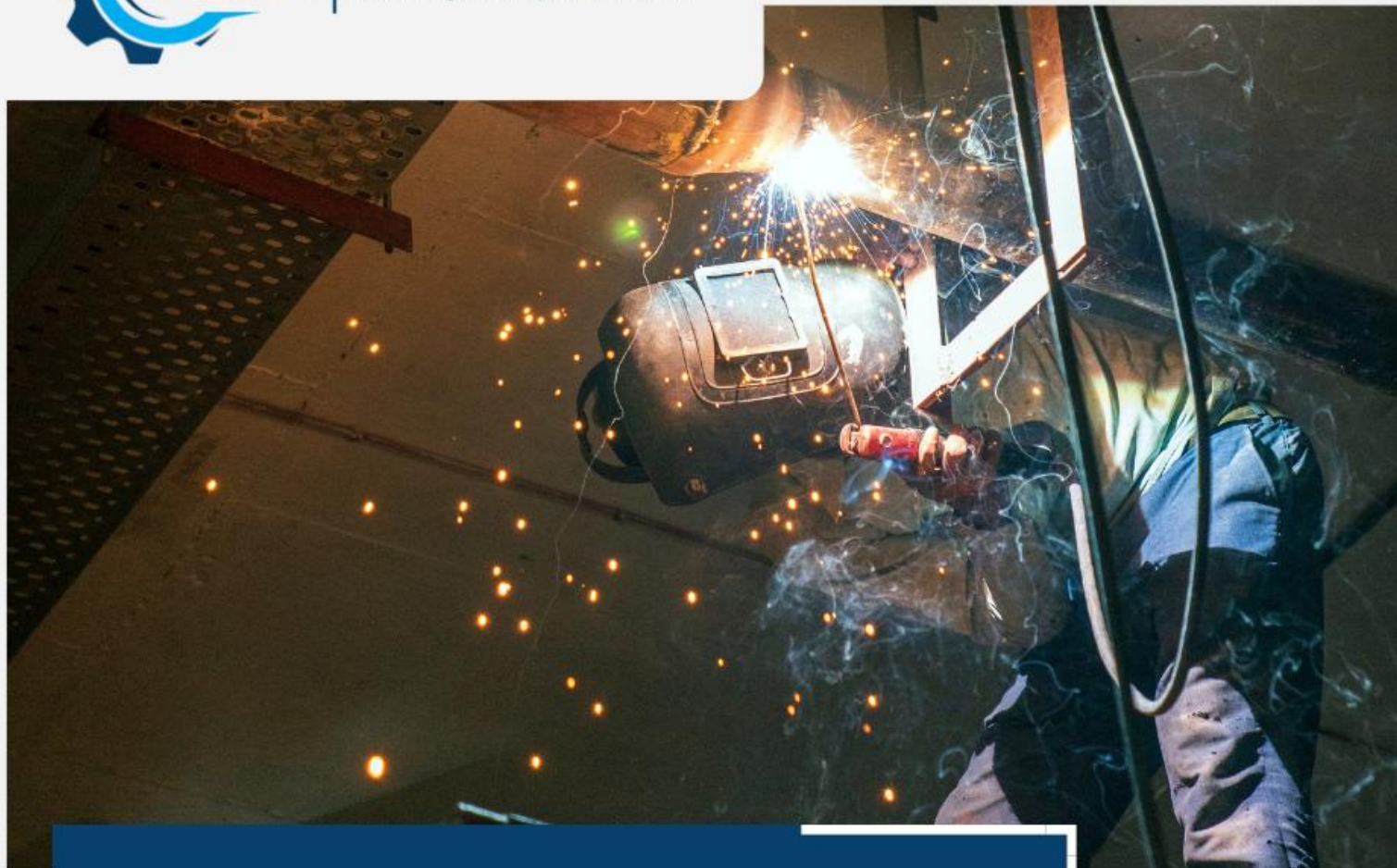




Supporting the Implementation of the
European Industrial Deal with Strengthened
Social Dialogue in European Metal Sector.



SERBIA

NATIONAL REPORT



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Summary

Purpose of the project and scope of research

The aim of the research conducted as part of the *SoDi EU project - Social Dialogue in the Serbian Metal Sector* was to identify the status, challenges and needs of social dialogue stakeholders within the metal sector of the Republic of Serbia, as well as the opportunities for strengthening the institutional and organizational capacities of social partners. Participants in the project included trade unions, as well as certain employers, whereas we were unable to interest the representatives of ministries, agencies or experts in the domain of labor and industrial relations in partnering with us on this project!!!! The project was focused on collective bargaining practices, tripartite bodies, the functioning of branch-level and company-level trade unions, as well as the role of social dialogue in improving labor rights and quality of employment.

Overview of methodology

The research methodology included a combination of quantitative and qualitative approaches. An **offline survey** was conducted among 32 trade union representatives from metal sector companies, whereas 100 surveys had initially been planned.

A **focus group** was organized on 22.09.2025 via Zoom, and it included **10 participants** - trade union representatives. The other social partners were not interested in participating directly in line with the project instructions. Furthermore, **10 in-depth interviews** were conducted with the key actors of the RS metal sector, including 1 employer representative, i.e., CEO of the Kikinda Foundry, who gave an interview, which I linked and sent to Maja, our project coordinator. Desk analysis encompassed available strategies, collective bargaining agreements, statutory frameworks, as well as statistical reports for the period 2018-202.

