

Chapter 17.

SMART COLLECTIVE BARGAINING IN FINANCIAL SERVICES IN SERBIA

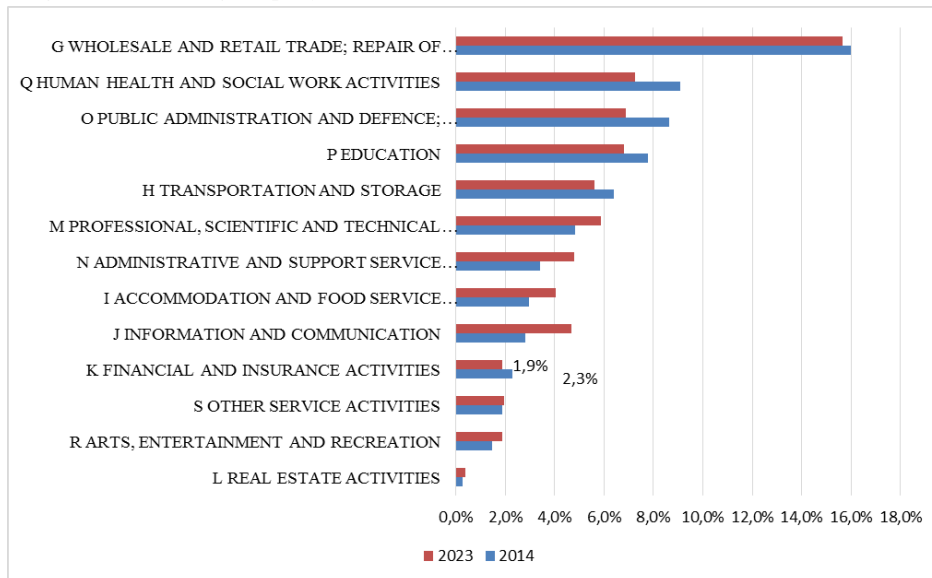
While the most developed EU countries, particularly Germany and the Nordic countries, are characterised by strong unions and large bargaining coverage in both the industry and services sectors, protection of collective rights in Serbia, as a candidate country, is still lagging behind. In spite of the long tradition of unionisation, primarily in industry, union density in Serbia has substantially decreased over time. The current situation in collective bargaining in Serbia is characterised by relatively strong unions and large bargaining coverage in the public sector, followed by large private sector companies, however, mainly operating in the manufacturing industry. Against such a backdrop, it is interesting to analyse the current state and possibilities for further development of collective bargaining in the growing services sector in Serbia. This chapter thus focuses on financial services, whose share in the total employment in Serbia is rather small (around 2%), yet is dominated by private companies, many of which include large international market players providing banking and insurance services. The two biggest sub-sectors in financial services in Serbia include NACE 64 (financial service activities, except insurance and pension funding) and NACE 65 (Insurance, reinsurance and pension funding, except compulsory social security). Taken together, these two sub-sectors in 2023 employed as many as 86% of all registered employees in financial services. Thus, the aim of this chapter is to compare the current state of collective bargaining between the two, as well as to discuss the potential for implementing the novel idea of smart collective bargaining. The proposed new approach in collective bargaining should better fit the needs of both parties (employers and employees) in the changing working environment affected by innovative practices such as digitalisation and innovative work arrangements.

1. EMPLOYMENT TRENDS IN A CHANGING BUSINESS ENVIRONMENT

The financial services sector in Serbia is relatively small, taking into consideration the total number of employed as well as its share in the total employment. Namely, according to CROSO, in 2023 registered employment in the financial sector was 43,680, while its share in total employment was 1.9%. In comparison with 2014, the total employment increased from 42,062, yet the share in the total employment decreased from 2,3%, as shown on Figure 1 below. Also,

Figure 1 clearly shows that taking its share of employment, the financial sector has remained among the smallest sectors in services in Serbia.

Figure 1. Share of employment in subsectors in 2014 and 2023 (CROSO, 15+)



