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► Country review on the setting of wages through collective bargaining in North Macedonia



▶ **Country review on the setting of wages through collective bargaining in North Macedonia**

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1. Understanding the context of collective wage bargaining

The legal framework that regulates the freedom of association and the right to collective bargaining in the Republic of North Macedonia consists of the ratified ILO Conventions³ and the domestic sources of labour law among which two of key importance are the Constitution⁴ and the Law on Labour Relations (LLR)⁵. *The establishment of organizations and the legal and institutional framework of the tripartite social dialogue and collective bargaining* constitute a part of LLR.⁶

Collective bargaining in North Macedonia takes place at three levels: *at the level of the Republic* (i.e. national level); *at the level of branch or department* according to the National Classification of Activities (i.e. sectoral or industrial level) and at the level of employer (i.e. company level). Collective bargaining at the national level is conducted for the conclusion of the General Collective Agreement (GCA), concluded for the private business sector⁷ and for the public sector.⁸ As GCAs apply directly and obligatorily for all employers and employees in both private business⁹ and public sector¹⁰, it follows they are concluded at *cross-sectoral* i.e. *Inter-professional level*. The negotiation of the GCAs is a different institutional process than the process of setting the national minimum wage.

While the national minimum wage was enacted by legislature that is the Law on Minimum Wage of 2012 after its approval by the social partners represented in the Economic and Social Council as a national tripartite body, GCAs are a product of a bipartite social dialogue (collective bargaining) and the collective bargaining is conducted outside the Economic and Social Council.

Collective bargaining at the level of a branch or department in accordance with NACE (i.e. at a national sectoral level) produces **Special Collective Agreement** (SCA). SCAs apply to the members of the signatories trade unions and employers' associations and to incoming members of the associations. Collective bargaining at the employer level (i.e. at the level of a single employer – business entity) produces **Individual Collective Agreement** (ICA). The ICA applies to the entire company (regardless of whether the company has one or more subsidiaries/filial) and to all employees with the company (regardless of whether they are members of trade union).

Considering LLR provisions and the goals and policies of the social partners (primarily the trade unions), a prevailing level of collective

3 North Macedonia has ratified the two fundamental ILO conventions on freedom of association and protection of the right to organize (Convention No. 87) and protection of the right to organize and collective bargaining (Convention No. 98), and in addition, an integral part of the Macedonian legal order is the other relevant standards in the field of freedom of association and collective bargaining (Collective Bargaining Convention no.154, Workers' Representatives Convention No. 135, Labour Relations (Public Service Convention) No. 151).

4 Constitution of the Republic of North Macedonia (Official Gazette of the Republic of Macedonia, no.52/1991).

5 Law on Labour Relations (Official Gazette of the Republic of Macedonia, no.62/2005).

6 See: CEE Labour Legislation Database (CEELEX), North Macedonia Country Profile. https://www.ilo.org/dyn/ceelex/en/?p=LEGPOL:1100:8886516564367:::P1100_THEME_ID:234530

7 GCA for the private sector in the field of economy (basic text), Official Gazette of RM, no.88/2009.

8 GCA for the public sector (basic text), Official Gazette of RM, no. 10/2008.

9 See Law on Labour Relations, Art.205, para 1.

10 See Law on Labour Relations, Art.205, para 2.

bargaining in North Macedonia is the sectoral level. However, in practice, collective bargaining in the country at the sectoral and company level is weak or non-existent in many sectors and companies.¹¹

North Macedonia lacks a coherent record of key data and characteristics of national industrial relations. Hence, the existing data on the collective bargaining coverage rate and the trade union density rate should be taken with caution. The GCA coverage rate is 100%, and according to 2019 data, the SCA one is 20.81%. Based on 2020 data, trade union density rate is estimated at 17.29% (2017), with a projected growth to 26%. The data on the membership rate in employers' organizations shows 23.22%.¹² Yet, trade union density in the private sector is significantly lower compared to the public sector.¹³

There are 4 trade union confederations in North Macedonia: The Federation of Trade Unions of Macedonia (SSM), the Confederation of Free Trade Unions of Macedonia (KSS), the Union of Independent and Autonomous Trade Unions of Macedonia (UNASM) and the Confederation of Trade Union Organizations of Macedonia (KSOM). SSM is the largest workers' organization with a total of 65,900 members, a 10.8% of the total employment (23,343 employees from the private sector, 6% of private-sector employment). Presently, SSM is the only confederation with a representative status at the national level. Out of a total of 18 trade unions affiliated with SSM, 11 have the status of representative unions at the branch level. KSS is of secondary importance, a signatory of the public-sector GCA and has the status of representativeness at the level of the public sector. There are 11 branch trade unions affiliated with KSS, most of them from the public sector.

The most important organizations on the employers' side are the Organization of Employers of Macedonia (ORM) and the Business Confederation of Macedonia (BCM). Only *ORM*

has the status of representativeness at the national level, and its members at the branch level are signatories of several SCAs. ORM unifies employers from 15 different sectors, which employ 70,000 people.

Macedonian labour legislation provides for *the principle of "favourability"* in labour relations, which assumes that in the "hierarchical scale" of labour law sources, lower sources must not contradict the higher ones.¹⁴ Collective agreements and individual employment contracts may only provide for more favourable rights for employees. In case certain rights regulated by a lower source (e.g. employment contract or collective agreement) are less favourable, i.e. contrary to the respective rights regulated by a higher source (e.g. higher-level collective agreement or law), they are invalid and the ones stipulated in the immediate higher source apply. On the other hand, Macedonian labour legislation (i.e. the Law on Labour Relations) does not explicitly provide for the principle of derogation "in peius" which would allow parties of collective agreements to derogate the imperative norms set by law and introduce less favourable rights for employees, even in a situation when a company faces financial hardship. Nevertheless, collective agreements in North Macedonia allow employers facing financial hardship to temporarily reduce the lowest basic salary. Not only is the legal validity of such provisions controversial, the dilemma is further amplified in cases when the sectoral lowest basic wage equals the national minimum wage. So far, in practice, no one disputed the legal validity of these collective agreements' provisions.

Macedonian labour legislation does not recognize the legal possibility of extension of the application of collective agreements. Hence, there is no legal mechanism to extend the scope of collective agreements to non-organized firms.

The legal rules governing the *duration of*

11 According to data available to MLSP on Trade Unions extracted from proceedings under the competence of MLSP.

12 According to data available to MLSP on Employers' Organizations extracted from proceedings under the competence of MLSP

13 See Kalamatiev.T and Ristovski.A, Service Needs Assessment for the Federation of Trade Unions of Macedonia (SSM), 2019, p.3.

14 See LLR, Art.12, para.2 and 3.

collective agreements are unclear and give rise to different interpretations in practice. LLR stipulates that the collective agreement *may be* concluded for a period of two years, with the possibility of extension by written consent of the signatories.¹⁵ However, from such a provision, it cannot be clearly concluded whether there is and which is the minimum or maximum duration of collective agreements.¹⁶ Hence, in practice, there are collective agreements concluded for two or more years, for an indefinite period of time or without specifying their duration. The validity of the collective agreements concluded for a definite period is usually extended in two ways provided for in LLR: by a mutual consent of the parties achieved at least 30 days prior to the expiry of the collective agreement; or by automatic extension until the conclusion of a new collective agreement.¹⁷

The obligation for *submission and registration* of the collective agreements in the Ministry of Labour and Social Policy (MLSP) refers to the GCAs and SCAs, including their renewals, amendments, cancellations or accessions, but not to the ICAs, with the exception that latter's signatory parties notify MLSP about their conclusion and duration. After submission and registration (in the case of the GCAs and SCAs) and notification (in the case of ICAs) to MLSP, collective agreements must be publicly announced. The GCAs and SCAs and their amendments are published in the "Official Gazette of the Republic of North Macedonia", while ICAs in the manner determined by the Agreement.¹⁸



¹⁵ See LLR, Art.226.