Key findings

- Formally speaking, the **social dialogue** in the metal sector exists (SSSS/SSMS represent workers in the Social and Economic Council of the Republic of Serbia (SES RS)); however, its practical efficiency is limited, particularly on the level of individual companies and when it comes to providing opinions regarding laws in the domain of labor, which is something they are obliged to do, under the specified Law on SES RS.
- **Trade unions** are faced with dwindling membership figures, as well as insufficient resources, whereas employers do not have established internal mechanisms for dialogue with employees, particularly in the domain of OH&S (occupational health and safety), or collective bargaining and the implementation of current collective bargaining agreements...).
- There is an institutional framework for tripartite dialogue on the national level (the Social and Economic Council of the Republic of Serbia, and the law which governs it - SES RS), which is predominantly manifested in the metal sector in the form of ad hoc consultations, instead of permanent formal forums. Hence, consultations are lacking, and participation in employers' bodies was ruled out as an option under the Law on Business Companies (ZPD) from 2012, other than in companies founded by the state or by municipal or local governments. Therefore, employee representatives do not participate in company bodies in the real sector.

- **The need to strengthen capacities** primarily pertains to providing trainings for trade union representatives in the domain of digital skills, collective bargaining and economic analyses, as well as support to employers in creating the necessary competencies for social partnerships.
- **Quality of employment** in the sector is uneven: larger companies retain the standardized framework of salaries and rights, whereas small and medium enterprises abound in informal practices, irregular wage payments and insufficient worker protection.
- **The green and the digital transition** create new challenges, but also provide opportunities for advancing dialogue - particularly through joint training programs and upskilling the workforce to enable them to work with new technologies.

Strategic recommendations

1. **Strengthen social partners' institutional capacities**, particularly through trainings and resources for trade unions and employers' associations.
2. Set up a **sectoral council for the metal sector**, as well as a permanent framework for consultations and collective bargaining (*a decision of the SES RS is needed, by way of social partners' consensus*).
3. Promote **dialogue in the context of the green and the digital transformation**, with the support of state and local financing mechanisms.
4. Promote a **culture of trust and collaboration** between stakeholders, including regular consultations and joint task forces (OH&S, Environmental Protection (ZZS), Fire Protection (ZOP)...).

Implications for national policies

Findings show that efficient social dialogue can be the key mechanism for increasing sectoral resilience, advancing working conditions, and successfully implementing the industrial transformation (EU Green Agenda and digitalization, as well as AI). The involvement of social partners in the creation of employment policies and industrial development is crucial for the sustainability and competitiveness of the Serbian metal sector.

1. Introduction

Historical overview and context

The metal sector in Serbia has a long tradition and represents the backbone of the country's industrial development. Following the collapse of the Serbian economy and its metal sector in the period leading up to 1999, and the ensuing transitional period characterized by privatization processes, the sector underwent profound changes in the ownership and labor structure, coupled with a significant decline of employment in the first decade of the 2000s. Recent years have been characterized by stabilization and a gradual expansion of production, particularly in automotive, tools and machinery sectors.

Another point worth mentioning is that the current state of play in EU's automotive industry, energy-supply disruptions, the war in Ukraine, as well as the transition from carbon-intensive to green technologies, are further pushing Serbia's metal sector to the point of collapse, coupled with the fact that Serbia remains vulnerable to volatile circumstances in the EU (e.g., when the EU metal sector experiences a slight hiccup, Serbia's metal sector experiences a full-blown hiccuping spell). Multinationals are frequently closing down in Serbia, followed by large-scale dismissals (SSMS received a request from the Ministry of Labor for trade union approval for more than 11,450 workers to be given paid leave in excess of 45 days SES/Labor Law)... In spite of technological innovations, labor relations in the sector remain pressurized by global competition, lack of harmonized work standards, and an absence of systemic cooperation between trade unions and employers. In this context, **social dialogue** becomes a key tool for ensuring the sustainability and just transformation of this sector.

Research aims

The main aim of the research was to review:

- the state of play of the social dialogue in the metal sector of Serbia;
- the degree of functionality of collective bargaining mechanisms;
- the need for strengthening social partners' capacities;
- the possibility of improving the quality of employment through dialogue.

An additional objective was to create a **set of recommendations** for improving the institutional framework and social dialogue practices on the sectoral and on the company level.

Overview of methodology

Research was conducted in the course of 2025, using the following combination of methods:

- **Online survey:** conducted among 32 respondents from 32 metal sector companies, with the aim of mapping perceptions related to dialogue, working conditions and the degree of collective bargaining.
- **Focus group:** one focus group with a total of 10 participants (trade unions; employers and representatives of state institutions were not interested in participating).

- **In-depth interviews:** 10 conversations with managers, trade union leaders, labor relations experts, and one employer - the Kikinda Foundry.
- **Desk analysis:** overview of statutory and strategic documents, collective bargaining agreements and available research for the period 2012-2025.

Scope and limitations

The research encompassed the territory of the Republic of Serbia, with particular focus on industrial regions in Šumadija, Pomoravlje, Belgrade, Niš, Leskovac, Bor, Kosovo and Metohija, and Vojvodina. Limitations pertain to the availability of up-to-date statistical data, as well as the varying degrees of unwillingness of stakeholders to take part in the research. Nevertheless, the combination of quantitative and qualitative sources enabled us to obtain a reliable snapshot of the state of play of social dialogue and its potentials for improvement.

2. Policy and sectoral context

2.1 Overview of the metal sector in Serbia: trends, challenges and transformations

The metal sector in Serbia encompasses several industrial branches - from basic metallurgy, metal fabrication, to high-tech fields such as the automotive, electrical and machinery industries, as well as the mining industry.

According to data from the Statistical Office of the Republic of Serbia, the total number of employees in 2024 was 2,368,948, of which around **201,509 employed** in the metal sector, which represents a share of approximately 10% of the metallurgical sector in total employment.

