

# Employment security and public sector reform in the Western Balkans

Can resilience help to shape the future?

12-13.12.2019  
Belgrade (Serbia)

## EUROFEDOP SEMINAR



**EUROFEDOP**

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## EUROFEDOP Seminar

### Employment security and public sector reform in the Western Balkans – can resilience help to shape the future?

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#### Report

Thursday  
12.12.2019

Seminar



#### Introductory remarks – welcoming speeches

Fritz Neugebauer, President, EUROFEDOP (European Federation of Employees in Public Service), Council member EZA (European Centre for Workers' Questions)

The President opened the seminar by highlighting several cornerstones of the framework, in which reforms take place in the Western Balkans. Peace is an essential goal and value for the European Union, considering its achievements after the Second World War, just as much as it is for the Western Balkan region today. The Western Balkan countries are striving for and hoping to become members of the European Union. The democratization process supported by the EU strongly necessitates debate on several levels, for example between the governing parties and the opposition in the Parliament. Furthermore, it is essential to overcome nationalism. In EUROFEDOP, we work together due to our common interests, but we also promote friendship across borders through our cooperation.



**Njegoš Potežica, Vice President, CATUS (Confederation of Autonomous Trade Unions of Serbia)**



Njegoš Potežica, Vice-President of CATUS, welcomed everybody and thanked the President and the Secretary General for the organisation of the seminar, praising them as the driving force and heart of EUROFEDOP. Concerning the current challenges of trade union work in Serbia, the Vice-President pointed to the importance of a good relationship between the trade union and the Ministry. In the interest of employees, the trade union fights for a decent life, a better social situation and employment for the young, otherwise more and more young people leave the country to work abroad. With regards to public sector reform, the speaker informed that the trade unions have supported and are affected by the reforms in the public sector. Public companies do not implement the reforms as opposed to other sectors of the public service.

**Ljubisav Orbović, President, CATUS (Confederation of Autonomous Trade Unions of Serbia)**

Ljubisav Orbović, President of CATUS, further elaborated on the role of public servants in the reform process of the public sector. In Serbia, as well as in other ex-Yugoslav republics, the effect of these reforms is mostly felt by the public servants, who often suffer from their consequences, for example due to wage cuts. Salary increases are very small and often only make up for the cuts that have been applied previously. The speaker informed on a current strike at the Serbian Post, where the employees organised themselves and there are three active trade unions. The decision to strike was taken by all employees and everybody can feel its consequences, as there have been several strikes during the past years. However, the management is not open to negotiations, and there have been many staff cuts. According to Mr Orbović, it is important that trade unions prepare themselves for future challenges by exchanging experiences, particularly across the Western Balkan region.



**Bojan Stević, State Secretary, Ministry of Public Administration and Local Self-Government (Serbia)**



The State Secretary conveyed best wishes by Minister Branko Ružić, who unfortunately could not attend the seminar. The Ministry of Public Administration and Local Self-Government plays an important role in the reform of the public sector, with the exception of public companies. He underlined that if one wishes, many things can be reformed. In 2014, carrying out the reforms also meant suffering from them due to salary freezes and staff cuts. However, today, the positive effects can be felt. The State Secretary elaborated on different reform laws with beneficial effects. Thanks to the new administrative law, about 6 million documents can be easily accessed by the citizens. A law on state administration obliges for the public consultation of citizens, which results can later be adopted by the Parliament. The law on local administration has also had many positive effects for citizens – they can shape the budget or important investments together with the local representatives. As a result of these reforms, administrative budgets are made public and citizens are consulted, underlining that the Ministry strives for transparency.

**Theme 1 – The effect of public sector reforms in the Western Balkans**

*Moderator: Tanja Brülisauer*



**Local administration**

**Djordje Stanišić, Director General, Local Administration (Serbia)**

The Union of Towns and Municipalities of Serbia is an organisation of voluntary membership representing the interests of local governments since 65 years. Recently, it participated in the negotiations leading to the signature of a collective agreement. The Union also strives for ensuring that services to citizens are provided in the best way possible.