¹⁶ The Constitutional Court of North Macedonia (Decision no.73/2014 on 02.07.2015) stated that 'the law does not prescribe the duration of collective agreements by imperative norms, i.e. it does not stipulate an obligation for the contracting parties to conclude the collective agreement for an exact duration of time, but it leaves this to the disposition of the subjects of collective bargaining'.

¹⁷ See LLR, Art.228.

¹⁸ See LLR, Art.232.

2. Dynamics of collective wage bargaining

► Negotiation of the national minimum wage

The collective bargaining is, for the most part, not attended by either the government or enterprises, except through the latter's representatives on the side of employers. Still, on the sessions of the Economic and Social Council, tripartite negotiations take place. This is usually the forum where the government presents its intentions with regard to various labour relations domains and the negotiations continue by presenting the different, and often opposite, views. Still negotiations depend on the topic and for 'easier' topics, like e.g. the current discussions on the new Labour Code, discussion goes smoother. While, for 'harder' topics, which inter-alia have political components, like the national minimum wage, discussions are tougher. Usually, the government defends its stance derived from the pre-election promise, and usually relies on the workers' welfare argument, which unions take forward, which employers present data on staggering productivity and the pressure that national minimum wage increases may exert on job retention and the equalization of wages it may imply. Lately, after intense negotiations, the government abandoned its initial attempt to raise the national minimum wage at 16,000 MKD, first at 15,500 MKD and ultimately at 14,500 MKD which was the level agreed just before the outbreak of the pandemic (yet representing a large jump from 12.508 MKD).

Aside increasing by ad-hoc decisions, the national MW is set to adjust equally with the cost of living, GDP growth and average wage growth, but lately these were tiny compared to the ad-hoc increases.

► Preparation of the process for the collective negotiation of wages

The preparation and collective bargaining process of wages in North Macedonia is carried out in a fairly informal way. Its implementation in practice largely depends on the will of the contracting parties. The Law on Labour Relations is limited to certain minimum requirements (formal preconditions) such as the obligation of the persons representing the parties in the collective bargaining to have authorization by their bodies and to bargain in good faith. On the other hand, in practice, we did not find any formal document (protocol) adopted by the social partners which sequences the phases and dynamics in the collective bargaining (from the starting initiative to the signing of the CBA) or sets other issues of interest for the collective bargaining process (such as the operationalization of the legal principle of collective bargaining in good faith).

Collective bargaining usually begins at the initiative of one of the contracting parties (the trade union or employers' association). The initiative for negotiations may be accompanied by a list of proposals that would be the subject of the negotiations or by a draft text of a collective agreement or amendments to an existing collective agreement. Proposals submitted by either of the contracting parties are usually considered at the highest level by the other party (for example, the Management Board of the ORM or the Sectoral Employers' Associations affiliated with ORM or the Presidency of SSM or the Trade Unions affiliated with SSM). Proposals are considered with due diligence, and the negotiating strategy applied by the contracting parties usually consists of setting an "upper and lower" limit on allowable deviations in their own negotiating positions. The number of representatives participating in the collective

bargaining is determined by the contracting parties and varies from case to case. Trade unions usually insist on involving a larger number of participants from each side in the negotiations (for example, 8 representatives from each side in the collective bargaining for the GCA for the private sector or 12 representatives from each side for the conclusion of certain SCAs such as the CA for the Employees of Agriculture and Food Industry). It is common practice before the negotiations start for the contracting parties to check the authorization of the representatives from the opposite party, in order for the collective bargaining and the results achieved in that process to have legitimacy. The issues that are the subject of the negotiations are considered in plenary (by all participants in the negotiations), but if it comes to more complex issues, they can also be considered in separate working groups. All the interlocutors with whom we conducted the interviews unequivocally stated that the issue of wage bargaining is the most important issue in collective bargaining.

► Influence of the national minimum wage on collective bargained wages

There is no a leading sector which acts as a benchmark in setting of the minimum wage at the sectoral level, herewith labelled as the lowest basic sectoral wage. Instead, the national minimum wage is considered as a wage benchmark, as the lowest basic sectoral wage cannot be lower than the national MW. The setting of the national minimum wage is a story for itself, but it is usually set following a pre-election promise (see section 2i). Before the national minimum wage was introduced in 2012, the negotiations between social partners were very hard on the matter and usually ending in a dead-end. Namely, differences between what the union requested and the employers offered was exceeding 2:1, so that negotiations were usually postponed until further notice which were actually never reconvening. Hence, the introduction of the national minimum wage in 2012 returned negotiating parties on the table again and paved the way for easier compromising. The newly set MW

then translated into the general, sectoral and enterprise-level CAs. As it could be seen from the tables in the annex, some of the SCAs contain automatic provisions: “the lowest basic sectoral wage equals the national MW”, while others express the lowest basic sectoral wage in absolute numbers (which imply some level above the then MW) and this presently represents a problem as these SCAs are not re-negotiated in the meantime. In fact, the reality showed that the compromise during the negotiations at the sectoral level was usually not going beyond the national MW. In some cases where sectoral collective agreements stipulated a salary that was higher than the national minimum wage, the difference was wiped out with the subsequent (large and politically-driven) increases of the national minimum wage. The branch CB parties were not keen to re-negotiate a new increase of the lowest basic wage and as the lowest basic wage was set as an absolute amount rather than as a proportion of the national minimum, the lowest basic wage previously set higher than the national minimum wage becomes equal to the newly raised national minimum wage.

The MW influences the basic salary in the collective agreements, which in turn influences all collectively agreed wages above the floor, as these are determined based on a coefficient scheme (see the annex). This would mean that such ‘spill-over effects’ are institutionalized across the economy and potentially far-reaching (i.e. that an increase in the MW results in a wage spiral). However, recent study (Petreski et al. 2020) suggests that such spill-over effect is negligible, i.e. an increase in the national MW leads to bunching of wages around that level, while the coefficient schemes apply with varying degrees. The stance of the unions is that the number of companies who do not succinctly apply the pay scales is large, while employers more convincingly reported that such non-application is more present among employers who are not a part of branch-level associations, so that for them, the branch CBAs are neither mandatory nor they feel any obligation to strictly follow the general CBA pay scale. It was also confirmed in one of the discussions with a firm-level trade-union representative, who reported that latest MW increases at the national level were complied with in terms of

the MW level, but not in terms of the pay grades; his rough estimate was that the spill-over effect was only felt in the low-pay levels close to the MS (roughly 10-15% above the MW). On the other hand, however, in the other company who set a lowest basic salary above the national/sectoral minimum, the pay grade has been fully respected, even in cases when the firm-level MW grew, which the respondent prescribes to the strong financial condition of the company and the care for the employees' wellbeing they pursue as a policy. Hence, it is likely that the spill-over effect ultimately depends on the strength of the trade union, the financial position of the company, as well on some fairly collateral issues like the family policies nurtured at the company level and the social responsibility.

