

Labour Market in Serbia in Digital Era

Project Danube@work

Kick-off Conference
FIT FOR THE NEW WORLD OF DIGITAL ERA

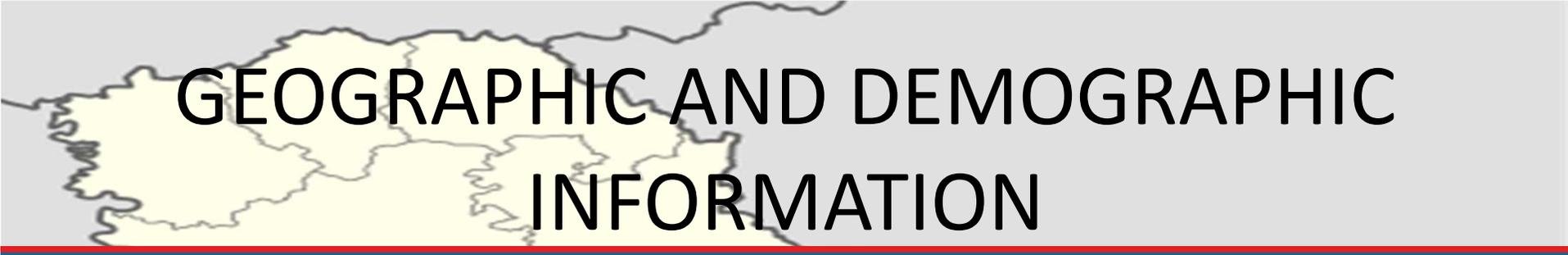
Vienna, April 24, 2017

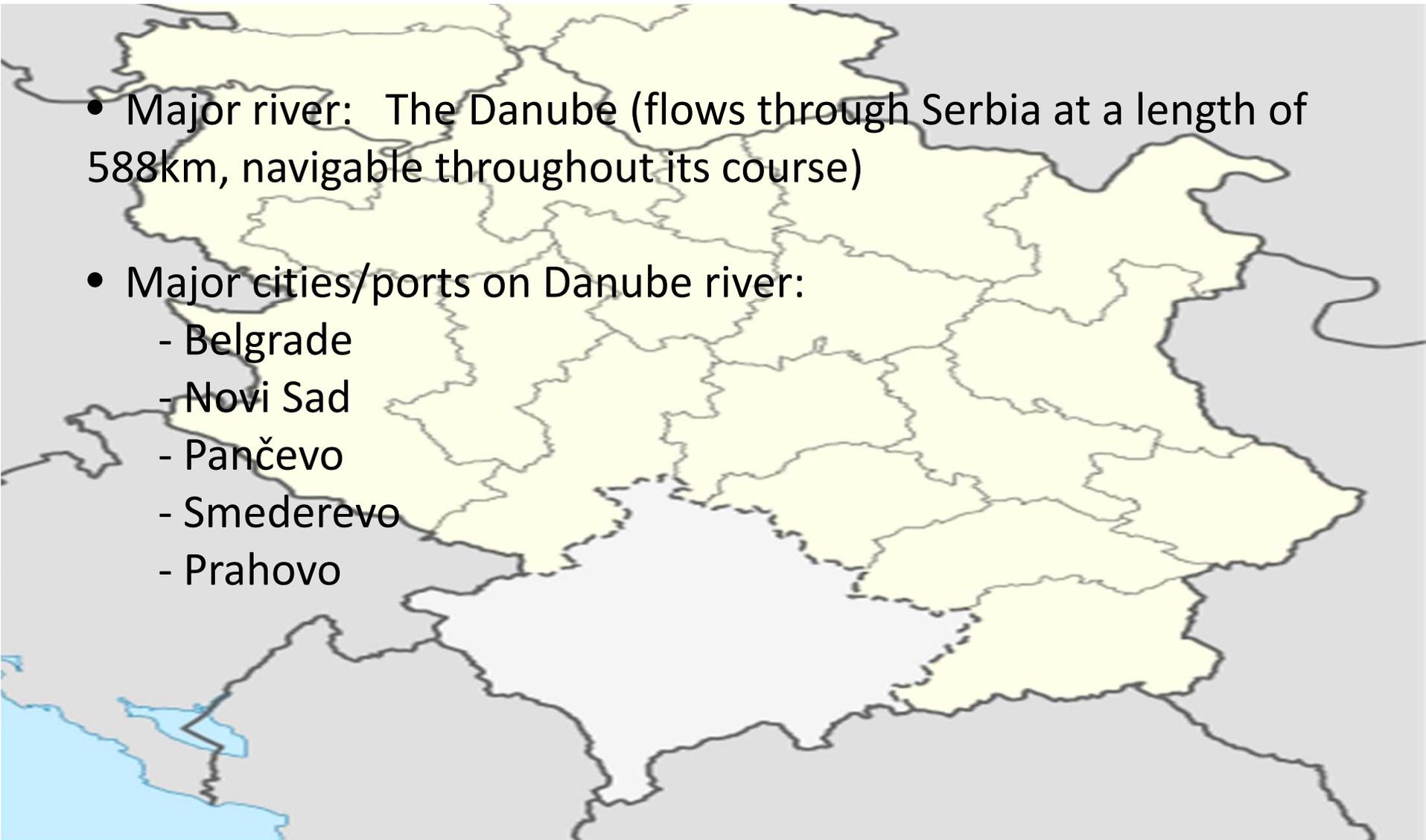
GEOGRAPHIC AND DEMOGRAPHIC INFORMATION

