

16. Social dialogue and the future of work in the Adriatic region

Igor Guardiancich

1. INTRODUCTION

It makes sense to study social dialogue and the future of work in Bosnia and Herzegovina, Croatia, Montenegro, North Macedonia, Serbia and Slovenia as a group because of their common economic, political and industrial relations legacy, stemming from the Socialist Federal Republic of Yugoslavia. The federation disintegrated after Slovenians and Croatians voted for and declared independence in June 1991. Five republics then emerged: Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia (FYRoM), the Federal Republic of Yugoslavia, and Slovenia. Following the so-called Dayton Agreement of 1995, Bosnia and Herzegovina split into two entities: the Federation of Bosnia and Herzegovina and Republika Srpska. In 2006, Montenegro and Serbia became separate entities. Kosovo unilaterally declared independence in early 2008. And finally, after a name dispute lasting 27 years, FYRoM became North Macedonia in 2019. Only two of Yugoslavia's successor states have joined the European Union (EU) so far: Slovenia in May 2004 and Croatia in July 2013. Three are official candidates for accession: North Macedonia since 2005, Montenegro since 2010 and Serbia since 2012. Kosovo and Bosnia and Herzegovina are still only potential members. Despite considerable effort, as of 2019 further enlargements are on hold.¹

2. THE COMMON YUGOSLAV LEGACY

Before embarking on its somewhat heterodox brand of socialism, Yugoslavia was a keen emulator of the centrally planned economy developed in the Soviet Union, with all its flaws, such as the “soft budget constraint” and perverse incentives (see Kornai, 1992).

This changed in 1950, when central planning was abandoned in favour of workers' self-management (*radničko samoupravljanje* in Serbo-Croatian), favoured by President Josip Broz Tito and Edvard Kardelj, drafter of the 1974 Constitution, and theorized by economist Branko Horvat. Decades of reforms entirely redesigned the command economy into a more market-oriented and decentralized system, which mixed socialist, market and self-management features (Uvalić, 2018; Unkovski-Korica, 2015).

Key socialist features were still prominent (Lavigne, 1999). The economy was firmly controlled by the League of Communists of Yugoslavia (SKJ) and its republican branches. Planning together with non-market mechanisms of resource allocation were present,

¹ <https://www.economist.com/europe/2019/10/26/at-french-insistence-the-macedonians-are-left-out-in-the-cold>

but they became ever more decentralized, especially after 1974. The means of production were collectively owned in the form of social (non-private) property, an ill-defined concept that created major problems during subsequent privatization.

Whereas market coordination was gradually introduced in product markets, as a relatively efficient way of determining final demand and supply, labour and financial markets (wage-setting and the remuneration of capital) were rejected as incompatible with socialist ideology. Market-oriented reforms intensified in the 1980s, when the IMF had to step in to cope with solvency problems.

Uvalić (2018) details the self-management characteristics of the Yugoslav economy, which then served as a foundation for the development of industrial relations in the region. Initially, after 1950, workers' councils became responsible for the election of members of management boards and for appointing and removing enterprise managers. Distribution of enterprise income and investment decisions remained under government control and were only gradually devolved.

The reforms of the 1970s introduced proper "contractual socialism". At the micro level, self-management was adapted to larger enterprises through the constitution of various "organizations of associated labour" and strengthened their roles in distribution and investment. At the macro level, three coordination mechanisms were perfected: (i) social contracts, which regulated rights and obligations affecting broader economic policies and were stipulated between enterprises, political representatives, trade unions, chambers of commerce and self-managed "communities of interest"; (ii) self-management agreements that regulated relations between enterprises and other organizations, including banks, in areas such as investment projects, deliveries and joint transactions; and (iii) self-managed "communities of interest", which united the interests of suppliers and final users of services in health care, education, social insurance and foreign trade.

One should not overstate the economic virtues of self-management, as Yugoslavia still suffered from many of the ills of command economies. Nevertheless, the wellbeing of its citizens was greater than in the other socialist countries: there were no recurrent shortages, people enjoyed greater individual freedom and workers were granted a modicum of economic democracy (the impression that they were partaking in a firm's decision-making and sharing its profits) through self-management.

Economic performance, which was at first impressive, deteriorated dramatically after the oil shocks (Uvalić, 2018). Yugoslavia failed to adapt and relied on external indebtedness up to the point when the IMF had to step in. Hence, in the 1980s GDP stagnated and even declined (down from some 6 per cent per annum, on average), unemployment shot up to 16 per cent (with enormous regional differences), inflation hit 30 per cent in 1980 and became hyperinflation by the end of the decade. Stabilization attempts largely failed and consequently living standards plummeted.

Economic decentralization and political centralization did not prove to be a successful combination: despite the efforts to level up regional differences, they actually widened. While Yugoslav per capita GDP stood at 6,203 USD (PPP) in 1989, Slovenia's was exactly twice as high, Croatia's 1.41 times that, Serbia's 1.08, Macedonia's 1.04, Montenegro's 0.74, Bosnia's 0.68 and Kosovo's as low as 0.26.

At the end of the 1980s, radical reforms were introduced, with privatization of parts of the economy and the introduction of a number of market mechanisms. A new Company Law reduced the scope for self-management substantially in mixed property enterprises, where new management organs took over, and private enterprises, in which workers were supposed to exercise their self-management rights in conformity with collective agreements. In the remaining socially owned firms, self-management rights remained as before.

3. DIVERGING TRAJECTORIES AFTER DISAGGREGATION

After 1991, the ex-Yugoslav republics embarked on different transition paths at different speeds, mainly reflecting political conditions on the ground. Obviously, war-torn countries could not proceed as swiftly as Slovenia, which had the most favourable economic situation and immediately took the lead. As testimony to its success EU membership came in 2004 and adoption of the euro in 2007. After Slovenia came Croatia – which joined the EU in 2013 – and North Macedonia, which faced less serious political problems than latecomers Serbia and Montenegro. These started transition basically after the fall of the Milošević regime in 2001. On the lowest rung of the ladder stood Bosnia and Herzegovina (and Kosovo), which is barely a functional state.

One way in which the legacy of self-management was acknowledged was the sale of shares in socially owned property on privileged terms or their distribution free of charge to employees and managers. Croatia issued discounted shares to employees (up to 49 per cent in any one company). Macedonia relied mainly on employee and, especially, management buyouts. Montenegrin employees had priority in subscribing shares, which were later also distributed for free, up to 10 per cent of the value of social capital. Serbia offered privileged conditions to employees and managers in its voluntary privatization. Slovenia used a mixture of mass privatization and employee buyouts, which resulted in rather dysfunctional insider ownership structures. Bosnia and Herzegovina was the only country not to rely on buyouts. Small enterprises were privatized first, and followed by free distribution of vouchers for large enterprises.

The privatization process neither maintained self-management structures intact (workers councils were replaced by supervisory boards representing the new shareholders), nor endowed workers with permanent control through ownership. In all countries, the initial sale or distribution of shares was followed by later consolidation. In North Macedonia and Slovenia, it was mainly former managers who accumulated the most. In Serbia and Montenegro, new oligarchs and foreign firms dominated. In Croatia, it was a mixture of the two. Every former Yugoslav republic experienced the *tajkunizacija* (oligarchization) of former social property. A small number of what have come to be known as “oligarchs” managed to accumulate immense wealth, mainly in the absence of strong regulatory and supervisory institutions that could provide a level playing field for privatization and competition (the likes of Boško Šrot, Luka Rajić, Miroslav Mišković are household names in, respectively, Slovenia, Croatia and Serbia, who built their fortunes also through the ownership transformation process).

All of the countries, at some point during the transition from self-management to a market economy, got stuck in what Hellman (1998) calls a “partial reform equilibrium”, in which the winners of transition block further reforms in order to extract rents at the expense of

Table 1 Foreign direct investment, Adriatic region, various indicators

	Foreign direct investment (2018)		Greenfield FDI Performance Index 2019	
	% of GDP	Million US\$	Ranking	Number of projects
Bosnia and Herzegovina	2.45	485.6	15	17
Croatia	2.11	485.5	n.a.	n.a.
Montenegro	8.91	1,284.4	2	11
North Macedonia	5.32	674.5	18	10
Serbia	8.13	4,107.3	1	107
Slovenia	2.81	1,523.9	n.a.	n.a.

Sources: World Development Indicators; Barklie (2019).

society at large. Despite an extremely messy privatization process in Slovenia (Guardiancich, 2016), it seems that the northernmost ex-republic is the only one that has maintained a strong degree of continuity with the previous system. Worker codetermination in large enterprises continues, profit-sharing exists on a voluntary basis, the welfare state has not been dismantled, the social partners, as well as connected bipartite and tripartite social dialogue thrive (amid ups and downs).

If there is a silver lining to the emergence of many features of unregulated capitalism across the Balkans it is that they became a favoured destination for foreign direct in-

Figure 1 GDP per capita at constant 2010, Adriatic Region, 1997 and 2018 (US\$)

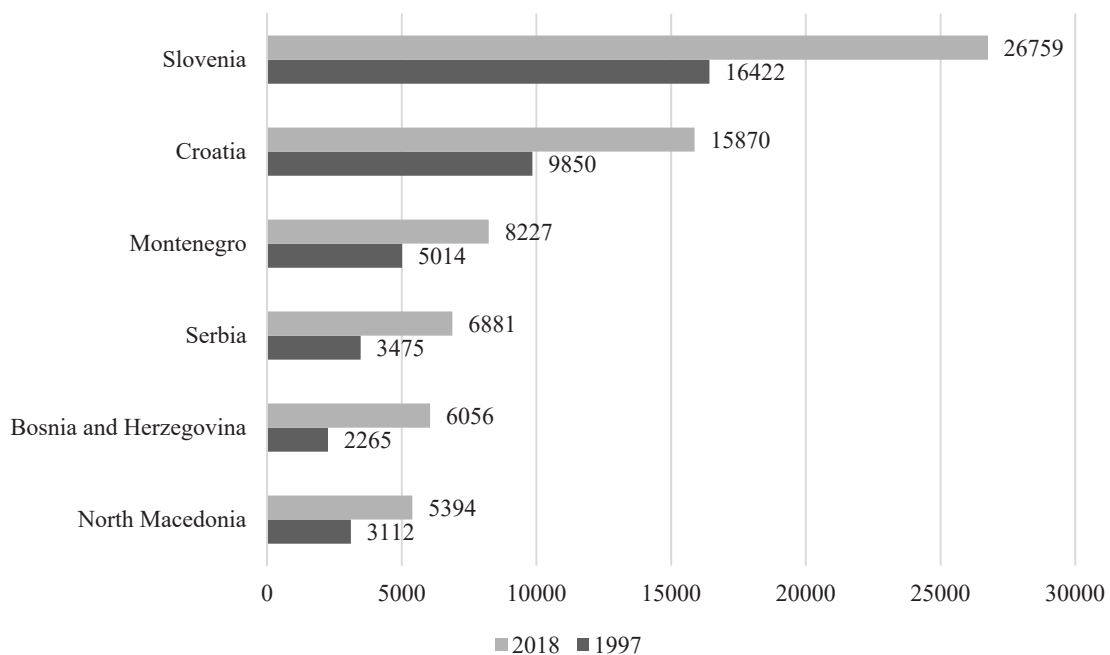
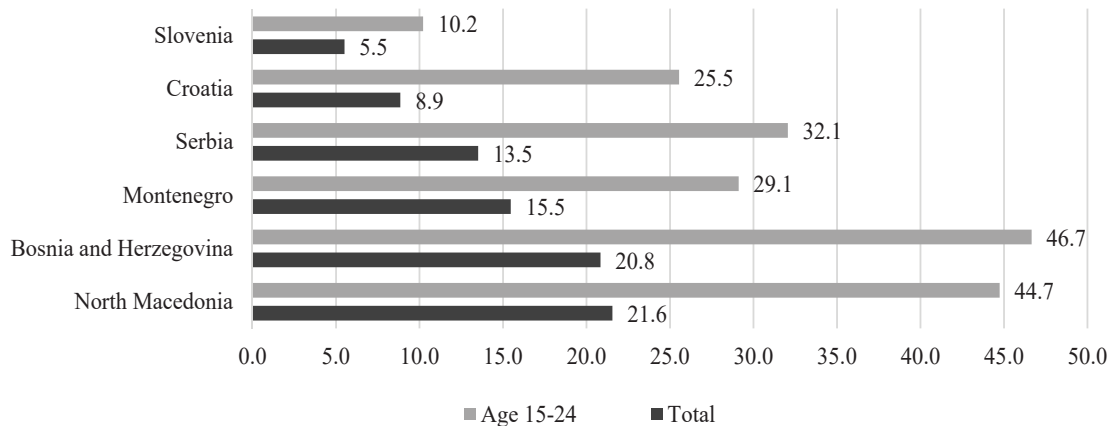


Figure 2 Unemployment, total and youth, Adriatic Region, 2018



Source: World Development Indicators.

vestment (FDI). As shown in Table 1, Serbia and Montenegro rank first and second in the Greenfield FDI Performance Index 2019, which ranks countries according to their economy's potential to attract FDI.

