Former Yugoslav Republic of Macedonia (FYROM): Industrial relations profile

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Area: 25,713 square kilometres
Population: 2,022,547 (2002 census)
Language: Macedonian
Capital: Skopje
Currency: Macedonian denar (MKD) (€1 = MKD 61.45 as at 16 February 2012)

Economic background

<table>
<thead>
<tr>
<th></th>
<th>FYROM</th>
<th>EU27</th>
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<tbody>
<tr>
<td><strong>GDP per capita</strong></td>
<td>35 (2010)</td>
<td>100</td>
</tr>
<tr>
<td>(in purchasing power standards, index: EU27=100)</td>
<td></td>
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<tr>
<td><strong>Real GDP growth</strong></td>
<td>5.36% (2006–2008)</td>
<td>0.62% (annual average 2006–2009)</td>
</tr>
<tr>
<td>(% change on previous year)</td>
<td>-0.9% (2009)</td>
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<tr>
<td></td>
<td>1.8% (2010)</td>
<td></td>
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<tr>
<td><strong>Inflation rate</strong></td>
<td>4.6% (2006–2008)</td>
<td>2.12% (annual average 2006–2009)</td>
</tr>
<tr>
<td></td>
<td>-0.8% (2009)</td>
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<tr>
<td></td>
<td>1.6% (2010)</td>
<td></td>
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<tr>
<td><strong>Gender pay gap</strong></td>
<td>No data</td>
<td>17.6% (2007)</td>
</tr>
<tr>
<td>(difference between average earnings of male and female employees as percentage of earnings of male employees)</td>
<td></td>
<td></td>
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<tr>
<td><strong>Employment rate</strong></td>
<td>43.3%</td>
<td>64.6%</td>
</tr>
<tr>
<td>(15–64 years) (2009)</td>
<td></td>
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<tr>
<td><strong>Female employment rate</strong></td>
<td>34.0%</td>
<td>58.6%</td>
</tr>
<tr>
<td>(15–64 years) (2009)</td>
<td></td>
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<tr>
<td><strong>Unemployment rate</strong></td>
<td>32.1% (2010)</td>
<td>8.9% (2009)</td>
</tr>
<tr>
<td>(15–64 years) (2009)</td>
<td></td>
<td></td>
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<tr>
<td><strong>Monthly minimum wage</strong></td>
<td>n.a.</td>
<td>n.a.</td>
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</tbody>
</table>

Sources: Eurostat, Eurofound

Industrial relations, pay and working time

<table>
<thead>
<tr>
<th></th>
<th>FYROM</th>
<th>EU27</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade union density</strong></td>
<td>27.95% (2010)*</td>
<td>n.a.</td>
</tr>
<tr>
<td>(trade union members as percentage of all employees in dependent employment)</td>
<td></td>
<td></td>
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<tr>
<td><strong>Employer organisation density</strong></td>
<td>23.57% (2010)</td>
<td>n.a.</td>
</tr>
<tr>
<td>(%)* (percentage of employees employed by companies that are members of an employer organisation)</td>
<td></td>
<td></td>
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<tr>
<td><strong>Collective bargaining coverage</strong></td>
<td>100%</td>
<td>n.a.</td>
</tr>
<tr>
<td>(percentage of employees covered by collective agreements)</td>
<td></td>
<td></td>
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<tr>
<td><strong>Number of working days lost through industrial action per 1,000 employees</strong> (annual average 2006–2009)</td>
<td>No data</td>
<td>31.78 days (estimate)</td>
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<tr>
<td><strong>Collectively agreed pay increase</strong></td>
<td>n.a.</td>
<td>4.6% (not weighted)</td>
</tr>
<tr>
<td>(% (annual average 2008–2009)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Actual pay increase</strong></td>
<td>No data</td>
<td>1.7% (not weighted)</td>
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<tr>
<td>(% (annual average 2008–2009)</td>
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<td></td>
</tr>
<tr>
<td><strong>Collectively agreed weekly working hours</strong> (2009)</td>
<td>40</td>
<td>38.7 hours (not weighted)</td>
</tr>
<tr>
<td><strong>Actual weekly working hours</strong></td>
<td>No data</td>
<td>39.3 hours (not weighted)</td>
</tr>
</tbody>
</table>