The current reform of local administration encompasses stimulative measures and retraining amongst others. Two processes are happening in parallel in public administration: the introduction of new tasks due to EU candidate status and the change of several other laws on employment, education and training. Profound changes will commence next year in this area for the staff of municipalities. New skills and knowledge will be taught that is necessary to carry out the new tasks (resulting from EU enlargement).

Without the appropriate trainings, public servants cannot advance in their career. The speaker sees these changes as affirmative for employees of towns and municipalities. This new education and training means a challenge but is provided in an organised manner at the Academy, while the Union also offers training programmes and e-trainings.

Mr Stanišić adds that a collective agreement has been concluded 6 months ago. He concludes by mentioning that it is in the organisation's interest for the local budgets to include training measures for own employees, so that the new tasks arising from new laws can be assumed by the municipalities.



### Measuring reform results

Vladimir Mihajlović, Researcher and Policy Analyst, European Policy Centre (Serbia)



Vladimir Mihajlović spoke about the current results of public sector reforms with regards to EU enlargement and how these are measured. He explains that there is pressure from all sides to reform, both from international institutions (EU, World Bank, Council of Europe) as well as “from below” – from NGOs, civil society, employees and academia. However, the political decision-makers are not conscious enough regarding the importance of these reforms. At the same time, reforms are introduced because it is expected, not out of necessity.

The European Commission’s enlargement strategy in 2014 defines public administration reform as one of the pillars of EU-enlargement. From this point onwards, reforms are controlled. However, public administration reform is not a separate negotiating chapter. Together with the OECD, the EU developed six core areas of PA that are used to control PA reforms. These are named the SIGMA Principles of Public Administration and the country evaluations of the EC are almost completely based on SIGMA results.

The speaker provided many interesting details about the yearly progress of public administration reforms in all Western Balkan countries. Serbia’s result in 2017 was not good, mostly due to problems with training, integrity and corruption. At the same time, there was progress in the field of service, e-governance and also the wage reform was assessed positively by the EU.

Mr Mihajlović also provided details about other mechanisms analysing and measuring the progress of PA reform. Overall, usually Albania emerges as the most advanced case, while Bosnia and Herzegovina lags behind its neighbours.

The last part of the presentation discussed the public sector wage system reform in Serbia in detail and concluded that while the law provided a good basis for a transparent and fair system, the state did not succeed in implementing it properly.

### The role of regional cooperation in training

Ratka Sekulović, Director, ReSPA (Regional School of Public Administration) (Montenegro)



The Regional School of Public Administration is situated in Montenegro and owned by the governments of Albania, Bosnia and Herzegovina, Serbia, Montenegro and North Macedonia. It is also supported by the European Commission. After its foundation in 2010, it mainly functioned as a training centre, and expanded its activities on the initiative of the EC some years later. Now the ReSPA also organised workshops, mobility schemes, working visits, peer-to-peer activities, but also in-country support. It also does different regional comparative studies, which are done in the joint interest of all countries. On the basis of these studies, the ReSPA formulates both country-specific and regional recommendations for action.

Training plays an important role in the public administration process and is provided to all levels of management, ranging from high-level officials coming from the Ministries of PA (reform), as well as finance and European Integration Offices.

### The economic perspective

William Bartlett, Visiting Senior Fellow, London School of Economics and Political Science –  
Research on Southeastern Europe (United Kingdom)

William Bartlett's presentation started with a historical overview on government intervention in economics and its different models. He continued by explaining international influences on public administration reform. In the case of the Western Balkan countries, PA reform was influenced by the fiscal consolidation policies in the Eurozone after the financial crisis of 2008. While the WB countries did not have high public debts in 2009, these dramatically rose during the consequent years. In 2014, PAR and the spirit of monetary approach (reducing the size of the state) was merged through the signature of an agreement with the IMF on fiscal consolidation and PAR. This policy, designed to shift funds from the public to the private sector, provided big subsidies for FDI on jobs created. This led to what the speaker calls a paradox of PAR in Serbia: while reducing subsidies to public enterprises, subsidies to multinational corporations were increased. Between 2014 and 2018, the number of employees in the public sector decreased by 30 000, while it increased in the private sector by 250 000. The problem of this apparent success is that this reallocation of resources is not a real transition to a free market, only a transition of subsidies from one sector to another. Skills shortages pose a big problem and worsen due to cuts in the education system.