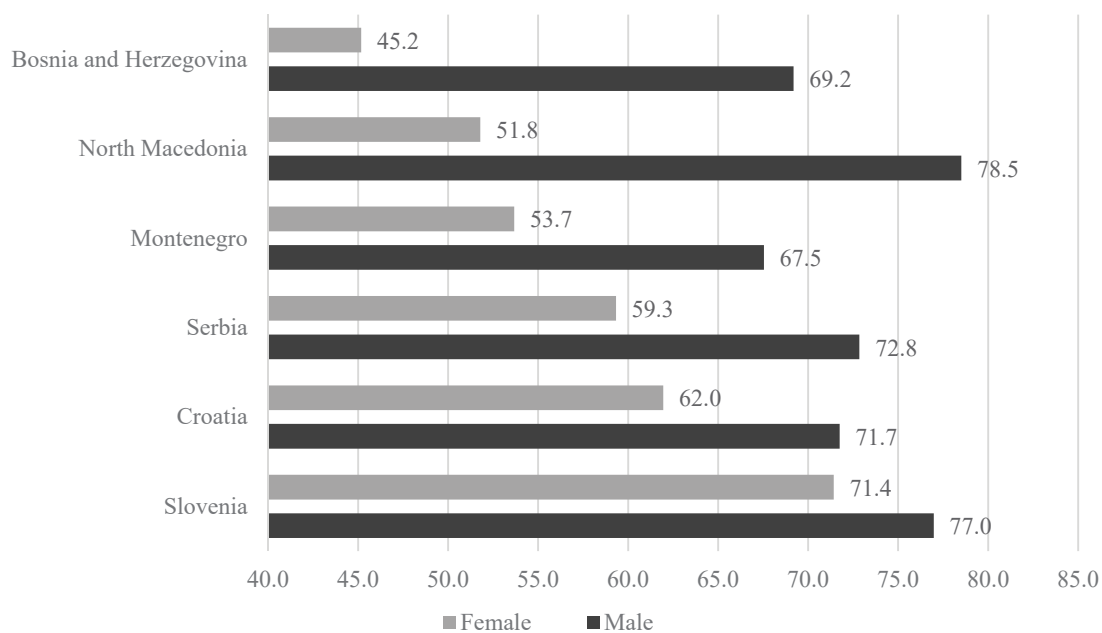
Apart from foreign penetration (that creates problems of its own for social dialogue), economic and social indicators in the region, except for Slovenia and despite considerable growth, are not encouraging. In a hypothetical ranking of transitional success, Milanović (2014) places Croatia and North Macedonia among relative failures, and Serbia, Montenegro (by extension) plus Bosnia and Herzegovina among the clear failures. Perhaps the situation is not so bleak, but economic recovery and convergence to EU average income have lagged behind, and the relative differences between the ex-Yugoslav republics seem to be fairly constant (see Figure 1).

Political freedoms are partial. Unemployment and low employment are endemic. As shown in Figure 2, while Slovenia ranks similar to advanced European political economies such as Austria or Germany, Bosnia and Herzegovina and North Macedonia seem to be stuck in permanent crisis.

Additionally, female labour force participation rates are a good indicator of how conservative a country is, and regional variation is, once again, considerable (Figure 3).

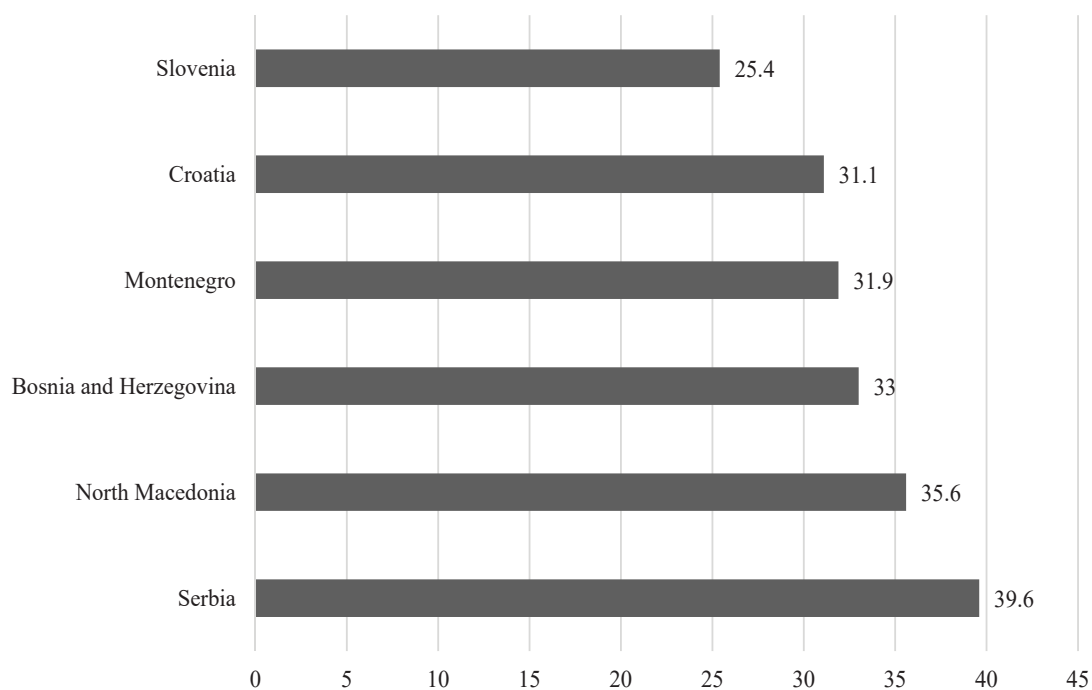
Finally, reflecting the degree to which the individual economies have been captured by rent-seeking capitalists, the Gini coefficient of inequality shot up. Again, Slovenia ranks in line with Scandinavian countries, while Serbia is more akin to a developing country (Figure 4).

Figure 3 Labour force participation rate by gender, Adriatic Region, 2018



Source: World Development Indicators.

Figure 4 GINI coefficient, Adriatic Region, 2015 (or latest)



Note: Bosnia and Herzegovina (2011); Montenegro (2014).

Source: World Development Indicators.

4. THE INDUSTRIAL RELATIONS LANDSCAPE AND ITS CHALLENGES

With the notable exception of Slovenia, industrial relations in the Adriatic Region are rather weak and ineffective.² This is the result of three interrelated developments, which constitute major challenges to be addressed at the level of both governments and individual social partners: (i) the weakness and structural deficits of the social partners; (ii) functioning but ineffective tripartite social dialogue; and (iii) limited and decentralized collective bargaining. To these one has to add specific problems related to the world of work: (iv) demographic problems in terms of ageing and migration; (v) dependence on foreign investors and firms; and (vi) incomplete political development.

Both trade unions and employer organizations have seen their densities decline relentlessly and display a number of structural problems characteristic of former socialist countries. In the two decades after transition began, union membership – which was once obligatory – plummeted to around one-third of the workforce, with further declines recorded after the financial and economic crisis. Somewhat less than in the rest of central and eastern Europe, there was a tradition of employer representation (so-called “red managers”). Employer organization density was thus roughly at the same level as that of the unions, and possibly not declining so fast (except in Slovenia, where membership was obligatory until the mid 2000s and a haemorrhage of members ensued its voluntarization) (cf. Grdešić, 2015).

As for the structural deficits, the unions suffer from several interrelated weaknesses (see, for example, Avdagić, 2005). Several labour movements in the region still rely on the old trade union apparatuses, inherited from socialism. These are accused of being relatively cosy with the government, inert, over-bureaucratized and overprivileged in terms of inherited property. Except in the countries at the forefront of transition (Croatia and Slovenia), they did not become fully autonomous nor did they push to develop collective bargaining. The trade unions that emerged after the beginning of transition are, instead, fragmented, factional and small in membership. Fights between old and new unions over inherited assets from socialism, the number of members and their legitimacy to bargain collectively are common. Second, the unions are clustered in the public sector, with little penetration among small and medium-sized enterprises or foreign firms, where resistance can be fierce. Such division has had the consequence of creating a dualized (see Emmenegger et al., 2012) labour market, where insiders – especially in the public sector – have access to social and contractual protection, while outsiders, increasingly reliant on atypical contracts, do not.

The employer organizations do not fare much better. They lament two main obstacles to effective operation. On one hand, in several countries, chambers of commerce, membership of which is compulsory, have exclusive (or joint) representation of the employers. This raises justified concerns over their political independence – the government can deprive them of members and funds with the stroke of a pen – and legitimacy, especially when signing sectoral or industry-wide collective agreements that would be better served by involving specialized actors. On the other hand, many employers do not feel the need to be represented. Small and medium-sized enterprises, in particular, are only too happy

² For a wider discussion of varieties of capitalism in post-socialist Europe, see Bohle and Greskovits (2012).

to undercut collective agreements that may be concluded by employer organizations. Large, often foreign enterprises, instead, can rely on asymmetries of power to muscle out favourable labour or financial conditions with the government at the national and their own workers at the firm level.

Due to the widespread penetration of foreign capital and interest groups in the politics and economics of the region, Nölke and Vliegenthart (2009), among others, talk of “dependent market economies”. These are partly built around the assembly and production of relatively complex and durable consumer goods requiring skilled, but cheap labour, the transfer of technological innovations within multinational enterprises and the provision of capital via foreign direct investment. These multinationals rarely find it advantageous to participate to domestic employer organizations or to engage in multi-employer collective bargaining. What is more, they often rely on parallel structures – for example, the American Chamber of Commerce (AmCham) or the Foreign Investors Council in Serbia – to lobby respective governments, thereby sidestepping national social dialogue. The problem is particularly acute in countries in which FDI represents a large share of GDP, that is, in Montenegro, North Macedonia and Serbia (see Table 1).

Looking at tripartite social dialogue in the region, the ILO (2017) notes that all former Yugoslav countries have established the necessary institutions and mechanisms through collective labour laws. The Adriatic region has put in place a developed infrastructure for tripartite consultation during the past two decades, helped by widespread ratification of the three most pertinent ILO Conventions and direct ILO support.³ With the notable exception of the Slovenian Economic and Social Council (Ekonomsko-socialni svet, ESS), however, most tripartite bodies suffer from substantial effectiveness deficits.⁴ Low public visibility, weak commitment of policymakers, limited human, technical and financial resources, low trust among the social partners, misunderstanding by the government of its role as facilitator, as well as a lack of evaluation mechanisms mean that quality recommendations on complex socioeconomic matters are scarce and that they are seldom translated into public policy. Additionally, due to recent contingencies, both the Slovenian ESS and the Croatian Economic and Social Council (Gospodarsko socijalno vijeće, GSV) were temporarily inactive in 2018 and 2019.

If tripartite social dialogue is ineffective, it is at least institutionalized and, hence, amenable to revitalization. The weakest link in the region’s industrial relations are the collective bargaining systems. Decentralization at the firm level is predominant, while the sectoral level is particularly weak. Not only are multi-employer collective agreements of little interest to foreign companies that need flexibility to be competitive, but coordinated collective bargaining requires strong employer associations (Bernanciak, 2015a). As partial compensation, several countries have (or had) nationwide collective agreements, whose implementation has proved to be fraught with difficulties, but which meant that coverage in Bosnia and Herzegovina, Montenegro, North Macedonia and Slovenia was for a long time almost total. Since the global financial crisis, though, collective agreement coverage has been declining almost everywhere.

3 Convention No. 87 on the Freedom of Association and Protection of the Right to Organize; Convention No. 98 on Collective Bargaining and the Right to Organize and Convention No. 144 on Tripartite Consultation.

4 Ost (2000) noted that such ineffectiveness is a constituent feature of “illusory corporatism”, while Bernanciak (2015b) labels the periodic resurgence in social pacts during crises as “PR corporatism”.

Considering in turn the pressing policy problems related to the world of work, the demographic and migration emergencies should top the agenda, a feature common to most of central and eastern Europe (see Chawla et al., 2007). The former Yugoslav republics have comparable problems with emigration, except for Slovenia, which has, however, a pressing need to improve the financial sustainability of its pension system. According to the World Bank and wiiw (2018), the stock of migrants from the former Yugoslavia (minus Croatia and Slovenia) outside the region reached 3.32 million in 2015. Almost half of these moved to the EU15. They tend to be young, of working age (with women making up an increasingly large share) and relatively highly educated, thereby creating considerable brain drain with negative consequences for the domestic labour market (labour shortages, difficulties with labour market matching), speeding up population ageing and decline, and reducing the region's growth potential.

Finally, it seems that important issues, such as technological advancements and climate change, which will have a profound impact on the future world of work, are still partly neglected in national social dialogue discussions. Compared to the findings in ILO-AICESIS, (2017) this state of affairs does not substantially deviate from the norm. The main issue is that even though there are individual initiatives by the social partners and legislation on aspects of these two problems, these are rarely processed through national tripartite or bipartite social dialogue.

5. STRENGTHENING THE REPRESENTATIVENESS OF SOCIAL PARTNERS AND INCREASING THEIR INSTITUTIONAL CAPACITY

Not dissimilar from the rest of Europe, union and employer density, as well as the coverage of collective agreements have been dropping in the Adriatic Region. As data are difficult to obtain, outdated and in most cases inaccurate (Croatia and Slovenia are, perhaps, partial exceptions), the three available figures for the six case studies, presented in Table 2, have to be taken with a pinch of salt.