Source: CROSO, authors' calculation

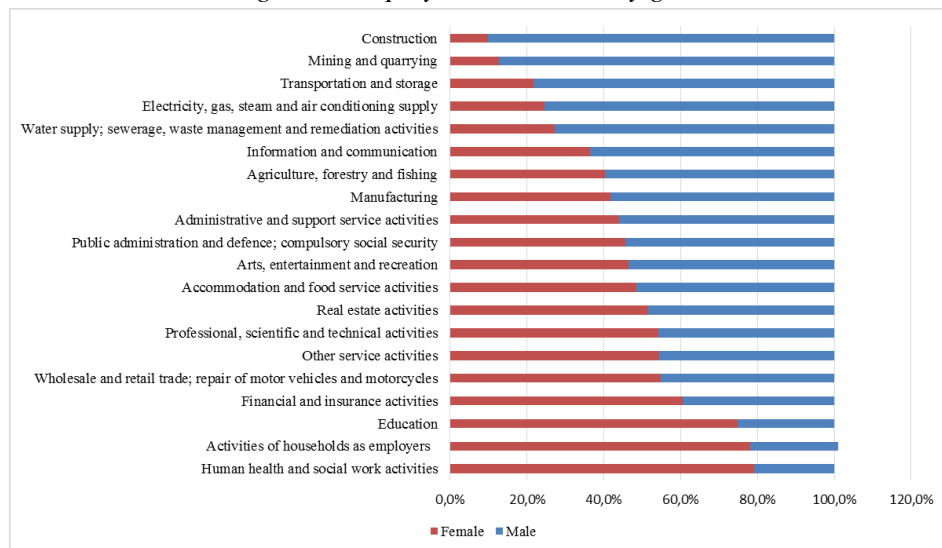
With a virtually non-existent stock market, most workers are employed in private companies, including insurance companies (20), pension funds (4), commercial banks (19), as well as other financial institutions (e.g. payment service providers, electronic money institutions, etc.)⁴⁷⁷. As already noted above, over the last decade, registered employment in the sector increased by 1,618 employees, yet its share in total employment decreased. Along with CROSO, it is worth mentioning that LFS data show slightly higher employment in financial services in 2023 (51,100 workers), and a similar share in total employment (1.8%). Female workers dominate, accounting for 60.5% of all workers in financial services. Moreover, as shown in Figure 2, together with human health and social services as well as education, financial services represent one of the four sectors in which female workers are the majority.

What is particularly important, especially for understanding the need and the solid ground for initiating and nurturing smart collective bargaining, is that informal employment in the services sector is generally lower than for the economy. Informal employment in financial services is the second lowest in the

⁴⁷⁷ Data available from: https://www.nbs.rs/sr_RS/indeks/

services sector (after human health and social work activities), with the informal rate of 1.3% in 2020 (LFS).

Figure 2. Employment structure by gender



Source: LFS, authors' calculation

In this chapter, we focus on the two biggest sub-sectors in financial services in Serbia, including NACE 64 (financial service activities, except insurance and pension funding) and NACE 65 (Insurance, reinsurance and pension funding, except compulsory social security). Taken together, these two sub-sectors in 2023 employed as many as 86% of all registered employees in financial services (see Table 1). Thus, our aim is to compare the current state of collective bargaining between the two, as well as to discuss the potential for implementing the novel idea of smart collective bargaining. The proposed innovative approach of collective bargaining (smart collective bargaining) should better fit the needs of both parties (employers and employees) in the changing working environment affected by innovative practices such as digitalisation and innovative work arrangements.

NACE 64 (financial service activities, except insurance and pension funding) has remained the single biggest sub-sector, accounting for more than 50% of registered employment. With 26,538 registered employees in 2023, NACE 64 accounted for 1% of the total employment. However, over the last decade the number of employed in this sub-sector was shrinking, as well as its share in the total employment, from 2% in 2014 to 1% in 2023. On the other hand, by the total number of registered employment NACE 65 (Insurance, reinsurance and

pension funding, except compulsory social security) has remained substantially smaller. However, unlike NACE 64 whose share in the total employment over the last decade has been shrinking, in NACE 65 it has remained rather stable, along with the growing number of employed in insurance companies and pension funds. Detailed data are presented in the Table 1.

Table 1. Registered employment in financial services, NACE 64 and NACE 65

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Registered employment | | | | | | | | | | |
| Total employment | 1,845,494 | 1,896,295 | 1,920,679 | 1,977,357 | 2,052,546 | 2,101,267 | 2,149,099 | 2,212,631 | 2,253,473 | 2,306,955 |
| Financial Sector | 42,062 | 45,806 | 44,524 | 43,746 | 43,774 | 43,849 | 43,736 | 42,889 | 42,297 | 43,680 |
| Share in total employemnt | 2,3% | 2,4% | 2,3% | 2,2% | 2,1% | 2,1% | 2,0% | 1,9% | 1,9% | 1,9% |
| NACE 64 | 28,801 | 29,767 | 28,754 | 28,091 | 27,97 | 27,752 | 27,213 | 26,121 | 25,544 | 26,538 |
| Share in total employemnt | 2% | 2% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% |
| NACE 65 | 8,900 | 10,883 | 10,712 | 10,510 | 10,333 | 10,461 | 10,782 | 10,950 | 10,844 | 10,970 |
| Share in total employemnt | 0,48% | 0,57% | 0,56% | 0,53% | 0,50% | 0,50% | 0,50% | 0,49% | 0,48% | 0,48% |