The speaker concluded by stating that while the neoliberal approach to PAR had substantial economic effects, opening space for the private sector to create jobs and resulting in lower unemployment rates, this happened at the cost of high public expenditure and a decreasing quality of higher education. Furthermore, the public services also have the task to support private sector growth, while PAR reduced the effectiveness and ability of the public sector to do so.

### Challenges encountered by local governments

Miodrag Gubijan, Faculty of Law (Serbia)

Miodrag Gubijan elaborated on the situation of public administration in local governments and on the recent collective agreement the trade unions have fought for. A major challenge is posed by the high average age of employees in PA (around 50 years), tackling of which is made difficult by the ten years ban on new employment. The number of professionals has decreased in the past five years, a large number of PA employees left their job. In public companies, more than 43% of the staff left. The question arises who the Academies that were repeatedly mentioned train for future and new tasks if most of PA employees will retire in the coming years. A further problem is the low salaries, as well as the concept of calculating an average salary in the PA, which can be misleading due to the extreme differences in wage (between a high-ranking official and a clerk for example).

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**Can resilience help to shape the future?**

Friday  
13.12.2019

Seminar

Theme 2 – Employment security and public sector reforms in the Western Balkans – recent trends and changes

Moderator: Otto Aiglsperger



### Efficient and cost-effective training for civil servants adapted to local needs

Dr. Natalija Shikova, International Balkan University (North Macedonia)



In their comparative analysis of the most suitable forms for training and professional development of civil servants, Dr. Shikova and her colleagues developed proposals on the modalities for the organisation and delivery of trainings. Training is not only essential due to new skills needed because of EU enlargement, and the need of public servants to continuously improve and train themselves, but it is also a right of a public servant to receive training. Furthermore, just as PAR, training must be adapted to local needs and structures.

Dr. Shikova suggests using positive experiences of the past and strengthen the existing capacities. A functional training system should be established and can be upgraded later according to needs and available funds. Establishing a new institution however is unsustainable and not a cost-effective decision. Instead, capacities within the Ministry should be strengthened. Regarding PAR, the speaker underlines that PA is always in reform, but the main question is how we approach reforms.

Reforms should consist of gradual steps, small, realistic plans with targets that can be reached with an institution's (or country's) own means and capacities. Western Balkan countries should not underestimate their own legal systems and be careful when copying principles from other systems.



## Employment security in the public sector in Western Balkan countries – reform projects coordinated by the World Bank

Verena Fritz, Senior Public Sector Specialist, Global Governance Practice, World Bank



For the World Bank, the fiscal stability of a country and thus maintaining a stable and fiscally affordable wage bill is important. Mrs Fritz agrees with the previous speaker that the preference across the region to work in the public sector is very strong. In Serbia for example, 38% of respondents to the Balkan Barometer survey would prefer to work in the public sector, 35% in a public company, and only 13% in the private sector. Knowing the wage levels, one can conclude that stable employment (job security) and better working conditions are more important to people than wages. Through analytic work, the World Bank supports governments by performing studies upon request in order to understand better what reforms could be tackled.

One challenging issue in PA reform in Serbia is inter-ministerial coordination, because the different Ministries and Agencies involved have different perspectives on the issue. The wage system transition is a contested reform, some elements of it worked, but it also gave rise to new challenges and brought out the weakness in information systems. Furthermore, creating too many rules on hiring can also restrict flexibility and effectiveness.

## Theme 3 – The concept of resilience with regards to the EU accession of the Western Balkans – how can resilience be applied to strengthen public sector employment?