In general, both union and employer organizations need to clearly define their representativeness criteria (which, in some countries, are slightly problematic), devise strategies to

Table 2 Union density, employer density and collective bargaining coverage, Adriatic Region

	Federation BiH	Croatia	Montene- gro	North Macedonia	Serbia	Slovenia
Union density	30% (2009 circa)	20.2% (2018)	26–41% (2017)*	28% (2010 circa)	25–30% (2016)	20.4% (2016)
Employer density	42% (2018)	53% (2013)	65% (2017)	24% (2010 circa)	30% (2010 circa)	56% (2013)
Collective bargain- ing coverage	100% (until 2018)	44.7% (2017)	100% (2019)	100% (2019)	55% (2010 circa)	70.9% (2016)

Notes: * According to the USSCG (personal communication), union density fell to 30–35 per cent in Montenegro in 2019.

Sources: Arandarenko (2019); Bejaković and Klemenčić (2019); Domazet (2012); Grdešić (2015); Kanjuo Mrčela (2018); Majhosev (2019); Visser (2019); personal interviews.

attract new members, and start solving some of their structural problems, also inherited from the past. With regard to representativeness, Annex II summarizes the main criteria applied in the six entities studied.

The Confederation of Independent Trade Unions of Bosnia and Herzegovina (SSSBiH) is the legal successor of the Confederation of Trade Unions of Bosnia and Herzegovina, which changed its name in 1990. The Federal Ministry of Labour and Social Policy granted it representative status in 2015 (according to the new Labour Code, see Annex II). On the employer's side the Association of Employers FbiH (UPFBiH), is the only association that meets the representativeness criteria. It claims to have 21,000 members and employ more than 42 per cent of employees in the real sector of Federation of BiH.

Currently, a new draft law is being discussed on the representativeness of the social partners in the Federation. One proposal is to include qualitative criteria as well, such as the presence of professional staff, adequate working conditions and offices, membership of international organizations, active promotion of collective bargaining, strong public relations activities and so on.

In this respect, and also in view of attracting new members, UPFBiH seems to be particularly active. A new online platform allows members to access domestic and international regulations, including comments on the most important pieces of legislation, and to ask for legal advice via the forum available within the platform.⁵ Other notable initiatives include: (i) the creation of a business social network, in other words, a forum for the exchange of business information and as well as for the promotion of products and services, requests for joint ventures, partnerships, projects, and so on; and (ii) the establishment of a training centre for employees, according to the needs of individual members, aimed at supplementing existing rather inadequate education and lifelong learning systems.

In Croatia, the representativeness criteria for both unions and employers changed drastically in 2015 with the Act on the Criteria for Participation in Tripartite Bodies and Representativeness for Collective Negotiation (Annex II). The new law was introduced after almost two decades of debates in order to establish more precise criteria and bring to an end the existing arbitrariness. Yet problems remain, especially because there are different criteria concerning trade union representativeness in tripartite social dialogue – and so sitting on the Economic and Social Council (GSV) (Annex III) – and those entitled to sign collective agreements.

In June 2018, the new list of representative unions and employers was established as the old one had expired a few months earlier. The number of representative trade union confederations was decreased from four to three, including the successor Union of Autonomous Trade Unions of Croatia (SSSH), the Independent Trade Unions of Croatia (NHS) and the Matica Association of Croatian Trade Unions. As the Croatian Association of Trade Unions (HURS) lost its status, there have been talks of a merger with Matica (Šeperić, 2018). The Croatian Employers Association (HUP) remained the only representative employer organisation. This realignment has had repercussions for the composition of the GSV (see Box 2), which met for the last time in its previous incarnation in June 2018. After that the social partners started talks on the new Agreement on the Estab-

⁵ <http://www.upfbih.ba/>

lishment of the Economic and Social Council (Sporazumom o osnivanju Gospodarsko-socijalnog vijeća), which soon led to a standoff with the government and brought activities within the GSV to a standstill (it never met again after the 221st meeting on 26 June 2018) (Šeperić, 2018).

There are some efforts in Croatia to guarantee the retention and attraction of members in unions and employer organizations. HUP sees voluntary membership as a major difference with the Chamber of Commerce, where this is mandatory. As they rely on membership fees, they need to be proactive and provide satisfactory services. Lobbying the government is the main mission here, as well as the provision of legal advice on topics related to industrial relations, collaboration with the main international organizations (ILO, IOE, BusinessEurope) and dissemination of knowledge, especially regarding EU legislation. Additionally, the HUP has created an ICT unit responsible for education and knowledge dissemination among members. For example, it organized a series of workshops on how to be legally compliant with e-commerce activities, the General Data Protection Regulation (GDPR), and so on.

The unions provide a number of legal services to their members, so retention and attraction practices are rather standard. New forms of work are not particularly widespread in Croatia. There are only few developments with regard to working from home, where some changes to the occupational safety and health (OSH) regulations have been implemented (see Section 4). Other, more “traditional” atypical workers, such as workers on fixed-term contracts and those hired through temp agencies, rarely join unions because they fear their contracts will not be renewed. The Independent Trade Unions of Croatia (NSH) has reported some success in the Croatian public sector, where around 700 workers at Zagrebački holding (a holding of several companies dealing with utilities in Zagreb), who were employed on fixed-term contracts for years at a time, have been regularized.

As for the social partners in Montenegro, there are two representative unions – the Union of Free Trade Unions of Montenegro (USSCG) and the Union of Trade Unions of Montenegro (SSCG) – and one representative employer organization, the Montenegrin Employers Federation (UPCG) (Annex I). The SSCG is the socialist successor union, which participated in social dialogue together with the Chamber of Economy of Montenegro (Privredna komora Crne Gore). The pluralization of industrial relations in Montenegro started with the establishment of UPCG in 2002 and USSCG in 2008. The Montenegrin Employer Federation follows ILO criteria, that is, it operates on the principle of voluntary membership, unlike the Chamber of Commerce, membership of which is mandatory. The UPCG now participates in social dialogue, instead of the Chamber, alongside USSCG, which gained representative status after the passage of the Trade Union Representativeness Act in 2010. This was amended in 2018, thereby better regulating the composition and functioning of the committee for determining trade union representativeness (Simović-Zvicer, 2019).

With regard to representativeness, there are seemingly more problems with employers than with unions. Currently, in addition to the UPCG and the Chamber of Commerce, three other business organizations are operating in Montenegro: the Montenegro Business Alliance (Montenegro Biznis Alijansa), the Montenegrin Foreign Investors Council and the American Chamber of Commerce in Montenegro (AmCham). None has expressed a willingness to become representative. Yet two problems persist. First, the committee

dealing with representativeness issues is composed of social partners that are already representative, thereby generating a conflict of interest. Second, similar to other former Yugoslav republics, where foreign investment has been plentiful, these organizations compete with the UPCG. Even though they are formally excluded from social dialogue, the government often seeks their opinion when drafting new laws, sometimes sidestepping social dialogue altogether.

Employers in UPCG are active internationally, relying on the technical assistance of and stable cooperation with the ILO's Budapest office, implementing EU-sponsored projects (more than 50 in the past few years) and through IOE membership. For example, the Montenegrin Employers Federation, in collaboration with the ILO, for the first time surveyed the green economy in the country, leading to a 2017 report that shows the potential for green jobs creation, especially in tourism (Kujundžić et al., 2017).

In North Macedonia there are two representative trade unions, the Federation of Trade Unions of Macedonia (SSM) and the Confederation of Free Trade Unions of Macedonia (KSS), as well as one representative employer organization, the Organization of Employers of Macedonia (ORM). There are also a number of other employer and business associations, of which the Business Confederation of Macedonia (BKM) is the most prominent, although it does not have representative status. Other examples are bilateral chambers of commerce, such as the American Chamber of Commerce or the Deutsche Auslandhandelskammer, which generate similar problems as in the rest of the former Yugoslav space.

Given the low employer organization density in North Macedonia, as compared to the other former Yugoslav republics, it is interesting to analyse the methods by which employers attempt to attract new members, such as the strategies to provide useful services to new entrepreneurs by the Business Confederation of Macedonia (see Box 1).

In Serbia, there are currently two representative trade unions: the socialist successor Confederation of Autonomous Trade Unions of Serbia (SSSS), which has been operating since 1903, and the United Branch Trade Unions, Independence (UGS Nezaviznost), the first independent union in Serbia, which started operations in 1991. At the employer level, only the Serbian Employers Association (UPS) is representative (Annex I).

Representativeness criteria are clearly spelled out in the Labour Code, adopted in 2005 and amended a number of times (Annex II). Representative status grants a number of rights, including participation in the Socio-economic Council (Annex III). There has been talk of changes to the Labour Code during the past five years, but these have been long postponed, currently because Serbia will have an election in 2020.

The labour movement in Serbia laments its chronic weakness and in the ITUC Global Rights Index Serbia ranks among the group of countries in which union rights are systematically violated (Petković Gajić, 2019). There are problems similar to those of North Macedonia and Montenegro among the employer organizations. First, the intermeshed nature of organized interests and the state inherited from Yugoslavia has not been rooted out. The Chamber of Commerce of Serbia (Privredna Komora Srbije) was the only employer association under the old regime and subsequently under Milošević. Its membership was (and remains) mandatory and its president is a political appointee, which undermines its independence. After having fraught relations with the UPS, especially over its

Box 1 Business Confederation of Macedonia and new entrepreneurs

The BKM was established in 2001 and by the early 2010s its membership consisted of circa 8,500 companies in 13 business associations, with two regional offices in Prilep and Tetovo and head office in Skopje. The BKM developed a strategy to involve new members based on the results of a survey (managed by external consultants) on what enterprises actually want from a business association and involving a multiplicity of initiatives.

A whole series of services have been devised for new or potential entrepreneurs. In particular, the BKM offers e-mentoring and modules on a number of key issues, such as: (i) how to construct a new business; (ii) how to apply for innovation funds; and (iii) how to comply with both legal requirements and corporate social responsibility obligations towards employees and the environment. To this end, the BKM has developed and promoted, with the State Commission on Corruption Prevention, a business code of ethics, which is based on the ten principles of the United Nations Global Compact (see CSRforALL, 2013).

The BKM is also part of the Erasmus for Young Entrepreneurs Programme,¹ which is a cross-border programme facilitating the exchange of entrepreneurial and management experience. Exchange takes the form of a stint by newly established or potential (North Macedonian) entrepreneurs with an experienced entrepreneur running a small or medium-sized enterprise in another EU country for a period of one to six months. Before being granted the exchange, the potential business person has to present a business plan, including details on its sustainability, potential suppliers and consumers. The plan is then evaluated and approved by BKM. After the exchange, the Confederation continues to work with the entrepreneur, as the rules in North Macedonia are necessarily different from those abroad and need to be updated to ensure legal and tax compliance.

¹ https://ec.europa.eu/growth/smes/promoting-entrepreneurship/support/erasmus-young-entrepreneurs_en

role in social dialogue, the Chamber is now the exclusive representative of the interests of Serbian business nationally and internationally (helping firms to establish business connections and trade).

Second, as Serbia ranks number one regarding the inflows of FDI within the former Yugoslav region (Table 1), there are a number of business organizations that represent foreign firms and investors, which operate outside social dialogue. The AmCham and the Foreign Investors Council (which covers 5 per cent of the workforce and 20 per cent of Serbian GDP), but also the Serbian branch of the Slovenian Chamber of Commerce (GZS Beograd), are often consulted directly by the government, when amending or drafting new laws. These organizations, as well as individual multinationals engage in some corporate social responsibility initiatives, such as scholarships for promising young people or improving the work–life balance for disabled people. But none of this has anything to do with national social dialogue.

Finally, in Slovenia, if trade unions meet the criteria mandated by the Representativeness of Trade Unions Act (Annex II), they are legally recognized as representative and enjoy a

wide range of rights, including the right to a seat on company management boards. Currently, seven union confederations have the right to participate in national tripartite negotiations. Of these, the Autonomous Free Trade Union of Slovenia (ZSSS), the successor union inherited from Yugoslavia, is the most prominent (for details, see Guardiancich, 2012). Although membership data are scarce and/or outdated, unionization is declining (from 68.4 to 20.4 per cent in 1991–2016), and labour is plagued by fragmentation and, sometimes, radicalization (Stanojević, 2014).

As for employer organizations, these existed before 1991 – the Chamber of Commerce and Industry of Slovenia (GZS) traces its origins back to 1851 and the Chamber of Crafts and Small Businesses of Slovenia (OZS) to 1969 – but their importance grew after independence. With the emergence of new firms and the privatization of state-owned enterprises, new associations sprang up, including employer organizations proper, such as the Association of Employers of Slovenia (ZDS), founded in 1994, following the advice of the ILO and the International Organization of Employers. There is no law on the representativeness of employers in Slovenia, but five sit on the Economic and Social Council (ESS) (Annex I and III). As for employer organization density, this is declining, especially after firm membership of GZS and OZS became voluntary in 2006 and 2013, respectively (down from 100 to 56 per cent). On one hand, the now voluntary organizations had to retain members and, hence, espoused a tougher pro-business stance. On the other hand, this has to be seen as a relatively positive change: chambers whose membership is obligatory are hardly independent from government and may not properly represent the interests of members. An important difference between Slovenia and the other former Yugoslav republics is the limited influence of foreign chambers of commerce on national politics and social dialogue. This is basically relegated to collective bargaining within individual multinationals.