The sector is characterized by a strong regional concentration - the majority of companies have been registered in Šumadija (Kragujevac, Kraljevo, Čačak, Lučani, Užice, Valjevo, Loznica, Šabac, Smederevo, Smederevska Palanka), Vojvodina (Zrenjanin, Subotica, Pančevo, Sremska Mitrovica, Kikinda,) and the Nišava District (Leskovac-Prokuplje, Yura, Aptiv, Leoni,..., Bor, Majdanpek, Zaječar, Vranje) and Kosovo and Metohija - Trepča Mine -Zvečan. **Medium and large enterprises (81%)** hold the dominant share, whereas small enterprises in the metal sector make up for the remaining 20%.

- **Technological modernization:** the last five years have been marked by an increase of investments in machinery and automation, particularly through foreign investments in the automotive value chain.
- **Workforce and migrations:** the average metal sector employee is 46 years old. There is a deficit of qualified workers in the metal sector (welders, locksmiths, CNC operators).
- **Growth of export,** particularly in the segments related to automotive industry components and steel construction manufacturing, albeit with a high dependence on the import of raw materials.
- **Pressure from the competition** in the region, particularly Romania, Slovenia, Croatia, Hungary, where labor costs and productivity levels are often better, both in terms of higher pay and better working conditions, causing a mass drain of professional, competent and skilled workforce from Serbia, while the Serbian metal sector increasingly relies on imported labor from Nepal, Bangladesh, India, whose workers are not willing to join trade unions, but nevertheless are eligible for the benefits provided for under the current collective bargaining agreements of metal sector companies. In our opinion, the above calls for amendments to the Labor Law, under which certain benefits would only be available to trade union members, while others would apply de facto and de jure to all employees.

Challenges and obstacles

- **Lack of qualified workforce,** which limits growth capacities.
- **Obsolete infrastructure** in particular segments along the value chain.
- **Uneven development** between larger systems (with formalized labor relations) and smaller private companies where collective bargaining is often absent.

- **Low trade union coverage** in new private companies (estimated at 12-15%), coupled with centralization of activities in branch-level trade unions.

According to research participants, the Serbian metal sector is in a phase of “**industrial transformation**” - somewhere between the traditional model of production and digitalized processes. In spite of existing examples of successful modernization, the vast majority of companies still work in the mode of “low margins and high work intensity”, with limited investments in employee development.

2.2 Social dialogue in the framework of employment policies

Social dialogue in Serbia is based on the Law on the Social and Economic Council, Labor Law (with its dubious Art. 188, 257, 3, 4, 5), Law on Associations, Law on Employment of Foreigners, Law on Pension and Disability Insurance Fund, the Law on Health Insurance, Law on Amicable Resolution of Labor Disputes, as amended, as well as international conventions of the International Labor Organization (ILO 78, 98, 135), integrated in the national legislation of the Republic of Serbia. On the national level, the institutional framework is comprised of the **Social and Economic Council of the Republic of Serbia (SES)**, as well as local and sectoral councils which are to act in line with national legislation. A minor, insignificant number of regional and local SESs have been set up, and they are, for the most part, non-functional.

Structure and functioning

- When it comes to the national level, the **Social and Economic Council** formally functions in a stable manner aligned with the law; however, representatives of the RS Government, as social partners, frequently bypass this council when it comes to laws from the domain of labor and economic relations important for the world of labor!
- Unfortunately, **there is no permanent task force** in the sector (specifically in the metal sector) which would monitor issues specific to this industry in a systematic manner.
- In a survey conducted among trade unions and employers, **74% of respondents** noted that dialogue “exists in formal terms, but that it lacks substance”.
- On the company level, social dialogue is often reduced to **informing employees**, instead of actual consultations and negotiations.
- Collective agreements exist in the largest of companies (e.g. FKL, Gorenje, Tigar Aptiv, Yijin, Hibis SD, Siemens, Kikinda Foundry, Leber, Sloboda Ča, Stilantis KG, Modine SM and many other companies), which is very good, having in mind that a National General Collective Bargaining Agreement does not exist, nor does a Special Collective Bargaining Agreement for the metal sector, due to deficiencies identified in Art. 257 of the Labor Law - no extended application... On the other hand, in smaller companies with less than 250 employees, collective bargaining agreements are few and far between.

Key obstacles

- **Uneven representation of trade unions** - trade union organizations are active in approximately 30% of metal companies; lack of representativeness as a pre-requisite for collective bargaining agreements (Art. 2, 3, 4 of the Labor Law).

- **Lack of consultation mechanisms** between local authorities, employers and trade unions regarding industry-related issues (dysfunctional local SES or their complete absence).
- **Limited capacities of employers' organizations**, which do not have adequate resources for continued participation in dialogue. Namely, UPS's capacity is below 20% of membership in its sector, and even then, mostly small companies and entrepreneurship, preventing them from achieving the extended application of the Special Collective Bargaining Agreement in the metal sector due to the statutory limit of 50% of membership in order for the extended application of the Special Collective Bargaining Agreement to automatically include all businesses in the metal sector.
- **Weak social partnership practice** on the local level - in certain regions (e.g. Niš, Zrenjanin, Smederevska Palanka, Velika Plana, i.e., local SES formally exists, but is dysfunctional...).

Positive examples

- The launch of several **local tripartite initiatives** (e.g., in Kragujevac and Subotica) which gather trade unions, chambers of commerce and local self-governments.
- The most positive example of beneficial activities of the SES can be found in Novi Sad and Kragujevac, where the provincial Employers' Association is also quite active.
- Strengthening the role of the **Agency for Amicable Resolution of Labor Disputes**, whose services are used by trade unions and employers in the sector.
- Introduction of trainings and workshops through projects of the Ministry of Labor and the Employers' Association of Serbia, aimed at strengthening social partners' competencies.

