

2016

Annual Review of Labour Relations and Social Dialogue Bosnia and Herzegovina

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- The socio-economic developments in 2016 have been characterized by modest economic growth, a slight rise in the employment rate and a decrease in the unemployment rate.
- Women make up the majority of unemployed persons, nearly 53 per cent, and still have a low economic participation rate in the labour market.
- The average net gross wage increased and was 843 BAM (€431) in December 2016. The minimum pension remained unchanged in both entities of Bosnia and Herzegovina (BiH).
- The ratio between the consumer basket of necessary goods and services as calculated by the trade unions and the average wage is 47 per cent. This means that huge number of workers live in poverty and/or very dire conditions.
- In the political context the EU-driven Reform Agenda 2015-2018 (RA) adopted in July 2015 continued to be pursued in 2016. New laws and policies have been adopted, including a new Labour Law in the Federation of BiH (FBiH). The Reform Agenda fails to address the issues of the Decent Work, and is not gender-aware. It is not focused on reducing inequalities and widespread poverty, including working poverty.
- Social partners had intensive bargaining in 2016. The General Collective Agreement was signed in FBiH but only a few branch collective agreements in FBiH had been signed by the end of the year. The social partners in Republika Srpska (RS) have not yet signed a new General Collective Agreement.



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1. SOCIO-ECONOMIC DEVELOPMENTS

In 2016 the economy of Bosnia and Herzegovina continued to grow, but modestly. By the third quarter of 2016 the economic growth was 2.7 per cent, which is still below the 3 per cent recorded from 2015. The projected economic growth for 2017 is 2.8 per cent and its growth is expected to reach 3.7 per cent by 2018.

In the third quarter of 2016 real GDP growth amounted to 2.4 per cent. This was an increase of 1.0 per cent compared to the same quarter of the previous year. Total GDP was 21.961 million BAM or €11,211,474 in the third quarter of 2016.

Observed by activities, real growth of the gross value added was recorded in: 1) administrative activities at 12.1 per cent; 2) electricity, gas, steam and air conditioning supply at 11.1 per cent; and 3) agriculture at 9.5 per cent. A real decrease in gross value added was recorded in: 1) education by 0.9 per cent; and 2) information and communication technology by 0.5 per cent. Industrial production increased by 3.8 per cent in the period January-September 2016 compared to the same period in the previous year. The greatest achievement was in the manufacturing sector with growth of 3.9 per cent compared to the same period in the previous year. A detailed analysis discloses the highest growth rates in the manufacturing of furniture at 18.8 per cent, metal products at 15.2 per cent, chemical products at 14.3 per cent and food products at 8.8 per cent.

The employment rate continued to grow by 1.7 per cent in the third quarter of 2016 compared to the same period in the previous year with 727,300 in employment. This led to a registered unemployment rate of 41.7 per cent, which is 1.4 per cent lower than the same period in the previous year. The number of registered unemployed persons in November 2016 was 511,096, out of which 269,501 or nearly 53 per cent were women. As in previous months, the most significant contribution to the overall growth in the number of employed persons was in areas of wholesale trade and retail trade, repair of motor vehicles and motorcycles and manufacturing.

The average net gross wage increased by 2.1 per cent in the third quarter of 2016 compared

to the same period in the previous year. The minimum wage in that quarter was 843 BAM (€431). The highest increases in wages were in the financial sector, insurance companies, art and entertainment sector, and production and distribution of electricity. The average pension increased by 0.3 per cent and currently is 359 BAM (€183.55). The minimum pension remained unchanged in both FBiH and RS. According to the calculations made by trade unions the minimum consumer basket came to around 1800 BAM (€920), which is a difference of about 957 BAM (€489) or 47 per cent.

The level of deflation was 1.3 per cent in September 2016. Prices fell mainly due to transportation, food and non-alcoholic beverages, clothes and shoes. The total amount of the money supply amounted to BAM 19.7 billion (€10.1 billion) by the end of third quarter of 2016, an increase of 7.5 per cent compared with the same period in the previous year. The key reasons are increased deposits of domestic currency of 16.2 per cent and cash outside the banks increasing by 11.3 per cent.

Reserve money increased by 12.6 per cent at the end of September 2016 compared with the same period in the previous year and amounted to 8.2 billion BAM (€4.2 billion). Gross foreign currency reserve increased by 14.1 per cent and amounted to 9.4 billion BAM (€4.8 billion).

The fiscal deficit in 2016 was -5.6 per cent of GDP.

Revenues from indirect taxes in the period January-September 2016 continued to grow at a rate of 5.4 per cent. This was due to an increase in collected revenues in FBiH of 10.7 per cent, while revenues from the Tax Authority in RS recorded a loss of 4.2 per cent. Overall revenue from indirect taxes increased by 4 per cent.

According to data from payment balance total direct foreign investment amounted to 194 BAM (€99 million) in the first six months of 2016, which was a decrease of 46.8 per cent from the same period of 2015.

The level of payment of foreign debt increased considerably (by 151.4 per cent).