A curiosity related to the pay scale which popped out during interviews was that unions expressed intention to expand pay coefficients. However, such an expansion will benefit employees only if based on objective criteria such as complexity, responsibility, skills, experience, etc. – hence benefiting pay equity, while in the opposite may aggravate pay inequality. Instead, unions were not entirely clear and convincing on how they may fight for higher lowest salary at the branch level. Additional point introduced by unions was their intention to introduce educational level in the definition of the jobs and the associated complexity and pay scale, but employers clearly articulated this was not intended nor favourable for them, as job's complexity is partially a reflection of the skill level required by the worker.

► Periodicity of wage negotiations through collective bargaining

There is no formal framework that determines the periodicity of negotiations. Periodicity in collective bargaining depends on circumstances. It is usually associated with the expiration of CBAs concluded for a definite period and as a consequence, the conclusion of an Agreement to extend their validity (e.g., in the case of the GCA for the private sector and the CA for the Employees of the Tobacco Industry) or the conclusion of a new collective agreement (for

example, in the case of the CA for the Employees of Agriculture and Food Industry). In other cases, the re-negotiation/amendment to a CA is a consequence of the need to harmonize the already concluded collective agreement with amendments to the labour legislation or decisions of the Constitutional Court (e.g. in the cases of GCA for the private sector; CA for the Employees of the Tobacco Industry and CA for the Leather and Shoe Industry). The contracting parties also conduct collective bargaining in order to amend existing collective agreements at a time when they consider that a particular issue is ripe to become a subject of the collective agreement (e.g. in the case of the amendments to the GCA for the private sector in 2015 due to the introduction of the annual leave allowance) or when the urgency of a certain situation requires such amendments (e.g. in the case of the amendments to the GCA in 2016 for the purpose of extending the period of paid leave due to natural disasters as a result of the catastrophic floods in Skopje and the surroundings of the city of Skopje). Finally, in some cases, the periodicity of collective bargaining also depends on whether the contracting parties have agreed on the amount of the lowest basic wage (e.g., in the case of the CA for the Employees of Tobacco Industry or the CA for the Employees of Agriculture and Food Industry).

A proof of the inconsistency in the periodicity of collective bargaining is that since 2016, contracting parties have not concluded amendments or an agreement to extend the validity to any of the analyzed collective agreements. The validity of these collective agreements has been automatically extended.

3. Information used and practices in the setting of wages through collective bargaining

The general collective agreement and the branch CAs stipulate a dozens of indicators to be tracked in the setting and adjustment of the wages, so as to sustain the living standard of workers. These indicators usually include GDP growth rates, cost of living, general wage level, productivity, profitability, social benefits and other economic and social factors. However, qualitative insights suggest that all these aspects are rarely taken and discussed in their depth, with thorough quantitative analyses undertaken as basis for negotiations. Rather, the national minimum wage and the rising cost of the consumption basket is usually used in the discussions' outset as arguments for higher sectoral wages. When unions and employers negotiate in practice, the key information they use is the stance of the branch in terms of turnover and profits (financial conditions overall). Unions start with how the average wage in the branch has been developing and use it as the key argument in the request to increase the lowest basic sectoral wage. On the other hand, employers strongly refer to branch's heterogeneity, i.e. that such an average is obtained as a result of a space populated with very different firms in terms of their financial power. Hence, both sides observe the same issue with different lenses: unions as averages; employers as within-branch inequalities. As a result, the finally agreed lowest basic sectoral wage is equal or not far from the national minimum wage.

At the enterprise level, the starting point for the wage negotiations is the wage stipulated in the sectoral collective agreement (in cases where such exists) or the general collective agreement, and companies with CAs usually have the lowest basic sectoral wage as their own. Nevertheless,

wage negotiations include information about the financial stance of the company. For example, negotiations resulted in a company lowest basic wage which is higher than that of the sectoral CA in a good-standing export-oriented food factory; the fact that the company has been in a good standing and sustainable has been used by the trade union to advocate for higher wages. Initially, negotiations went smooth to determine a 25% higher company's than the lowest basic sectoral wage, despite this positive outcome was compromised with the sudden large hikes in the national minimum wage, yet preserving the company lowest basic wage above the national/sectoral minimum. Interestingly, the experience of the company – whereby sector-level social partners attended as well – was used to advocate for higher minimum wage in the entire food sector, but it resulted unsuccessful, with the argument that the sector is quite diverse and not all companies could sustain a minimum wage significantly higher than the initial minimum.

4. The structuring and adjustment/increment of remunerations in CBAs

► Key features of the wage-related contents of CBA

Setting of wages through free collective bargaining between trade unions and employers' associations in North Macedonia became possible only after the country's independence from the former Yugoslavia and the adoption of the first law in the field of labour (the Law on Labour Relations of 1993) which established the principle of contractual regulation of labour relations and as a consequence of that, the introduction of Collective Agreements as sources of labour law that set wages and pay.

The Law on Labour Relations of 2005 advances the pluralism of labour law sources, referring to the possibility of regulating the right to payment of workers by *law, collective agreement and employment contract*.¹⁹ According to the current labour legislation, the setting of wages in the private sector through normative acts of the state is limited to several areas such as: payment and amount of the national minimum wage (issues regulated by the Law on Minimum Wage of 2012 and its subsequent amendments) and general regulations concerning the structure and composition of wages, as well as the conditions and guarantees for the payment of wages (issues regulated by the Law on Labour Relations of 2005).

The main legal source for the setting of wages are the collective agreements, while employment

contracts have subsidiary significance (taking into account the legally prescribed principle of "favourability" in employment relationships) and in many cases primary significance (if the field in which the individual employment contract is concluded is not covered by a collective agreement or the existing collective agreement is not applicable). In practice, wages are often set through *Rulebooks or Orders*, which are unilateral acts of employers that do not require involvement (information nor consultation) of workers' representatives that is trade union representatives. Thus, although certain ICA's (e.g. the ICA of **undisclosed* financial institution*) stipulate multiple provisions that are related to the payment of wages, the issues of systematization and classification of the individual jobs/occupations and the determination of net lowest basic wage for each individual job position is left to be set through an Act of the Employer.

The Wage Payment System and the Structure of Wages is principally set through the GCA for the Private Sector which establishes a unified formula for the calculation of wages, which is further followed by the Special and Individual Collective Agreements in the private sector. According to the formula, the wage is obtained by multiplying the amount of the *lowest basic wage* (so-called calculation value per coefficient

¹⁹ See Art 105, para 1.

one) which is determined by a CA at the level of branch or department (SCA) or of employer (ICA) with the *coefficient of complexity* of the job at which the employee works according to the employment contract. In fact, the formula consists of two components: *lowest basic wage* and *coefficient of complexity of the job*.