Representativeness criteria are problematic for both employers and unions; hence, the Representativeness of Trade Unions Act should be updated and a law for employers introduced. First, there has been a tendency for the labour movement to fragment into smaller unions, which have weakened the bargaining power of the labour movement as a whole in both the public and private sectors. Second, the Act does not mandate a subsequent check of whether the initial conditions that granted representativeness to a union still subsist. This should be done periodically. Third, confederations do not have separate representativeness criteria, which are now unclear. As they can now consist of narrow “occupational” unions, perhaps some limitations could be introduced on the sectors that can be part of a single confederation.

Regarding the recruitment of new members, both unions and employers have only recently started thinking about devising new strategies. ZDS complains that micro and small enterprises are seldom interested in the activities of employer organizations and that only after they have reached a certain size do they start thinking about membership. On the labour side, ZSSS laments that international guidelines are lacking on how to recruit new members from the ranks of those employed in new and/or atypical forms of work. Hence, its strategies are rather generic and untargeted (see Molina and Guardiancich, 2018; Heery and Adler, 2004). In addition to the many services offered (especially individual and collective legal advice in all matters related to labour relations), they have introduced a “privilege card” – effectively a means of payment – that has some advantages for union members. Still, these activities are still in their infancy.

6. SUPPORTING SOCIAL PARTNER AUTONOMY

As the comparative ILO (2017) report shows, the institutional and legal preconditions are present in the region for functioning national social dialogue institutions. There are, however, two sets of problems: (i) the various causes of the ineffectiveness of Economic and Social Councils; (ii) the operational boycotts of the Economic and Social Councils in Croatia and Slovenia.

The ILO recently launched a number of research activities (Guardiancich and Molina, 2019) and the development of a self-assessment tool that addresses various aspects of effective national social dialogue institutions. A thorough examination of each Economic and Social Council in the region is beyond the scope of this study. We do provide two sets of comparative tables, however. Annex III shows the composition of tripartite social dialogue institutions in all six former Yugoslav republics. Table 3 shows the comparative effectiveness scores for three institutions (Croatia, North Macedonia, Slovenia) based on three dimensions: (i) relevance, whether the issues discussed or researched in social dialogue institutions are of general interest, whether they help shape the political agenda and whether they inform the ensuing public policy output; (ii) operational effectiveness – whether specialized technical groups exist, whether there are sufficient resources and whether there is cooperation with other levels of social dialogue; and (iii) quality of services provided and impact: whether there are internal and external evaluation processes or feedback mechanisms on the quality of the recommendations provided and their societal impact.

As Table 3 makes clear, only the Slovenian Economic and Social Council, among the three presented, fully – albeit imperfectly – fulfils its mission. Limited resources, low political support as well as the virtual absence of any feedback mechanisms are the main weaknesses of these institutions.

The Economic and Social Council (Ekonomsko–socijalno vijeće, ESV) of the Federation of Bosnia and Herzegovina (Annex III) operates on the basis of two pieces of legislation: the 2002 Tripartite Agreement concluded by the government, the Confederation of Independent Trade Unions (SSSBiH) and the Association of Employers FbiH (UPFBiH), and the 2015 Labour Code, the application of which is complicated and inconsistent (ILO, 2017).

On paper, the tripartite institution has a broad mandate, also addressing matters related to wages, collective agreements, taxation policy, employment and social policy, privatization, labour law, and a wide range of public policies. The Labour Code further expanded the role of the ESV to cantons and municipalities, but neither the social partners nor the government consider that the ESV functions effectively.

According to the unions and the employers, the ESV is relatively successful in its role in collective bargaining, but it also suffers from the ailments typical of tripartite institutions in the region: (i) ineffective consultation and a lack of agreed outcomes; (ii) limited capacity and resources; (iii) lack of engagement by ministries other than the Ministry of Labour; and (iv) insufficient agility (in the opinion of the executive) to deal with urgent socioeconomic issues that require an immediate response. More positively, if the ILO noted that the ESV hardly met in 2017, thereby prompting the social partners to switch

Table 3 Effectiveness of social dialogue in Croatia, North Macedonia and Slovenia

	Croatia	Northern Macedonia	Slovenia
Name of national social dialogue institution	Gospodarsko socijalno vijeće (Economic and Social Council)	Ekonomsko socijalni sovet (Economic and Social Council)	Ekonomsko-socialni svet (Economic and Social Council)
<i>Relevance</i>			
Participation in national policy setting agenda	Limited	Limited	Strong
Opinions on matters of general interest	Yes	Yes	Yes
Carries out research and analysis on own initiative	No	No	No
Analysis feeds government policy discussions	Limited	Limited	Yes
<i>Operational effectiveness</i>			
Existence of technical standing groups	Yes. Five groups exist	Yes	Yes
Sufficient funding	Limited, under Labour Ministry's budget	Limited	Yes, for its limited functions
Cooperation with local / regional ESC	Regional ESCs are autonomous and there is little cooperation	Yes, but not institutionalized / not all operational	Does not apply (but cooperation with other institutions is high)
<i>Quality of services provided and impact</i>			
Evaluation of impact	No systematic evaluation of impact	No	Yes (social partners independently)
Internal and external feedback	No	No	No
Evaluates satisfaction of users	No	No	No
Total effectiveness score (on a scale from 0 to 10)	4	4	7

Note: Total effectiveness score calculated by adding 1, 0.5 or 0 on each dimension, depending on whether that country gave a strong "yes" (1), "limited" (0.5) or "not at all" (0) answer.

Source: Guardiancich and Molina (2019).

to bipartite social dialogue, it seems that by 2019 its meetings were taking place fairly regularly.

The Economic and Social Council of Croatia (Gospodarsko socijalno vijeće, GSV) is the country's main tripartite social dialogue institution, established in 1994. At present, the GSV operations and membership are based on the collective agreement on the establishment of the Economic and Social Council of 2013, which is stipulated by the Labour Act and the Act on Trade Union and Employer Association Representativeness and was signed by the Croatian Employers' Association (HUP) and the four representative trade unions (see Annex I).

According to the Agreement, the social partners have a right to be consulted on all public policies and regulations before they are adopted by government or the parliament. The

GSV is endowed with a long list of competences, concerning a number of labour market and socioeconomic issues, to which discussions in five standing working bodies are devoted. Additionally, it debates strategic issues, such as European Semester documents and the introduction of the euro. Regarding collective agreements, the GSV promotes them but plays no direct role. Its function in establishing a list of conciliators is of primary importance.

Despite some important achievements (such as the provision of authoritative legislative opinions and the peaceful resolutions of collective and individual labour disputes), there is widespread dissatisfaction with the work of the GSV and the 21 regional councils (several of them have collapsed due to lack of interest from local government). The GSV is perceived as ineffective and having little impact on policy formulation (Bejaković, 2018). The Council acts mainly as a forum in which the social partners meet, but do not produce any analytical documents or performs research activities (Guardiancich and Molina, 2019).

One of the main problems highlighted by the social partners is the juniorization of those attending its meetings. On paper, six ministers are supposed to represent the government at GSV sessions (see Annex III). The unions complain that rarely more than one or two are present. This led to the impression that usually the GSV did not have the political clout to take decisions, which would then translate into tangible policy. The unions (and often the employers) were often merely informed of its intentions by the executive. The unilateral approach taken to pension reform in 2018 was the final straw, leading to a boycott of the GSV sessions and failure to sign a new agreement on its functioning (see Box 2).

The ILO (2017) thoroughly assessed the Montenegrin Social Council (Socijalni savjet), recommending that it improve its voting procedures, increase the resources of the secretariat and reduce the number of members. Montenegro duly amended its Law on the Social Council (Zakon o Socijanom savjetu) in 2018, thereby solving some of the outstanding problems: total members were reduced from 33 to 24, the competences of the national and local social councils have been clearly divided and the presidency now rotates between the social partners (Simović-Zvicer, 2019).

Most importantly, the mandate has been defined and broadened. Nevertheless, it still remains to be seen whether the problems will persist: not all socioeconomic issues in the country were discussed, and when they were, the non-binding recommendations were seldom followed. Systematic participation of senior government representatives in its sessions would substantially improve the institution's overall effectiveness and standing.

The Economic and Social Council of North Macedonia was formed in 1996 through a tripartite agreement between the social partners and government. Back then, there were no employer associations (compatible with the ILO definition), but the agreement was signed by the business/economic chambers. For several reasons, including vague representativeness criteria and especially a lack of political will, it functioned only intermittently until 2010, when a new Agreement on the establishment of the ESC was signed, this time including employer organizations proper.

The ESC works as a forum to bring the social partners and government together to discuss socioeconomic issues and has no research or analytical capacities. There are problems

with representativeness, as the committee assessing it may exclude, for example, employer associations that may become or already are representative. In 2017, the Labour Ministry decided to involve the Business Confederation of Macedonia, giving it observer status with no voting rights.

The ESC is relatively proactive with regard to the government's economic and social policies. So far, however, it has issued opinions, proposals and recommendations on a restricted number of topics relative to the breadth of its mandate (Trajanov et al., 2015). Issues related to public spending, corruption, the environment, infrastructure and so on, which are all key parts of socioeconomic life, have seldom been discussed.

One reason is that whether or not the matters on which the ESC deliberates are classified as mandatory is determined in the Agreement on the Establishment of the ESC. Those related to labour relations, employment, pension and disability insurance and occupational safety and health are mandatory (the fact that the Labour Minister is the chair helps). The others are not, however, although the ESC has the possibility to include them for review. Hence, the other ministries or institutions – and also the ESC members themselves – have rarely viewed the Council as a consultative body that really matters to the government, also because it is almost never involved in the proper drafting of laws and legislative proposals. For the last two and a half years there have been some positive developments. According to government sources, the Ministry of Labour and Social Policy now regularly consults the social partners from the outset of the policy-making process.

A host of other documents are also regularly discussed, especially in relation to the accession procedure and pre-negotiations with the EU. Again, only those issued by the Labour Ministry are fully screened, meaning that the involvement of the ESC was limited. The government broadened the Council's remit in April 2019, which could represent an important change.

One important gap, common to almost all Councils in the region, and also decried by the Business Confederation of Macedonia, is the lack of feedback on any actions taken by the ESC. There are no public relations activities or evaluation of public satisfaction. Social dialogue and the ESC are promoted only if a specific project provides the necessary funding.

The Socio-Economic Council (Socijalno–ekonomski savet) in Serbia is a tripartite consultative body, established by the Act on the Socio-Economic Council (Zakon o socijalno-ekonomskom savetu, 2004). It has 18 members (Annex III), a rotating chair and holds monthly meetings. It has a broad mandate, including deliberating on the development and improvement of collective bargaining, the impact and implementation of economic policy, employment policies, wage and price policies, competition and productivity, privatization, vocational training, health and social protection and security. There are four permanent working committees, dealing with legislation, collective bargaining and the peaceful settlement of labour disputes, economic issues as well as occupational safety and health.

The social partners lament that the Council is plagued by problems that are pervasive in the region. The first is juniorization on the government side. Apart from the Labour Minister, the other relevant ministers do not attend the Council's meetings (deputies do),

thereby reducing the institution's political salience and scope. This is reflected in the fact that MPs rarely know what is being debated there. The second is the government's tendency to either employ urgent legislative processes to circumvent the Council altogether or to set very short deadlines (also during holidays) for debating draft laws, which renders the whole exercise meaningless. In late 2019, the opposition did not participate in parliamentary debates, so the government did not even need to resort to urgent procedures. The third and final problem is a lack of technical and knowledge capacity on the part of the working committees, with little involvement of external experts.

Among the six cases, the exception to the general trend is Slovenia, which is regarded as having the most developed social dialogue institutions in the region. The Ekonomsko-socialni svet (ESS) was created in the Agreement on Wage Policy for 1994, an annex to the Social Pact between Employers, Employees and the Government of the Republic of Slovenia 1994.

The ESS is a tripartite body, which holds disproportionate power vis-à-vis the legislators, given that it is not underpinned by any legal act, apart from government regulations. In fact, the National Assembly only discusses socioeconomic legislation already debated by ESS members. The ESS cooperates in the drafting of legislation and gives recommendations. It has the right of initiative (not compulsory) to adopt new laws or amend existing ones. It elaborates opinions and positions on legislative drafts and other documents, as well as the budget memorandum and the state budget. The ESS submits its opinions to the National Assembly, the National Council and the public.

Its main areas of concern are social pacts, social rights and all social insurance, employment and industrial relations, collective agreements, prices and taxes, economic policy, legal security, collaboration with the ILO and the Council of Europe, codetermination, union rights and freedoms.