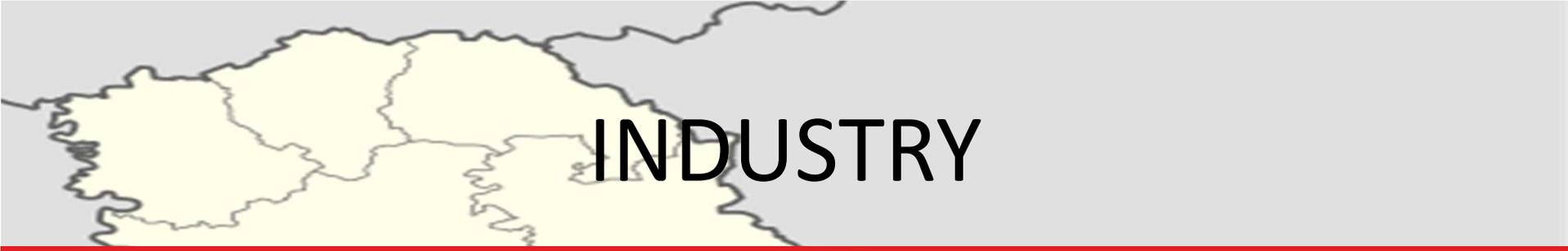
- Area: 88 499 km²*
- Capital: Belgrade
- Population: **7 076 372** (estim. 1.01.2016.**)
- Males: 3 499 176
- Females: 3 687 686
- Average age: 42,2 years
- Major cities: inhabitants
 - Belgrade: 1 659 440
 - Novi Sad: 341 626
 - Niš: 260 237