► Lowest basic wage

The term “lowest basic wage” has two functions. According to the first, it serves to determine the lowest cost of labour in the branch/department, ie at the employer-level for the simplest jobs with the lowest coefficient (coefficient 1). According to this function, the lowest basic wage is closing in on to the national minimum wage defined as the *lowest monthly amount of the basic wage that the employer is obliged to pay to the employee for full-time work*.²⁰ However, unlike the national minimum wage, the lowest basic wage, that is the calculating value per coefficient one, is determined by a collective agreement and applies only in the field for which the collective agreement is concluded. From the CAs that were subject to analysis, only the *ICA of *undisclosed* manufacturing company*, provides for a lowest basic net wage (15,000 MKD) *higher than the national minimum wage*. The remaining CAs either provide for a lowest basic net wage *equal to the amount of the national minimum wage* (e.g., the SCA for the Protective Associations, SCA for the Chemical Industry and the SCA for the Leather and Shoe Industry), *a lowest basic net wage which currently stands below the amount of the national minimum wage* (e.g., the SCA for the Employees of Agriculture and Food Industry which sets the lowest basic net wage for the “food industry” sector in the amount of 9,900 MKD and for the “agricultural” sector in the amount of 10,150 MKD; the SCA for the Employees of the Tobacco Industry which sets the lowest basic net wage in the amount of 10,650 MKD and the ICA of *undisclosed* manufacturing company which sets the lowest basic net wage in the amount of 12,508 MKD) or *do not set the amount of the lowest basic net wage at all* (e.g., the SCA for Hospitality of Macedonia). In any case, if the CA does not

set the amount of the lowest basic wage or sets an amount lower than the national minimum wage, the amount of the lowest basic net basic wage for the simplest job position cannot be less than the current national net minimum wage of (currently) 14,934 MKD. According to employers, a sharp increase in the national minimum wage sometimes has the opposite and discouraging effect on the contractual setting of the lowest basic wages through SCAs or ICAs. Thus, employers who according to some CAs were obliged to pay a lowest basic wage higher than the national minimum wage, made use of the increase in the national minimum wage to equalize the lowest basic wage with the national minimum wage.

According to the second function, the lowest basic wage is used to calculate the *lowest basic net wage* in the branch/department, ie at the employer, that is, the price of labour for the job positions that have the lowest coefficient of complexity 1, but also, the lowest basic net wage (the price of labour) for the more complex job positions that have a higher coefficient of complexity. This lowest basic wage function appears to be in line with the Amendments (i.e. harmonization) to the GCA for the Private Sector of 26 June 2012, according to which, the term “lowest basic wage” has been replaced by the term “calculation value for a coefficient of 1”.

► Coefficients of complexity

The complexity coefficient of the job at which the employee works is a unit that evaluates the complexity of a particular job. The model of organizing job positions in *groups based on their degree of complexity* is first determined in the GCA for the private sector which encompasses 9 groups of complexity: From Group 1 - Simple, repetitive and diverse jobs with coefficient 1.00 to Group 9 - the most complex, specialized, creative and independent jobs with a coefficient 3.00. This model is generally followed by lower-level collective agreements, although it is possible to identify other groups. Thus, for example,

²⁰ See: Law on Minimum Wage, Art. 2

the CA for the Hospitality provides for 9 groups of complexity, which set higher coefficients compared to the coefficients provided in the GCA, ending with 3.50, the complexity coefficients of *undisclosed* financial institution span to 5.50. Although the value of the coefficient depends on the *complexity and responsibility* of the job, it is also determined based on other (subjective) criteria such as: *qualification, acquired skills* of the employee, etc. According to the trade unions, in future negotiations for GCA for the private sector, they will seek automatic increase of the coefficients based on the educational

degree of the employee, regardless of the job and description for which the employee has concluded an employment contract. Such a demand may be favorable to those employees who occupy jobs systematized in lower complexity groups. Employers, on the other hand, believe that the coefficient ratio should be commensurate with the complexity of the job position and remain identical regardless of whether an employee with a university diploma occupied a job for which a lower educational degree is required.

► Remuneration elements of the CBAs

The Law on Labour Relations and Collective Agreements define three main components of wages: *basic wage, performance-related part* of the wage and *allowances (wage supplements)*. In addition, significant components that make up the wages are: *allowances for work-related costs and other types of allowances and benefits in-kind*. Of these, only the basic wage is paid in a fixed amount. The payment of the other components depends on the fulfillment of certain conditions. Wages must always be paid in monetary form. Payment in kind is only possible for certain types of allowances for work-related costs (for example, food and travel, etc.) and some other types of allowances (for example, jubilee reward provided in the form of a gift, etc.). The composition of wages also includes allowances paid for the period during which the employee is justifiably absent from work in the cases and for the duration determined by law and collective agreement (*paid leave allowances*).

► Basic wage

The basic wage (lowest basic net wage) is paid for a certain quantity and quality of labour endowed by the employee within the employment relationship. The quantity and quality of the endowed labour as measures for attaining the basic wage are determined on the basis of two criteria: working hours and/or

work-related performance. Typically, collective agreements combine the previous two criteria, with the basic wage being set as a "time-based wage" paid for "*full-time working hours*" and "*normal working conditions*" on the one hand, and on the other hand, as a wage paid on the basis of achieving certain average operating results that are commonly described by the general term "*normal work-related performance*". While full-time working time is determined by the Law on Labour Relations and may not exceed 40 hours per week, normal work-related performance is provided for in most of the analyzed collective agreements, but only in a few of them is explained in more detail. Thus, according to the CA's for the Employees of the Agriculture and Food Industry, Tobacco Industry, of two *undisclosed* manufacturing companies, normal work-related performance means pre-determined work results on the basis of generally accepted norms and standards especially *the volume and quality of work and economy and efficiency in the use of means*. In the analyzed collective agreements, we did not find a more detailed specification of the norms and standards that the employee has to meet in order to achieve a normal work-related performance, hence, where they exist, are determined by the employer with an internal act. The trade union is also indirectly involved in the assessment of the feasibility of the norms and standards. Thus, if a certain chunk of employees in certain branches

(for example, 30% in the case of the CA for the Employees of the Agriculture and Food Industry or 50% in the case of the CA for the Chemical Industry) do not meet the established norms and standards, the trade union can initiate their re-examination.

When analyzing the “work-related performance”, that is the fulfilled norm, as a criterion for attaining the basic net wage, the Decision of the Constitutional Court of the Republic of Macedonia from 2018 should also be taken into account.²¹ By this Decision, the Constitutional Court abolished the part “fulfilled set work-related performance” from the provision of the Law on Minimum Wage which determined the system of payment of the minimum basic net wage. According to the then Law, the “fulfilled set work-related performance” was determined unilaterally by the employer, without specifying the involvement of employees in setting the norm. Hence, with the adopted Decision, the purpose of the Constitutional Court was to eliminate all risks that call into question the realization and payment of the amount of the national minimum wage. Despite this Decision, in practice, there are still CA’s that provide for the possibility of paying a lower net wage than the basic net wage if the employee does not achieve normal work-related results for reasons dependent on the employee (e.g., CA for Leather and Shoe industry, Article 37, paragraph 5) or which provide for the possibility of reducing the salary by up to 20% if the employee achieves below average results (e.g., CA of *undisclosed* manufacturing company, Article 62, paragraph 5). Yet, these collective agreements legitimize the possibility of reducing the basic wage, but not the lowest basic net wage. This finding is supported by interviews with trade unions, according to which in practice it often happens that the employee who does not meet the set norm to receive a basic net wage that is lower than the lowest basic net wage provided for his/her job position, but that wage, in no case may be lower than the lowest basic wage for the lowest degree of complexity with coefficient 1 or the national minimum net wage set by law. Failure to meet the set work-related performance (fulfilled

norm) must not lead to a reduction of the lowest basic wage of the employee, because there is no legal basis for that stipulated in the Law on Labour Relations. Consequences suffered by an employee who has not fulfilled the norm could lead to a procedure for assessment of his/her capacities to work, after which, if the employee does not improve the performance, the employer could terminate the employment contract due to personal reasons.²² A payment of a basic wage lower than the lowest basic wage (including lower than the national minimum wage) is legally possible and only temporary opt-out foreseen by the GCA in economic hardship situations. This exception is subject to the regulation of the GCA for the private sector and the lower-level collective agreements and it enables reduction of the calculation value per coefficient 1 up to a maximum of 20% in a period of up to 6 months. However, employees are entitled to a difference payment (refund of the reduced 20%) within six months of overcoming the employer’s operational difficulties. The employer who wants to apply this measure, must first develop a program to overcome the problems and obtain the consent of the trade union.