The total amount of bank loans amounted to 17 billion BAM (€8.7 billion) by the end of September 2016, with growth at a rate of 1.8 per cent. The key reason for such a low growth rate is the low level of loans provided to non-financial companies, governments and other sectors. The loans granted to households remained the same level of growth rate as in the previous year.

In 2016 (first nine months) exports increased, imports stagnated and the foreign trade deficit decreased. Bosnia's exports amounted to 6.861 billion BAM (€3.508 billion), which is an increase of 2.5 per cent. This was mainly due to the foreign demand for Bosnian products, an increased level of manufacturing and reduced global prices for raw materials such as energy (e.g. oil) and food. This trend in foreign trade exchange in goods continued in September 2016, confirming the export growth of 4.8 per cent, and slight increase of imports of goods by 1.8 per cent compared to the same month in 2015.

The Standard and Poor's credit rating service gave BiH a sovereign credit rating of B, with stable future prospects.

According to UNDP data from 2007 the Gini-index for Bosnia and Herzegovina is 0.362.

2. STATE POLICIES AND LEGISLATION

Bosnia and Herzegovina submitted its application for EU membership in February 2016. In September 2016 the EU Council invited the European Commission to submit its opinion on this application. A state coordination mechanism on EU matters, previously lacking, was adopted by the Council of Ministers of BiH in August 2016. The country's programme for approximation with the EU *acquis* has still not been developed. Political and economic dialogue takes place between the EU and BiH within the framework of the SAA/IA structures. Structured Dialogue on Justice continues to address the serious shortcoming in the judiciary. In July 2016 BiH initialled a Protocol for the technical adaptation of the SAA/IA to take into account its bilateral traditional trade with Croatia, requesting the suspension of the Autonomous Trade Measures. The formal signing of this Protocol is still pending.

The EU-driven Reform Agenda 2015-2018 (RA) adopted in July 2015 continued to be pursued in 2016. It is directed towards tackling the difficult socio-economic situation and advancing the rule of law and public administration reforms by creating economic growth, reducing unemployment, improving the business environment and creating incentives for investments. The following policies and laws were adopted in 2016:

- Labour Law, adopted in February 2016
- Programme for economic reforms 2016-2018
- Guidelines for economic and fiscal policy for 2017-2019
- House of Peoples of FBiH adopted its Labour Law in April 2016
- Strategy for debt management of BiH was adopted in April 2016
- Profit Tax Law was adopted in February 2016

After the new Labour Law - adopted in July 2015 by the Government of FBiH - was challenged in the Constitutional Court by a group of 17 Members of Parliament (MPs) from the Social Democratic Party BiH, the Democratic Front and "Nasa Stranka" and declared unconstitutional and thereby invalid due to violated parliamentary procedures, the Law was sent to Parliament again and adopted in February 2016. No amendments submitted by the opposition were accepted. The government of FBiH initiated additional changes to this new Labour Law in December 2016.

The Reform Agenda (RA) entails serious shortcomings. It presupposes economic growth as the only and primary solution to the problem of massive poverty, unemployment, social exclusion, division of the society and corruption. No specific pro-poor growth objectives have been formulated. The document was created without any participation by civil society, including trade unions and employer associations, and without transparency. The lack of participation and transparency continues to characterize the enforcement of the RA and the adoption of laws and policies adopted by entity governments in 2016. Furthermore, it is chiefly focused on the interests of employers and investors and fails to address the



perspective and interests of workers (private sector workers, informal workers, workers with disabilities, etc.) and decent salaries and work. It also lacks gender perspective and does not address the interests, expectations and needs of women. The issues of widespread poverty (23 per cent extreme poverty and 30 per cent just above the poverty line) and social exclusion (1.4 million women and men) are not addressed either.

The RA promotes the Labour Law adopted in 2015 as a law that gives workers more rights. Although the new law does include some improvements for workers, proponents fail to recognize that it seriously undermines the strategic position of trade unions and collective agreements. Also, the RA does not address the issue of low law enforcement and the poor capacity of enforcement mechanisms, e.g. labour inspections. The RA also promotes municipalities in Bosnia and Herzegovina that already have high employment and relatively developed local economies, celebrating them as “economic miracles”, but it fails to recognize that in these municipalities trade unions barely exist and companies do not comply with basic human right standards such as the right to organize and join trade unions; workers earn salaries that they cannot live on and they work under very tough working conditions.

The Reform Agenda is not linked to any of the 17 globally-adopted SDGs despite the fact that the *2030 Agenda for Sustainable Development* recognizes that policies focused on economic growth must go hand-in-hand with strategies for ending poverty, including all other dimensions of poverty and exclusion such as education, health, social protection and job opportunities.