* AP Kosovo and Metohija is included
** AP Kosovo and Metohija is not included

GEOGRAPHIC AND DEMOGRAPHIC INFORMATION



- Major river: The Danube (flows through Serbia at a length of 588km, navigable throughout its course)
 - Major cities/ports on Danube river:
 - Belgrade
 - Novi Sad
 - Pančevo
 - Smederevo
 - Prahovo
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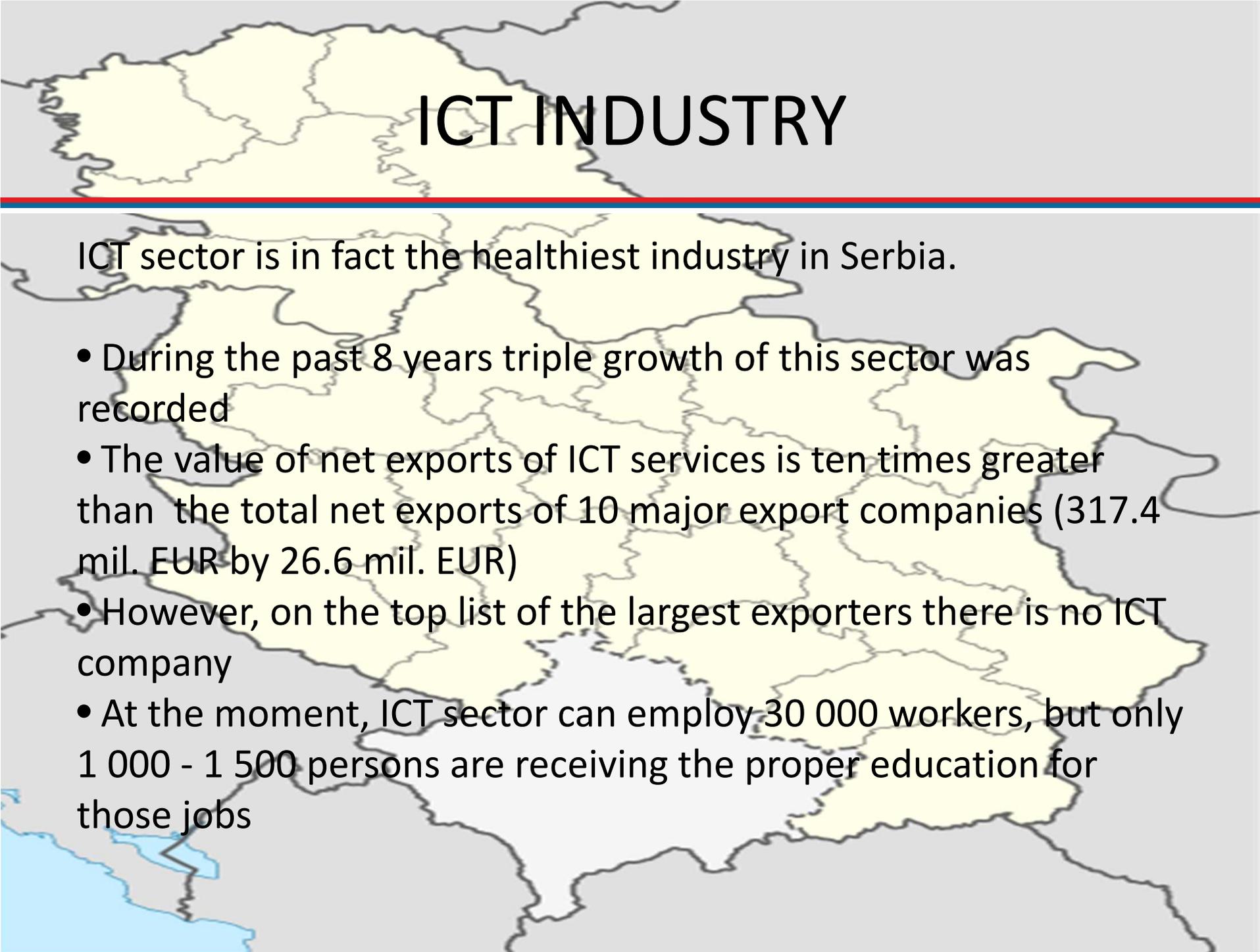


INDUSTRY

The main economic sectors:

Share in GDP

- Manufacturing: 15,6%
- Wholesale and retail trade: 10,2%
- Real estate: 8,9%
- Agriculture, forestry and fishing: 6,8%
- Construction: 4,5%

A map of Serbia is shown in the background, with the country's outline in black and its internal administrative regions in light yellow. The map is set against a light gray background. A horizontal line with a red top half and a blue bottom half runs across the middle of the image, separating the title from the text.