► Performance-related payments

The performance-related part of the wage is the stimulating, ie. variable component of the wage that is paid to individuals or groups of employees for achieving better results in carrying out their working activities. Such a component is found in all analyzed collective agreements, which *provide the same or similar criteria and measures* for determining performance-related part of the wage (economical conduct, volume, quality, creativity and inventiveness, achieved productivity, economy, savings in the work process, efficiency and use of means of work and working hours, etc.), as well as the same or similar *procedure* for obtaining work-related performance (where employees are acquainted in advance with the criteria and measures for obtaining increased basic wage due to achieving

21 See: Decision of the Constitutional Court of R.Macedonia, no. 133/2017, from 18 April 2018.

22 See LLR, Art.76, para 1, point 1 and Art.80.

work-related performance which is assessed by the manager). The CA for Hospitality regulates in detail the payment of work-related performance, through the possibility of increasing the basic net wage up to a maximum of 30% according to several individual criteria (e.g., timely execution of work activities, obtained labour productivity, savings in the work process, efficiency in the use of working hours, volume and quality of performed work), that participate in the increase of the basic wage by 5% each. In addition to the payment of performance-related part of the wage, the collective agreements provide for the possibility of payment of increased basic wage due to successfulness of the business activities of the employer.

► Allowances

Allowances (wage supplements) are paid for special working conditions arising from the *working conditions at the workplace* or from the *arrangement of working hours*. These are largely a replica of what is stipulated in the GCA, with some SCA cases providing for (slightly) higher rights,²³ and leaving space for further higher rights with the collective agreement at the level of employer. Collective agreements provide for the payment of allowances in cases where: *the employee is exposed to adverse environmental influences* (smoke, dust, moisture, etc.), *uses protective equipment for work* (protective shoes, gas masks, dust masks, etc.) or is *exposed to special hazards* (fire, water, explosion, etc.). However, none of them determines the amount of the allowances. The situation is completely different when it comes to the allowances that are paid for the special conditions that arise from the arrangement of working hours. Collective agreements provide for an increase in the basic wage by a certain percentage amount calculated per hour/diem, in the following cases: for *overtime work* - 35% (with the CA of *undisclosed* manufacturing company - 35% for overtime work up to 8 hours per week, and 50% for overtime work above 8 hours per week, while with the CA of *undisclosed* manufacturing company, for each hour overtime work in the amount of 40%), for *night work* - 35% (with the CA of *undisclosed*

manufacturing company - 40%), *for work in three shifts* - 5%, *for work during a weekly rest period* - 50% and *for work on Holidays and non-working days determined by law* – in the amount of the regular per diem/hour of the employee, that is, paid leave allowance (100%) plus the regular per diem/hour for the working hours spent at work increased by 50% (100% + 50%) or 250% in total. In practice, employers face dilemmas related to the payment of allowances when the employee's holiday work is also overtime work and/or work during a weekly rest period. In such cases, the rule provided by the GCA for the Private Sector and other CBAs should be applied, according to which *"allowances are not mutually exclusive"*. Hence, in case the employee works on a public holiday, and the performed work is above the normal working hours (overtime work), the employer would be obliged to pay allowance to the employee on three grounds, namely: regular per diem/hour, that is paid leave allowance (100%) + holiday work allowance (100% + 50%) + overtime work allowance (100 + 35%), or 385% of the employees per diem/ hour in total. Similarly, if the employee works on a public holiday that falls on a Sunday or another day that is designated as a day of weekly rest, and the hours worked are also overtime, the allowances would be paid cumulatively on three grounds: regular per diem/hour, that is paid leave allowance + holiday work allowance (250%) + overtime work allowance (135%) + allowance for work during a weekly rest period (150%) or 535% of the employees per diem/ hour in total.

The allowances group also includes the so-called *"length of service"*, that is seniority allowance. The length of service (seniority) allowance automatically increases the employee's basic wage by 0.5% for each year.

► Allowances to cover work-related costs

Allowances for work-related costs are usually paid in the following cases and amounts: *for business trips in the country* (per diems in the amount of 8% of the base), *for business*

23 E.g., where GCA provides for 35% allowance of the average salary, the SCA provided 40% or 50%.

trips abroad (in the amount determined by Government Decree), *for field allowance*, usually short-term work outside the employer's premises (in the amount determined by ICA, e.g., in the amount of 75% of the per diem for business trips in the country as provided by the CA of *undisclosed* manufacturing company), *for separation from the family* in circumstances where the employee is assigned to work outside the premises of the company or outside the place of permanent residence for a longer period of time (not less than 60% of the base, provided that certain CAs set a proportional reduction of this allowance if the employee is provided with accommodation, food and other services), *for the costs of using personal vehicle for the needs of the employer* (in the amount of 30% of the price of a liter of fuel for each kilometer traveled) and *for moving due to the needs of the employer* (in the amount of the actual costs).

Significant allowances that can be included in this group are also the *allowances for food and travel expenses*. In principle, collective agreements allow employers to provide these allowances either in kind (by arranging on-the-job meals and organized transportation to and from work) or in money. If employers provide the allowances in money, then the usual amount of the food allowance is up to 20% of the base (e.g., in the case of the CA for the Protective Associations, CA for the Chemical Industry and CA for the Leather and Shoe industry), 25% of the base (e.g., in the cases of the CA for the Tobacco Industry) or in a fixed amount (e.g., 145 MKD per day, in the case of the CA of *undisclosed* manufacturing company). The usual amount of the travel expenses allowance equals to the public transportation costs.

The average monthly net wage per employee in the country paid in the last three months is usually taken as the base for calculating and paying the wage allowances.

► Other allowances and benefits

The collective agreements that were subject to the analysis provide for other types of allowances that are heterogeneous in their nature. Some

of these allowances are treated as a *monetary assistance* allocated for the employees or their family members. Allowances in this group are usually paid: *in case of uninterrupted sick leave for more than 6 months due to work-related injury and occupational disease*, in the amount of the base for payment of this allowance (compared to other CAs the CA for the Hospitality envisages more favorable conditions for the use of this entitlement providing that the employee is entitled to the allowance for continuous sick leave of 90-180 days in the amount of 50% of the payment base); *in case of death of the employee*, in the amount of three bases that are paid to the family of the deceased employee (the CA for the Hospitality provides for payment of five bases if the death of the employee occurred as a result of an work-related accident at work); *in case of death of a member of the employee's family*, in the amount of two bases and *in case of severe consequences of natural disasters*, at least in the amount of one base. Other part of the allowances can be treated as *allowances related to the employee's length of service* with the employer: *for jubilee award*, in the amount of the base for payment of this allowance for at least 10 years of service with the same employer (the CA for the Hospitality provides for one and a half base for 20 years of service and two bases for 30 years of service; the CA for the Employees of the Tobacco Industry envisages the possibility to provide the jubilee award as a non-monetary reward, i.e. benefit in kind for the employee); *for retirement*, in most of the collective agreements in the amount of at least two basis (the CA for the Hospitality, Tobacco Industry and *undisclosed* manufacturing company provide this allowance in the amount of three basis). The third part of the allowances classified in this group can be treated as *specific allowances paid for certain occasions or at certain times of the year*, in which employees are considered to have increased spending costs. The most significant allowance in this part is the annual leave allowance. The annual leave allowance is paid once a years this allowance paid in addition to the paid annual leave, for the days that the employee spends on annual leave, as follows: in the amount of at least 40% of the base (according to the GCA for the Private Sector and certain SCA's) or in a higher amount (at least in the amount of the national minimum wage - in the case of the CA