Source: CROSO, authors' calculation

Private companies dominate in financial services as a whole and NACE 64 in particular. According to available data, there are 19 registered banks, including 18 private banks, most of which are affiliated with foreign companies, and 2 domestic banks owned by the Republic of Serbia. The number of commercial banks has substantially decreased, due to the high concentration of capital in the banking sector. Other financial institutions include payment service providers (8), electronic money institutions (7), as well as a number of retailers, including exchange offices and smaller affiliated payment service providers. In a similar manner, private companies (joint-stock) also dominate in NACE 65 (16 insurance companies, 4 reinsurance and 4 pension funds). In one case (Dunav osiguranje), the Government of Serbia has remained the majority shareholder holding 76,7% of the total capital. This particular company is further presented as a case study with a relatively strong trade union and negotiated collective bargaining agreement (CBA), which is typical for public companies in Serbia.

Digitalisation of financial services has developed substantially over the last couple of years, thus opening space for reducing personal contacts with clients and downsizing of professional staff in banks, insurance companies, pension funds, as well as other financial institutions. However, in the same period, the labour supply in Serbia has been shrinking, whereas recruitment and employment of highly competent workers for technologically more sophisticated jobs has brought another important challenge. In some cases, due to digital transformation, it was necessary to develop training programs to improve the skills of their

personnel in distance (i.e. digital) counselling as well as to develop programs for further improvement of managerial competences.

In light of significant ongoing technological transformations, collective bargaining in the financial sector and particularly in insurance companies and commercial banks should be analysed with great care, taking into consideration its potential to adequately and more precisely regulate work relations between employers and employees in a changing work environment.

2. SHORT HISTORY AND CURRENT STATE OF INDUSTRIAL RELATIONS IN SERBIA

Workers' organisations in Serbia have a long tradition dating back to the end of the 19th century and the Workers Confederation (Radnički savet), the first trade union confederation in Serbia, was established in 1903⁴⁷⁸. As the predecessor of the Confederation of Autonomous Trade Unions of Serbia (*CATUS, Savez samostalnih sindikata Srbije, SSSS*), this organisation was established upon a decision made by a number of professional and local worker organisations in the branches of construction, metal manufacturing, commerce and printing to associate into the first trade union confederation in Serbia.

The establishment of worker associations in Serbia is granted by the Constitution and further regulated in detail by the Labour Code. Worker associations may be established on various levels, including company, industry/sectoral, territorial, and national levels.

At present, several trade union confederations can be distinguished at the national level – the Confederation of Autonomous Trade Unions of Serbia (*CATUS, Savez samostalnih sindikata Srbije, SSSS*), the United Branch Trade Unions (*UGS Nezavisnost*), the Confederation of Free Trade Unions (*CFTU – Konfederacija slobodnih sindikata*) and the United Trade Unions of Serbia (*Sloga*). The first two are currently recognised as representatives at the national level, and as such, are eligible to participate in social dialogue as entitled members of the Socio-Economic Council (SEC). On the other hand, CFTU, though recognised as representative by the relevant Ministry in 2012⁴⁷⁹, it is not a member of either the Socio-Economic Council nor any other relevant tripartite body. Another

⁴⁷⁸ Pavlović, M., & Marković, P. (2013). *Od Radničkog saveza do Samostalnog sindikata Srbije: 1903-2013*. Belgrade: Union of Independent Trade Unions of Serbia, Institute for Contemporary History.

⁴⁷⁹ Solution No. 110-00-1269/2009-02 of 03.05.2012, *Official Gazette of the Republic of Serbia*, No. 55/12.

nationwide confederation, ASNS, lost its representativeness almost 20 years ago, and its membership and influence have been on a long-term decline. In addition to the listed union umbrella organisations, there are several smaller unions organised at the sectoral and company levels that do not belong to any headquarters.

Industrial relations in Serbia are regulated by the comprehensive body of labour legislation, including the cornerstone Labour Code, as well as the Law on Peaceful Settlement of Labour Disputes and The Rulebook on the Registration of Collective Agreements. Additionally, Serbia has ratified two fundamental international conventions of the International Labour Organization (ILO) covering the freedom of association, i.e. C087 – the Freedom of Association and Protection of the Right to Organise Convention and C098 – the Right to Organise and Collective Bargaining Convention.

After the democratic changes that facilitated the privatisation of former ‘socially-owned’ firms in the early 2000s, there has been a steady drop in trade union density. According to the latest available OECD data, the density decreased from 33.3% in 2010 to 26.4% in 2014. Currently, the local trade unions have reported around 500,000 members, which, taking the total registered employment (around 2,3 million), suggests that union density has decreased by around 22%. The adjusted bargaining coverage rate, which is a share of employees with the right to bargain, decreased even more from 55% in 2010 to 30% in 2019. The other side of the bargaining spectrum has similar coverage, with an employer organisation density of 25% in 2019⁴⁸⁰.