3. INDUSTRIAL RELATIONS

The process of collective bargaining in FBiH for a new General Collective Agreement was initiated in September 2015 between the Independent Trade Union Confederation of BiH and the Association of Employers of FBiH. The collective bargaining process was characterized by a high level of interference by the FBiH government. The FBiH government even declared the negotiated agreement unconstitutional and questioned

the representation of the Association of Employers of FBiH. This caused additional delays in the process. Finally, a new General Collective Agreement was signed on 10 February 2016. It is valid for 12 months, with the possibility of a 6-month extension. Minimum monthly wage was agreed at €203. Compensation for overtime, night work and work during holidays was reduced. The tax-free part of meal compensation was reduced to 1 per cent of the average salary in the FBiH (about 8 BAM (€4.10)/day). The institution of “past performance” (bos. minuli rad) i.e. the number of years of service/work has been kept as a compromise between the social partners. However, it has been already announced that this regulation will be removed in the next collective agreement.

Several branch trade unions have initiated collective bargaining at the branch level in 2016 but only a few agreements have been signed so far.

4. TRIPARTITE SOCIAL DIALOGUE

There is no Economic and Social Council (ESC) at the national level. No steps were undertaken in 2016 to create this body. This is mainly due to the fact that labour and social legislation is primarily dealt with at the entity and cantonal levels of government. Also, no legal provisions related to the representation of the social partners exist at the state level. A particular problem is that the Association of Employers of BiH represents the interests of employers only from the Federation BiH. Tripartite socio-economic councils operate at the entity levels (RS and FBiH) and in some cantons of FBiH.

The ESCs in both entities had intensive negotiations in 2016. In FBiH this resulted in a new General Collective Agreement. After negotiations between social partners in the RS failed, the entity government declared the old Collective Agreement invalid and made a decision that defines some key issues such as wage increases, employment-based income and assistance to workers (in case of death, etc.). This decision is preliminary and is valid until the social partners reach a compromise about a new General Collective Agreement.



5. FORECASTS

1) Economic forecasts for 2017

- Economic growth will continue but remain at a modest level
- Employment rate will increase marginally
- Unemployment rate will decrease marginally
- Inflation rate is predicted at around 2 per cent
- Balance of trade will be negative
- Government debt will remain at the same level
- Economic activity of women will remain low
- Youth unemployment will remain high
- Long-term unemployment will remain high
- Average wage will probably increase by 2 per cent
- Minimum wage will remain at the same level
- Consumer price index will remain at the same level (current level 102.75)
- Current account – budget deficit will continue

2) Social forecasts for 2017

- Social exclusion will remain high
- Gender inequalities will remain high
- The probability of workers' demonstrations and strikes will be high
- The gap between the average wage and the basic consumption basket will remain wide
- The decent work agenda will not be a priority within the ongoing Reform Agenda



ANNEX OF DATA

• Collective bargaining system

Collective bargaining in BiH is guaranteed by the Constitution of BiH, the European Social Charter, and the ILO Conventions as well as by the entity (FBiH and RS) Labour Codes. The most important level of collective bargaining in BiH is at the entity level. It is at this level that General Collective Agreements, which guarantee minimum rights and obligations of both workers and employers, are negotiated and signed. In RS, parties involved in collective bargaining and conclusion of the General Collective Agreement are the government of RS, the Confederation of Trade Unions of RS, and the Union of Associations of Employers of RS. In the FBiH, the negotiating parties are the government of FBiH, the Confederation of Independent Trade Unions of BiH and the Employers' Association of the Federation of BiH.

At the branch level, the respective branch trade unions and respective employers' associations conclude collective agreements in both entities. A specific characteristic of collective bargaining in the Federation BiH are collective agreements concluded at the cantonal level, which primarily pertain to budgetary users and must be in line with the General Collective Agreement and respective branch agreements. In both entities, collective agreements may also be concluded at the company level if there is a trade union organisation in the company.

The current trend is towards questioning the model of collective bargaining. The government and employers' associations, as well as some international organizations, more and more speak of collective agreements as excessive and complicated, claiming that all those provisions could be regulated in labour law. The associations of employers speak also for reducing the scope of rights regulated by the General Collective Agreements, proposing these rights and obligations to be negotiated at the branch or enterprise level. The position of trade unions has been unanimous thus far, stating that the General Collective Agreements represent the last line of defence of workers' rights and that proposed changes

would lead to drastic reduction of workers' and trade union rights.

Lower level collective agreements in FBiH have yet to be harmonised with the General Collective Agreement after the adoption of this agreement in February 2016.

• System of tripartite social dialogue

The system of tripartite social dialogue is organized through the work of the Economic and Social Councils at the level of FBiH and RS. They involve representatives of the entity governments, the largest confederations of trade unions and entity associations of employers. In the RS, the representativeness of trade unions and associations of employers is legally regulated by amendments to the Labour Code. In FBiH, this issue has not yet been legally regulated, so the decisive factor for participation in tripartite social dialogue is the number of members of trade unions or associations of employers. In FBiH, the new Labour Code adopted in April 2016 now regulates the representation of trade unions and employers' associations.