2.3 Key elements of national policies relevant for the metal sector

Within the industrial and employment policies of the Republic of Serbia, there are several strategic documents of particular relevance for the metal sector, namely:

- **Smart Specialization Strategy (2020-2027)** - recognizes the metal and machinery sector as priority sectors for the development of industrial chains and innovations.
- **Employment Strategy of the Republic of Serbia (2021-2026)** - emphasizes the need for developing social dialogue as an instrument for advancing working conditions.
- **Law on Amicable Resolution of Labor Disputes (with changes introduced in 2023)** - facilitates mediation and reduces the risk of collective conflicts.
- **Strategy and Program of Support to the Green Industrial Transition** - introduces subsidies and trainings for companies which are introducing energy efficient processes and digital technologies.

Despite their strategic importance, these documents **still do not explicitly link industrial development with social dialogue**, which indicates that there is room for improvement through sectoral policies.

2.4 Existing initiatives for strengthening capacities

Over the past several years, numerous initiatives directly or indirectly related to the strengthening of social dialogue in the metal sector have been launched:

1. The **“Social Dialogue for Sustainable Growth” project** (Ministry of Labor and International Labor Organization, 2021-2023) - aimed at advancing local social and economic councils and providing trainings to social partners.
2. **Dual Education program** - contributes to establishing a better connection between the educational system and the industry, as well as to strengthening the participation of trade unions in educating and protecting young workers.
3. **Initiatives launched by the Serbian Association of Employers and branch industrial trade unions** - include trainings dedicated to collective bargaining, analyzing sectoral trends and mechanisms for preventing labor disputes.
4. **NOKS SV IR** (National Framework of Qualifications Sectoral Council for Industrial Development) introduction of new qualifications aligned with the green and digital transition in which the representative trade unions also take part, insisting that the subject-matter also include social and economic elements related to providing education for youth within the educational system of the RS in this domain, as well as in the domain of OH&S, Environmental Protection, Fire Protection, etc.
5. **SoDi Project** - focused exclusively on the metal sector, with the aim of developing a practical framework for strengthening dialogue and the capacities of all stakeholders, including local communities and industrial clusters.

Research findings indicate that a **certain level of progress has been achieved in establishing the institutional culture of dialogue**, but that **continuity and coordination are still lacking** among different stakeholders and different levels of government. Furthermore, it is necessary to strengthen, through the relevant institutions, the authority of labor inspectorates in implementing penal provisions on occasions in which workers’ rights under the social dialogue agenda have been violated. Under Art. 3 and 4 of the Labor Law, unless an agreement is reached with regard to a CBA, 60 days after failed negotiations, the employer may begin to implement its unilateral **Employer’s Code of Conduct**. If penalties were to be imposed on the employer, the latter would not have any interest in obstructing negotiations...

According to focus group participants, making the dialogue “operational” - transforming it from a project activity into common practice - remains the key challenge.

3. Methodology

3.1 General approach

This methodological research framework is based on a combination of **quantitative and qualitative methods**, aimed at ensuring the most comprehensive possible insight into the status of the social dialogue in the Serbian metal sector. The following sources of data were used:

- **on-line survey** conducted among trade unions and employers in the metal sector,
- **focus group Zoom conference** with key stakeholders in the social dialogue,
- **in-depth interviews** with decision makers and representatives of various institutions,
- **desk analysis** of existing statutory and strategic documents.

The approach taken was **participatory**, meaning that the stakeholders were involved not only as respondents, but as consultants in interpreting the results. The overall research period lasted between **July and November 2025**, and its realization was coordinated by the research team, with the support of trade union and employer organizations active within the metal sector.

3.2 Online survey

Scope and aim

The survey was conducted with the aim of quantifying perceptions related to:

- the functioning of the social dialogue on the company and on the sectoral level,
- the frequency of collective bargaining and contents of collective bargaining agreements,
- the quality of relationships among employees, trade unions and employers,
- the capacities and willingness of stakeholders to engage in dialogue.

Respondents and approach

32 respondents from 32 metal sector companies in Serbia took part in the research. The structure of the sample was as follows:

- **32 trade union representatives** (representatives, members of trade union bodies);
- **0 representatives of employers and human resources managers;**
- furthermore, representatives of works councils and occupational health and safety experts were also involved in certain cases.

The survey was conducted using a **combined method** - in the form of an electronic questionnaire and field data collection across five regions (Belgrade, Šumadija-Central Serbia, Southern and Eastern Serbia, Vojvodina, Kosovo and Metohija Western Serbia).

Question examples

The online questionnaire contained 15 open-ended and semi-open questions, among which:

- “Is there a collective bargaining agreement in your company and when was it last renewed?”
- “How would you rate the cooperation between the trade union and the management (on a scale from 1 to 5)?”
- “What are the main obstacles for an efficient social dialogue in your environment?”
- “Are trade union representatives involved in decision-making processes related to digitalization or work reorganization?”

Processing and analysis

The results were analyzed using descriptive statistics and comparative tables by company size and degree of trade union organization. Certain patterns were noted, indicating the link between the existence of a collective bargaining agreement and the perception of labor relation quality.

3.3 Focus groups

Structure and participants

A Zoom **focus group** was organized on 22.09.2025, with a total of 10 participants - trade union organization representatives and regional trade union officials, coordinated by the SSMS expert, Slavko Blagojević. The focus group was video-recorded and registered with the leader of this project as such. The focus group's topic was dedicated to a particular segment:

1. **Trade union perspective** - problems and challenges of trade union activity,
2. **Employers' perspective** - experiences in the implementation of social dialogue,
3. **Institutional perspective** - the role of state bodies, agencies, and local governments.