Sources: * Official Gazette of Republic of Macedonia (5 August 2010); Eurofound, Eurostat.
Background

Economic context
In general it is fair to say that the social environment has not been favourable for the development of industrial relations in the former Yugoslav Republic of Macedonia. The economic context was very bleak during the entire transitional period, with low levels of economic growth and a very low level of both foreign direct investment (FDI) and local investments, a high level of unemployment (constantly over 32%) and increasing poverty. Those most severely affected by the region’s political and economic transition expressed their dissatisfaction strongly throughout the 1990s, through numerous strikes, street rallies and demonstrations. These protest actions, many of which were organised by trade unions, had little effect. Gradually the tensions subsided but, under the threat of company closures and massive layoffs, the employed workers renounced their solidarity and collective action, adopting a strategy of individual self-interest (Hristova, 1995). This situation, in which workers feel threatened, disoriented and under permanent pressure, is still prevalent.

Legal context
From the beginning of the transition, the legal context has been rather favourable to industrial relations. In the constitution of 1991, the former Yugoslav Republic of Macedonia was proclaimed as a social state with high level of provision of social and economic rights, including the right of labour to be organised for the promotion of its interests. Strikes and collective bargaining become constitutional categories and the constitution created very flexible provision for the participation of the labour in management of firms. Article 58 of the constitution states that ‘ownership and labour form the basis for management and sharing in decision-making’. These basic values promoted in the constitution were operationalised in many laws, the pillar of which is the Labour Code.

In the process of harmonisation of this regulation with EU standards many laws were revisited, and many new ones created. Some analysts highlight two tendencies in this process of revision. One of these tendencies is the significant enlargement of the Labour Code with many new provisions concerning discrimination, collective bargaining, trade unions and strikes. Despite this, critics say that further laws are needed on trade unions, collective bargaining, strikes and mobbing to improve the situation of workers. The second tendency is the restriction of workers’ rights, about which only unions and some NGOs have complained. The reaction in society as a whole to this restriction was not very strong. It is a fact that in the entire transition period it was very difficult for trade unions to identify political actors that would support the demands of workers and social dialogue in general. Although there are many parties in the political scene that identify themselves as being on the political left or political right, an examination of their actual behaviour indicates that the parties are in fact in the centre or right of centre. (Such a conclusion can be drawn if we analyse the privatisation process of the socially owned enterprises, privatisation in the public sector, reduction of labour rights, reforms in the health system, and cooperation of political parties with trade unions) (Savevski et al., 2010; Hristova, 2008).

Main industrial relations trends
The entire social context was traditionally in favour of neo-liberal doctrines, which also have a relatively strong influence on the structuring of the economy and hence on industrial relations. The main industrial relation actors emerged with some delay and relatively slowly in the former Yugoslav Republic of Macedonia. Until 2005 the social scene was practically dominated by one trade union: the Confederation of Trade Unions of Macedonia, the successor of the former socialist trade union. On the other side there was only the Chamber of Commerce (from the socialist period), which performed the role of employers’ organisation. One of the main problems with the pluralisation of the social scene (on the side of unions as well as on the side of employers’ organisations) was the question of representativeness. After a delay of 15 years, in 2005 the problem was solved through changes in Labour Law: the qualifying level of membership was fixed at 10% for unions and 5% for employer organisations.
In general, however, almost throughout the transition period the public perception of trade unions has been that they are not important social actors, as they are unable to promote and protect the interests of employees. They are instead seen as too close the political elites. There is a similar perception of the employers’ organisation. From the other side the power of the state is evident, and even increasing.

In such circumstances, it is appropriate to say that an asymmetry of power characterises the relations between the main actors in the social dialogue, with all the implications that such a distribution of power has for the industrial relations system.

**Main actors**

**Trade unions**
Trade union membership, and hence union density, is falling continuously. Until 1990 the union density amounted to 97%–98% (during socialism all employees were members of a trade union), while in the year 2010 union density was about 28%.\(^1\)

The trade union movement in the former Yugoslav Republic of Macedonia is characterised by efforts to establish trade union pluralism.