• Social security systems

According to the law, all employed workers should be covered by health and pension insurance, as well as by unemployment insurance, if employers pay the social contributions. Unemployed workers are entitled to health insurance if registered as officially unemployed. Many employers, including state-owned companies, do not regularly pay the social contributions. In such cases it is the worker who suffers the breach of law committed by the employer as s/he cannot retire when time comes or cannot get medical care when needed.

According to the Labour Force Survey 2016 the official unemployment rate is 25.4 per cent. Women have a higher unemployment rate (30 per cent) in comparison to men (22.5 per cent). Around 70 per cent of the unemployed have a secondary education background, with 75 per cent of these being men and 63 per cent being women.

The informal economy is widespread and no serious effort has been made so far to tackle



the issue effectively. No precise data are available but it is estimated that around 30 per cent of the workers earn their income in the informal sector. Informal workers work under precarious conditions with low salaries, poor working conditions and no protection. Trade unions have not organized informal workers.

The ratio of workers and pensioners is about 1.2 to 1. This ration would be difficult to sustain even in much stronger economies.

• Education and vocational training

There is a great mismatch between the current education system and labour force demand in the market. The current education system, including vocational education and training (VET) activities, is by far insufficient and incapable of providing the workforce with skills that are needed to find a job in the labour market. Cooperation between the education system and employers is still weak and the proper functioning of the labour market continues to be hampered by the weak performance of the VET. This year's data demonstrate declining interest in enrolling in the vocational high schools.

The entities of FBiH and RS and Brčko District are, inter alia, competent for regulating the

area of education as an integral part of the country's social policy. In FBiH all powers in the area of education are within the exclusive competence of the cantons and that makes the situation even more complex.

Vocational education and training has not been viewed as a significant policy issue by any government so far.

The process of education reform in BiH is proceeding at an uneven and slow pace and is mainly focused on the adoption of the necessary legislation in the area of preschool, elementary, secondary, higher and vocational education. Elementary education is compulsory and according to the newly-reformed law it consists of nine years. Furthermore, in all these years BiH has been faced with the phenomenon of unequal access to education, as well as with the non-existence of national curricula and syllabi. The higher education system is undergoing adaptation to the Bologna Process. There is an increase in the number of enrolled university students but the problem occurs after they complete their studies according to the Bologna system. An ethnically-based and divided educational systems still prevents achievement of full inclusiveness in education.

Table 1 Number of working-age population by education level and gender¹(in thousands)

	Total			Women			Men		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Workers with primary school or less	2,565	2,579	2,489	1,242	1,259	1,208	1,324	1,320	1,281
Workers with secondary school and specialization	1,248	1,317	1,297	732	766	753	517	550	544
College, university, masters, doctoral degree	259	244	248	135	125	127	125	118	121

Life-long learning is incorporated in the strategy of vocational training in BiH and its policies, and the goals of development of a system of life-long learning have been defined, but this type of education is not yet systematically developed and none of

envisaged goals and defined measures had been met by September 2016

There is no life-long learning and educational centre for workers in the country.

¹ Labour Force Survey 2016, p. 41



- **Employment and unemployment**

	2011 (as of 30.09)	2012 (as of 30.09)	2015 (as of 30.09)
Number of employed persons	693,359	688,318	716,230
Number of unemployed persons	529,994	545,508	539,703
Registered unemployment rate	43.3 %	44.2 %	44 %
Survey unemployment rate	27.6 %	28.0 %	27.0 %
Survey employment rate	31.9 %	31.7 %	31.2 %

The table below² presents the number of persons in employment and unemployment by sex. There has been a slight decrease in

employment in comparison with 2015 and a decrease of unemployment by 42,000.

Table 2 Employed and unemployed persons by gender in 2016.

Year	Persons in employment, total	Women	Men	Persons in in unemployment, total	Women	Men
2014	812 000	301 000	511 000	308 000	172 000	136 000
2015	822 000	307 000	515 000	315 000	179 000	136 000
2016	801 000	288 000	514 000	273 000	149 000	124 000

- **Average monthly salaries**

The table below provides updated data on average monthly wage paid in net earnings, which was 838 BAM or €428 in the third

quarter 2016. This is an increase of 5 BAM or about €2.50 EUR³ in comparison with the same period in 2015.

Table 3 Average monthly net salary in EUR

Year	Average wage per month (€)
2009	403.92
2010	408.01
2011	417.21
2012	420.79
2013	---
2014	---
2015	425.46
2016	428.00

² Labour Force Survey 2015, p. 46

³ Demography and social statistics, November 2016, available at

http://www.bhas.ba/saopstenja/2016/NPL_2016Q3_001_01_B_S.pdf



- **Gender pay gap and gender equality**

The trend of low gender equality represents a deep concern. Although being nearly as educated as men women face unfavourable economic and social status and have low a participation level in political and public affairs. Violence against women is widespread.

According to the Global Gender Gap Report produced annually by World Economic Forum Bosnia and Herzegovina ranks 83 out of 144 countries and scores 0.685 (1= parity, 0=non-parity). This index measures four key dimensions of gender equality: 1) economic participation and opportunity ranks 113 and scores 0.581; 2) educational attainment ranks 50 and scores 0.996; 3) health and survival ranks 76 and scores 0.973; and 4) political empowerment ranks 62 and scores 0.191.