The ESS deals with some of the most important political processes in the country. First, it debates most of the documents in the European Semester policy cycle, then the budget law and executive orders. At every change of government, it tries to resume talks to draft a new social pact (one of the most important programmatic socioeconomic documents in the country). The latest social pact – in a series stretching back to 1994 (Stanojević and Krašovec, 2011) – was stipulated for the period 2015–16, with the unprecedented exception of the Chamber of Commerce and Industry of Slovenia, which did not sign it. In the aftermath of its ratification, the trust between the social partners deteriorated, leading to four employer associations boycotting the agreement. Under the centrist Šarec government, in power since 2018, a new negotiating group was established with the objective of finalizing an agreement by the end of 2019.

As for the boycotts of the ESCs in Croatia and Slovenia in 2018–19, these were contingent on the temporary dissatisfaction of the social partners (employers in Slovenia and unions in Croatia) with the functioning of the two Councils, as detailed in Box 2.

At the bipartite level, there is a tendency across the region towards the decentralization of collective bargaining, as illustrated by the fact that company-level bargaining on wages has become dominant in Croatia, Serbia and Slovenia (see Table 4).

Box 2 The boycott of social dialogue in Croatia and Slovenia

Croatia

The lack of political attention to the Economic and Social Council on the part of several subsequent Croatian governments had negative repercussions in 2018–19. To add fuel to the fire, new representativeness criteria were issued in June 2018, according to which three (not four) trade union confederations would be representative at the national level. After the Labour and Pension Ministry failed to act, the unions SSSH and NHS made a written statement that they would boycott the Council's sessions until the Agreement, on which the GSV is based, is amended with regard to the new representativeness criteria. The proposal for a new Agreement was finalized, but this happened when the escalation of the conflict between the unions and the Labour Minister reached its peak.

Due to the regular exclusion of unions from formulating public policy on the labour market and pensions, the three confederations terminated the 2013 Agreement and refused to sign the new one, as a result of which no GSV sessions were held for over a year. The main bone of contention was the new pension reform that gradually increased the retirement age and that was passed unilaterally by the centre-right government headed by Andrej Plenković. In response, the three confederations launched an initiative to amend the Pension Insurance Act called “67 is too many” (67 je previše). The unions collected almost 750,000 signatures between 27 April and 11 May and, as a consequence, they linked the resumption of work within the GSV to the acceptance of their demands.

Slovenia

Despite relatively stable social dialogue in Slovenia since 1994 (with a few notable exceptions, especially during the sovereign debt crisis), in September 2019 the employers decided to boycott the Economic and Social Council, pending reform of its statute, and Lidija Jerkič, of the ZSSS union, followed suit by resigning as ESS chair. This was the result of an emergent political situation that was not foreseen within the operational rules of the ESS. In particular, Slovenia, for the first time in its post-independence history, elected a minority government that is externally supported (by a leftist party called simply “The Left”, *Levica*). As this party is de facto part of the opposition, it has tabled three legislative proposals to the National Assembly (*Državni zbor*). The proposals angered the employers, because they were not discussed by the ESS, despite falling squarely within its remit. In particular, the new amendments to existing laws sought to improve the status of students through the Public Finance Balance Act (*Zakon za uravnovešanje javnih finance, ZUJF*), to grant parents an extra day of paid leave under the Act on Employment Relations (*Zakon o delovnih razmerjih, ZDR-1*) and to render supplementary health insurance mandatory. Beyond the substance, the employers feared that these amendments would follow the Minimum Wages Act (*Zakon o minimalni plači, ZMinP*), which had been similarly changed without their consent.

As a consequence of the brief boycott, a number of informal meetings were tabled by the government in early October, with the aim of restoring peaceful social dialogue. The solution was that from now on the ESS will not only screen all relevant draft laws emanating from the government but also from the opposition, thereby strengthening the social dialogue institution's role to a level rarely found anywhere else.

Table 4 Levels of collective bargaining, Adriatic Region

	National level		Sectoral level		Company level	
	Wages	Working time	Wages	Working time	Wages	Working time
Principal or dominant level	CG, MK	HR, CG, MK, RS, SI			HR, RS, SI	
Important but not dominant level			HR, CG, MK, RS, SI	HR, CG, MK, RS, SI		SI
Existing level	RS, SI				CG, MK	CG, MK

Sources: Arandarenko (2019); Bejaković and Klemenčić (2019); Kanjuo Mrčela (2018); Majhosev (2019); Vanchoski (2019).

Collective bargaining in the Federation of Bosnia and Herzegovina consists, first and foremost, of a general collective agreement (Opći kolektivni ugovor), which guarantees minimum rights and obligations of both workers and employers, signed by the Confederation of Independent Trade Unions (SSSBiH) and the Employers' Association (UPF-BiH). At the branch and canton levels, representative unions and employers can conclude collective agreements. This means that as long as the general agreement is valid, coverage in Bosnia is 100 per cent (Table 2). In 2018, however, it was terminated at the behest of the employers.

As documented by Adis (2019), there is a trend in FBiH, especially advocated by the employer associations and unanimously condemned by the unions, to reduce the scope of rights regulated by the general collective agreements and to bargain most rights and obligations at the branch or enterprise level. However, a number of sectoral collective agreements still exist (Federalno Ministarstvo rada i socijalne politike, 2019). Some of those signed by UPFBiH were in manufacturing and metal processing, as well as textiles and leather manufacturing, rubber, wood and paper, road transport and commerce. One particularly problematic piece of legislation is the 2015 Labour Code, after which several collective agreements ceased to be valid (few were renewed) and workers' rights were reduced in terms of lower severance payments and easier termination of employment.

In Croatia, representativeness criteria for unions signing collective agreements differ from those that allow unions to sit in the tripartite Economic and Social Council (Annex II). As the unions complain, the system is complex and opaque. While it is possible to bargain at any level, collective bargaining is decentralized in the private sector, as branch employer associations seem unwilling to raise the bargaining level, and mostly centralized in the public sector.

Due to the fragmentation of collective agreements in Croatia and the absence of a central registry – collective agreements registered at the Ministry of Labour are valid for the whole territory of Croatia – their coverage is only estimated (see Table 4): for example, the Independent Trade Unions of Croatia believe it is in the vicinity of 60 per cent. One welcome development is the creation of a registry of collective agreements signed by SSSH and HUP within the project “Strengthening bipartite partnerships through working together on collective bargaining”, co-financed by the European Social Fund.⁶ This

6 <http://www.kolektivni-ugovori.info/>

contains 296 collective agreements, 12 of which are sectoral. Little data exists on other aspects of industrial relations, such as strikes and arbitration procedures, however.

The type and number of collective agreements varies significantly from sector to sector. For example, the agreements for construction, hotels and catering, travel agencies, wood and paper have been concluded for an indefinite period of time, they apply to all employees and employers after administrative extension and are dynamic due to frequent renegotiation through annexes and additions. Although they are responsible for most of the coverage, there are no instruments to verify their application in practice. Hence, it is questionable how many employers faithfully apply them to their employees.

Derogations from minimal standards in lower-level collective agreements are usually not possible. During the crisis, however, in particular bonuses and other payments were suspended in order to save jobs (often in violation of the respective collective agreements). According to the unions, the courts have not been responsive to these and other complaints on their part.

As for the determination of the minimum wage, the Minimum Wage Act (Zakon o minimalnoj plaći, 2018) prescribed the creation, in 2019, of an expert committee for monitoring and analysing minimum wage developments. This is a tripartite-plus institution consisting of 10 members, including three from the Labour Ministry, two each for employers and unions, as well as three academics.

In Montenegro, the Labour Code (Zakon o radu, 2008) determines the criteria for stipulating collective agreements (Annex II). Any lower level collective agreement can deviate from the Labour Code or the general collective agreement (opšti kolektivni ugovor) only by stipulating better conditions for workers.

The latest general collective agreement in Montenegro was concluded in June 2019 and is valid until the end of 2020. It elaborates on the provisions set out in the Labour Law, thereby regulating elements for determining salaries, wage and non-wage compensation, and also determines the scope of labour rights and obligations. Even though lower-level collective agreements are underdeveloped, the general collective agreement ensures coverage of 100 per cent.

In North Macedonia there are currently 12 national and sectoral collective agreements, including the general collective agreement for the private sector (колективен договор за приватен сектор), most of which have expired, and the general one in the public sector has not been signed for a decade.⁷ Also the general collective agreement expired in mid-2017. Until the signatory representative employers (ORM) and unions (SSM) negotiate a new one, the Labour Code prescribes that its provisions remain valid (Anceva, 2019). Hence, the coverage rate in North Macedonia is still 100 per cent.

There is no legal framework for the extension of collective agreements in North Macedonia. But both company-level agreements cover employers and workers who are not members of the signatory union and wage bargaining (and working time) is coordinated at the national level through the Economic and Social Council. The coordination of col-

7 <http://www.orm.org.mk/index.php/mk/kolekt-dog>

lective bargaining at the national level is the responsibility of the Ministry of Labour and Social Policy. Sectoral and company-level bargaining are subordinate.

The situation in Serbia confirms the general trend towards decentralization of collective bargaining. Whereas in the public sector, sectoral agreements predominate, in the private sector company-level bargaining is commonplace (no aggregate figures are available). This tendency has been exacerbated by the changes in extension mechanisms that took place in 2014, whereby they become possible only if signatory employers employ more than half the workforce in a particular sector. By 2018, in the private sector four sectoral collective agreements were signed: for musicians and performing artists, in agriculture, construction, and the chemicals and non-metal industry. The first two are in force, and the latter have been cancelled by the employers.

Petković Gajić (2019) highlights two main sets of problems with collective bargaining. First, the Serbian Employers Association is representative at the branch and sectoral levels to only a limited extent (as the biggest employers are members of the Chamber of Commerce), thereby weakening collective bargaining at those levels. Second, the state prevails in the public sector as the biggest employer, while trade unions are treated as simple actors rather than social partners.

As for the content of collective agreements, Serbian labour legislation is rather prescriptive. The employers complain that bargaining takes place only on specific items, such as wage coefficients, holidays, and so on, and not, for example, on new forms of work. The minimum wage is instead negotiated within the Socio-economic Council and then implemented by government.

Until 2005, Slovenia had a collective agreement for the private sector as a whole, which ceased to exist in 2005 after the employers withdrew from it. Since then, collective bargaining happens at industry and company level according to the Collective Agreements Act (*Zakon o kolektivnih pogodbah*, 2006), which led to a lowering of collective agreement coverage (Table 2), despite the widespread use of extension mechanisms (see Annex II). In the public sector, there is both an agreement covering the entire non-commercial sector and separate agreements for different parts of it.

By 2019, 48 public and private sector industry-level agreements were registered with the Ministry of Labour (not all recently updated).⁸ Company-level bargaining is more and more frequent, thereby supplementing sectoral bargaining in most sectors.

Since 1999, the minimum wage has been determined at the national level, through the Economic and Social Council. The fact that the Minimum Wage Act was changed in 2018 without involving the ESS or the social partners (as it was proposed by the opposition party, the Left), and that in addition to raising it, it also excludes bonuses from its calculation (as of January 2020), irritated the employers, triggering the boycott detailed in Box 2 (Lukić, 2019). In the private sector, wage bargaining is coordinated at sector level. In the public sector, there is a centralized system for determining wages and other rights. Sector-level collective agreements contain minimum standards, which can be changed for

⁸ The updated website is still under construction, see the archive: http://mddsz.arhiv-spletisc.gov.si/si/delovna_podrocja/delovna_razmerja_in_pravice_iz_dela/socialno_partnerstvo/evidenca_kolektivnih_pogodb/

the better at the company level, or in specific pre-agreed cases for the worse (for example, seniority bonuses).

7. SOCIAL PARTNERS, DIGITALIZATION AND THE FUTURE OF WORK

Within its Future of Work (FoW) initiative, the ILO (2015) has individuated four »mega-drivers« of change – technological advances, demographic shifts, climate change and accelerating globalization trends – that are fundamentally transforming the world of work and represent distinct challenges for policymakers.

The acceleration of globalization requires new decision-making structures, in which multinational enterprises are increasingly powerful agents. Demographic shifts mean hard choices regarding the modernization of welfare state institutions and the creation of new and decent jobs for young workers. The potential of technological change can be harnessed only through the effective regulation of new forms of work and by bridging skills gaps. Finally, managing climate change demands a broad consensus around a sustainable development strategy. The complexity of each challenge is compounded by the need to tackle them together and, simultaneously, a daunting task for any country regardless of its income level and stage of development.

So far, however, such trends have not been systematically documented, and definitely not in the Adriatic Region. In order to shed some light on the preparedness of national social dialogue institutions on issues related to the changing world of work, Table 5 presents an excerpt from an ILO-AICESIS (2017) survey,⁹ which saw the participation of the Montenegrin, North Macedonian as well as Serbian tripartite councils.

Even though the three examples provide just a glimpse of the situation, the material gathered through the interviews with the social partners corroborates the average low effectiveness of national social dialogue institutions in the whole region, including in Bosnia and Herzegovina, Croatia and – limitedly to the FoW agenda – even in Slovenia. These show the following characteristics: (i) lack of knowledge and resources, as the institutions produce little research and policy advice or provide for capacity building; (ii) a worrying lack of vision: despite growing cognizance that the challenges lying ahead have to be given serious consideration, strategic planning rarely takes place in practice; and (iii) some collaboration with relevant national and supranational institutions (European Commission, ILO) at the regional, national and global levels that helps to raise awareness.