**Main trade union organisations**
At the beginning of the 1990s there were two trade union federations: the Federation of Trade Unions of Macedonia (SSM) and the Union of Independent and Autonomous Trade Unions of Macedonia (UNASM). The first was the successor of the socialist-era trade union that inherited a widespread organisational network and numerous members. It covered practically all economic and non-economic activities and approximately 75%–80% of all workers were organised in this federation. UNASM was constituted in 1992 and united several independent trade union organisations. Initially, this alternative trade union was viewed with great distrust and even animosity. Faced with numerous difficulties, it failed to become influential. In fact, during almost the entire transition period (1990–2005), the SSM was the dominant actor in industrial relations from the trade union side.

The SSM was re-established at its congress in 1990 (the trade union was originally founded in 1946). It was organised on a voluntary basis, with 17 independent trade unions in branches ranging from construction to the police force, affiliated on the basis of the branch (industrial) principle. Within the federation are 10 regional union representative offices and 10 municipal union offices, which do not function as legal entities. The federation has a network of 2,000 primary trade union organisations,\(^2\) with a membership of 75,997, of whom 42,219 are in the private sector and 33,778 in the public sector (Official Gazette, 2010a). The SSM is the trade union representative and is represented in all tripartite bodies of the country. Branch trade unions affiliated to the SSM have signed 14 branch collective agreements.

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1 These data are taken from official documents issued after establishing representativeness (Official Gazette of Republic of Macedonia, No. 105/10, 5 August 2010). The reality might be somewhat different because the figures do not include those unions and their members which did not apply for representativeness. The gap is not significant, however.

2 SSM Newsletters, 2008. We believe that the figures mentioned do not correspond with the reality today, and that the number is significantly smaller.
The UNASM was founded in 1991. According to sources from the headquarters of UNASM, it has a membership of about 20,000, organised in over 100 primary trade union organisations and six federations. In the larger cities, 10 UNASM territorial coordinators have been appointed. The most numerous union by itself is the Independent Union of Farmers (with about 500 individual farmers). The UNASM does not have representative status, but it is a full member of the International Trade Union Confederation (ITUC).

The Confederation of Free Trade Unions (KSS) was founded at the congress in Skopje on 28 December 2005. It was formed as a new alternative to the SSM. The initiators for the formation of the KSS were the Union of Education, Science and Culture (SONK), the Union of Defence, the Union of Financial Organisations (SFO) and the Union for Traffic. It was joined by seven other trade union federations.

SONK is the largest and financially most powerful union within the KSS, having established its own organisational structure in 20 community centres that perform tasks for the KSS as well. The KSS has about 700 primary trade union organisations (SONK has about 600 local trade unions) with 43,727 members, of whom 27,727 are members of SONK (Official Gazette, 2010b).

The Confederation of Trade Union Organisations in Macedonia (KSOM) was established in 2006. The basic core of this union consists of employees from the Macedonian Railways. There are 50 affiliated trade unions in KSOM, with about 8,000 members. The confederation does not have representative status. (For a definition of representative status, see article 212 of the Labour Code.)

The Coalition of Independent Trade Unions of Macedonia (KNSM) was established in 2009 with its headquarters in Ohrid. KNSM has 1,368 members working in the production of electrical machinery and appliances.

The main bastion of trade unions in the former Yugoslav Republic of Macedonia is the public sector. In the private sector, the situation is quite different. In some of the big privatised companies the employees are organised in trade unions, while in the newly established firms (which are generally smaller) it is an exception. However, even in the big companies, it is questionable whether trade unions operate completely independently in reference to the company owners. Another trend in the trade union movement in the former Yugoslav Republic of Macedonia during the transition period (1990–2010) was a fragmentation and formation of new trade union federations and confederations. The reason for this tendency was disunity in the union leaderships of individual branch unions and their struggle for higher position in the union hierarchy. The trade union movement has also been characterised by politicisation and ideological profiling (Maihosev, 2007). Individual union leaders were candidates for parliament on certain political party lists (in 1998), primarily on the left-oriented candidate lists. In 1994 and 2002, the SSM publicly supported the candidates and the programme of a left-wing party, which gave rise to internal political divisions and turbulence in this union.

However, staff changes at SSM in 2010 stabilised the situation and led to greater better relations with the other unions. The result was signing a memorandum of cooperation between three trade union confederations: the SSM, the KSS, and the UNASM.