Representatives of the representative metal sector branch trade union, SSSS and SSMS, also took part.

Topical areas

The discussions focused on the following:

- institutional obstacles for social dialogue,
- trust and communication among stakeholders,
- the role of dialogue in labor transformation (green transition, automation, digitalization),
- challenges related to protecting labor rights,
- the role of local self-governments and inspection bodies.

Manner of realization

The focus group lasted 2 hours, and was led by the moderator from the research team. The discussions were recorded (upon previously received consent of the participants) and transcribed to enable qualitative analysis. A **summary report** containing key findings and quotes of the participants was drawn up.

3.4 In-depth interviews

Profile of the participants

10 in-depth interviews were conducted with the following profiles of respondents:

- 9 trade union leaders on the level of branch organizations and trade union organizations;
- 1 CEO and production manager in a medium-sized company;

Interview topics

- Functioning of collective bargaining and tripartite structures;
- Motivation and obstacles to participation in social dialogue;
- Assessment of quality of labor relations and trust among stakeholders;
- Role of dialogue in the context of the green and digital transition;
- Proposals for strengthening institutional support.

Approach used for analysis

The interviews were analyzed by applying the thematic analysis approach, whereby helping to identify four key categories, namely:

1. institutional deficiencies,
2. communication and trust;
3. development of capacities;
4. impact of transitions on dialogue and employment.

The findings were subsequently used for triangulation-correlation with the results of the survey and focus groups.

3.5 Desk analysis

Desk analysis included the collection and systematization of data from available sources, namely:

- laws and by-laws in the field of labor, employment and industrial development,
- collective bargaining agreements and metal company codes of conduct and rulebooks,
- industry and employment development strategies,
- available databases of the Statistical Office of RS and the National Employment Agency.

The desk analysis served to identify the **main institutional and legal frameworks** for social dialogue, as well as the **lack of sectoral mechanisms** which would link state policy with the actual needs of the industry.

3.6 Approach to data analysis

All of the data were analyzed by applying a combined methodological approach:

- **quantitative analysis** of surveys (descriptive statistics, comparison by company size and region);
- **qualitative analysis** of focus groups and interviews (thematic coding, examples of good practice);
- **triangulation of results** - comparison of findings from various sources in order to validate and identify common patterns.

Using the above approach, an integrated overview of the state of play in the social dialogue of the Serbian metal sector was created, and it includes the institutional, organizational, labor and social dimension.

4. Key findings

4.1 Social dialogue mechanisms

4.1.1 Institutional framework and practice

Even though the legal framework in Serbia formally provides for various forms of social dialogue (tripartite, bipartite, collective bargaining), practice across the metal sector indicates that the dialogue is most developed on the level of individual companies, whereas sectoral and local levels remain underdeveloped.

Out of the 32 analyzed companies, **32 (100%)** have a **collective bargaining agreement** in place. A number of other companies also have collective bargaining agreements; some small companies with less than 250 employees have collective bargaining agreements in place, whereas in the remaining company samples which were not processed, but to which questionnaires were sent, a certain number also have CBAs in place, while certain others do not have a CBA, as these employers obstruct trade union activism through various informal and illegal activities and quashing trade union freedoms and employee rights to trade union organization and collective bargaining - hence, in such companies the rights, obligations and responsibilities stemming from employment are governed by the employer's code of conduct.

Survey participants from trade union organizations state that **formal mechanisms exist, but are frequently inactive**. Only 41% of respondents state that social dialogue meetings in their companies are regularly held (at least once in each quarter), whereas 32% state that meetings are held “as needed”, mostly in crisis situations (e.g., negotiations regarding dismissals, collective vacations or introducing new technologies).

On the other hand, employer representatives believe that dialogue “is achieved through daily communication” and that formal structures (committees, joint boards) are not always necessary, which indicates **different interpretations of the concept of dialogue** and the need to work on its standardization.

4.2 Tripartite relationships and institutional support

On the state and sectoral level, tripartite dialogue (between trade unions, employers' associations and the state) functions primarily via the **Social and Economic Council of the Republic of Serbia**; however, there is no **dedicated sectoral council for the metal sector**. In informal communication, institutions (Ministry of Labor, Chamber of Commerce, local self-governments) express the opinion that the setting up of **sectoral tripartite bodies** would contribute to a better harmonization of educational policies, support to innovations, and prevention of social tensions in the industry.

In practice, however, coordination between local government bodies and trade unions is weak. Only 2% of trade union respondents stated that their trade union had established contact with the local self-government in the past year, typically with regard to matters concerning employment and subsidies.

4.1.3 Trust and communication

Trust between trade unions and managements is rated as **moderate** - the average score is **3.1 out of 5**.

The highest level of trust is present in medium-sized companies with traditional trade union organization (e.g., metal factories in Kragujevac, Čačak, Užice, Lučani, Leskovac, Novi Sad, Smederevo, Bor, Zrenjanin...), whereas it is typically formal or minimal in smaller private companies. The most commonly cited obstacles include:

- lack of information and transparency regarding the employer's plans,
- fear of retaliation against trade union activists (deficiency of the Labor Law in its Art. 188 - trade union representatives are not protected against redundancy),
- trade unions perceived by employers as “brakes” to the process of modernization.

Focus group participants highlight that providing **training opportunities for managers and trade union representatives related to dialogue techniques** could significantly contribute to improved communication, particularly in the context of new topics, such as digitalization and green technologies.

4.2 The need for strengthening stakeholder capacities

4.2.1 Trade union capacities

Trade unions in the metal sector of the Republic of Serbia face challenges related to the following:

- **lack of membership reinvigoration** (the average representative is 48 years old),
- limited **communication skills and digital literacy**,
- insufficient knowledge of new topics in the world of labor - automation, artificial intelligence, energy transition.