As for the topics considered, the length an issue has been salient seems to matter. Relatively new subjects, such as technological advancement and climate change, are discussed much less actively and by far fewer institutions than traditional issues, such as the demographic emergency and globalization. One of the main points is that either they are absent from the overall public debate (for example, digital platforms are virtually absent in almost all former Yugoslav republics) or they are debated at parliamentary or executive levels and at the level of individual social partners, but they do not constitute part of the social dialogue agenda.

⁹ The survey was sent to 86 out of the 145 countries that ratified the 1976 ILO Convention No. 144 on Tripartite Consultation. The response rate was 52.3 per cent. Three-fifths of respondents were also AICESIS members.

Table 5 Engagement in issues related to the future of work agenda, Adriatic Region

		Con- duct re- search	Provide policy advice	Aware- ness raising	Initia- tive at region- al, na- tional, global level	Ca- pacity build- ing	Col- labor- ation with rel- evant institu- tions	De- velop action plan	Total
CG	Techno	0	0	0	0	0	0	0	0.00
	Climate	0	0	1	2	0	0	0	0.43
	Demo	0	0	2	2	0	2	0	0.86
	Global	0	0	0	0	0	0	0	0.00
MK	Techno	0	0	0	1	0	0	0	0.14
	Climate	1	0	0	1	0	0	0	0.29
	Demo	1	2	1	1	2	2	1	1.43
	Global	1	1	1	1	1	1	0	0.86
RS	Techno	0	0	0	0	0	0	0	0.00
	Climate	0	0	0	0	0	0	0	0.00
	Demo	0	0	1	0	1	0	0	0.29
	Global	0	0	1	1	0	1	1	0.57
Total		0.25	0.25	0.58	0.75	0.33	0.50	0.17	

Notes: Degree of involvement: 0 = None; 1 = Low; 2 = Active; 3 = Very active. CG = Montenegro; MK = North Macedonia; RS = Serbia.

Source: ILO-AICESIS (2017).

According to the Association of Employers in FBiH, the economy's low level of technological development is a significant brake on economic growth and the improvement of living standards.

This is directly related to the worrying demographic trends in FBiH, driven by poor population growth and external migration, with significant effects on the labour market, the welfare system and the community in general. A government action plan to reverse this haemorrhaging of the labour force is sorely needed, as the UPFBiH has noted, as well as revision of the FBiH Employment Strategy 2018–21 (Strategija zapošljavanja u FBiH za period 2018-2021. godina). Indeed, the Strategy adopted by the government in 2018 was voted down by parliament in October 2019 precisely because it failed to contain a vision for the development of and employment in the IT sector as the most promising area, especially for young people (Fena, 2019).

In particular, UPFBiH sees economic growth as a key precondition for brain-drain reversal. It advocates the lightening of fiscal and para-fiscal burdens on business and, together with the other social partners, strives to divert such funds to increase wages, create better working conditions and invest in education by connecting with schools and colleges. Additionally, it holds seminars for its own members on the importance of investing in technological advancement. It sees adapting the education system to labour market needs as paramount, and points to the importance of digitalization of the education system, the

introduction of students into the world of work through practical teaching in schools and the modernization of scientific curricula.

In Croatia, the unions complain about a lack of effective social dialogue. In practice, the government has a Central State Office for Digital Society Development and has drafted the “e-Croatia 2020 Strategy” (Ministry of Public Administration, 2017), in accordance with which it is developing a number of electronic administrative procedures. These initiatives are unilateral, however, and do not involve the social partners. Not dissimilar is the position of the Croatian Employers Association. It notes that in the realm of changing working conditions, despite publishing a number of position papers, perhaps the only thing that has been done so far is a number of amendments to the Labour Law (Zakon o radu, 2017) and the Law on Occupational Safety (Zakon o zaštiti na radu, 2018). These now regulate the occupational safety and health of employees working from home (that is, the employer is obliged to provide the worker with safe working conditions, and the worker is obliged to comply with all safety and health measures).

There is a similar lack of communication with the social partners with regard to digital platforms, which already have some presence in Croatia. For example, when Uber started operating in Croatia, there were major protests by several taxi associations in Zagreb and elsewhere, such as the Taxi Carrier Association at the Croatian Chamber of Trades and Crafts. After a number of meetings with the Minister of Transport, the new Road Transport Act (Zakon o javnim cestama), passed in May 2018, on one hand liberalized the market for taxi services, thereby allowing Uber and other platforms to lawfully operate in Croatia, but on the other hand, imposed a set of common rules for all drivers, which somewhat protect existing taxi drivers. But in this case, too, the unions were not consulted.

What is most worrying is a general lack of strategy and objectives regarding the dramatic emigration problem that Croatia is currently experiencing. Whereas Eurostat informs us that 102,000 people emigrated to other EU member states between 2013 and 2016, the Croatian National Bank (Draženović et al., 2018) calculated the number at 229,000 (plus another 41,000 to the rest of the world), a staggering 6.4 per cent of the 2016 population. Migrants’ mean age is around 33–34 years, which means that demographic ageing is being exacerbated and, for example, the fiscal viability of the Croatian pension system is being further debilitated (the pension reforms unilaterally adopted by the government have brought social dialogue to a standstill, as explained in Box 2). The unions and employers agree that too little is being done and that the problem ought to be discussed and resolved through existing social dialogue channels.

As seen in Table 5, social dialogue institutions in Montenegro are engaged to only a minimal extent in FoW-related issues, with some exceptions in the areas of climate change and demography. This state of affairs is echoed by the social partners.

The Union of Free Trade Unions of Montenegro, for example, claims that they have no significant experience of topics related to digitalization and the future of work, even though they are gradually gaining in salience. The Montenegrin Employers Federation is more advanced, as testified by its survey on the green economy and the many other reports available on its website. With regard to other items on the FoW agenda, not much is being done with regard to technological advances (there are no digital platforms yet). The UPCG had collaborated with the Ministry of Science with the aim of attracting start-ups

to underdeveloped areas. They are now granted a tax exemption for the first eight years of their employees' wages (up to 200,000 euros in total) (DTTL, 2018).

Otherwise, representative trade unions are actively involved in drafting various national strategies and a particular focus is put on population migration to European and other countries. By 2015, almost 140,000 Montenegrins had emigrated, leaving a resident population of just 622,000, which puts the country at risk of negative demographic trends and labour shortages. The social partners agree that not much has been done to address the problem, especially not through social dialogue.

The Northern Macedonian Economic and Social Council reported (ILO-AICESIS, 2017) that it is far more involved in activities concerning demography and globalization than technological advancements or climate change (Table 5). Among the most valuable activities, it mentioned the thematic workshops for standing group members on topics such as the International Labour Standards, gender equality and non-discrimination, employment policy, project cycle management, macroeconomics and the informal economy, wages and the minimum wage, social security and social protection, occupational safety and health. In order to create stable relationships with academia, a pilot research fund has been created, and the issues on which advanced research and data were needed were selected: monitoring the effects of minimum wages, the adequacy and sustainability of the pension system, the net effects of the personal income tax and the salary contribution, the establishment of a fund for the promotion of social dialogue in the country.

Despite these positive developments, the Business Confederation of Macedonia has asserted that most of the positive developments to adapt the product and labour markets of North Macedonia to, for example, technological advancements or globalization are either an initiative of the social partners (for example, all their activities on corporate social responsibility) or, if legislated in parliament, they are not significantly impacted by social dialogue.

One example is the Fund for Innovation and Technology Development, established in December 2013.¹⁰ This encourages innovation by providing additional resources (through public and project funds, such as Interreg) with a view to building a competitive knowledge-based economy. Its mission is to encourage and support innovation activities in micro, small and medium-size enterprises in order to achieve more dynamic technological development based on knowledge transfer, development research and innovations that contribute to job creation, while simultaneously improving the business environment for the development of companies' competitive capabilities.

In Serbia, the social partners lament that neither the Socio-economic Council nor other social dialogue processes are much involved in the most salient issues, let alone those connected to the future of work agenda (see Table 5). Many laws, including those emanating from the Labour Ministry, are drafted without the assent of the social partners, in the absence of a meaningful public discussion and/or are adopted through urgent procedures (see previous Section). In the realm of the changing world of work, there seem to be also legislative inertia. Emblematic are the protests of taxi drivers that took place in the fall of 2019 against platform economy firms, such as Car:Go (a local version of Uber), who

¹⁰ <http://www.fitr.mk/?lang=en/#top-en>

are waiting for a law to regulate the market. More worryingly, there seems not to be a national strategy to reverse the huge brain-drain. The stock of Serbian migrants, by 2015, surpassed 964,000, compared to a resident population of 7.1 million (World Bank and wiiw, 2018).

Outside social dialogue proper, instead, digitalization is both a priority for the government and at the core of the Interreg Danube Transnational Programme.¹¹ ICT is the fastest growing industry in Serbia, with large inflows of foreign capital and knowhow. Here, the employers insist on reforming education programmes to improve the preparation of pupils in digitalization-related subjects. At the government level, quite a few initiatives have been launched (always outside social dialogue), such as in 2018 introducing a host of tax incentives for companies that develop intellectual property, for example, deductions for R&D costs, or, from 2020, a temporary zero tax rate for “digital nomads” within the initiative Serbia Creates.¹²

The future of work agenda is one area in which Slovenia is not an exception to the rule in the former Yugoslavia. The social partners agree that there is basically no digitalization strategy and that most existing initiatives and publications sponsored by the government – for example, Bogataj (2016) on the transition to a green economy – have not been discussed within the Economic and Social Council or through other social dialogue channels. They also complain that the current minority government does not seem to have a clear vision regarding the looming challenges on the labour market. Given their own concerns over the changing world of work, the social partners find it easier to discuss the topics among themselves than with the executive.

Instead, what has been thoroughly debated within the ESS is pension system reform, thereby continuing a long tradition of consensual policymaking in the social sphere (Guardiancich, 2013). Squaring the circle of the fiscal sustainability of the pension system, the social adequacy of future benefits and the low employability of elderly workers is the main demographic challenge facing the country, which has not experienced a comparable brain-drain to the rest of former Yugoslavia. In 2019, an amendment was passed to the Pensions and Disability Insurance Act of 2012 (*Zakon o pokojninskem in invalidskem zavarovanju, ZPIZ-2*), which slightly raises future pension benefits and improves the conditions for those enjoying so-called “dual status” (the simultaneous receipt of both a wage and a portion of pension benefits) (Malovrh, 2019). When the amendment enters into force in early 2020, those who qualify for an old-age pension and decide to continue working will receive 40 per cent of the pension benefit (before it was only 20 per cent), for up to three years. After that, an individual will receive another 20 per cent if covered by compulsory full-time insurance. There are currently around 10,000 people in Slovenia with such “dual status”. Even if it sounds rather appealing to increase the effective retirement age, the employers maintain that they should have a say in the decision on whether to keep a worker or not after the statutory retirement age has been reached.

¹¹ <http://www.interreg-danube.eu/about-dtp/programme-presentation>

¹² <https://serbiacreates.rs/>

8. CONCLUSIONS

This study has reviewed three major aspects of industrial relations in the Adriatic region: the actors, their representativeness and strategies to attract members; tripartite and bipartite social dialogue practices; and the prominence in national social dialogue of future of work issues.

The main result is that, apart from individual good practices and initiatives, and with the partial exception of Slovenia, industrial relations in the former Yugoslavia are rather ineffective, thereby confirming that little of the legacy of contractual socialism and self-management has survived the transformation. We have highlighted three structural-institutional limitations and three policy-related deficiencies.

With regard to the first set of problems, the social partners are often rather weak, due to dwindling memberships and opaque representativeness criteria, as well as suffering from a number of characteristics characteristic of post-socialist countries (inertia in successor unions, lack of independence of some employer organizations). Notwithstanding all that, they have exhibited some inventiveness in the services they offer their members and in devising strategies to attract new ones, also with respect to changing patterns in the world of work. Less positive is the situation relative to tripartite social dialogue, which can still be labelled “illusory” (Ost, 2001), mainly due to the insufficient importance accorded to it on the part of governments. Additionally, a problem that straddles the boundary between institutions and policy is the deep penetration of foreign investors and organizations in some of the former Yugoslav republics, which tend to sidestep official social dialogue channels. Finally, collective bargaining displays positive and negative features across the region. On the positive side, it guarantees minimum standards regarding wages, working time, conditions at work and so on. On the negative side, the trend towards further decentralization is strong, there are implementation and enforcement problems and little consideration has been given to the emerging topics in the changing world of work.

At the policy end of industrial relations, there have been important developments at the level of social partners and governments, including broad strategic frameworks in a number of countries to deal with digitalization and (partly) climate change. The downside of this is that such initiatives are rarely discussed and validated within official social dialogue channels, despite falling naturally within the remit of the relevant institutions.

As is often the case also outside of the Adriatic region, social dialogue institutions are often used to debate problems that have long been on the policy agenda. In the realm of the changing world of work, we are here talking of demographic and globalization issues. But even in these two domains, it seems that the most important topics – the pervasive brain-drain throughout the region, as well as the role played by multinationals in domestic policymaking – are not being tackled systematically within social dialogue, which means that the social partners have to find individual solutions to systemic problems.