for the Chemical Industry; at least in the amount of 45% of the base for payment in the food industry - in the case of the CA for the Employees of the Agriculture and Food industry; in the amount of 50% of the base - in the case of the CA of *undisclosed* financial institution; in the amount of 60% of the base - in the case of the CA of *undisclosed* manufacturing company and in the amount of one base - in the cases of the CA's for the Employees of the Tobacco Industry and *undisclosed* manufacturing company). Collective agreements also provide for the payment of the so-called *New Year's allowance*. The amount of the New Year's allowance set by the collective agreements ranges between the amount of the national minimum wage (e.g., in the case of the CA for the Chemical Industry) and 70% of the base (e.g., in the case of the CA of *undisclosed* manufacturing company).

The average monthly net wage per employee in the country paid in the last three months is usually taken as the base for calculating and paying the previous allowances.

Finally, within the group of other types of allowance, the CA's also foresee the payment of the *allowance for innovations, rationalizations and other types of authorship for the needs of the employer*. Allowances paid on this basis shall be set by an agreement concluded between the employee and the employer.

The collective agreements that were subject to analysis, in principle, do not treat the issue of payment of *severance pay* (as a monetary compensation for the employee in the event of termination of his/her employment contract) differently and in more favorable amounts than the amounts provided by the Law on Labour Relations. Similar is the finding in respect of the payment of certain benefits in-kind. These types of benefits are least represented in collective agreements. Collective agreements provide a possibility for employers (depending on economic justification) to arrange the *transportation of employees to and from work* as well as to provide a *hot meal* for employees at work. However, this possibility is used to a limited extent by individual employers (for example in *undisclosed* financial institution). Collective agreements provide

general provisions regarding the professional training and education of employees, while more detailed provisions in this context can be found in the CA of *undisclosed* financial institution which prescribes the conditions and procedure for obtaining education, training and professional development of employees and scholarships for students. Various services and benefits, such as supplementary collective accident insurance or voluntary private health insurance schemes, vouchers and discount cards for various products and services, and similar non-cash or cash benefits, are usually provided either directly through trade unions or through union solidarity funds (where they are established) or through employers. None of the analyzed CA's provides such services and benefits for the employees.

► Paid leave allowances

The components that make up the wage (basic wage, performance-related part of the wage, allowances, allowances for work-related costs and other allowances and benefits), in principle, differ from the allowances paid for the time the employee is absent from work in cases and in duration determined by law and collective agreements. While in the former case the wage is paid as a reward for the endowed labour, that is the effective work performed by the employee, in the latter case, the employee obtains a paid leave from work for the duration of which acquires a so-called "paid leave allowance". Paid leave allowances are usually paid in the following cases and amounts: *for sick leave, ie temporary incapacity to work* (according to the GCA for the Private Sector, for sick leave up to 15 days in the amount of 70%, and above 15 days starting from the first day of sick leave up to 30 days in the amount of 90% of the base and at the expense of the employer, while above 30 days at the expense of the Health Insurance Fund); *for the days of using annual leave* (at the amount of the base); *for the days of paid leave due to personal and family reasons* up to 7 working days in the course of a year (in the amount of the base); *for holidays, non-working days and days off from work* (in the amount of the base); *for education and vocational training* in accordance with the needs of the employer (in the amount of the base), etc.

The average monthly net wage of the employee in the last 12 months is usually taken as the base for calculating and paying the previous allowances.

in other cases such as: *interruption of the work process due to reasons on the side of the employer, strike, etc.*

Collective agreements also provide for the calculation and payment of paid leave allowances

► Gender pay equality considerations

The regulation of gender pay equality through collective agreements is of marginal importance. Of all the collective agreements analyzed (including the GCA for the Private Sector), only the CA for the Chemical Industry contains a provision establishing the principle of *equal pay to employees for equal work with equal job responsibilities*, regardless of their gender. But even in this case, it is more a matter of “copying” the relevant provision of the Law on Labour Relations (Article 108), than of essentially implementing the principle of equal pay between women and men. According to the findings of the qualitative analysis (conducted interviews), in practice there is no difference between the payment of wages of women and men employed at same job position. However, none of the interlocutors pointed out that in compiling the systematization and classification of job positions and determining the criteria and requirements of jobs distributed in different groups of complexity, special attention is paid to gender pay equality. In collective agreements, we did not find any other significant provisions aimed at creating equal opportunities and equal treatment of women and men, better work-family balance and the like.

Gender has almost never been a topic of discussion when negotiating CBAs, as testifies by both unions and employers. Both were quite unanimous that the Law on Labour Relations commences with the principle of non-discrimination, which is then propagated throughout the branch- and employer-level CBA, although, as the annex shows, some of them do not consider gender pay equality explicitly. Still, qualitative insights suggest that the entire legal framework and practices are set to equally value

a job irrespective of whether it employs a man or a woman. Yet, interviewers' impression was that particularly among unions, the concept of 'job of equal value' is rarely understood, although implicitly approximated by the existence of the pay scales. Nevertheless, unions, and specifically the textile workers' union, articulated a case whereby if an employer considers a man to be more productive than a woman for whatever reasons, then he/she finds a way to circumvent the framework encouraging non-discrimination, e.g. by an artificial awarding of a promotion at a more valued job, although the person continues to de facto perform fully the same job. Then, a gender pay differential would appear, driven by the employer's bias that one employee (a man) is more productive than another (a woman) for the very same job. Yet, such practice was articulated only once during the interviews, still being feeble to ruin the general impression that gender pay equality is implicitly preserved.

5. Conclusion

“Collective bargaining is dead in North Macedonia” – commences the discussion a high representative from the Trade Union of Macedonia. Our analysis above provides arguments both in favour and against this thesis. It is without doubt that collective bargaining in the country exists even since the official establishment of the labour relations with the first Labour Relations Law in 1993 and considerably advanced with its revamping in 2005, as well the introduction of the Minimum Wage Law in 2012. Parties agreed that the latter provided particular impetus to collective bargaining, by introducing the national minimum wage for the first time, serving as an exogenously determined benchmark in all negotiations. By then, the absence of such exogenous factor drove different positions of unions and employers rampant, frequently leading to abandoning of the process by either of the sides. Both parties now agree that wages are the crucial and most important part of the collective bargaining, despite an array of other issues were gaining prominence in negotiations over time, which led to the setting of the issues of the lowest basic wage, i.e. the wage for the job with the lowest complexity, which then multiplies coefficients of the job complexity scale to arrive at the wage ladder to serve guidance in lower-level negotiations, work performance supplements, other allowances and so on.