While the public sector continued to have a high (albeit declining) trade union density, the union density in the private corporate sector is very low. Ironically, the sharp decline in private dependent employment in the first decade of the millennium was the single element that significantly reduced this tendency. Consequently, the reduction of overall union density was accelerated with the expansion of private employment after the Recession. Some recovery in trade union membership in the private sector within the overall continuous declining trend could be ascribed to the expansion of foreign direct investment, since some foreign investors, especially from EU countries, have been more permissive toward worker organisations than their local counterparts.

According to the Labour Code, an employer association may be established provided that its members employ a minimum of 5% of employees in a particular

⁴⁸⁰ OECD & AIAS (2021). *International Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts*. Paris: OECD Publishing.

branch/sector/industry and/or territory. However, the interest of local employers in Serbia to form employer associations is weak or non-existent. Therefore, in many industries, collective bargaining on sectoral or territorial levels in Serbia is not possible due to the non-existence or non-representativeness of the relevant negotiating party on the side of employers. At present, there are four nationwide as well as five industry-level employer associations in Serbia⁴⁸¹.

The only representative association of employers in Serbia is the *Serbian Association of Employers* (SAE) (srb. *Unija poslodavaca Srbije*). Not only is SAE the sole nationally representative employer organisation, but in recent years, it has remained the only one recognised as a representative of the interests of employers at any level of social dialogue and an entitled member of the SEC.

In addition, all companies operating in Serbia are legally obliged to associate within the Serbian Chamber of Commerce (PKS). PKS offers diverse services to business entities mainly in regard to the improvement of their export potentials, international promotion and collaboration, as well as advocacy of various business and/or regulatory initiatives. However, these sectoral associations within PKS are mainly focused on the protection of business interests, whereas the issues regarding social dialogue and collective bargaining are out of the scope of their activities.

As presented above, while the density of trade unions has been declining, the number and coverage of employers' associations are rather limited, thus making social dialogue and collective bargaining difficult or even impossible in many instances. Representativeness of both workers' and employers' associations remains the primary constraint hindering possibilities for collective bargaining on any level. The criteria for representativeness of both industrial relations actors are defined by the Labour Code. In the case of trade unions, to be considered as a representative in bipartite social dialogue, at least 15% of company employees must be members of the trade union. The condition for representatives at the national level is somewhat relaxed, so to be nationally recognized, union membership must exceed 10% of total employment. On the employers' side, the legal requirement for representativeness at the national level is that an employer association unites at least 10% of all registered employers who employ at least 15% of the total number of workers in the country.

Collective bargaining in Serbia operates on all three levels (company, sectoral and national), but with varying importance. In line with it, three types of collective agreements are recognised in the Labour Code: 1) general, 2) sectoral

⁴⁸¹ Institute for Industrial Relations (2023), <http://www.iio.org.rs/employers>

collective agreement and 3) company-related collective agreement. The last general collective agreement in Serbia was concluded between SAE and two representative Trade Unions (CATUS and UGZ Nezavisnost) in April 2008. In accordance with the Law, in 2011, it became ineffective as the new general collective agreement had not been signed.

The national level of collective bargaining is the most important one from the macroeconomic standpoint. While a general collective agreement is still non-existent, negotiations on the minimum wage are fully centralised and binding for the entire economy. The national tripartite dialogue is institutionalized within the Social Economic Council (SEC). The SEC has 18 members, including six from the Government (representatives from the Ministry of Labour, Employment, Veteran and Social Affairs and other relevant departments) six from trade unions (4 from CATUS and 2 from UGS Nezavisnost), and six from employer representatives (all from the SAE). Although the SEC has a rather broad goal and mandate, in reality, its concentration is limited to setting the minimum wage and discussing numerous socioeconomic issues.

On the other hand, around 20 sectoral level collective agreements are in effect and thus publicly listed in accordance with The Rulebook on the Registration of Collective Agreements (*Official Gazette of the Republic of Serbia*, No. 22/97). Sectoral level collective agreements are the dominant form of collective agreements in the public sector, in which all but a few collective agreements were signed. The newest nationwide sectoral collective agreement in the private sector was signed in May 2023, covering the construction and building industry.

Change in legislation resulted in reducing the number of already signed sectoral collective agreements, which became ineffective after the enactment of the revised Labour Code in 2014. In addition, the revisions restricted the so-called 'extended enforcement' of sectoral collective agreements, which made most sectoral collective agreements in private, including financial services, unenforceable. The reasons are diverse, yet it is worth mentioning that SAE membership in many sectors does not cover enough private sector employees to secure automatic enforcement in these sectors. Furthermore, the revisions also undermined collective agreements at the company level since the regulator had prescribed that all collective agreements in force at the moment the new law was passed would become ineffective within a six-month period⁴⁸².