BIBLIOGRAPHY

- Adis, K. 2019. Annual Review 2018 of Labour Relations and Social Dialogue: Bosnia and Herzegovina (Bratislava, Friedrich-Ebert-Stiftung).
- Anceva, M. 2019. Annual Review 2018 of Labour Relations and Social Dialogue: Macedonia (Bratislava, Friedrich-Ebert-Stiftung).
- Arandarenko, M. 2019. Living and Working in Serbia. Dublin: Eurofound. Available at: <https://www.eurofound.europa.eu/country/serbia>
- Avdagić, S. 2005. State-Labour Relations in East Central Europe: Explaining Variations in Union Effectiveness, in *Socio-Economic Review*, Vol. 3, No. 1, pp. 25–53.
- Barklie, G. 2019. Greenfield FDI Performance Index 2019: Serbia Storms to Top. Available at: <https://www.fdiintelligence.com/Locations/Asia-Pacific/Greenfield-FDI-Performance-Index-2019-Serbia-storms-to-top>
- Bejaković, P. 2018. Social Partnership in Croatia: The Bumpy Road from Formal Organisation to Efficient Collaboration (Brussels, European Commission).
- Bejaković, P.; Klemenčić, I. 2019. Living and Working in Croatia (Dublin, Eurofound). Available at: <https://www.eurofound.europa.eu/country/croatia>
- Bernaciak, M. 2015a. All Roads Lead to Decentralization? Collective Bargaining Trends and Prospects in Central and Eastern Europe, in *Transfer: European Review of Labour and Research*, Vol. 21, No. 3, pp. 373–81.
- Bernaciak, M. 2015b. Beyond the CEE “Black Box”: Crisis and Industrial Relations in the New EU Member States, ETUI Working Paper 2015.05, (Brussels, European Trade Union Institute).
- Bogataj, T. 2016. Povezani za rast: Zeleni, pametni, učinkoviti (Ljubljana, Ministrstvo za okolje in proctor).
- Bohle, D.; Greskovits, B. 2012. Capitalist Diversity on Europe’s Periphery (Ithaca, NY, Cornell University Press).
- Chawla, M.; Betcherman, G.; Banerji, A.; Bakilana, A.M.; Feher, C.; Mertaugh, M.; Puerta, M. L. S.; Schwartz, A. M.; Sondergaard, L. 2007. From Red to Gray: The Third Transition of Aging Populations in Eastern Europe and the Former Soviet Union (Washington, DC: The World Bank).
- CSRforALL (2013. Macedonia National Review Report on CSR (Ankara, Corporate Social Responsibility for All).
- Domazet, A. 2012. Bosnia and Herzegovina: Industrial Relations Profile (Dublin, Eurofound). Available at: <https://www.eurofound.europa.eu/publications/report/2012/industrial-relations/bosnia-and-herzegovina-industrial-relations-profile>
- Draženić, I.; Kunovac, M.; Pripužić, D. 2018. Dynamics and Determinants of Emigration: The Case of Croatia and the Experience of New EU Member States, in *Public Sector Economics*, Vol. 42, No. 4, pp. 415–47.
- DTTL. 2018. International Tax Montenegro Highlights 2018 (London, Deloitte Touche Tohmatsu Limited).
- Emmenegger, P.; Häusermann, S.; Palier, B.; Seeleib-Kaiser, M. 2012. The Age of Dualization: The Changing Face of Inequality in Deindustrializing Societies (Oxford, Oxford University Press).
- Federalno Ministarstvo rada i socijalne politike. 2019. Registar kolektivnih ugovora zaključenih za teritoriju Federacije Bosne i Hercegovine ili za područje dva ili više kantona (Sarajevo, Government FBiH).
- Fena. 2019. Zastupnički dom nije odobrio strategiju zapošljavanja u FBiH. Dnevnik.ba, 9 October 2019.

- Grdešić, M. 2015. Workers and Unions after Yugoslavia, in S. Horvat and I. Štikš (eds): *Welcome to the Desert of Post-Socialism: Radical Politics after Yugoslavia* (London, Verso).
- Guardiancich, I. 2012. The Uncertain Future of Slovenian Exceptionalism, in *East European Politics and Societies*, Vol. 26, No. 2, pp. 380–99.
- Guardiancich, I. 2013. Pension Reforms in Central, Eastern, and Southeastern Europe: From Post-Socialist Transition to the Global Financial Crisis (New York, Routledge).
- Guardiancich, I. 2016. Slovenia: The End of a Success Story? When a Partial Reform Equilibrium Turns Bad, in *Europe-Asia Studies*, Vol. 68, No. 2, pp. 205–31.
- Guardiancich, I.; Molina, O. 2019. Strengthening Social Dialogue in the Economic and Social Council of Northern Macedonia (Budapest, International Labour Organization).
- Heery, E.; Adler, L. 2004. Organizing the Unorganized, in C. Frege and J. Kelly (eds): *Varieties of Unionism: Strategies for Union Revitalization in a Globalizing Economy* (Oxford, Oxford University Press), pp. 45–69.
- Hellman, J. S. 1998. Winners Take All: The Politics of Partial Reform in Postcommunist Transitions, in *World Politics*, Vol. 50, No. 2, pp. 203–34.
- ILO. 2015. The Future of Work Centenary Initiative, Report of the Director-General, International Labour Conference, 104th Session (Geneva, International Labour Organization).
- ILO. 2017. Report on the Peer Review of the Economic and Social Councils in the Western Balkans (Budapest, International Labour Organization).
- ILO-AICESIS. 2017. Social Dialogue and the Future of Work (Geneva, International Labour Organization and International Association of Economic and Social Councils and Similar Institutions).
- Kavčič, F. (ed.). 2004. *Ekonomsko-socialni svet 1994–2004* (Ljubljana, Uradni list Republike Slovenije).
- Kavčič, F.; Berlec, N. (eds). 2014. *Ekonomsko-socialni svet 2004–2014 (Ob dvajseti obletnici delovanja)* (Ljubljana, Uradni list Republike Slovenije).
- Kanjuro Mrčela, A. 2018. *Living and Working in Slovenia* (Dublin, Eurofound). Available at: <https://www.eurofound.europa.eu/country/slovenia>
- Kornai, J. 1992. *The Socialist System: The Political Economy of Communism* (Princeton, NJ: Princeton University Press).
- Kujundžić, O.; Đukanović, G.; Jablan, N. 2017. *Razvoj povoljnijeg ambijenta za zelene poslove i preduzeća, finalni nacrt* (Podgorica, International Labour Organization).
- Lavigne, M. 1999. *The Economics of Transition: From Socialist Economy to Market Economy* (Basingstoke, Palgrave Macmillan).
- Lukić, G. 2019. *Annual Review 2018 of Labour Relations and Social Dialogue: Slovenia* (Bratislava, Friedrich-Ebert-Stiftung).
- Majhosev, A. 2019. *Living and Working in North Macedonia* (Dublin, Eurofound). Available at: <https://www.eurofound.europa.eu/country/north-macedonia>
- Malovrh, P. 2019. *Z upokojitvijo počakati do prihodnjega leta!* in *Delo*, 29 November 2019.
- Milanović, B. 2014. *For Whom the Wall Fell? A Balance Sheet of the Transition to Capitalism*. Available at: <https://www.theglobalist.com/for-whom-the-wall-fell-a-balance-sheet-of-the-transition-to-capitalism/> (accessed on 21 October 2019)
- Ministry of Public Administration. 2017. *e-Croatia 2020 Strategy* (Zagreb, Government of Croatia).
- Molina, O.; Guardiancich, I. 2018. *Organising and Representing Hard-to-Organise Workers: Implications for Turkey* (Ankara, International Labour Organization).
- Nölke, A.; Vliegthart, A. 2009. Enlarging the Varieties of Capitalism: The Emergence of Dependent Market Economies in East Central Europe, in *World Politics*, Vol. 61, No. 4, pp. 670–702.

- Ost, D. 2000. Illusory Corporatism in Eastern Europe: Neoliberal Tripartism and Postcommunist Class Identities, in *Politics & Society*, Vol. 28, No. 4, pp. 503–30.
- Petković Gajić, D. 2019. Annual Review 2018 of Labour Relations and Social Dialogue: Serbia (Bratislava, Friedrich-Ebert-Stiftung).
- Simović-Zvicer, V. 2019. Annual Review 2018 of Labour Relations and Social Dialogue: Montenegro (Bratislava, Friedrich-Ebert-Stiftung).
- Stanojević, M.; Krašovec, A. 2011. Slovenia: Social Pacts and Political Exchange, in S. Avdagic, M. Rhodes and J. Visser (eds): *Social Pacts in Europe: Emergence, Evolution, and Institutionalization* (Oxford, Oxford University Press), pp. 232–56.
- Stanojević, M. 2014. Conditions for a Neoliberal Turn: The Cases of Hungary and Slovenia, in *European Journal of Industrial Relations*, Vol. 20, No. 2, pp. 97–112.
- Šeperić, D. 2019. Annual Review 2018 of Labour Relations and Social Dialogue: Croatia (Bratislava, Friedrich-Ebert-Stiftung).
- Trajanov, S.; Ignatova-Gjosheva, M.; Kostadinov, A. 2015. Assessment of the Functioning of the Tripartite Social Dialogue: Report on the Functioning of the National Economic and Social Council and Its Relations with the Local Economic and Social Councils (Budapest, International Labour Organization).
- Unkovski-Korica, V. 2015. Self-management, Development and Debt: The Rise and Fall of the “Yugoslav Experiment”, in S. Horvat and I. Štiks (eds): *Welcome to the Desert of Post-Socialism: Radical Politics after Yugoslavia* (London, Verso).
- Uvalić, M. 2018. The rise and fall of market socialism in Yugoslavia (Berlin, Dialogue of Civilizations Research Institute).
- Vanchoski, A. 2019. Living and Working in Montenegro (Dublin, Eurofound). Available at: <https://www.eurofound.europa.eu/country/montenegro>
- Visser, J. 2019. ICTWSS Database Version 6.1 (Amsterdam, Amsterdam Institute for Advanced Labour Studies).
- World Bank and wiiw. 2018. Western Balkans Labor Market Trends 2018 (Vienna, The World Bank and the Vienna Institute for International Economic Studies).

List of interviews

- Mile Boškov – Business Confederation of Macedonia
- Marija Hanževački – Independent Trade Unions of Croatia / Nezavisni sindikati Hrvatske
- Milica Jovanović – Croatian Employers’ Association / Hrvatska unija poslodavca
- Mersiha Jusić – Association of Employers FbiH / Udruženje poslodavca u Federaciji BiH
- Srđa Keković – Union of Free Trade Unions of Montenegro / Unija slobodnih sindikata Crne Gore
- Dejana Kuzmić – Serbian Association of Employers / Unija poslodavaca Srbije
- Mirza Mulešković – ILO (former Montenegrin Employers’ Federation)
- Sanja Paunović – Confederation of Autonomous Trade Unions of Serbia / Savez samostalnih sindikata Srbije
- Jože Smole – Association of Employers of Slovenia / Zveza delodajalcev Slovenije
- Andrej Zorko – Association of Free Trade Unions of Slovenia / Zveza svobodnih sindikatov Slovenije

Annex I

Table I List of social partners, Adriatic Region

Trade unions		Croatia	Montenegro	North Macedonia	Serbia	Slovenia
Bosnia and Herzegovina						
Confederation of Independent Trade Unions of Bosnia and Herzegovina (Savez samostalnih sindikata Bosne i Hercegovine, SSSBiH)	Independent Trade Unions of Croatia (Nezavisni hrvatski sindikati, NHS) 96,9K (2018) Yes	Confederation of Trade Unions of Montenegro (Savez sindikata Crne Gore, SSCG) 46,900 (2017) Yes	Federation of Trade Unions of Macedonia (Sojuz na sindikate na Makedonija, SSM) 66,400 Yes	Confederation of Autonomous Trade Unions of Serbia (Savez samostalnih sindikata Srbije, SSSS) 300,000 All levels	Association of Free Trade Unions of Slovenia (Zveza Svobodnih Sindikatov Slovenije, ZSSS) 150,000 (2015) Yes	
n.a.						
Yes	Union of Autonomous Trade Unions of Croatia (Savez samostalnih sindikata Hrvatske, SSSH) 94,600 (2018) Yes	Union of Free Trade Unions of Montenegro (Unija slobodnih sindikata Crne Gore, USSCG) 22,000 (2017) Yes	Confederation of Free Trade Unions of Macedonia (Konfederacija na slobodni sindikati na Makedonija, KSS) 43,400 Yes	United Branch Trade Unions, Independence (Unija granskih sindikata, UGS Neza-viznost) 120,000 All levels	Confederation of Public Sector Trade Unions (Konfederacija Sindikatov Javnega Sektorja Slovenije, KSJS) 73,400 (2015) Yes	
	Matica Association of Croatian Trade Unions (Matica hrvatskih sindikata, Matica) 60,600 (2018) Yes		Union of Independent and Autonomous Trade Unions of Macedonia (Unija na avtonomni sindikati na Makedonija, UN-ASM) n.a. No	Confederation of Free Trade Unions (Konfederacija slobodnih sindikata, KSS) 80,000 Sectoral and company levels	Confederation of Trade Unions of Slovenia Pergam (Konfederacija Sindikatov Slovenije Pergam) 72,000 (2015) Yes	

Notes: The three rows for each social partner are: English name (original name, acronym); membership ('000); representative status: Yes/No.