Hence, the conclusion from the above analysis is that the collective bargaining in North Macedonia advanced yet leaving a couple of hurdles in various domains, which prevented that sectoral provisions go significantly beyond the provisions of the general collective agreement for the private sector. Unions try to refer in negotiations about how the average wage develops in a sector/branch, but employers rely on the branch heterogeneity, which then results in setting the lowest basic sectoral wage equal or slightly above the national minimum wage.

We obtained a general impression that collective bargaining somehow stalled in the latest 3-4 years, which is also evident by not having SCAs renegotiated. Hence, their validity has been only

provided for by the provisions for automatic renewal, but this also brought problems. In particular, SCAs who earlier provided higher lowest salary than the national minimum (yet in the range 105-115% of the national minimum) were eaten up by the recent large increases of the national minimum wage – most notably the latest one of October 2019 when the national minimum wage jumped from 12.508 MKD to 14.500 MKD, and further to 14.934 MKD in June 2020 by the means of automatic adjustment with the growth of GDP, prices and wages. Namely, since SCAs were not renegotiated in the meantime, the old lowest basic sectoral wage was left inside, while all employers were obliged to align with the higher national minimum, but they were arguably reluctant to go beyond it.

Another aspect in collective bargaining which inhibit its role and power rests in the fact that sectoral CAs cover only the members of the respective union and association of employers, and this is very low coverage. This means that if the SCA provides more favourable position to workers than one provided in the general CA, non-members do not benefit for it. We learnt that in the past, had negotiations stumbled around an issue that a company envisaged to exert pressure onto its finances or labour relations, it was followed by its withdrawal from the respective employers' association. Moreover, anecdotal evidence suggests that pay scales are not fully adhered to even in cases of members of associations, which resulted in widespread equalization of wages following the latest national minimum wage increases, i.e. bunching up of employees around the new minimum wage level.

As a result, more vivid negotiations around collective agreements are to be sought at the employer's level. We were quite constrained in the aspect, because these are not publicly available, nor there exists any general statistics about the prevalence among companies. Even with the case we were provided with, we were asked to sign a non-disclosure agreement. Yet, these were sufficient to learn that niche practices in collective

bargaining pertinent to wages exist at the employer's level, ranging from practices to set the lowest basic wage significantly higher than the national minimum, introducing job complexity scale with larger spans, introducing details related to work performance subsidies and so on.

Yet, at all levels of collective bargaining, some apparently crucial aspects were largely absent. For example, except the general commitment in Law on Labour Relations and the major part of CBAs against discrimination in labour relations of any type, none of them delved into the issue of the gender pay equality further, nor this issue popped up in negotiations as being relevant, mainly driven by the fact that parties have an ex-ante understanding that the current system setup does not lay ground for committing gender pay discrimination. While this may be to some extent valid (as documented by some existing studies on the topic), still it may have elements of prejudice, but here we refrain from deriving a stronger conclusion as the issue requires a sort of more robust quantitative evidence. Related to this issue, still we found some niche practices to exist at the employer's level. For example, the ICA of *undisclosed* manufacturing company provides for one-time payment of the national minimum net wage of mothers employed with open-ended employment contract, for the birth of a child. Another positive example is the ICA of *undisclosed* manufacturing company, who maintains two good practices in the domain of "family policies" which form a part of the Rulebook (but not the ICA): i) At termination of the absence from work due to pregnancy, childbirth and parenthood for a period determined by law (9 months), the employer allows the employee for the next 3 (three) months to work part-time (50%), and to exercise a full-time salary; and ii) The employee is entitled to a permanent (until retirement) monthly allowance for a third child in the amount of 5% of his/her basic salary. This compensation is paid to both spouses in case both of them work in the company. These two practices received wider media attention and were followed by other companies in the country. On the other hand, practices related to atypical forms of employment contracts, most notably freelancers, teleworkers, seasonal employees etc., were not present at all. Similarly, provisions related to disabled employees have not gone beyond some general ones. Yet, we like-

wise identified a couple of isolated positive cases at the employer's level, like: i) permanent (until old-age retirement) payment of the national minimum wage for two 'early-retired' employees (one with a mental disorder, the other with severe damage to an upper limb as a result of an injury at work), ii) several employees for whom, due to personal health circumstances, a 50% job was assigned with a full-time salary. Yet, even such win-win practices did not stem from the ICA, but rather followed either company's rulebooks, good will or one-time events when financial conditions of the company provided space for.

The Covid-19 pandemic has the power to interfere with collective bargaining. The pandemic happened during the final consultations of the new Labor Code, which at the time of writing of this analysis has not been neither adopted nor finished. Yet, it may provide for advancements pertinent for the CBA process, like the discretionary empowering of the Minister of Labor to expand the coverage of a SCA to non-members if this exerts a significant public interest. Covid-19 may speed up the process of adopting of the law, since it inflicts stipulating provisions relevant for distance- and telework, or more broadly reconsideration of the regulation of the concept of 'working time'. Covid-19 may likewise stir negotiations at the national and sectoral level, as well likely at employer's level, firstly in the need to translate any new or amended provisions in the national legislation into the collective agreements at all levels; second in the space that such shifts may provide for the two sides to push thru some of their causes. Only then the balance of powers may become palpable to the extent relevant for the advancement of workers' rights in North Macedonia. In our impartial opinion, the employers seem more focused and robust, but unions may take advantage of the leftist government and pursue vital causes which should by no means center around the national minimum wage, but rather on the lowest wage within branches, the coverage of the SCAs, the abiding to the job complexity scales and the overall enduring of workers' rights in the country.

6. Annex – Collective Agreements: A sample

► General Collective Agreement

Aspects of CBA	Response options
Sector, date, in force/ expired agreement	<p>General Collective Agreement (GCA) for the Private Sector in the field of Economy (consolidated text), Official Gazette of the Republic of Macedonia No. 115/2014.</p> <p>The Collective Agreement for the Private Sector encompasses all industrial sectors in the field of Economy.</p> <p>This consolidated text of the Collective Agreement for the Private Sector was concluded on 13.05.2014 in Skopje.</p> <p>The CA is in force.</p>
Parties involved	The CBA is concluded between the Federation of Trade Unions of Macedonia – SSM and Organization of Employers of Macedonia – ORM.
Type of agreement	The basic text of the CBA was concluded on 10.07.2009 (Official Gazette of RM no.88/2009) and was followed by a harmonization concluded on 28.04.2010 (Official Gazette of RM no.60/2010) and on 26.06.2012 (Official Gazette of RM no.81/2012), extension of the CBA concluded on 26.06.2012 (Official Gazette of RM no.81/2012) and amendments and modifications of the CBA concluded on 24.12.2013 (Official Gazette of RM no.189/2013), 13.07.2015 (Official Gazette of RM no.119/2015) and 09.08.2016 (Official Gazette of RM no.150/2016).
Length of bargaining relationship (if not first contract)	Formally, the history of collective bargaining between trade unions and employers at a national level in an independent and sovereign Republic of Macedonia, dates back to 1994 and the conclusion of the first <i>GCA for the Economy of 1 June 1994</i> . However, the length of collective bargaining relationship at a national level is usually associated with the creation of legal preconditions for enabling genuine social dialogue and the emergence of relevant and representative social partners. Such preconditions were created by the introduction of the Law on Labour Relations of 2005 and its subsequent amendments, which led to the conclusion of a new <i>General Collective Agreement for the Private Sector in 2006</i> (Official Gazette of RM, no.76/06) between SSM and ORM. In the period before the adoption of the Law of 2005, employers were represented by the Chamber of Commerce (which required a mandatory membership for employers and whose competencies were primarily focused on promotion of companies' business and commercial interests) and not by the Organization of Employers of Macedonia.
Duration of the agreement	Initially concluded for a period of duration of 2 years, but the validity of this Collective Agreement shall be extended if the parties conclude an Agreement no later than 30 days before the expiration date of the Collective Agreement.
Coverage of the agreement	The General Collective Agreement for the Private Sector in the field of Economy is a national C.A and shall apply directly and obligatory for all employers and employees in the private sector.