Despite the fact that 75% of trade union representatives underwent at least one training over the past three years, these trainings were mostly related to the **legal and technical aspects of collective bargaining**, whereas topics related to dialogue, communication, and negotiation strategies remained insufficiently covered, with ongoing education in these domains.

Research participants often stressed the **lack of opportunities for joint trainings of trade unions and employers**, which would contribute to an understanding of common interests and the development of a partnership approach.

4.2.2 Employers' and institutional capacities

Certain employers recognize the significance of social dialogue, but there are also those who frequently view it as an **obligation, instead of as an instrument of development, and sometimes even as a stumbling block**.

The minority of employers and management believe that social dialogue can be beneficial. Despite the fact that members of management were not particularly interested in participating in this project, with

only 1 company CEO who provided a statement as part of the video interview, in our opinion they are missing out on the opportunity to advance social dialogue. Such employers and equity owners ought to be subject to additional national “incentive fees” which would encourage them to take part in a constructive social dialogue. We feel that the management’s opinion of the “social dialogue as a hinderance to decision-making processes” is completely false, as social dialogue can be extremely beneficial provided that there is mutual trust, and is desirable, both from the aspect of the world of labor and this project. The biggest drawback is the absence of **specialized social dialogue services** in companies, which typically do not have a single person formally tasked with maintaining relations with the trade union.

From an institutional standpoint speaking, the need to strengthen the capacities of the labor inspectorate, the National Employment Agency and local economic councils, has been recognized, particularly in the domain of **mediation in collective disputes** and monitoring the implementation of collective bargaining agreements.

4.2.3 Digital and communication skills

Both trade union representatives and the representatives of employers highlight the need to increase **digital literacy**.

Over 60% of the respondents use basic tools (e-mail, Viber, Zoom), but less than 20% use advanced tools for data analysis, communication with members, or monitoring the observance of employee rights.

The above represents an obstacle to modern dialogue which is increasingly conducted in digital surroundings - particularly with regard to workers in engineering and IT departments of metal companies.

4.3 The impact of the green and digital transition

4.3.1 How changes are perceived

Research shows that digitalization and energy transition processes are already underway in the Serbian metal sector, but that the social aspects of the above processes have not been sufficiently analyzed.

Only 18% of the surveyed companies states that it has “developed internal plans” for adapting its workforce to new technologies (automation, robotization, energy management). Trade union representatives indicate that changes “are underway without any corresponding dialogue”, whereas employers believe that trade unions “lack the technical knowledge needed to keep up with transition-related topics”.

Focus group participants stated that the **involvement of social partners in planning the green transition** could serve to prevent future conflicts, particularly in companies planning redundancies due to modernization.

4.3.2 New forms of work and flexibilization

Over the last 15 years, an increase of flexible forms of work has been observed - in particular, when it comes to fixed-term contracts and hiring through temp agencies. In the survey, 82% of trade union representatives specified that there was an “increased number of temp workers” in their companies, while 18% highlighted that “digital technologies are altering the way work is monitored and supervised”. The above is bringing about the growing need for **new collective arrangements** which will also include these groups of employees.

4.3.3 Environmental standards and social dialogue

The green transition also creates opportunities for new jobs, particularly in the domain of energy efficiency and the manufacturing of components used for renewable energy sources. Nevertheless, trade unions are adverting that these processes “lack sufficient consultations with workers”.

The focus group suggested that existing collective bargaining agreements introduce “**green committees**” - mixed-membership bodies tasked with monitoring the impact of environmental measures on workplaces and working conditions. **Employee representatives have a high degree of fear of job losses caused by green and digital transition processes!!!**

4.4 Quality of employment

4.4.1 Working conditions and safety

Based on the survey results, 51% of workers assessed their working conditions as “satisfactory”, 36% as “poor”, and 13% as “good”. The main problems identified include:

- obsolete equipment and lack of protective gear,
- high exposure to noise, chemicals and dust,
- overtime work which is frequently unpaid,
- as well as the increasing frequency of **redistributing working hours**, whereby employers effectively “rob” their employees of overtime pay, which is unfair from the standpoint of the trade union. Art. 57 of the Labor Law ought to be amended so that this injustice towards workers is eliminated.

In half of the companies which took part in the survey, **there are no active occupational health and safety committees**, despite this being the employer’s statutory obligation. Trade union representatives are of the opinion that the culture of safety is only advanced in companies where trade unions are strong and have the option of exercising control.

4.4.2 Pay, security and motivation

The average net salary in the metal sector (data from the Statistical Office of the RS, amended by research data) amounts to **approximately RSD 98,000**; however, differences between levels of qualifications and regions are significant. On average, workers in Vojvodina and Belgrade have 15-20% higher salaries than those in the southern regions. According to survey results, 64% of employees feel that they are “underpaid compared to their workload”, whereas 71% feel insecure when it comes to long-term job stability.

ZiJIN Copper Serbia Bor is the company with the highest salaries in Serbia, where this year’s average salary reached RSD 166,000 net, while the minimum salary in this company, i.e., RSD 98,495 net, is paid out to a mere 2.3% of employees, and is 58% higher than in the rest of Serbia’s metal sector. This company is an example of one of the strongest CBAs and we are currently involved in negotiations with the employer on increasing the basic price of work and extending the collective bargaining agreement. Also worth mentioning is the fact that this company, with around 6,000 employees, has 6 representative trade unions, 4 of which are SSMS members, with over 4,500 members. At this year’s SSMS Congress, this company was recognized for its contribution to the development and sustainability of the social dialogue. I think it is safe to say that although we do fight on occasion, we also manage to come to an agreement.