## Resilience and EU enlargement of the Western Balkans

Dr. Marko Kmezić, Lecturer and Senior Researcher, Centre for Southeast European Studies at the University of Graz (Austria)

According to Marko Kmezić, senior researcher at the University of Graz, the reform process in Serbia is the most resilient part of the EU accession process. However, one has to be aware that the EU integration processes are taking part against a very uncertain international political background, characterised by a series of crisis.

Results are a lack of compromise-based decision-making on the EU level and the advancement of anti-democratic leaders amongst others. With an unclear promise and lack of commitment on the side of the EU, it has lost its normative power. Resilience however should be built through a bottom-up pressure on politicians. While most Serbians still believe that it is the political elite that obstructs the working of the judiciary and reforms, the speaker cites and proposes the so-called 'sandwich strategy': EU and international pressure on the leadership from above, and bottom-up pressure by the people.

The situation should be improved through the fight for independent state institutions by civil society, trade unions and independent media. Challenges should be solved by all actors together rather than trying to impose solutions from the outside to the domestic context.



## Pragmatism, resilience and reforms

Ivana Goranić, Rule of Law Expert (Croatia)

While most of us are irritated by the prolonged EU accession process, we do need long processes, because a reform must be rooted. Long-term planning is hard to imagine for many actors in the region, but reforms need time. In Mrs Goranić's experience, very often laws are quickly adopted and then their implementation is not controlled. The legal expert emphasized that there needs to be a balance between old and young people in administration. In the WB region, the selection process in PA is not always just or objective, and often politicised. She further emphasized that trade unions should cooperate more with each other. Corruption should be fought through education.

Talking about her work experience with international donors, Mrs Goranić criticises that there is a lack of coordination and sustainability, and the results of one projects are not used in other cases or countries. Often, there is too much money and not enough results.



## Differences between the directions and the licensed workers

Mirjana Bjelobaba, Arbitration Court (Serbia)



During the last presentation of the seminar, the reoccurring theme of a lack of implementation of laws and reforms was discussed again. One possible remedy can be a better access to information for citizens. The government has recently launched a campaign that aims at increasing awareness of reforms. Mrs Bjelobaba presented her work at the Arbitration Court, which provides remedies to work-related disputes, but the main backlash is that a single case can easily last for 10-12 years. Discussing how to improve the situation in Serbia, the speaker believes the biggest problem is that people do not trust each other, nor their leadership. More cooperative spirit is needed here, a focus on the capabilities of people, how they evolve, as well as a dialogue culture and the acceptance of each other's' differences. She concluded by saying that we should all be active participants in what we do.

## Discussion and conclusions

After a very lively discussion that focused on the role of trade unions in change and reforms and ways to motivate the implementation of reforms, Fritz Neugebauer, President of EUROFEDOP, summarised the inputs provided by the seminar and how we can apply them in the future. He underlined that emotions arising due to an obstructed social dialogue for example can be used as a driving force for change. A small but effective trade union can have the power to achieve change. It is however essential and a question of political strategy that when negotiating with an employer, trade unions must cooperate and develop a strategy together. The question of combining trade union work and party politics is challenging, but not impossible. A trade unionist must be strong enough not to be dependent on a political party. However, if we only comment on politics instead of acting and influencing it, we cannot reach anything. Regarding the EU integration process, the President cited Jean Monnet who said that Europe will not be unified in a day. Democratic discourse is long and cumbersome and we should not lose our motivation but challenge the government.



## Resolution

EN

Fritz Neugebauer, President, EUROFEDOP (European Federation of Employees in Public Service),  
Council member EZA (European Centre for Workers' Questions)

After being confronted with two murderous World Wars in the last century, the States of Europe acknowledged that it would be unacceptable to let violence lead our continent into a future where it is not worth living.

Therefore, they took the commitment of building a society based on the principles of democracy and the rule of law, religious tolerance and the respect for human rights.

Democratically elected Members of Parliaments have passed laws, by which the coexistence of people in the national States and in the European Union has been regulated.

The enforcement of these laws is the responsibility of public servants who are committed to the common good in their action (in contrast to private sector bureaucracy).