ICT INDUSTRY

ICT sector is in fact the healthiest industry in Serbia.

- During the past 8 years triple growth of this sector was recorded
- The value of net exports of ICT services is ten times greater than the total net exports of 10 major export companies (317.4 mil. EUR by 26.6 mil. EUR)
- However, on the top list of the largest exporters there is no ICT company
- At the moment, ICT sector can employ 30 000 workers, but only 1 000 - 1 500 persons are receiving the proper education for those jobs

A map of Serbia is shown in the background, with the country's outline and internal administrative boundaries. The map is light yellow with black outlines. A red and blue horizontal line is positioned below the title.

STRATEGY OF THE DEVELOPMENT OF INFORMATION SOCIETY IN SERBIA 2020

Strategy, which relies on the EU Digital Agenda, was adopted in 2010.

Priority areas which were determined by the Strategy are:

- Electronic communication
- E-administration, e-health and e-judiciary
- ICT in science, education and culture
- Electronic commerce
- ICT Business sector
- Information safety

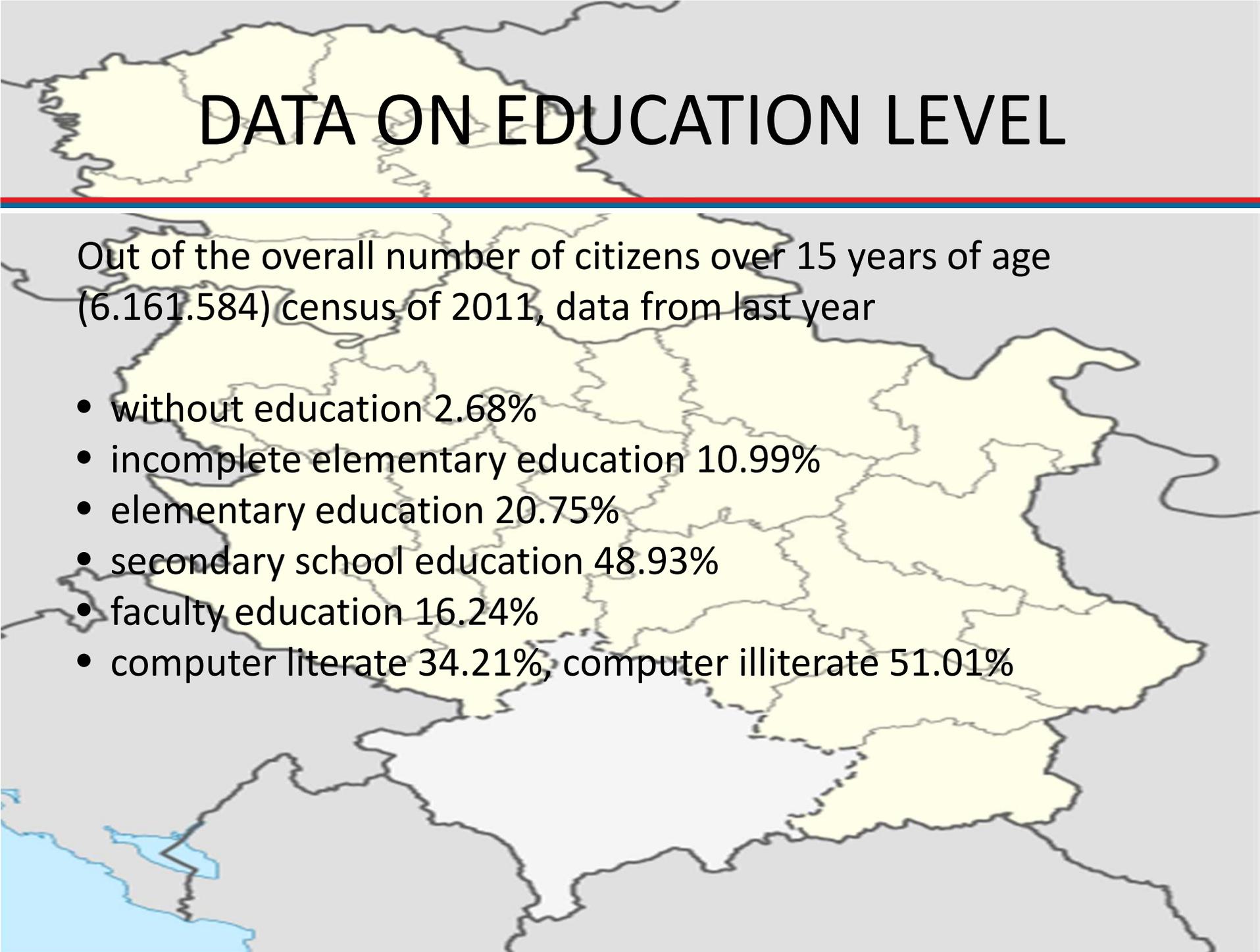
STRATEGY OF THE DEVELOPMENT OF INFORMATION SOCIETY IN SERBIA 2020

Legal framework

The most important laws regulating the area of information society are:

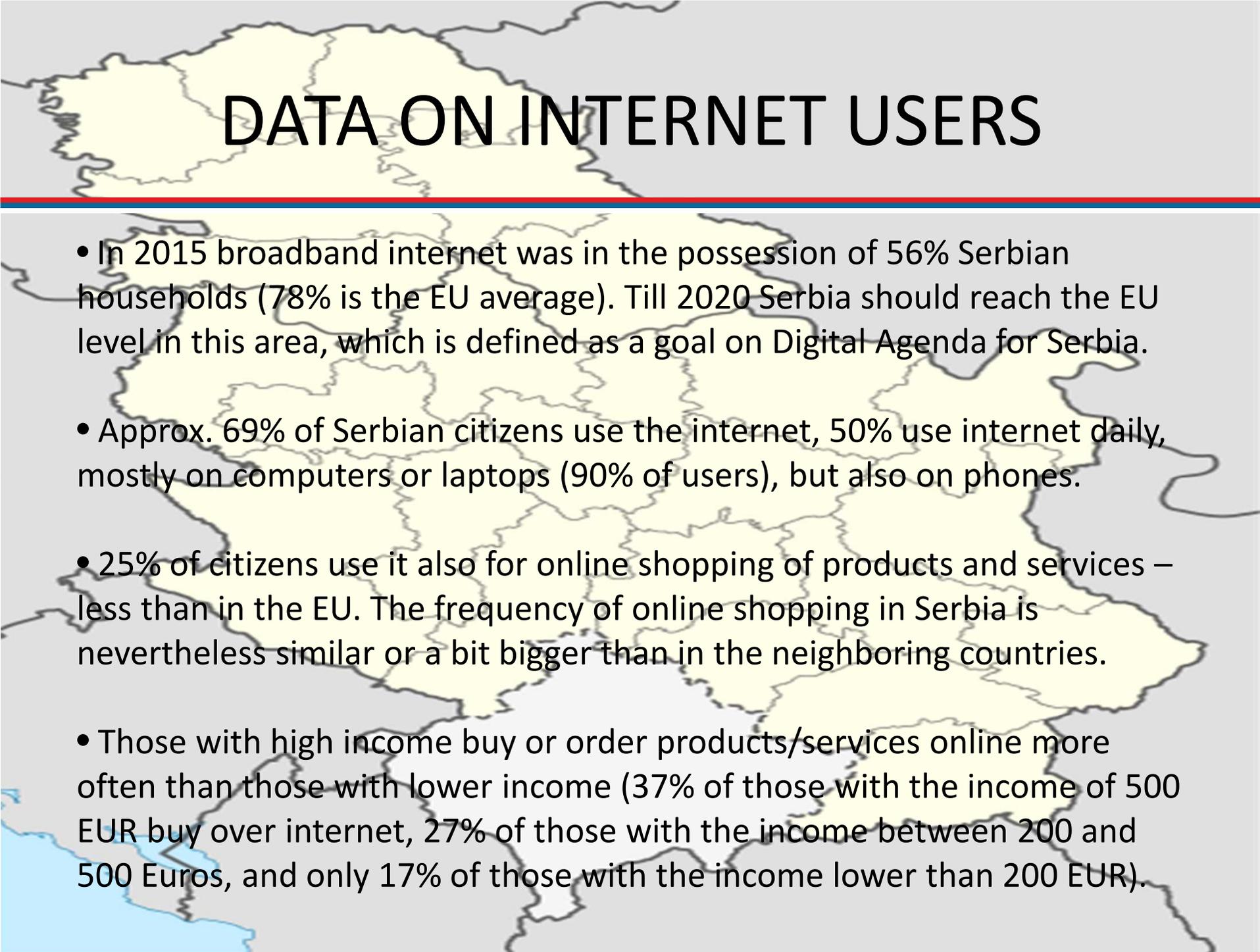
- Law on Electronic Signature, implementing EU regulations governing electronic signature.
- Law on Electronic Document, regulating the use of electronic document, as well as time stamp
- Law on Telecommunications
- Law on Electronic Commerce
- Law on Personal Data Protection
- Law on Ratification of the Convention on Cyber Crime and
- Law on Ratification of Additional Protocol, along with the Convention on Cyber Crime, related to the incrimination of racist and xenophobic nature committed through computer systems