There is one women trade union leader in one of the two entity confederations in the country. Women are underrepresented as branch trade union leaders, as well as members of Economic and Social Councils. Trade unions do not address gender equality issues systematically nor do they apply a gender-mainstreaming strategy. Women are underrepresented in the collective negotiations teams. The ESV's agenda is not gender mainstreamed.

There is a noticeable wage gap between men and women in BiH, which is primarily the consequence of traditional distribution of employment in some sectors and levels of education. The analysis of wage differences shows significant gender differences in all wage classes, with the exception of the highest and lowest wage classes, where the number of women and men workers is approximately the same. The wage difference between men and women is the largest in the non-industrial sector and smallest among public servants, including public companies.

The largest gender pay gaps are to be found in the category of persons without a degree, where the difference is €88.50 in favour of men. The wage gap is reduced as the education level goes up so that at the level of secondary school diploma the gap is €57.60. Women with a university degree earn on average 92 per cent of net wages of their male colleagues. According to research conducted by the Agency for Gender Equality of BiH, the BiH gender gap is larger than the EU average.

- **Monthly minimum wage**

The minimum wage is negotiated only at the entity level. The table below provides data on the monthly minimum wage in the two entities.

Table 4 Minimum wage per month (in €)

	2009	2012	2013	2014	2015	2016
Federation BiH	184.00	184.00	190.00	190.00	190.00	209.00 ⁴
Republika Srpska	163.61	189.18	189.18	189.18	189.18	201.00 ⁵

⁴ General Collective Agreement in FBiH. The amount of 410 BAM (€209.63) has been announced in the media but will be confirmed in the meeting of the Economic-Social Council on 19 December 2016. The hourly wage will apply for 2017.

⁵ General Collective Agreement in Republika Srpska. The amount for 2017 was agreed between social partners in the Economic-Social Council on 13 December 2016.



• Average hours worked per week

The Labour Codes and the General Collective Agreements at the entity level of BiH define the weekly working hours of employees as including the total of 40 hours with a mandatory 12 consecutive hours of rest between two working days. It also includes 24 consecutive hours of rest in the course of one week. Employees may work overtime but the

laws limit the number of overtime working hours. If required by the nature of work, the full-time working hours can be redistributed, but in such a way that the average working hours can be no longer than 52 hours per week, and for seasonal jobs no longer than 60 hours per week. If a redistribution of working hours is introduced, the average working hours in the course of one year may not be longer than 40 hours per week.

Table 5 Average hours usually worked per week on main jobs by persons in employment by gender⁶

Year	Average hours, total	Structure %	Women	Men
2014	42.4		41.3	43.0
2015	42.2		40.8	43.1
2016	42.5		40.9	43.3

• Persons in employment by gender and employment status

Table 6 Persons in employment, full-time or part-time, by gender⁷

Year	Persons in employment, full time	Structure %	Women	Men	Persons in employment, part time	Structure %	Women	Men
2014	749 000	92.2	273 000	475 000	63 000	7.8	28 000	36 000
2015	763 000	92.8	282 000	481 000	59 000	7.2	25 000	36 000
2016	746 000	93.2	262 000	484 000	55 000	6.8	25 000	29 000

Table 7 Persons in employment by employment status and gender⁸

Year	Self-employed	Structure %	Women	Men	Unpaid family workers	Structure %	Women	Men
2014	155 000	19.1	43	112	32 000	4	24 000	9 000
2015	170 000	20.7	47	123	29 000	3.5	20 000	9 000
2016	169 000	16.5	48	121	27 000	3.3	18 000	9 000

• Migration

Data on migration of workers is not available. However, the report “Women and Men in Bosnia and Herzegovina” published by the Agency for Statistics of BiH in 2015

demonstrates internal migration of population by sex as presented in the graph below. Women migrate considerably more than men in the age groups between 15 and 34 years. In all other groups migration is quite low and has no gender differences. Data on reasons for migration are not available.

⁶ Labour Force Survey 2016, available at http://www.bhas.ba/tematskibiltenti/TB_ARIS%202016_BS_EN_G_.pdf