In order to make the fulfilment of these diverse and responsible tasks possible,

1. infrastructure in accordance with the latest technological developments and
2. sufficient numbers of staff must be made available.
3. The experiences gained by public service employees must be regularly and usefully be made profitable in a quality social dialogue (employers - employees) in the sense of real social partnership!

Unfortunately, the reality in most Western Balkan countries is different:

- Precarious employment contracts, that can be ended at any time.
- Loss of staff is not compensated by new appointments.
- Permanent investment in quality training and retraining of public service employees is indispensable!
- Reform processes can only be successful with the involvement of the employees (including their trade unions)!
- Work overtime and receive less money for this is not a successful programme in a State basing its functioning on the rule of law!

Governments, if they take the rule of law seriously, will have to get involved in a loyal, valuable dialogue with the trade unions of employees of public services!

And: they should not lightly take the risk of a fight with the labour force!

## Resolution

DE

Fritz Neugebauer, President, EUROFEDOP (European Federation of Employees in Public Service),  
Council member EZA (European Centre for Workers' Questions)

Die Staaten Europas haben nach zwei mörderischen Weltkriegen im vorigen Jahrhundert erkannt, dass Gewalt unseren Kontinent in keine lebenswerte Zukunft führen kann.

Sie haben sich daher zu Demokratie und Rechtsstaatlichkeit, religiöse Toleranz und die Beachtung der Menschenrechte verpflichtet.

Die demokratisch gewählten Abgeordneten der Parlamente beschlossen jene Gesetze, die das Zusammenleben der Menschen in den Nationalstaaten und in der Europäische Union regeln.

Der Vollzug dieser Gesetze obliegt den öffentlich Bediensteten, die in ihrem Handeln (im Gegensatz zur privaten Bürokratie) dem Gemeinwohl verpflichtet sind.

Um die vielfältigen und verantwortungsvollen Aufgaben erfüllen zu können, muss

1. Eine auf dem letzten Stand der Technik beruhende Infrastruktur und
2. Ausreichendes Personal zur Verfügung gestellt werden.
3. Die von den Mitarbeitern erworbenen Erfahrungen sind regelmäßig in einem qualitätvollen sozialen Dialog (Arbeitgeber - Arbeitnehmer) im Sinne echter Sozialpartnerschaft zu nutzen!

Die Realität sieht in den meisten Ländern des Westbalkans leider anders aus:

- Prekäre und unbefristete Dienstverhältnisse.
- Bei Ausfall von Personal erfolgen keine Nachbesetzungen.
- In eine qualitätsvolle Ausbildung und Weiterbildung der öffentlichen Bediensteten muss permanent investiert werden!
- Reformprozesse können nur unter Einbindung der Mitarbeiter (auch ihrer Gewerkschaft) erfolgreich sein!
- Mehrarbeit für weniger Geld ist dem Rechtsstaat kein erfolgreiches Programm!

Die Regierungen werden, wenn sie den Rechtsstaat ernst nehmen, den ehrlichen, wertschätzende Dialog mit den Gewerkschaften der öffentlich Bediensteten führen müssen!

Und: Sie sollten einen Arbeitskampf nicht leichtfertig riskieren!

## Rezolucija

SR-HR

Fritz Neugebauer, Predsjednik EUROFEDOP-a (Evropska federacija zaposlenih u javnom sektoru),  
Član Savjeta EZA-e (Evropski centar za radnička pitanja)

Nakon izloženosti dva ubilačka svjetska rata u prošlom vijeku, države Evrope su priznale da bi bilo neprihvatljivo dopustiti nasilju da naš kontinent vodi u budućnost u kojoj ne vrijedi živjeti.

Stoga su preuzele obavezu da grade društvo zasnovano na principima demokratije i vladavine prava, religiozne tolerancije i poštovanja ljudskih prava.

Demokratski izabrani poslanici u parlamentima donijeli su zakone kojima je regulisan suživot ljudi u nacionalnim državama i Evropskoj uniji.