⁴⁸² Reljanović, M., Ružić, B., & Petrović, A. (2016). *Analiza efekata primene izmena i dopuna Zakona o radu*. Belgrade: Democracy Center Fund.

With both national and a wide range of sectoral level collective agreements non-existent, company-level social dialogue remains the most important, while company-level agreements are still the most common type of collective agreements in Serbia. Company-level negotiations are mostly done by large private sector firms as well as public companies that still exist. The union density in the public sector is higher than in the private sector. Also, while employees in the public sector are mostly covered by a collective agreement, collective bargaining in private companies is mainly reserved for the larger, often foreign-owned, or previously state-owned companies with a longer tradition of unionisation.

3. COLLECTIVE BARGAINING IN THE FINANCIAL SECTOR: COMMERCIAL BANKS VS. INSURANCE COMPANIES

Collective bargaining in the financial sector is conducted exclusively at the company level. There is no sectoral CBA in financial services. Moreover, no particular initiatives toward sectoral bargaining have been reported. Both sides, i.e. employers and trade unions, have not shown specific interest in sectoral collective bargaining. Moreover, some experts⁴⁸³ believe that “its importance may be viewed as inflated to a certain extent”. Similarly, other important actors (e.g. relevant Ministries and other institutions) have not expressed specific interest in supporting any activities toward initiating sectoral collective bargaining.

While there are several important associations representing the business interests in the sector, including Chamber of Commerce, Association of Serbian Banks, Association of Serbian Insurers and Serbian Association of Employers (SAE), only the last one is a recognised employers’ association and may thus in principle participate in sectoral collective bargaining. Serbian Association of Employers participated in sectoral collective bargaining regarding only one specific service sector (accommodation and food service activities)⁴⁸⁴, but not in regard to

⁴⁸³ For the purposes of their study, the authors interviewed a few experts (e.g. representatives of relevant trade unions and employers’ organisations as well as experts in the labour law and peaceful settlement of labour disputes).

⁴⁸⁴ Sectoral collective agreement on work engagement of pop artists and performers in the hospitality industry was signed between Serbian Association of Employers as a representative employers’ association and Independent union of pop artists and performers as the only representative trade union in this sector. In 2024, Serbian Association of Employers announced that extended enforcement applied in accordance with the official approval issued by the Government of Serbia. Source: Serbian Association of Employers, available at: <https://poslodavci.rs/poseban-kolektivni-ugovor-za-radno-angazovanje-estradno-muzickih-umetnika-i-izvodaca-ugostiteljstvu-dobio-prosireno-dejstvo-2/>

financial activities. On the side of sectoral trade unions relevant to financial services, the Republican Trade Union of Employees in Banks, Insurance Companies and other Financial Organizations of Serbia (BOFOS) has widespread activities⁴⁸⁵ and relatively big membership, yet it is not representative and thus not eligible to participate in sectoral collective bargaining. Another sectoral trade union, is SFOS (Trade Union of Financial Organisations of Serbia), gathering several company trade unions in commercial banks as well as insurance companies, yet also not granted representation in accordance with the Law.

Generally, the position of trade unions, both on the sectoral level (BOFOS, SFOS) as well as within companies (i.e. banks and insurance companies) is relatively weak. Trade union power continually deteriorated over the last decade, which also resulted in decreased collective bargaining coverage. Trade unions remained relatively strong only in the National Bank of Serbia (Serbian central bank) and the two commercial banks owned by the Republic of Serbia (Poštanska štedionica and Srpska banka) and at certain level in Dunav insurance company (with the Republic of Serbia as the majority shareholder) with long tradition in unionization from previous decades. This is in line with a statement provided by one of the experts we interviewed claiming that “trade unions are still strongest in the commercial banks and insurance companies with longer traditions of collective bargaining stemming from the period in which these were state owned”.

Typically, trade union members are mainly employees with longer work experience, while younger employees, as in other sectors, generally refrain from unionization. As a consequence, along with an increasingly competitive labour market, primarily regarding the supply side, individual work agreements overshadow collective bargaining in a number of financial institutions, including insurance companies and commercial banks. In such cases, the better negotiation power of young graduates and professionals stemming from a tightened labour market leads to growing inequality among company employees. Further, it additionally hinders potential for employees’ unionisation and collective

⁴⁸⁵ Including, for example: BOFOS (2024). *Equal opportunities in the labour market: Creating an inclusive labour market for all generations. Young and older workers - two sides of the same coin*. Kladovo: BOFOS; BOFOS (2023a). *Capacity building for workers’ organizations: Boosting negotiation skills: Win-Win Negotiations*. Serbia: BOFOS; BOFOS (2023b). *Healthy Workplaces: Prevention of work-related musculoskeletal disorders (MSDs) in the financial sector*. Serbia: BOFOS; BOFOS (2022). *Equal opportunities on the labour market. Gender Equality and the Fourth Industrial Revolution*. Serbia: BOFOS; BOFOS (2018a). *Industrial Revolution, and Social dialogue in financial sector: The future of labour relations in the financial sector*. Serbia: BOFOS. Full reports available on: <https://www.bofos.org.rs/info/edukacija.html>

bargaining. An expert also believes that, particularly younger workers, might stay “unaware of the necessity of protection of collective rights in addition to individual agreements”.