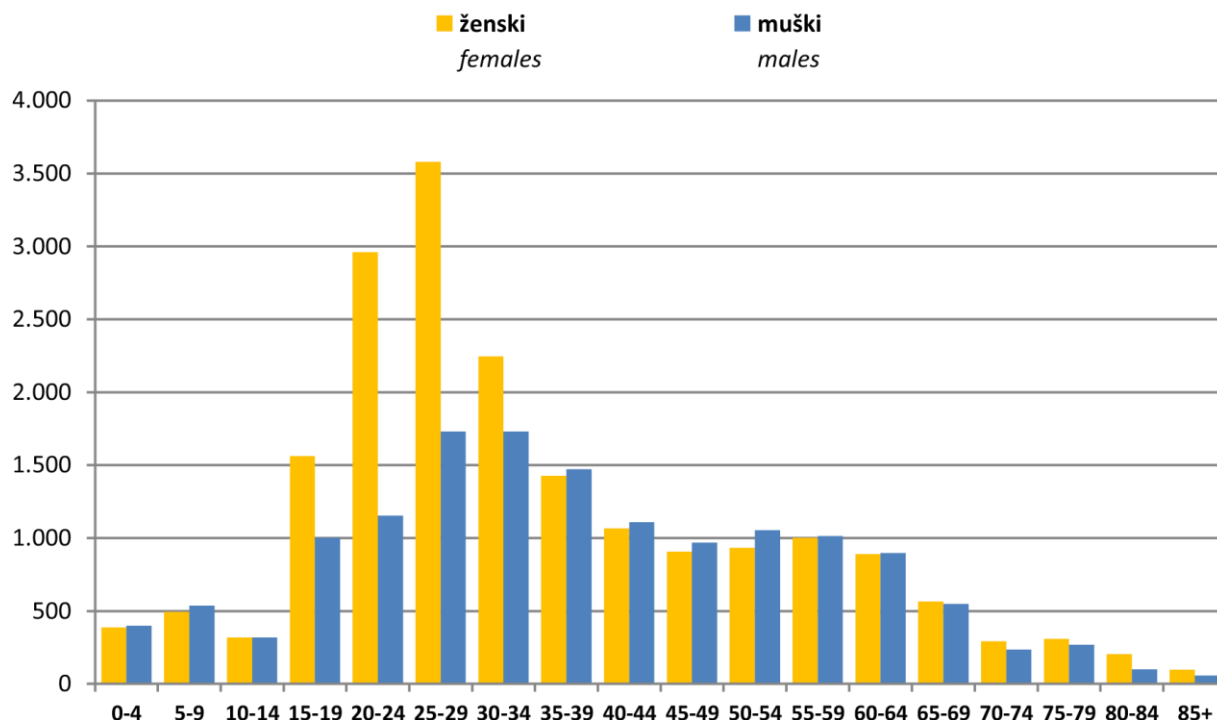
⁷ Labour Force Survey 2016, available at http://www.bhas.ba/tematskibiltenti/TB_ARIS%202016_BS_EN_G_.pdf

⁸ Labour Force Survey 2016, available at http://www.bhas.ba/tematskibiltenti/TB_ARIS%202016_BS_EN_G_.pdf



Unutrašnje migracije u Bosni i Hercegovini u 2014. godini

Internal migration in Bosnia and Herzegovina in 2014



- **Human Development Index**

The Human Development Index was introduced to broaden the traditional approach of assessing the development of a specific country by economic growth alone to include

additional dimensions of human development such as a long and healthy life, being knowledgeable and have a decent standard of living. The last report indicates continued modest improvements.

Table 8 HDI Index for Bosnia and Herzegovina⁹

Year	Scores	Ranking
2005	0.697	
2010	0.710	
2011	0.724	
2012	0.726	
2013	0.729	89
2014	0.733	85

⁹ Source: <http://hdr.undp.org/en/statistics/>



- **Gini Index**

Gini Index measures the extent to which the distribution of income among individuals or

households within an economy deviates from a perfectly equal distribution. The table below presents scores and ranking for Bosnia and Herzegovina¹⁰.

Year	Index	International ranking
2001	30.00	
2004	34.40	
2007	33.04	68
2011	33.00	

- **Collective agreement coverage**

The General Collective Agreements, both in the Federation of BiH and in RS, stipulate that they are binding and that they apply to all workers and employers. No collective agreement concluded at the branch or company level may grant lesser rights than those stipulated in the General Collective Agreements. Differences between the public and private sector are especially pronounced in the area of implementation of the existing collective agreements and it is a fact that the provisions of agreements are more frequently violated in the private than in the public sector.

At the cantonal level there are collective agreements in force in public administration, education, police and health care, signed between the respective trade unions and the cantonal ministries. In RS there is the General Collective Agreement, signed in 2012 between the RS Government, the Union of Associations of Employers of RS and the Confederation of Trade Unions of RS. There are also 15 branch collective agreements in force. Brčko District has not adopted a general collective agreement due to the specific characteristics of the district in which employers were free to act in accordance with the collective agreements in force in one of the two entities of BiH.

- **Ongoing important collective bargaining agreements**

The most important collective agreement in the FBiH is the General Collective Agreement signed by the three social partners in 2005. So far it has been amended twice, with the amendments pertaining to the amount of the minimum wage and there have been ongoing negotiations by social partners on more substantial amendments. In addition to the General Collective Agreement, there are also 23 branch collective agreements in force. In some branches, mainly in the private sector, the collective agreements have not yet been fully harmonized with the General Collective Agreement due to the absence of respective sectoral employers' associations so that the agreements signed with the entity ministries are in force.