Motivational factors change - more and more workers are highlighting **stability, working conditions and work-life balance** as more important than salary alone. This indicates that **social dialogue needs to be extended to include the issue of quality of living**, and not merely material rights.

4.4.3 Perspectives of young workers

The **low presence of young workers** and their practically non-existent involvement in trade union activities represent a particular challenge. Only 8% of trade union representatives are younger than 35. Young workers state that they “view the trade union as an organization of elderly workers”, whereas trade union leaders acknowledge the fact that there are no developed strategies for attracting young members.

For this reason, we offer younger workers various forms of access to social media, Facebook, Viber, Instagram, SSMS’s website and various posts which are meant to attract the younger population. Furthermore, we organize parties on various occasions, as well as our annual sRSi in which over 600 participants, i.e., younger people take part, where we also work on animating young and female members...

The focus group has indicated the need to develop **modern forms of communication (social media, digital platforms)** to make the trade union more accessible to the younger population, as well as to **increase the visibility of examples of good practice** in which young people are involved in negotiations and decision-making.

4.5 Key takeaways

The key findings indicate that **social dialogue in the metal sector of Serbia exists, but that it is not developed in systemic terms.** The biggest potential lies in advancing stakeholders' capacities and institutionally linking different levels of dialogue. The role of social partners must be strengthened if dialogue is to be used as an **instrument of development, and not as a mere formality.** The **digital and the green transition** impose new topics which call for a **proactive approach**, whereas quality of employment and working conditions remain the backbone of the sector's sustainability. Employees need to be reskilled if we are to preserve current employment levels in the era of the green and digital transition.

5. Topics common to all areas

5.1 Trust and cooperation among stakeholders

The issue of trust among stakeholders - trade unions, employers and state institutions - is one that is visible in all stages of the social dialogue in the metal sector. Despite their formal readiness for cooperation, dialogue among stakeholders is often **reactive, and not strategic.** Trade union representatives highlight the fact that employers frequently initiate dialogue only when they sense employee dissatisfaction, whereas employers believe that trade unions are not sufficiently constructive in proposing solutions. Namely, employers and employees alike pose the same question to the trade union - **what's in it for me from the trade union?** I heard this question last in bargaining concerning the collective agreement in the English multinational company DS Smith Valjevo. Even though the trade union managed to secure, among other things, an increased annual leave reimbursement by 50% for them, employees simply ignore this fact and still ask **what's in it for me?** The trade union's position between a rock and a hard place may sometimes seem masochistic, however, it is up to us to live up to their trust and achieve a compromise!!!

In bigger companies with long-standing tradition (particularly formerly social enterprises which were subsequently privatized, e.g., "Prva petoletka", "Goša", HIBIS Smederevo, RTB Bor Majdanpek, "FAP"...), there is a higher degree of trust due to **continued communication and familiarity coming from relationships spanning many years.** Contrary to the above, in newer privately-owned factories (typically foreign investments), social dialogue frequently starts from zero, without a developed employee participation culture in the company.

Trade union representatives in these companies state that they are frequently faced with the **management's opposition to employee organization** and that it is "difficult to commence dialogue in an atmosphere of distrust" (Jura, Aptiv, Leoni, Stilantis, Siemens, Leber, Jang Feng, Wacker Neuson...).

Focus group participants agree that **creating trust** requires more than just formal meetings - it hinges on **transparency of information**, as well as **constant dialogue** related to topics which are not necessarily conflict-inducing (e.g., occupational safety, trainings, product quality). This would create the space needed to transform defensive dialogue into a partnership between social partners.

5.2 Gender equality and diversity

National legislation, including the Law on Gender Equality and other by-laws adequately govern the above issue; however, unfortunately, women comprise a mere **19% of the total workforce** in Serbia's metal sector, while this share is even lower in technical and manufacturing roles, and equals less than 10%.

Despite the fact that the Law on Gender Equality has been adopted, gender issues are **rarely included in collective bargaining agreements** - a minor number of companies within the sample have equal opportunity, maternity protection or flexible working hours clauses embedded in their contracts.

Focus group participants noted that women are more frequently assigned administrative tasks, quality control activities and laboratory work, whereas production plants are extremely male-dominated. Trade union structures are also uneven - a mere 15% of trade union representatives are women, and they are rarely involved in negotiations, which has seen a certain improvement in recent years, with growing numbers of women - trade union members employed in the automotive industry, which was historically a traditionally male-dominated sector.

One proposal included the introduction of **gender training programs** for trade union representatives and managers, as well as the inclusion of gender indicators in **national social dialogue reports**. Diversity ought to be viewed in a more comprehensive manner - as having to do with the inclusion of younger and elderly workers, disabled persons and migrant workers, which are becoming increasingly present in particular segments of the sector (particularly in transport companies in Šumadija and Vojvodina - workers from Nepal, Bangladesh, India...).

5.3 Regional differences and company size

Social dialogue in the Serbian metal sector highly depends on the **regional context and company size**.

In traditionally industrial regions (such as Šumadija, Pomoravlje, Bor, Majdanpek, Sremska Mitrovica, Novi Sad, Subotica, Zrenjanin...), trade union membership is more stable and dialogue forms more developed.

In southern regions of Serbia, with the exception of Apatovci, Jura and Alfabram Vranje (e.g., Leskovac, Vranje), dialogue is practically symbolic in micro and small companies. The reasons for the above are as follows:

- low level of trade union organization,
- short-term employment,
- dependence of the local economy on a single investor, and therefore the unwillingness of the local administration to support social dialogue and trade unions.

In small and medium companies, dialogue is often reduced to **individual conversations between employees and the company owner** - without any formalized mechanisms or collective bargaining. Having in mind the above, the **SME (small and medium enterprises) segment and local communities** have been recognized as a priority in terms of future interventions within the SoDi project.

