union organisations, of the Ministry of Labour and Social Policy, as well as the Republic and Provincial Councils. The towns that participated in the*

*conference were: Kragujevac, Užice, Šabac, Leskovac, Arilje, Subotica, Sokobanja and Novi Bečej.*

## XI TABULAR SUMMARY OF SESSION ATTENDANCE IN 2009

No.	Name of ministry/social partners' organisation	Council Member present	Deputy present in member's absence
1.	Ministry of Labour and Social Policy	8	1
2.	Ministry of Finance	0	8
3.	Ministry of Economy and Regional Development	2	7
4.	Ministry of Health	0	6
5.	Ministry of Education	4	4
6.	Ministry of Public Administration and Local Self-Government	2	2
7.	Serbian Association of Employers	9	
8.	Serbian Association of Employers	7	2
9.	Serbian Association of Employers	7	2
10.	Serbian Association of Employers	6	1
11.	Serbian Association of Employers	7	2
12.	Serbian Association of Employers	6	3
13.	Trade Union Confederation "Nezavisnost"	8	
14.	Trade Union Confederation "Nezavisnost"	6	1
15.	Confederation of Autonomous Trade Unions of Serbia	8	1
16.	Confederation of Autonomous Trade Unions of Serbia	8	
17.	Confederation of Autonomous Trade Unions of Serbia	5	
18.	Confederation of Autonomous Trade Unions of Serbia	7	

## **XII APPENDIX 1: AGREEMENT ON FURTHER DEVELOPMENT OF SOCIAL DIALOGUE**

The Government of the Republic of Serbia, the Serbian Association of Employers, the Confederation of Autonomous Trade Unions of Serbia and the Trade Union Confederation “Nezavisnost” (hereinafter: parties to the Agreement), proceeding from their mutual evaluation that social dialogue is the basis of successful solving of joint problems and achieving joint goals and that it is not possible to mitigate negative consequences of the global economic crisis or ensure a long-term economic and social progress of Serbia without joint action, conclude on this day, 30 January 2009, the following

### **A G R E E M E N T** on Further Development of Social Dialogue

1. The Parties to this Agreement support further development of social dialogue and collective bargaining at all levels and observance of collective agreements.
2. The Parties to the Agreement agree to solve all problems through discussions and negotiations, certain that conditions for mitigation of the economic crisis, conditions for accelerated economic growth, maintenance of employment level and macroeconomic stability can be created by joint action.

To that end, the Parties to the Agreement shall undertake the following:

- 1. The Confederation of Autonomous Trade Unions of Serbia, the Trade Union Confederation “Nezavisnost” and the Serbian Association of Employers:**
  - undertake to conclude Annex II to the General Collective Agreement by 30 January 2009. The Annex will postpone temporarily, i.e. for a six-month period, the implementation of provisions of the General Collective Agreement (Official Gazette of RS, nos. 50/08 and 104/08) relating to financial obligations of employers as follows: Article 24 Paragraph 1 Items 1, 2 and 5, Article 29, Article 31 Indent 5, Article 32 Indents 4, 6 and 7, Article 35, Article 43 and Article 61;
  - agree to start negotiations on possible amendments to the General Collective Agreement, at the proposal of the Coordinating Committee on Monitoring the Implementation of the General Collective Agreement;
  - agree to conclude special collective agreements, on which negotiations were conducted, within 30 days from the day of concluding this Agreement;
  - agree to start negotiations immediately after signing the Agreement on the conclusion of other special collective agreements. The negotiations will be conducted in good faith in order to reach agreement on the conclusion of collective agreements within three months from the start of the negotiations.
- 2. The Serbian Association of Employers:**
  - Undertakes to revoke the cancellation of the General Collective Agreement.
- 3. The Government:**
  - relevant ministries shall undertake measures and activities to start negotiations within 60 days from the day of concluding the Agreement on the

conclusion of special collective agreements in public services and bodies of self-government units and collective agreements for public enterprises in the areas of their competence;

- The Minister of Labour and Social Policy shall pass a Decision on Extended Effect of the General Collective Agreement immediately after the signing of Annex II to the General Collective Agreement;
- The Minister of Labour and Social Policy, for the purpose of carrying out the economic and social policy of the Government, proceeding from developments in the labour market and other macroeconomic indicators, and if he assesses that the necessary conditions have been met, shall pass a decision on the extended effect of special collective agreements or some of their provisions, if they are in accordance with the law. The Minister of Labour and Social Policy, within 30 days from the day of concluding the special collective agreement, shall estimate if the necessary conditions have been met for adopting a decision on the extended effect of the special collective agreement or some of its provisions;
- The Labour Inspectorate and Administration Inspectorate, within their respective legal authority, shall perform supervision over the implementation of the law and collective agreements, and especially regarding payment of minimum wage.

#### **4. The Parties to the Agreement:**

- agree to continuously analyse the possibility of implementation of the General Collective Agreement Articles whose implementation is temporarily postponed and to analyse, one month before the expiry of the six-month period, at the session of the Social and Economic Council of the Republic of Serbia, the possibility of application of the General Collective Agreement Articles referred to in Item 1 Indent 1 of this Agreement, proceeding from the economic and social policy of the Government and the effects of the global financial crisis. If this analysis shows that the conditions have been met for the start of implementation of the General Collective Agreement Articles referred to in Item 1 Indent 1 of this Agreement after the expiry of the period referred to in Item 1 Indent 1 of this Agreement, an appropriate Annex to the General Collective Agreement shall be concluded;
- shall undertake measures and activities aimed at the observance of the concluded collective agreements by the employer and provision of the acquired level of rights to the employees;
- shall undertake measures and activities for preserving jobs and increasing employment, together with the growth of economic activity.

Confederation of Autonomous Trade Unions  
of Serbia  
Ljubisav Orbović, President

Government of the Republic of Serbia  
Rasim Ljajić, Minister of Labour and  
Social Policy

Trade Union Confederation “Nezavisnost”  
Branislav Čanak, President

Serbian Association of Employers  
Stevan Avramović, President