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3 UNASM consists of the following federations (branch unions): the Federation of Agriculture Trade Unions; the Federation of Transport Unions (7000 drivers); the Federation of Trade Unions of Trade, Tourism and Catering Industry; the Federation of Unions of Construction and Wood Industry; the Federation of Trade Unions of Non-economic Activities; and the Federation of Trade Unions for Industry.
Former Yugoslav Republic of Macedonia (FYROM): Industrial relations profile

Employer organisations

Membership
The biggest employer organisation (as of December 2010) is the Employers’ Organisation of Macedonia (ORM). According to data from its official website, it has a membership of 1,012 individual firms (with around 70,000 employees). This amounts to around 23% of the total number of employees in the private sector of the former Yugoslav Republic of Macedonia (Official Gazette, 2010). Until the ORM was established, the Economic Chamber of Macedonia played a dominant role in industrial relations representing the employers. The Business Chamber of Macedonia (BKM) also has significant membership.

Main employer organisations
The ORM was established in 2004 in accordance with the Law Concerning Associations of Citizen and Foundations. In the same year, the ORM separated from the ECM, and started to act as a separate entity in social dialogue. In June 2006, ORM signed the General Collective Agreement for the Economy of the Republic of Macedonia, for the side of the employers, with the SSM signing on behalf of the workers.

As of August 2010, 12 associations of employers by branches (industries) according to activity had been formed within the ORM. These included the Association of Employers for the textile industry and TTA cluster, the leather and shoe industry, the tobacco industry, communal services hotels, restaurants and cafes, protective companies, the chemical industry, agriculture, food and baking. Associations of employers within the organisation have signed eight branch collective agreements, in four of which the minimum wage was determined (textiles, leather and shoe industry, agriculture, and food industry). The ORM became representative with resolution no. 08-2226/5 signed by the Minister on 14 July 2010.

The BKM was registered in 2001 as an association of citizens under the name the Confederation of Employers of Macedonia (KRM). In 2006 it was registered in the register of employers in Ministry of Labour and Social Politics. Until the August 2010, BKM had a total of 8,500 members, employing over 40,000 workers. In 2006 the Chamber of Craftsmen, which represents more than 1,500 companies, became a member of the KRM. This confederation has signed five branch collective agreements covering about 22,000 workers, which translates to about 55% coverage with collective agreement. The KRM has four regional offices. On 21 December 2009 it was reregistered under the name the Business Chamber of Macedonia or Business Macedonia. This organisation did not obtain representative status and has complained to the commission responsible for assessing representativeness.

Other associations of employers enrolled in the register of employers are the Association of Employers for Traffic and Communications of Macedonia, the National Federation of Agencies for Temporary Employment, the National Association of Operators for Public Communication Networks (NAOJKM) and the Association of Employers in Water Supply of RM (ZRV), but they do not have representative status.

Trends in employer organisation development
Unlike the unions, the employers’ associations, with minor exceptions, show no tendency to fragmentation and conflict. Representative status at national level is only possessed by the ORM, which represents the employers of over 23% of all employees in the private sector in the former Yugoslav Republic of Macedonia. In the private sector there is little interest in establishing new boards of employers and obtaining representative status according to the National Classification of Activities (NCA).

This tendency hinders the process of collective bargaining in certain industries (metal industry, construction, metallurgy, mining, trade, forest industry), so instead of taking place at branch level bargaining is carried out at employer level.
Industrial relations

Collective bargaining
Collective agreement in the former Yugoslav Republic of Macedonia is a legal instrument that regulates the rights and obligations of employment, while the bargaining persons negotiate in good faith for the conclusion of a collective agreement.

There are three levels of collective bargaining in the former Yugoslav Republic of Macedonia: national, branch level and company level (Article 203 of Labour Code).

In accordance with Article 205 of the Labour Code, a general collective agreement for the private sector and a general collective agreement for the public sector were directly applied and are mandatory for all employers and employees in the private or public sector. Hence, the rate of coverage of employees in the former Yugoslav Republic of Macedonia is 100%. Collective agreement at the branch or department level is directly applied and it is mandatory only for the employers that are members of the association of employers that signed the collective agreement or those that has subsequently joined the association. At this level, the rate of coverage of employees with a collective agreement in 1998 was 70%, falling to just 35% of employees in 2010 (in 2011 the percentage rose to over 40%).