In an initiative for closing the generation gap in regard to unionisation and raising interest of younger workers for collective bargaining, BOFOS has organised a seminar fostering equal opportunities and an inclusive labour market for all generations. The new Declaration emphasising that the trade unions should promote intergenerational communication in the workplace and advocate the intergenerational transfer of knowledge was issued in 2024⁴⁸⁶ and widely promoted.

Due to inexistence of official data as well as the lack of public disclosure of private company collective agreements⁴⁸⁷, union density and collective bargaining coverage in insurance companies and commercial banks can only be estimated. Using personal interviews as well as accessible company annual reports, we assess union density and bargaining coverage rate lower than for the economy (around 25%). The figures are projected at around 10% in financial services, with higher density and bargaining coverage rate expected in commercial banks than insurance companies. The reason for such an assessment is at least twofold: 1) there are a few big banks still owned by the Republic of Serbia in comparison to one big insurance company and 2) number of employees in NACE 64 represents more than twice the number of employees in NACE 65. However, in regard to both commercial banks and insurance companies, it is also worth mentioning that international research shows that unionisation is typically lower among female workers⁴⁸⁸, who are found dominant in the financial sector in Serbia (60.5%, Figure 2). Below, we compare some of the most interesting cases in these two sub-sectors, referring to the existence/non-existence of collective bargaining.

While some commercial banks affiliated to strong foreign mother companies may still not have collective agreements (e.g. Raiffeisen bank AD), there are also a few examples showing that CBAs are considered an important part of their socially responsible activities (CSR). For example, ERSTE bank remains the best

⁴⁸⁶ BOFOS (2024), op. cit.

⁴⁸⁷ Available database of registered collective agreements in accordance with the Rulebook on registration of collective agreements, *Official Gazette of the Republic of Serbia*, No. 45/15 contains mostly sectoral CBAs in public administration and services, as well as a few company CBAs, typically public (i.e. owned by the Republic of Serbia).

⁴⁸⁸ Young, M. C. (2010). Gender Differences in Precarious Work Settings. *Relations Industrielles/Industrial Relations*, 65(1), pp. 74-97.

showcase of collective bargaining in financial services (NACE 64) in Serbia. According to their Annual Report on Corporate Social Responsibility, a successful collective bargaining process between the company and the representative trade union was completed in December 2023, “as a result of the readiness of both sides to continue working actively on promoting the rights of employees”. The new CBA was issued and equally applied among all employees (around 1,400 in total) with an easy access to its entire content through the Bank’s internal portal.⁴⁸⁹ Also, Uni Tel (Trade Union in Yettel bank, previously named Mobi Bank, which was owned by Telenor, Norwegian telecommunications company) announced signing the new collective agreement, for the period of 2023-2026.⁴⁹⁰

Another interesting case showing the current state of collective bargaining in financial services in Serbia is Banca Intesa, claiming in its Annual report for 2023 that “all employees are covered with CBA regardless of whether they are trade union members”⁴⁹¹. It has also been made evident that collective bargaining is promoted and supported by the mother company in San Paolo among its national branch offices, considering it an important part of their employee development and responsible business practice. Yet, the Annual Report data showed 3,079 employed workers in total, but only 332 (10.8%) of them being reported as trade union members. In accordance with the Labour Law⁴⁹² in Serbia to be regarded representative and thus eligible for collective bargaining a trade union must have at least 15% membership among company employees. In this case, it is not clear whether the total reported number of employees also includes those who are engaged by third parties (e.g. job agencies) and/or those who are engaged based on atypical work contracts that do not allow such workers to be trade union members and participate in collective bargaining.

⁴⁸⁹ ERSTE bank (2023). *ERSTE bank Corporate Social Responsibility Report 2023: The Bank is the People*. Novi Sad: ERSTE bank, pp. 34-35, available at: https://cdn0.erstegroup.com/content/dam/rs/ebs/www_erstebank_rs/Eng/Documentation/About-us/corporate-social-responsibility/Erste-Bank-ad-Novu-Sad-Corporate-Social-Responsibility-Report-2023-Bank-Is-the-People.pdf

⁴⁹⁰ Available at: <https://unitel.rs/kolektivni-ugovor-2023-2026/>

⁴⁹¹ Banca Intesa (2023). *Banca Intesa Annual Report for 2023*. Serbia: Banca Intesa, p. 65, available at: <https://www.bancaintesa.rs/document/en/publications/BIB/Godi%C5%A1nji-izve%C5%A1taji/Godisnji-izvestaj-2023/Annual-Report-2023.pdf>

⁴⁹² Labour Law, *Official Gazette of the Republic of Serbia*, No. 24/2005, 61/2005, 54/2009, 32/2013, 75/2014, 13/2017-Decision of the CC, 113/2017 and 95/2018 - authentic interpretation.