DATA ON EDUCATION LEVEL

A map of Serbia is shown in the background, with the country's outline and internal administrative boundaries visible. The map is colored in a light yellow/green hue. A red and blue horizontal line is positioned below the title.

Out of the overall number of citizens over 15 years of age (6.161.584) census of 2011, data from last year

- without education 2.68%
- incomplete elementary education 10.99%
- elementary education 20.75%
- secondary school education 48.93%
- faculty education 16.24%
- computer literate 34.21%, computer illiterate 51.01%

A map of Serbia is shown in the background, with the country's outline in black and its interior in light yellow. The map is centered on the Balkan Peninsula. A red and blue horizontal line is positioned below the title.

DATA ON INTERNET USERS

- In 2015 broadband internet was in the possession of 56% Serbian households (78% is the EU average). Till 2020 Serbia should reach the EU level in this area, which is defined as a goal on Digital Agenda for Serbia.
- Approx. 69% of Serbian citizens use the internet, 50% use internet daily, mostly on computers or laptops (90% of users), but also on phones.
- 25% of citizens use it also for online shopping of products and services – less than in the EU. The frequency of online shopping in Serbia is nevertheless similar or a bit bigger than in the neighboring countries.
- Those with high income buy or order products/services online more often than those with lower income (37% of those with the income of 500 EUR buy over internet, 27% of those with the income between 200 and 500 Euros, and only 17% of those with the income lower than 200 EUR).

RESULT OF THE INTRODUCTION OF THE NATIONALAL DIGITAL STRATEGY 2020

The process of Digital Strategy goals implementation remains incomplete.

SECTORS AFFECTED BY DIGITALIZATION

- Digitized sectors:

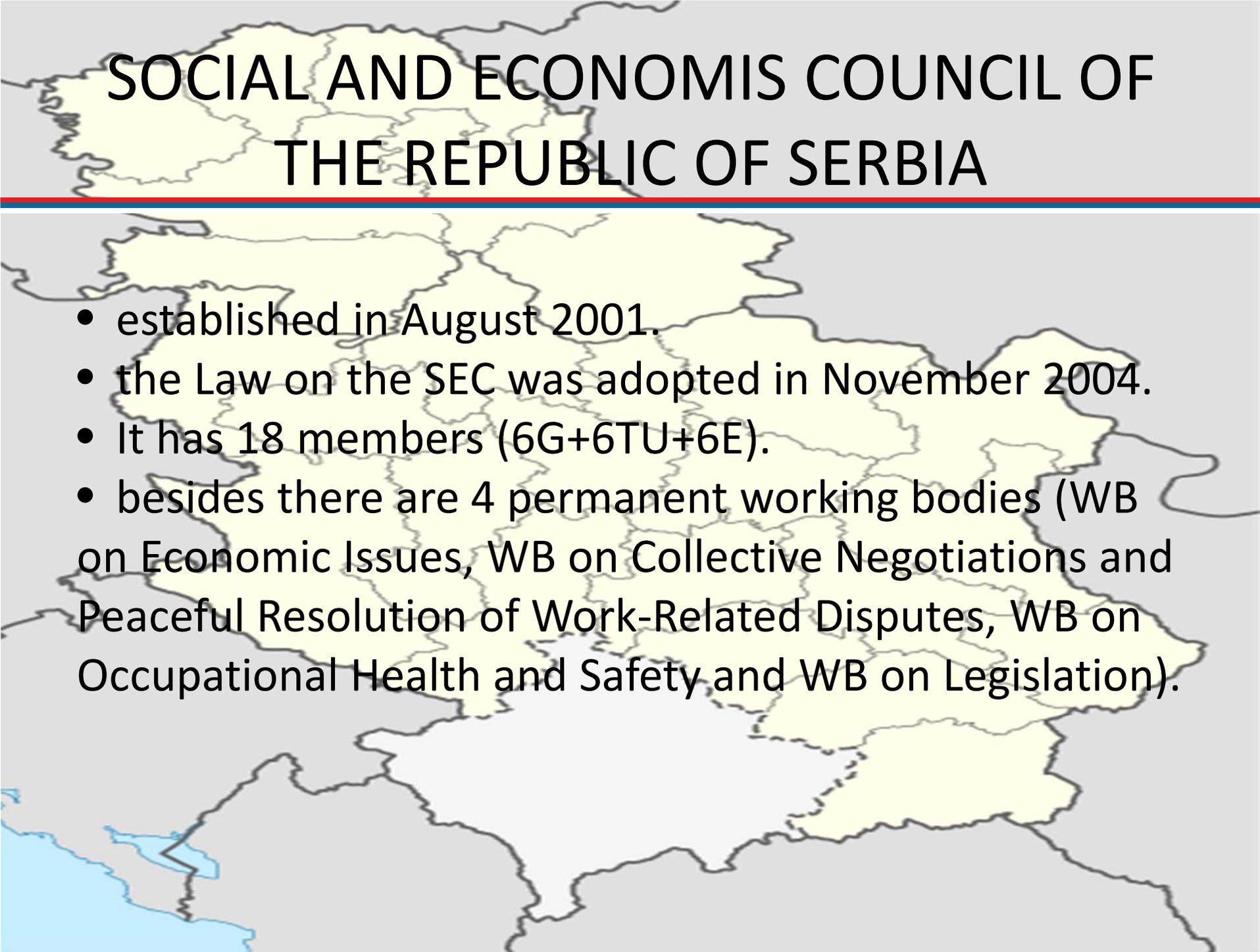
- Banks
- Trade and Services
- State Administration
- Judiciary
- Media sector

- Partially digitized sectors:

- Health Care
- Education
- Transport of passengers and goods (public and private sector)

CHARACTERISTICS OF SOCIAL PARTNERSHIP IN SERBIA

- **Social partners:** Government, Trade Unions (two representative Confederations: CATUS and TUC NEZAVISNOST) and Employers organization (Serbian Employers' Association – SEA)
- **Tripartite:** Trade Unions - Serbian Employers' Association – Government
- **Level: National** (Social and Economic Council of the Republic of Serbia), **Provincial** (SEC of Vojvodina) and **Local** (29 established, out of which 19 registered, barely 3 function successfully, many are without a program and budget, their work is poor, and some are completely inactive)

A map of the Republic of Serbia is shown in the background, with the country's outline in black and its internal administrative regions in light yellow. The map is set against a light gray background. A horizontal line with a red top half and a blue bottom half runs across the middle of the slide, separating the title from the list of facts.