A collective agreement at the level of employer (enterprise) also covers employers and workers who are not members of the collective agreement signatory union.

There is no legal framework for extension of collective agreements in the labour legislation of the former Yugoslav Republic of Macedonia.

The basic institutional mechanism coordinating wage bargaining is the tripartite and bipartite social dialogue. At the national level, wage negotiations are coordinated by the Economic and Social Council. At the level of branches and departments, the main mechanisms for coordination of wage bargaining are the negotiating teams and working groups of the negotiating parties (boards, committees, councils), while for the monitoring, application and interpretation of the collective agreement, the parties are required to form a commission on a parity basis. On 14 September 2010, the Ministry for Interior Affairs established the Economic and Social Council. This body has broad responsibilities for economic and social issues as well as for issues related to wages within and outside the ministry. The council consists of six members: the State Secretary of the Interior, the General Union Secretary of the Interior and two representatives each from the ministry and the union.

The main characteristic of collective bargaining in the former Yugoslav Republic of Macedonia is its decentralisation. There is strong emphasis on collective agreement at the level of branches and employers, especially in terms of wages, including the minimum wage. But the national level remains strong, however, especially in the public sector.

Levels of collective bargaining summarised

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<tr>
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<th>National (intersectoral)</th>
<th>Sectoral</th>
<th>Company</th>
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<tbody>
<tr>
<td>Principal or dominant level</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Important but not dominant</td>
<td></td>
<td>✓</td>
<td></td>
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<tr>
<td>Weak level</td>
<td></td>
<td></td>
<td>✓</td>
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</table>
Other issues in collective agreements

The Labour Code regulates a number of issues regarding discrimination, including prohibition of discrimination, direct and indirect discrimination, the exceptions to the prohibition of discrimination, harassment and sexual harassment, psychological harassment at work (mobbing), compensation for discrimination, the burden of proof and others. The general collective agreement for the private sector in the economy, general collective agreement for the public sector, and branch collective agreements explicitly regulate the issue of protection in cases of discrimination. For example the agreements for the leather and shoe industry, textile industry, tobacco industry, agriculture and food industry, primary and secondary education, and forestry stipulate the amount of compensation the employee who is subject to such discrimination is entitled to.

On the initiative of the SSM in April 2010, a special law was adopted on ‘Prevention and protection against discrimination’ and, according to the provisions of the law, a non-discrimination committee was formed in 2011.

At all levels collective agreements contain provisions concerning the procedure and criteria for declaring employees redundant; here unions play a very important role. Accordingly, when an employer introduces economic, technological and structural changes, there is an obligation to notify the union for consultation, particularly on the prevention and mitigation of harmful situations and consequences. When declaring employees redundant, the starting point is the criteria for such actions set out in the relevant collective agreement. Almost all collective agreements confirm that, all other things being equal, preference should be given to employees who have five years until retirement, single parents, parents with a handicapped child, workers with occupational diseases, etc.

The general collective agreements include provisions concerning vocational training and education of workers, leaving specific details to be settled at branch and employer level. According to these agreements, the employee has the right and duty to undergo continuous education, further education and training in accordance with the needs of the working process in order to maintain or enhance the ability to work in the workplace, as well as keeping the workplace safe.

The issue of gender equality in the collective agreements is not clearly specified at any level of collective bargaining. From a legal perspective, the question of non-discrimination and in that context the gender equality is regulated by the Labour Code; that is, the Directive 75/117/EEC concerning the principle of equal salaries for women and men is implemented. As the general collective agreements and branch collective agreements are in the process of compliance with the provisions of Labor Code, it is likely that the issue of gender equality will soon be finalised in an appropriate way.

Industrial conflict

Sectors involved

The period 1990–2005 saw many strikes in the former Yugoslav Republic of Macedonia. There were various reasons for the strikes, but generally the most important reason was the poor material and social position of employees, or violation of employee rights (Maihosev, 2006). During this period, strikes lasted on average 10–15 days (Maihosev, 2006, pp. 97–98). From 2006 to 2010 the frequency of strikes reduced dramatically, and they lasted two or three days on average.