- **Trade union density**

Although there are no official data that could accurately indicate the actual number of members of trade unions and the ratio between this number and the number of registered employees, the level of trade union density in BiH, according to estimates, is currently approximately 50 per cent. When making this estimate, one definitely needs to note that accurate data on trade union membership are not available, which is a consequence of the existence of great number of firms where workers have not received their salaries for several years or months so that the payment of the membership fee, as one indicator of membership, is either irregular or it is not as regular to the extent it should be, given the actual number of members of trade unions in those firms.

¹⁰

Source:

http://data.worldbank.org/indicator/SI.POV.GINI?locations=BA&name_desc=false



In addition, there are workers who are members of trade unions who due to economic problems in their companies, are in a sort of "waiting" status and who do not receive any salary and consequently cannot pay their membership fees. It is for these reasons that records on paid membership fees cannot be treated as accurate records of actual membership.

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

- **Employers' organizations density**

There are no accurate data on membership in the national-level Employers' Association of BiH. As for the entity associations, according to the latest available data, the Employers' Association of the Federation of BiH has approximately 1,000 collective and individual members, while the Union of Associations of Employers of Republika Srpska, which comprises 13 branch employers' associations, has 430 affiliated companies.

- **Workplace representation**

According to law, workers in Bosnia and Herzegovina are given the opportunity to be represented at work through trade union organizations and Works Councils. Trade union membership is voluntary and a worker becomes a trade union member by registering for membership in the trade union of the respective activity, i.e. the branch. Any employed worker can become a member of a trade union upon signing a membership application form, whereby he/she accepts the rights and obligations arising from the trade

union statute. Employers cannot be members of a trade union.

As for the employees' councils, i.e. Works Councils, their organization is regulated in entity laws. In order for an employees' council to be formed, the employer must have at least 15 workers employed on a full-time basis. In FBiH, an employees' council can be organized upon request of the trade union or a minimum 20 per cent employees of a single employer; in RS, the decision on establishment of a workers' council can be made by a minimum one-third of the total number of workers of a single employer. Rights and obligations of employees' councils and trade unions, as well as the obligations of employers towards these representatives of employees, are laid down in the legal regulations and trade union acts.

It is also stipulated that if there is no organized trade union within an employer, powers and obligations of the trade union are assumed by the workers' council (RS), and if there is no employees' council in FBiH, its rights and powers are assumed by the trade union. In general, there is a low level of organization of employees' councils in BiH, and especially so in RS, and they are organized only sporadically. Workers still have more confidence in trade unions as their legitimate representatives, which is partly due to the long-standing tradition of organizing in trade unions. Generally, the problem of the low level of organization in employees' councils and of the low activity of workers in trade unions is a consequence of the fact that workers' representatives are denied their legal right to participate in co-decision processes.

- **Trade unions**

In Bosnia and Herzegovina at the state level the Confederation of Trade Unions of BiH is comprised of the Confederation of Independent Trade Unions of FBiH, the Confederation of Trade Unions of RS and the Trade Union of Brčko District.



Name	English name	Membership	Membership in international organizations
Konfederacija sindikata BiH	Confederation of Trade Unions of BiH	223,000	ITUC, observer status in ETUC

SAVEZ SAMOSTALNIH SINDIKATA BiH (CONFEDERATION OF INDEPENDENT TRADE UNIONS OF BOSNIA AND HERZEGOVINA)		
Branch trade union	Name in English	Membership in intl. organizations
Sindikat metalaca BiH	Trade Union of Metal Workers BiH	IndustriAll-ETU
Sindikat BH Pošta	Trade Union of BiH Post	UNI
Sindikat državnih službenika i namještenika u FBiH	Independent Trade Union of Workers of State Administration FBiH	EPSU/PSI
Samostalni sindikat osnovnog obrazovanja i odgoja BiH	Independent Trade Union of Primary School Education and Nursing BiH	EI
Sindikat radnika rudnika uglja BiH	Trade Union of Miners BiH	
Samostalni sindikat šumarstva, prerade drveta i papira BiH	Independent Trade Union of Forestry, Wood Processing and Paper in BiH	BWI
Samostalni sindikat radnika hemije i nemetala BiH	Independent Trade Union of Chemistry and Non-metal Workers BiH	IndustriAll-Global Union
Sindikat građevinarstva i IGM BiH	Independent Trade Union of Building and Construction Materials Industry in BiH	BWI
Sindikat saobraćaja u FBiH	Traffic Trade Union in FBiH	
Sindikat BH Telecoma	Trade Union of BiH Telecom	UNI
Sindikat tekstila, kože obuće i gume BiH	Trade Union of Textile, Leather, Footwear and Rubber Industry BiH	IndustriAll-Global Union
Sindikat elektroenergetskih radnika BiH	Trade Union of Electricity Workers BiH	EPSU/PSI
Sindikat radnika komunalne privrede u FBiH	Trade Union of Utility Workers in FBiH	EPSU/PSI
Samostalni sindikat radnika nafte i petrohemije BiH	Independent Trade Union of Oil and Petrochemical Workers BiH	
Samostalni sindikat radnika u finansijskim organizacijama BiH	Independent Trade Union of Financial Organization's Workers BiH	UNI
Unija sindikata policije u FBiH	Union of Police Trade Unions in FBiH	CESP
Nezavisni strukovni sindikat radnika zaposlenih u zdravstvu BiH	Independent Trade Union of Health Service Employees BiH	EPSU/PSI
Sindikat radnika željeznica BiH	Trade Union of Railway Workers BiH	ITF
Sindikat radnika trgovine BiH	Trade Union of Trading BiH	UNI
Sindikat grafičkih, izdavačkih i medijskih radnika BiH	Trade Union of Graphic, Media and Publishing Workers BiH	UNI