Sprovođenje ovih zakona odgovornost je javnih službenika koji su u svom djelovanju opredijeljeni za opšte dobro (za razliku od birokratije privatnog sektora).

Kako bi se omogućilo ispunjavanje ovih raznolikih i odgovornih zadataka, moraju biti obezbijeđeni

1. infrastruktura u skladu sa najnovijim tehnološkim dostignućima i
2. dovoljan broj zaposlenih.
3. Iskustva koja dobijaju zaposleni u javnim službama na redovan i koristan način moraju biti iskorišćena u kvalitetnom socijalnom dijalogu (poslodavci - zaposleni) u smislu stvarnog socijalnog partnerstva!

Nažalost, stvarnost je, u većini zemalja Zapadnog Balkana, drugačija:

- Nesigurni ugovori o radu, koji se mogu raskinuti u bilo koje vrijeme.
- Gubitak zaposlenih se ne nadoknađuje zapošljavanjem novih.
- Neophodna su stalna ulaganja u kvalitetnu obuku i prekvalifikaciju zaposlenih u javnim službama!
- Reformski procesi mogu biti uspješni samo uz učešće zaposlenih (uključujući njihove sindikate)!
- Prekovremeni rad i manje novca za isti nije uspješan program u državi koja svoje funkcionisanje zasniva na vladavini prava!

Vlade, ukoliko ozbiljno shvataju vladavinu prava, moraće da se uključe u lojalan, vrijedan dijalog sa sindikatima zaposlenih u javnim službama!

I: oni ne bi trebalo olako da shvataju rizik upuštanja u borbu sa radnom snagom!

## Resolution

FR

Fritz Neugebauer, President, EUROFEDOP (European Federation of Employees in Public Service),  
Council member EZA (European Centre for Workers' Questions)

Confrontés aux désastres de deux guerres mondiales meurtrières au siècle dernier, les États européens étaient d'accord qu'il serait inacceptable de laisser la violence conduire le continent dans un avenir où la vie décente ne serait plus possible.

C'est pourquoi ils se sont engagés à construire une société qui se fonde sur les principes de la démocratie et de l'état de droit, de la tolérance religieuse et du respect des droits de l'homme.

Des membres parlementaires, démocratiquement élus, ont approuvé des lois qui ont réglé la coexistence entre les peuples des États nationaux et de l'Union européenne.

Faire respecter ces lois est la responsabilité de fonctionnaires publics qui se sont engagés pour le bien public dans leurs actions (en contraste avec le secteur privé bureaucratique).

Afin de rendre possible l'accomplissement de ces tâches diverses et responsables,

1. une infrastructure adaptée aux développements technologiques les plus récents et
2. un nombre suffisant de personnels doivent être rendus disponibles.
3. L'expérience acquise par le personnel des services publics doit être mise à profit régulièrement et efficacement dans le cadre d'un dialogue social de qualité (employeurs - employés) au sens d'un vrai partenariat social !

Malheureusement, dans la plupart des pays des Balkans occidentaux, la réalité est différente.

- Des contrats d'emploi précaires, qui peuvent être terminés à tout moment.
- La perte de personnels n'est pas compensée par de nouveaux personnels.
- L'investissement permanent en formation et en recyclage du personnel des services publics est indispensable !
- Les processus de réforme ne peuvent réussir que si les employés (y compris leurs syndicats) y sont engagés !
- Faire des heures supplémentaires et recevoir moins d'argent pour cela n'est pas un programme réussi dans un État qui veuille baser son fonctionnement sur l'état de droit !

Les gouvernements qui prennent l'état de droit au sérieux, devront s'engager dans un dialogue social loyal, constructif avec les syndicats du personnel des services publics !

Et ils ne devraient pas considérer légèrement le risque d'une bataille avec la main-d'œuvre !



European Federation of Employees in Public Services  
Fédération Européenne du Personnel des Services Publics  
Europäische Föderation der Öffentlich Bediensteten  
Europese Federatie van het Overheidspersoneel  
Federación Europea del Personal de los Servicios Públicos

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