In 2009 12 strikes were recorded at the national level, of which 11 were at the level of employer, and one was a general warning strike of public administration organised by the public administration union. In 2010 there were 10 strikes in total, as well as 22 trade union protests (data from the SSM union confederation). Organisers of the strikes and protests were trade union organisations within the enterprises concerned. Strikes were mainly organised in the private sector (textile industry, metal industry, food industry, construction), but also in the public sector (public administration, education, healthcare, utility services).
Main reasons for industrial action

The main reasons for the strikes were issues including failure to sign the collective agreement, low wages, non-payment of fees for food, non-payment of contributions for health insurance and pension insurance and declaration of redundancies (Maihosev, 2011).

Although a legal opportunity was established under the Labour Code for the general collective agreement and the branch collective agreements to resolve collective labour disputes (strikes) through the Peace Council and arbitration, there is no evidence that these legal mechanisms have been applied in practice. There is an intention to establish a separate body at the national level for arbitration and mediation in labour disputes, but such a body is not yet operating.

Tripartite concertation

The first tripartite agreement in the former Yugoslav Republic of Macedonia was the agreement for establishing the Economic and Social Council between the government, the SSM and the Economic Chamber of Macedonia, signed on 30 December 1996. The second tripartite agreement for the establishment of Economic and Social Council was signed on 25 August 2010, between the government, the SSM, the KSS and ORM. In 2009 the National Council for Safety and Health was also established on a tripartite basis.

Several bipartite agreements have also been signed. The consent for the privatisation of enterprises with state capital was signed in 1995. A bipartite social agreement between the government and the SSM was signed on 20 December 2002. On 29 May 2002 an agreement governing the lowest wages in the public sector was signed by the government and the SSM.

The main problem hindering the functioning of tripartite bodies was the legal framework, which did not define precisely the legal requirements and criteria for industrial relations actors to obtain representative status. Despite this, in recent years tripartite bodies, especially the Economic and Social Council, played a constructive role in the development of social dialogue, social harmony, building mutual trust among the social partners, and reducing social conflicts (Maihosev, 2008).

Workplace representation

In terms of the applicable labour legislation in the former Yugoslav Republic of Macedonia, thus far there have been only two forms of workplace representation: union representatives (elected representative) and representatives for safety and health at work. The number of safety and health representatives in the company depends on the number of employees. The responsibilities of these representatives are regulated by law. Representatives of the union provide legal assistance to its members and represent the employees in front of managers, governing bodies, labour inspection and the courts (see SSM, 2006, 2010). Between 1994 and 2009 the union received 176,770 requests for advocacy and legal assistance. Most of these cases related to wages (50,230) and dismissals (17,500). The majority of the workers concerned were employed in industry, energy and mining (38,630), and the textiles, leather and shoe industries (34,550 requests for legal assistance).

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4 This social contract between the government and the SSM was signed less than three months after elections. It had a chapter on wages and collective bargaining, setting out the joint activities to be carried out by both parties to enable the collective agreement to be signed at branch level. It also made provision for the general collective agreement for public employees to be signed in 2003. This deal was a failure, however, and was not obeyed in any part, giving rise to conflict within the Presidency of the SSM and calls for the agreement to be cancelled.

5 The position of these representatives is codified in the Law on Labour Relations and in the collective agreements, as well as in the Law for Safety and Health at Work (Official Gazette, 2007).
The health and safety representatives within the companies are chosen by the employees from among their ranks, at the representative union gathering or at an assembly of employees. The numbers of representatives are as follows: in companies with over 10 employees one representative should be elected, two representatives should be elected for companies having 101–500 employees and three representatives should be elected for employers with over 501 employees.

The Council for Safety and Health at Work (15 members) operates nationwide; it was formed by the government on a tripartite basis to serve as an expert advisory body.

Pursuant to the provisions of the Labour Code and relevant collective agreement, the trade union representative has special immunity during his mandate and for two years afterwards.

**Employee rights**

Major institutional mechanisms helping workers to realise their rights are trade unions, the labour inspectorate and the regular courts. There is as yet no special court for labour disputes, but the regular courts have units dealing with labour disputes.

The labour inspectorate acts throughout the country through an established network of inspectors, of which 61 focused on labour relations and 32 on safety and health in 2011.

Between 2003 and 2009 the labour inspectorate received 3,092 requests assistance from employees via the trade unions. These related mainly to overtime work and work during the national holidays (textiles sector).