Finally, another case (OTP bank in Serbia)⁴⁹³ stands as yet another proof that presenting collective bargaining and employee coverage by CBAs has recently become an important part of banks sustainability and/or annual reports. In such reports, it is typically presented as part of companies' HR and CSR practices and along with the other issues concerning companies' code of ethics, working environment, employee wellbeing and satisfaction, career development and similar. The latter implies that in bigger financial services companies, collective bargaining has become an important part of a company's reputation, which may have an impact on its market position (both client and investors) as well as its employer branding on the labour market. While special care should be taken not to foster collective bargaining as yet another promotional tool rather than an important part of social dialogue, it may still be supported through issuing special certificates of good practices as well as competitions organized by various foundations and CSOs with an aim to motivate companies in performing socially responsible business practices.

Insurance companies also represent an interesting case for the analysis of the needs and potential for collective bargaining in financial services in Serbia. However, publicly available data on trade unions and collective agreements in insurance companies are even more limited than in the case of commercial banks. Internet search (both Google search and ChatGPT) of listed insurance companies provided limited data on active trade unions in insurance companies, including the company trade union in Dunav osiguranje (member of sectoral trade union SFOS, along with company trade unions in SAVA osiguranje and Triglav osiguranje as members of the same sectoral trade union), and company trade union DDOR (member of sectoral trade union BOFOS). On the other hand, Dunav osiguranje and DDOR are the only two named by ChatGPT as the exemplars in insurance sub-sector in which company collective agreements have been signed. Interestingly, based on our input to find collective agreements in insurance companies in Serbia, ChatGPT advised researchers as follows: “for specific information on the existence and content of collective agreements in a certain insurance company, it is recommended to contact that company or its trade union directly.” However, consistent with previously described collective bargaining in commercial banks, we focused on publicly available documents, including insurance companies' Annual reports, Codes of Ethics, or other relevant documents published on their websites or relevant internet sources.

⁴⁹³ OTP Bank (2023). *OTP Bank Sustainability report for 2023*. Serbia: OTP Bank, pp. 31-32, available at: <https://www.otpbanka.rs/wp-content/uploads/2024/05/eng-otp-izvestaj-o-odrzivom-poslovanju-1652024.pdf>

Based on collected data, there are only a few relatively recognisable cases of collective bargaining in insurance companies, including Dunav osiguranje, DDOR Novi Sad and Triglav osiguranje. However, the collective bargaining agreement has been explicitly mentioned only in the case of Dunav insurance company, in its 2022 Annual Report⁴⁹⁴ as well as in the Annual Audit in 2023 conducted by the State Audit Institution in Serbia⁴⁹⁵.

On the one hand, DDOR insurance company being fully state-owned before 2012⁴⁹⁶ like other previously mentioned cases has longer tradition in unionisation and collective bargaining. Various documents and information (e.g. Careers, Top Employer Certificate, Annual Reports on Gender Equality) available on the company website⁴⁹⁷ show its strong HR commitment to employee development through education and training, provision of equal and gender-neutral opportunities for its workers, fostering open dialogue and assuring various benefits. Still, unlike in the years before 2012, the existence of a company's collective bargaining agreement has not been explicitly mentioned.

Finally, the third selected case is Triglav osiguranje, another insurance company present on insurance market in Serbia for more than five decades⁴⁹⁸. Long company history dating back to seventies of the last century has also granted its long tradition in unionisation and collective bargaining. The company started operations in Serbia in 1972 (by Sava insurance agency with headquarters in Ljubljana, Slovenia) and was renamed Triglav in 1976. After considerable changes over 1990s, the company was sold to Triglav group from Slovenia, who now holds 100% of its capital. In regard to the collective bargaining agreement, Triglav osiguranje is similar to the previously described DDOR insurance company. The existence of such a document has not been explicitly named, yet the company is listed as a member of SFOS. Also, the company's Code of Ethics emphasises responsible practices, including taking proper care of their employees. In line with it, it claims that "special care is devoted to the development of key and promising co-workers and to leadership development" as well as that

⁴⁹⁴ Available at: <https://www.dunav.com/o-nama/izvestaji/nefinansijski-izvestaji/>

⁴⁹⁵ Available at: <https://www.dri.rs/storage/newaudits/2023-4-Kompanija%20Dunav%20osiguranje.pdf>

⁴⁹⁶ The company became part of Unipol Assicurazioni S.p.A in 2012, currently controlling 100% of its capital.