5.4 Sectoral specificities

There are pronounced differences within the metal sector itself:

- **Foundries and welding plants** are faced with a deficit of skilled workers and problems related to occupational protection;
- **The machinery and tools industry** have more stable human resources, but are exposed to digitalization pressures;
- **Manufacturers of automotive industry components** (particularly foreign investors) are exposed to modern technology, but also challenges in terms of trade union rights and temporary working arrangements.

Social dialogue holds the best position in **mixed-ownership structure** companies with a long tradition (e.g., those that collaborate with both domestic and international partners, and are not solely reliant on low-skilled labor). It is precisely these companies that most frequently underline that **investing in dialogue reduces employee turnover and increases productivity**.

6. Recommendations

6.1 Strengthening stakeholder capacities

6.1.1 Targeted trainings and development of resources

Based on the conducted research, the priority areas in terms of strengthening capacities include:

- trainings dedicated to **social dialogue and negotiation techniques**,
- **digital literacy** and the use of communication and membership management tools,
- understanding the **green and digital transition and their implications when it comes to jobs**.

It is proposed that a **program of ongoing education** for social partners be developed in cooperation with the Ministry of Labor and the National Employment Agency, which would include joint training sessions for trade unions and employers, thereby fostering a shared understanding and trust.

Furthermore, it is necessary to set up an **online resource center** as part of the SoDi Serbia project, which would include guides, educational materials and examples of good practices from the metal sector.

6.1.2 Strengthening institutional and sectoral support

It is proposed to set up, as part of the SES, a **Sectoral Council for social dialogue in the metal sector of Serbia**, as a permanent tripartite body which would serve to gather the representatives of ministries, trade unions and employers' associations. This body would be entrusted with the following tasks:

- monitoring the implementation of collective bargaining agreements,
- providing opinions on legislative initiatives,
- identifying the need for trainings and employment in the sector.

The role of **local economic councils** also ought to be strengthened through financial and technical support, in order for dialogue to also reach the local level - particularly in industrial zones in which new plants are being opened.

6.2 Strengthening the social dialogue

6.2.1 Promoting participation and inclusion

Social dialogue must include **all of the relevant stakeholders: indefinite-term employees, temporary and agency workers, women, younger and elderly workers alike.** It is proposed to draw up a **Code of inclusive social dialogue in the metal sector**, which would

serve to define the principles of equal access to information, freedom of association, and the right to take part in decision-making.

Trade unions ought to develop **strategies for youth inclusion** through mentorship programs and digital campaigns, whereas employers ought to introduce **mechanisms of internal employee consultations** (surveys, forums, meetings).

6.2.2 Advancing dialogue mechanisms

It is recommended to set up **periodic sectoral meetings** between trade unions and employers' associations, with the technical support of the state. These meetings would serve to enable an exchange of information regarding the status of employment, salaries, trainings and investment plans, whereby avoiding tensions and planning for changes in advance.

The existing practice in certain local communities (e.g., Kragujevac) can serve as a good model, where trade unions, the city, and employers jointly signed a **memorandum of cooperation** whereby defining the rules of dialogue and regular channels of communication.

6.2.3 Exchange of good practices and peer learning models

The SoDi Srbija project ought to establish a **national base of good practices** of social dialogue in the metal sector - short case studies on successful collective bargaining, trainings, and joint initiatives. If joint workshops and forums (regional and topic-based) were organized, this would facilitate the spreading of positive experiences throughout the region.

6.3 Support through policies and financing

6.3.1 Alignment with national priorities

Social dialogue in the metal sector needs to be aligned with the **National Employment Plan, the Strategy of Industrial Development, and green and digital transition plans**. The above implies that both trade unions and employers be involved in the early stages of drafting these documents, and not only in the consultation stage.

6.3.2 Utilization of financial mechanisms

Various national and European funds can be used for support to the social dialogue, including:

- **ESF+ (European Social Fund)** - for trainings and development of social partners,
- **Just Transition Fund - for supporting workers impacted by decarbonization,**
- **National Investment Plan** - for strengthening the capacities of local councils.

Projects financed using these sources ought to have **clear indicators of results** (number of trainings, concluded agreements, established dialogue structures) and be publicly accessible.

6.3.3 Guidelines for future activities

1. **Establish permanent dialogue between the Ministry of Labor and sectoral partners** for the purpose of monitoring employment policies in the metal sector.
2. **Develop the national program “Social Dialogue for Industrial Support”**, focused on the metal sector.
3. **Introduce an annual reporting system** on the status of the dialogue in the industry, which would serve as the basis for planning public policies.
4. **Link dialogue to innovations and productivity** - through joint projects of trade unions and employers, aimed at trainings, safety and sustainability.

7. Conclusion

Social dialogue in the Serbian metal sector is at a crossroads: it has been recognized in institutional terms, but is underdeveloped in the practical sense. The key challenges lie in strengthening the capacities of trade unions and employers, institutionalizing sectoral dialogue and introducing new topics - digitalization, ecology, and quality of employment.

The SoDi Srbija project indicates that there is readiness for change: the majority of stakeholders have stated their willingness to learn, cooperate and build trust. The next steps ought to include the following:

- setting up a permanent sectoral council,
- developing joint training sessions and communication tools,
- connecting social dialogue with employment policies and sustainable development policies.

Social dialogue ought to become an **instrument of modernization**, not an obstacle to changes - the key for a stable, just, and competitive metal sector in Serbia, as well as for safe and healthy working conditions with emphasis on achieving the level of salaries which do justice to the working individual, and not the minimum price of labor.

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Supporting the Implementation of the
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