**Pay and working time developments**

**Minimum wage**

A minimum wage has not yet been set at the national level, but this is due to happen in 2012. The SSM and the KSS were at the forefront of the move to adopt a law on minimum wages. These organisations proposed a sum of MKD 9,840 (€160) monthly, while the ORM suggested a figure of MKD 7,000 (€115). In October 2011 the social partners announced that the monthly minimum wage will be MKD 8,050 (€130), which is 39.59% of the average gross wage.

In most branch collective agreements the basic salary represents the lowest salary for the lowest degree of work complexity. Salaries are then determined by multiplying the ratio of the level of complexity for the type of work concerned by this basic salary.

With respect to gender equality, the tendency is for wages of men and women to be equal for equally demanding work.

**Working time**

It is the rule that a working week is five working days or 40 hours. In terms of the labour laws and collective agreements, it can be defined as shorter than 40 hours but not less than 36 hours per week. By collective agreement at company level, full-time employment can amount to even less than 36 hours per week for certain types of hazardous jobs (involving radiation, high temperature, altitude, and underground works). In effect, the rules on working hours are sometimes ignored. There are instances in the textile industry where maximum weekly working time is exceeded by more than eight hours, and some workers work 10–12 hours per day.
The Labour Code stipulates 20 working days’ annual leave for full-time work. In general collective agreements and the general collective agreement for the public sector leave can be extended to 26 working days and should be determined on the basis of certain criteria, such as experience, age, complexity of job, working conditions and health.

Research on working conditions

There are several specialised organisations and institutions in the former Yugoslav Republic of Macedonia dealing exclusively with working conditions. These include the Institute of Occupational Medicine, the Macedonian Occupational Safety and Health Association (MZZPR), the labour inspectorate and the trade unions. Key issues covered by the research are basic working conditions, reasons for injuries and accidents at work, keeping records (statistics) for injuries and accidents at the workplace, the harmful effects of the workplace, mobbing and the avoidance of those effects.

The MZZPR regularly prepares annual reports concerning deaths, injuries and accidents at work with analyses of the causes of injuries at the workplace with precise data. The report for 2007 stated that there were a total of 98 accidents, including 57 injuries and 41 deaths. According to the report for 2008 there were 178 accidents in that year, resulting in 116 injuries and 62 deaths. The report of 2009 states that there were total of 139 accidents, 95 with injuries and 44 with fatal consequences, while in 2010 there were 129 accidents, resulting in 85 injuries and 44 deaths.

In 2008 the SSM in cooperation with the MZZPR published a manual entitled Safety and Health at Work, supported by the Friedrich Ebert Foundation’s Regional Office in Skopje (SSM, 2008). The manual deals with basic principles for safety and health at work, legislation, risk assessment, and the role of trade unions in health and safety at work. It contains a list of the most important directives of the Council of the European Union and International Labour Organization conventions ratified by the former Yugoslav Republic of Macedonia, as well as contact information about the most important authorities and institutions in this area. This manual is intended for union members and health and safety representatives in companies.

Main trends in restructuring

In the past few years the former Yugoslav Republic of Macedonia has faced considerable economic problems including a low economic growth rate, accompanied by low level FDI and local investment, high unemployment, low salaries and poverty. It is difficult to distinguish the impact of the current economic crisis on these processes.

The government has introduced several anti-crisis measures. They have not, however, had much impact on the economy and employers’ organisations constantly warn that economic conditions are worsening.

Because of the global economic crisis, many foreign companies have temporarily halted their business activities with partners from the country, especially in the textile industry (clothing). Therefore, in the textile industry about 18,000 workers were dismissed in 2009 and 2010. However, due to a number of public sector investments financed from the budget, there has been expansion in the construction industry and in 26 related industries.

Regarding the public sector, there have been no redundancies or wage cuts. However, the government has suspended planned wage increases in this sector.

The website of the Central Bank of Macedonia says that in 2011 ‘On an annual basis, the volume of industrial output went up by 5.5% (decrease of 1.8% in June), driven by the growth of electrical equipment and tobacco output’. The site notes a 5.1% GDP growth rate for the first quarter of 2011, from a rate of 1.8% in 2010. On the other hand, according to the state statistical office, about 30% of the population were living in poverty in 2010.
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