Sindikat srednjeg i visokog obrazovanja, odgoja, nauke i kulture BiH	Trade Union of Secondary and High Education, Nursing, Science and Culture BiH	EI
Sindikat hrvatskih telekomunikacija Mostar	Trade Union of Croatian Telecommunications Mostar	UNI
Sindikat penzionera BiH	Trade Union of Pensioners BiH	
Sindikat hrvatske pošte Mostar	Trade Union of Croatian Post Mostar	

SAVEZ SINDIKATA RS (CONFEDERATION OF TRADE UNIONS OF REPUBLIKA SRPSKA)		
Branch trade union	Name in English	Membership in intl. organisations
Sindikat metalske industrije i rudarstva RS	Trade Union of Metal Industry and Mining RS	
Sindikat trgovine, ugostiteljstva, turizma i uslužnih djelatnosti RS	Trade Union of Trading, Catering, Tourism and Services RS	UNI
Sindikat zdravstva i socijalne zaštite RS	Trade Union of Health Workers of RS	EPSU/PSI
Sindikat obrazovanja, nauke i kulture RS	Trade Union of Education, Science and Culture of RS	EI
Sindikat šumarstva, prerade drveta i papira RS	Trade Union of Forestry, Paper and Wood Processing RS	
Sindikat medija i grafičara RS	Trade Union of Media and Graphic Workers RS	
Sindikat građevinarstva i stambeno-komunalne djelatnosti RS	Trade Union of Construction, Housing and Communal Services of RS	EPSU/PSI
Sindikat saobraćaja i veza RS	Trade Union of Traffic and Connections RS	
Sindikat uprave RS	Trade Union of Administration RS	EPSU/PSI
Sindikat pravosuđa RS	Trade Union of Judiciary RS	
Sindikat poljoprivrede i prehrambene industrije RS	Trade Union of Agriculture and Food Industry RS	
Sindikat radnika unutrašnjih poslova RS	Trade Union of Internal Affairs Workers of RS	EPSU/PSI
Sindikat finansijskih organizacija RS	Trade Union of Financial Organizations RS	WOW
Sindikat tekstila, kože i obuće RS	Trade Union of Textile, Leather and Footwear RS	IndustriAll-Global Union
Sindikat Telekom RS	Trade Union of Telecom RS	EUROFEDOP

SINDIKAT BRČKO DISTRIKTA (TRADE UNION OF BRČKO DISTRICT)



• Employer's Organisations

At the state level, there is the Association of Employers of BiH; its members are the Association of Employers of FBiH, the Union of Associations of Employers of RS, and the

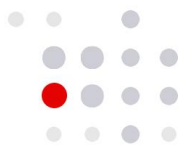
Association of Employers of Brčko District BiH. In RS, the Union of Associations of Employers is vested with representative status.

Name	Name in English	Membership	Membership in int. organisations
Asocijacija poslodavaca BiH	Employers' Association of BiH		UEAPME

Name	English name	Membership in nat. organisations	Membership in int. organisations
Udruženje poslodavaca u FBiH	Association of Employers of Federation BiH	APBiH	
Savez poslodavaca RS	Federation of Employers' Associations of RS	APBiH	
Udruženje poslodavaca Brčko distrikta	Association of Employers of Brčko District	APBiH	
Unija udruženja poslodavaca RS	Union of Associations of Employers of RS		

• Abbreviations and acronyms

Abbreviation/Acronym	Meaning
BAM	Convertible Mark (Bosnian currency)
BiH	Bosnia and Herzegovina
EU	European Union
€	Euro
FBiH	Federation of Bosnia and Herzegovina
GDP	Gross Domestic Product
RS	Republika Srpska
SAA	Stability Association Agreement
ESC	Economic and Social Council
UNDP	United Nations Development Programme
SDG	Sustainable Development Goal
RA	Reform Agenda
MP	Member of Parliament



About the Author

Emina Abrahamsdotter holds a master degree in political science from University of Lund in Sweden, and a master degree of religious studies from University of Sarajevo in Bosnia and Herzegovina. She is currently enrolled as PhD Research Candidate at the University of Birmingham in the United Kingdom and conducts her research in the area of politics, religion and development with focus on poverty reduction and social inequalities in Bosnia and Herzegovina. She formerly worked in the LO-TCO Secretariat for International Trade Union Cooperation based in Stockholm and the regional office of International Trade Union Confederation.

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