Table 1 List of social partners, Adriatic Region (cont.)

<i>Trade unions</i>					
Bosnia and Herzegovina	Croatia	Montenegro	North Macedonia	Serbia	Slovenia
	Croatian Association of Trade Unions (Hrvatska udruga radničkih sindikata, HURS) 48,000 (2015) No		Confederation of Trade Union Organizations of Macedonia (Konfederacijata na sindikalni organizacii na Makedonija, KSOM) 8,000 No	Association of Free and Independent Trade Unions (Asociacija slobodnih i nezavisnih sindikata, ASNS) 50,000 Sectoral and company levels	Confederation of Trade Unions '90 of Slovenia (Konfederacija Sindikatov '90 Slovenije, Konfederacija '90) 36,000 (2015) Yes
				United Trade Unions 'Sloga' (Udru/Sloga/, USS Sloga) 40,000 Company level	Union of Workers' Trade Unions of Slovenia – Solidarity (Zveza delavskih sindikatov Slovenije – Solidarnost, Solidarnost) 3,100 (2015) Yes
					Slovene Union of Trade Unions Alternativa (Slovenska zveza sindikatov Alternativa, Alternativa) 3,100 (2015) Yes
					Independent Confederation of New Trade Unions of Slovenia (Konfederacija novih sindikatov Slovenije, KNSS – Neodvisnost) 19,000 (2015) Yes

Notes: The three rows for each social partner are: English name (original name, acronym); membership ('000); representative status: Yes/No.

Table 1 List of social partners, Adriatic Region

Employer associations					
Bosnia and Herzegovina	Croatia	Montenegro	North Macedonia	Serbia	Slovenia
Association of Employers FbiH (Udruženje poslodavaca FbiH, UPFBiH) 21,000 (2019) Yes	Croatian Employers Association (Hrvatska udruuga poslodavaca, HUP) 6,000 (2015) Yes	Montenegrin Employers Federation (Unija poslodavaca Crne Gore, UPCG) n.a. Yes	Organization of Employers of Macedonia (Organizacijata na rabotodavači na Makedonija, ORM) 51,300 Yes	Serbian Employers Association (Unija poslodavaca Srbije, UPS) 140,000 (2019) All levels	Chamber of Commerce and Industry of Slovenia (Gospodarska zbornica Slovenije, GZS) 7,500 Yes
			Business Confederation Macedonia BCM (BKM) 8,500 (2010) No		Association of Employers of Slovenia (Združenje delodajalcev Slovenije, ZDS) 1,400 Yes
					Slovenian Chamber of Commerce (Trgovinska zbornica Slovenije, TZS) 5,900 Yes
					Chamber of Craft and Small Businesses of Slovenia (Obrtno-Podjetniška zbornica Slovenije, OZS) 30,000 Yes
					Association of Employers in Craft and Small Business of Slovenia (Združenje delodajalcev obrti in podjetnikov Slovenije, ZDOPS) 20,000 Yes

Notes: The three rows for each social partner are: English name (original name, acronym); membership ('000); representative status: Yes/No.

Annex II
Table 2 Representativeness criteria

	Trade unions	Employer associations	Conditions for collective agreement stipulation and extension
Federation BiH	The Labour Code (<i>Zakon o radu</i> , 2015) lays down several representativeness criteria for trade unions. They must: (i) be registered with the competent authority; (ii) be financed predominantly out of membership fees and other own sources; (iii) have a qualified percentage of members among employees. At company level: 20% of employees; at branch level: 30% of employees in the Federation or canton; at national level: 30% of employees in the Federation.	Representative employer associations must: (i) be registered with the competent authority; (ii) be financed predominantly out of membership fees and other own sources; (iii) employ at least 20% of the total number of employees in the industry in the Federation or canton.	A general or branch collective agreement shall be concluded a representative employer association and a representative trade union at either federal or branch level. Extension is possible if there is a justified interest for the purpose of pursuing economic and social policies in the Federation, aimed at ensuring equal working conditions. Prior to issuing a decision, the federal Labour Minister requests the opinion of the Economic and Social Council.
Croatia	The Act on the Criteria for Participation in Tripartite Bodies and Representativeness for Collective Negotiation (<i>Zakon o reprezentativnosti udruuga poslodavaca i sindikata</i> , 2015). A representative trade union must: (i) be registered six months prior to requesting the determination of representativeness; (ii) have 50,000 members; (iii) have five unions active in different fields of activity as defined by the National Classification of Activities; (iv) have regional offices in at least four counties; and (v) have the necessary material conditions for work and employ at least five workers.	Representative employer associations must: (i) be registered six months prior to requesting the determination of representativeness; (ii) unite 3,000 employers, or 100,000 workers employed by associate employers; (iii) unite five associations active in different fields of activity as defined by the National Classification of Activities; (iv) have regional offices in at least four counties; and (v) have the necessary material conditions for work and employ at least five workers.	If only one union represents an organization's employees, then that union is representative for collective bargaining, regardless of the number of members and the share of employees with union membership. If more unions represent the employees at an organization, then these must agree which union or unions are representative. A collective agreement is valid if it is signed by the representative trade union, or unions that represent at least 50% of the members of the representative union. The agreement on representativeness has to state the number of members of each representative trade union. If the unions cannot agree, then the Commission for determining representativeness decides. The Labour Code (<i>Zakon o radu</i> , 2014) stipulates that the Labour Minister may extend a collective agreement at the request of all parties, if there is a public interest and if the unions and employers with most members signed it.

Table 2 Representativeness criteria (cont.)

	Trade unions	Employer associations	Conditions for collective agreement stipulation and extension
Montenegro	The Trade Union Representation Act (<i>Zakon o reprezentativnosti sindikata</i> , 2018): A representative trade union at the national level must: (i) be listed in a Register; (ii) be independent from state institutions, employers and political parties; (iii) be financed mainly from membership fees and other own resources; (iv) bring together at least five representative branch unions (members have to make up 15% of total employees at branch level); and (v) have as members at least 10% of total employees in Montenegro.	The Labour Code (<i>Zakon o radu</i> , 2008): A representative employer organization at the national level must unite members that: (i) employ at least 25% of employees in the economy of Montenegro; (ii) participate in the creation of 25% of GDP of Montenegro.	The Labour Code: (i) the general collective agreement is concluded by a representative union and employer association as well as the government; (ii) branch collective agreements come in several types (sector, public enterprise or institution, social security institution, state bodies) and the entities allowed to bargain change accordingly; (iii) at the company level the employer concludes the agreement with a representative union at the firm level. There are no specific extension mechanisms.
North Macedonia	n.a.	n.a.	The Labour Relations Act (Закон за работните односи, 2007): (i) at the national level, the leading trade union and employer organizations conclude a general collective agreement pertaining to all employees and employers in North Macedonia; (ii) authorized unions and employers conclude branch collective agreements; (iii) collective agreements at the level of individual employers are concluded by managing boards or other management bodies between employers and trade unions. There are no specific extension mechanisms.

Table 2 Representativeness criteria (cont.)

	Trade unions	Employer associations	Conditions for collective agreement stipulation and extension
Serbia	The Labour Code (<i>Zakon o radu</i> , 2005): A representative trade union must: (i) be established according to freedom of association; (ii) be independent from state agencies and employers; (iii) be financed from membership fees and own sources; (iv) be registered in conformity with the law; and (v) organize 10% of all employees at national, local, sectoral, group, economic activity level; or 15% at the company level.	The Labour Code (<i>Zakon o radu</i> , 2005): A representative employer organization must: (i) be registered in conformity with the law; (ii) have as members 10% of the total number of employers in a branch, group, subgroup or line of business, that is, in the territory of a specific territorial unit, with the proviso that such employers employ a minimum of 15% of the total number of employees in a branch, group, subgroup or line of business, in other words, in the territory of a specific territorial unit.	The Labour Code: collective agreements can be concluded at a general, branch and company levels. Representatives of trade unions and employers (the UPS) who participate in negotiations need to be authorized by their governing bodies. The general collective agreement and branch collective agreements for a specific branch, group, subgroup or profession are concluded for the territory of Serbia. A branch collective agreement is concluded for the territory of a unit, autonomous territory or a local self-government. All agreements are concluded by representative employers and representative trade unions.
Slovenia	Representativeness of Trade Unions Act (<i>Zakon o reprezentativnosti sindikatov</i> , ZRSin, 1993): a representative trade union must: (i) be democratic; (ii) enable voluntary membership; (iii) have been active for the past 6 months; (iv) be independent of governmental bodies and employers; (v) be financed mainly through membership fees and other own sources; and (vi) have at least 10% of employees in a particular branch, activity or occupation.	Representativeness of employers' organizations is not regulated by a separate law. It is indirectly regulated by the Collective Agreements Act (<i>Zakon o kolektivnih pogodbah</i> , ZKoliP, 2006).	ZKoliP stipulates that for collective agreements concluded between representative trade unions and representative employer organizations, one of the parties may ask the Labour Minister to extend the collective agreement to all employers in that sector. The employer organization has to employ more than half of the workers in firms covered by the extension.

Sources: Arandarenko (2019); Bejaković and Klemenčić (2019); Domazet (2012); Grdešić (2015); Kanjuo Mrčela (2018); Majhosev (2019); Visser (2019); personal interviews.

Annex III

Table 3 National social dialogue institutions

	Bosnia and Herzegovina	Croatia	Montenegro	North Macedonia	Serbia	Slovenia
<i>Form of social dialogue</i>	Yes	Yes	Yes	Yes	Yes	Yes
<i>National level</i>	Yes	Yes	Yes	Yes	Yes	No
<i>Territorial level</i>	Yes	Yes	Yes	Yes	Yes	No
<i>Name of national social dialogue institution</i>	Ekonomsko - socijalno vijeće (Economic and Social Council)	Gospodarsko socijalno vijeće (Economic and Social Council)	Socijalni savjet (Social Council)	Ekonomsko socijalno savet (Economic and Social Council)	Socijalno – ekonomski savet (Socio-economic Council)	Ekonomsko-socijalni svet (Economic and Social Council)
<i>Parties to social dialogue</i>						
<i>Unions</i>	7 members: Confederation of Independent Trade Unions of Bosnia and Herzegovina (SSSBiH)	4 members: Independent Trade Unions of Croatia (NHS), Union of Autonomous Trade Unions of Croatia (SSSH), Association of Croatian Trade Unions (MHS), Croatian Trade Union Association (HURS)	8 members: Confederation of Trade Unions of Montenegro (SSCG, 4 seats); Union of Free Trade Unions of Montenegro (USSCG, 4 seats)	4 members are appointed by representative associations of trade unions, until 2019: Federation of Trade Unions of Macedonia (SSM, 2 seats); Confederation of Free Trade Unions of Macedonia (KSS, 2 seats)	6 members: Confederation of Autonomous Trade Unions of Serbia (SSSS, 4 seats); United Branch Trade Unions, Independence Unions, Independence (UGS Nezaviznost, 2 seats)	8 members: Association of Free Trade Unions of Slovenia (ZSSS), Confederation of New Trade Unions of Slovenia, Independence (KNSS Neodvisnost), Confederation of Trade Unions '90 of Slovenia (Konfederacija '90), Confederation of Trade Unions of Slovenia, Pergam (KSS Pergam), Confederation of Trade Unions of the Slovenian Public Sector (KSJS), Trade Union of Engine Drivers of Slovenia, Alternative (SZS Alternativa)

Table 3 National social dialogue institutions (cont.)

	Bosnia and Herzegovina	Croatia	Montenegro	North Macedonia	Serbia	Slovenia
<i>Parties to social dialogue</i>						
Employers	7 members: Association of Employers FbiH (UPFBiH)	4 members: Croatian Employers' Association (HUP)	8 members: Montenegrin Employers Federation (UPCG)	4 members: Organization of Employers of Macedonia (ORM)	6 members: Serbian Association of Employers (UPS)	7 members: Chamber of Commerce and Industry of Slovenia (GZS), Chamber of Craft and Small Businesses of Slovenia (OZS), Association of Employers of Slovenia (ZDS), the Slovenian Chamber of Commerce (TZS), Association of Employers for Crafts and of Entrepreneurs of Slovenia (ZDOPS)
Government	7 members nominated by the government	6 members: Minister of Labour and the Pension System, the Minister of Finance, the Minister for Demography, Family, Youth and Social Policy, the Minister of Economy, Entrepreneurship and Crafts, the Minister of Administration and the Minister of Science and Education	8 members nominated by the government	4 members nominated by the Government: Minister of Labour and Social Policy; Minister of Finance; Minister of Economy; Deputy Prime Minister in charge of economic affairs.	6 members nominated by the Government	8 members: Ministers for Labour, Finance, Public Administration, Education, Health, a state secretary from the Council Presidency (and former Labour Minister), a representative from the Institute for Macroeconomic Analysis and Development (UMAR).
Other	President is 22nd member	None	None	None	None	None