SOCIAL AND ECONOMIC COUNCIL OF THE REPUBLIC OF SERBIA

- established in August 2001.
- the Law on the SEC was adopted in November 2004.
- It has 18 members (6G+6TU+6E).
- besides there are 4 permanent working bodies (WB on Economic Issues, WB on Collective Negotiations and Peaceful Resolution of Work-Related Disputes, WB on Occupational Health and Safety and WB on Legislation).

BIPARTITE: EMPLOYER – TRADE UNION

- Bipartite dialogue at the company level so far has achieved certain results, but there is a tendency of having individual solutions in worker-employer relationship by signing individual labour contracts.
- Problems with privatized companies where sales agreements are not respected – and in some cases trade union work is banned.
- Branch/sectors dialogue: collective agreements are mostly concluded in the public sector; there are difficulties in handling negotiations in the real sector.
- Last year was marked by the crisis of collective bargaining. Three concluded collective agreements in the sectors of construction, agriculture and chemistry were simply cancelled by SEA – the only collective agreement with the extended effect was concluded in the road maintenance industry, but with the employers' association „Putar“, which is not a member of SEA.

A map of Europe with several countries highlighted in yellow, including the United Kingdom, France, Germany, Poland, Czech Republic, Slovakia, Austria, Hungary, and Italy. The map is set against a light gray background.

BIPARTITE: EMPLOYER – TRADE UNION

- The problem is that SEA doesn't gather big employers or multinational companies who realize their interests outside the Association in a direct contact with Ministries.
- Support to such a crisis of collective bargaining is provided by the Labour Law provision on extended effect which increased the quota – saying that collective agreement binds employers who employ more than 50% of employees in a certain branch, group, sub-group or profession (former condition was 30%).



DIFICULTIES IN SOCIAL DIALOGUE AND PARTNERSHIP

- Social dialogue in Serbia - still at the beginning.
- Institutionalized but insufficiently implemented.
- Economic crisis, unemployment and lack of dialogue culture are additionally burdening factors.
- Uncritical taking over of social dialogue model - betrayed expectations.
- Trade unions in current situation are more of actors than social partners because social partnership implies that there is mutual understanding, and equality above everything.

DIFICULTIES IN SOCIAL DIALOGUE AND PARTNERSHIP

- So far in social partnership there has been misbalance, favoring the state or employer.
- **Important legal decisions aren't discussed at the SEC**, decision are made without including the SEC or its opinion is disregarded (example – amending Labour Law and Law on Pension and Disability Insurance directly in the General Assembly, trade unions find out about it from the media.
- **Nonfunctional local SECs** – causes: attitude of local authorities, census for parliamentary elections, members are quickly replaced, which means that Council's work depends on the interest of the representatives of local self-government, local self-government mostly follows 'political party's orders', ...

CHALLENGES ACCORDING TO LABOR AND SOCIAL LAW

Insufficiently developed instruments for the implementation of priorities defined by the Development Strategy of IT Society in the Republic of Serbia until 2020 have caused many problems:

- The mismatch between supply and demand for digitalised occupations in the labor market.
- Loss of a large number of jobs in the manufacturing and services.
- Uncontrolled withdrawal of workers from the legal and their entry into the informal economy through the web space - outside labor laws, no social protection and health care.

CHALLENGES ACCORDING TO LABOR AND SOCIAL LAW

What should be done:

- Strengthening protective mechanisms and changing the legislation governing this area and their full implementation (limiting the scope of flexible work, redefinition of the right to trade union membership, increasing state's social function...).
- Preparation of public policies in the field of employment and social care for persons who will be affected by changes in the labor market.
- Expanding the fight against informal work on the web space.

Thank you for your attention

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