⁴⁹⁷ <https://www.ddor.rs>

⁴⁹⁸ <https://www.triglav.rs/>

strengthening awareness of the importance of safety and health at work is granted through training of employees and continuous internal communication.⁴⁹⁹

4. SMART COLLECTIVE BARGAINING IN THE AFTERMATH OF DIGITAL TRANSFORMATION AND INNOVATIVE WORK ARRANGEMENTS

Digital transformation, along with innovative work arrangements, brings new challenges to labour relations on both sectoral and company levels, thus calling for an improved approach in collective bargaining, referred to as “smart collective bargaining“. Digital transformation has changed the essence of many jobs, which has resulted in raising fears of job losses and employment uncertainty, particularly among lower-skilled and older generations of workers. It has also opened new space for further introducing innovative work arrangements (e.g. remote work, hybrid work, flexible working time, annualised hours)⁵⁰⁰, some of which may further compromise protection of collective rights on company level.

Smart collective bargaining should thus primarily be focused on improved collective agreement contents over time. To achieve it, bargaining process needs to be continual and repeated in short time periods (e.g. on semi-annual or annual basis). For example, Erste Bank recently adopted the new CBA which introduced changes with regard to defining higher amounts of the minimum wage by pay grade, agreed increase in the number of days of annual leave based on socio-economic criteria for persons with disabilities from one to three working days.⁵⁰¹ Additionally, smart bargaining assumes on-going consultations between the parties to allow prompt reactions when needed. It is in line with the undergoing changes, resulting from technological development, digital transformation in particular, but also new challenges stemming from social and ethical standards and behaviours, as well as wider developmental goals on global level

Smart bargaining is inclusive, flexible, based on principles and mutual interests that are openly discussed and used for problem solving. As promoted in BOFOS

⁴⁹⁹ Triglav Group (2023). *Code of the Triglav Group*. Ljubljana: Triglav, available at: https://www.triglav.eu/wps/wcm/connect/a898cf34-969a-4eb8-8a40-1623215b41dd/Kodeks_Triglav_A4_2023_ANG.pdf?MOD=AJPERES&CONVERT_TO=url&CA_CHEID=ROOTWORKSPACE-a898cf34-969a-4eb8-8a40-1623215b41dd-pdyrhy.

⁵⁰⁰ Innovative work arrangements taken into consideration in this chapter, exclude other types of flexible work contracts (e.g. temporary, freelance, seasonal working), as such work arrangements do not grant employment status which is a precondition for participation in collective bargaining.

⁵⁰¹ ERSTE bank (2023), op. cit., pp. 34-35.

Collective Bargaining guide, “negotiation is a part of life, an extremely important skill to be learned and applied. Since changes are constant and universal, from legislation to the people we work with, it is impossible to solve new problems always in the same way.”⁵⁰²

Education and training play an important part in smart bargaining. To increase bargaining coverage, introducing new actors is of utmost importance. In particular, newly employed younger workers need to be included in collective bargaining. To achieve it, fostering communication among generations as well as transfer of knowledge and experience are crucial. Yet, development of trust remains among the basic prerequisites for mutual understanding and increasing the scope of collective bargaining.

Smart collective bargaining should lead to CBAs guaranteeing higher level of protection of employees' rights compared with the rights granted by the Labour Law. Collective agreement is signed in the interest of employers, but employers also find their interest in collective bargaining since it assures a supportive work environment and satisfied employees as well as partnership with trade unions in coping with various business and other challenges.

As part of smart collective bargaining, BOFOS also promotes win-win negotiation strategies, assertive communication and developing skills that would help members of negotiation teams to develop and communicate their negotiation power on an equal basis with the employers.⁵⁰³ Other stakeholders also see smart bargaining as strongest asset of trade union representatives, which should be based on proper knowledge and skills as well as the use of strong and objective arguments. Negotiators must be experienced, competent, trustworthy and reliable people. Smart negotiations require good preparation and setting realistic goals. Smart negotiators are flexible, ready to adapt to the other party's negotiation style and to analyse and discuss problems to find as many alternative solutions as possible.

ACKNOWLEDGEMENT

This research has been conducted as part of BARSERVICE Project No. 101126532, funded by the European Commission - SOCPL-2022-IND-REL-01.

⁵⁰² BOFOS (2018b). *Bofosov priručnik za kolektivno pregovaranje*. Serbia: BOFOS, available at: https://www.bofos.org.rs/organizacija/kolektivno_pregovaranje.html

⁵⁰³ BOFOS (2023a), op. cit.