<p>Number and types of employees covered</p>	<p>This Agreement is valid for all employers and employees in the private sector in the field of economy.</p> <p>It applies to all types of employees in the private sector regardless of the duration of their employment relationship (indefinite / fixed-term) or working time (full time / part-time).</p>
<p>Wage payment system</p>	<p>The basic salary for the workplace with the lowest complexity is determined at the level of a branch or employer, but cannot be below the national minimum wage.</p> <p>The basic salary could be reduced by a max of 20% and for a max of six months if the employer faced difficulties in operations and devised a program for their overcoming with a prior approval of the Trade Union.²⁴</p>
<p>Wage structure</p>	<p>The basic salary is calculated by multiplying the lowest basic wage of the sector by the coefficient of the degree of complexity of a particular group of jobs to which the job to which the employee works according to the employment contract belongs. The groups are specified as a 9-level scale within the GCA, with a multiplication range between 1 and 3, where:</p> <p>Group 1 includes Simple, repetitive and varied tasks with a coefficient of 1.00</p> <p>Group 2 includes Less complex, repetitive and varied tasks with a coefficient of 1.20</p> <p>Group 3 includes Complex, diverse, repetitive tasks, with occasional appearance of new tasks with a coefficient of 1.30</p> <p>Group 4 includes More complex, varied tasks that require independence and initiative with a coefficient of 1.50</p> <p>Group 5 includes More complex, varied tasks that require large independence and initiative with a coefficient of 1.70</p> <p>Group 6 includes Significantly complex tasks that require independence and initiative with a coefficient of 1.90</p> <p>Group 7 includes Very complex tasks that require great independence, creativity and initiative with a coefficient of 2.30</p> <p>Group 8 includes Very complex tasks that require great independence, creativity, initiative and specialization with a coefficient of 2.70 and</p> <p>Group 9 includes Most complex, specialized, creative and independent tasks with a coefficient of 3.00</p> <p>This implies that the basic salary for the most complex jobs in the branch is triple the lowest basic wage. Space is left for further specification of the pay grade at a lower-level act.</p>

²⁴ The GCA requires approval of the Trade Union before the introduction of the Program. It is not clear what it exactly means in practice, but in our view, it should refer to a co-determination rather than consultation, since the employer would not be able

Wage composition	<p>The CA prescribes the following wage supplements: 1) work performance supplement, 2) profit-related supplement, and 3) other supplements. Work performance supplement is determined by employees' or employees group's productivity, efficacy and effectiveness. Other supplements refer to wage toppings due to exposure to unfavourable environmental circumstances and danger, and when lastingly wearing protective equipment.</p> <p>Wage is also increased for overtime work (35%), night work (35%), three-shift work (5%), work during non-working day (50%). These supplements are not mutually exclusive.</p> <p>Basic salary is increased by 0.5% for each additional year of tenure.</p> <p>The right to wage is maintained by the employer during sickness leave, annual vacation, paid exceptional leave, cessation of the working process due to reasons on the side of the employer, holidays and non-working days determined by law, free work days, education and re-qualification for the purpose of the employer, education related to unionization, during notice period. The employer also pays salary compensation in cases of inability of the employee to work due to his/her illness, or injuries up to 15 days (70%), up to 30 days (90%) and over 30 days (90%) if paid by the employer.</p> <p>Supplements due to innovation, rationalization and other products in favour of the employer are possible if contracted between the employer and the employee. The employee is entitled to a per diem during travel according to a scheme depending on the duration of the travel, supplement for on-site work, supplement for separate life from family, compensation for using of own car, and compensation of costs for move enticed by employer's needs.</p> <p>The employee receives annual vacation supplement in the amount of minimum 40% of the average net wage paid in the country in the last 3 months. For employers who face difficulties in working, after mandatory prior consultation with the union at the branch or employer's level, with an agreement signed by the employer and the representative trade union organization a smaller amount of the annual vacation supplement can be determined.</p> <p>New Year supplement is optional and determined at the branch/employer's level.</p>
Adjustments possible during the term of the agreement	Adjustment is done once per year, at the beginning of the year, with the CPI and the sectoral wages in the previous year.
Use of formulae for the determination/adjustment of wages	Wages are determined by multiplying the lowest basic salary for the lowest-complexity job with the coefficients prescribed for the more complex jobs.
Lowest salary point as a percentage of the relevant SMW	It is positioned at the level of the SMW.
Existence of provisions that protect the most vulnerable groups of/ lowest paid employees	The GCA contains provisions that refer to the protection of disabled employees. The special protection of disabled employees shall be exercised in accordance with the pension-disability insurance regulations and the collective agreements at a branch, that is department level (SCA) and at the level of the employer (ELCA). Special protection normally consists of exercising the rights deriving from the remaining working capacity of the disabled employee, such as: the right to vocational rehabilitation, the right to short-time work at the same job or at other suitable job.
Existence of gender equality provisions regarding pay	None

(more categories can be added to the table if relevant)

► Special Collective Agreements

Aspects of CBA	Response options
Sector, date, in force/ expired agreement	<p>Collective Agreement for Leather and Footwear Industry of the Republic of Macedonia (Official Gazette of the Republic of Macedonia No. 220/2015).</p> <p>This Collective Agreement was concluded for the Leather and Footwear Industry on 03.12.2015 in Skopje.</p> <p>The CA is in force.</p>
Parties involved	The CBA is concluded between the Trade Union of Workers in Textile, Leather and Footwear Industry of Republic of Macedonia – STKC (affiliated with SSM) and the Association for Leather and Footwear Industry of the Organization of Employers of Macedonia (affiliated with ORM).
Type of agreement	A New CBA concluded on 03.12.2015.
Length of bargaining relationship (if not first contract)	Since the conclusion of the first contract in 2008.
Duration of the agreement	Initially concluded for a period of duration of 2 years, which can be extended by an Agreement of the parties concluded no later than 30 days before the expiration of the validity of the initial Collective Agreement. If the parties do not conclude an Agreement for extension within the given period, the Collective Agreement is automatically extended for another 2 years.
Coverage of the agreement	The Collective Agreement for the Leather and Footwear Industry is a so-called “Special” Collective Agreement (SCA), concluded at the level of an industrial sector, i.e. branch that is department level in accordance with the National Classification of Activities of the R.N. Macedonia.
Number and types of employees covered	<p>This Agreement is valid for all the employers – members of the Association for Leather and Footwear Industry of the Organization of Employers of Macedonia or that have additionally acceded to it and to all employees – members of the Trade Union of Workers in Textile, Leather and Footwear Industry of Republic of Macedonia – STKC.</p> <p>Applies to all types of employees regardless of the duration of their employment relationship (indefinite / fixed-term) or working time (full time / part-time).</p> <p>In 2019, 2,962 employed people worked in leather industry (NACE Rev.2 class of 15), representing 0.4% of all employed in the country (797,651) and 1.9% of the employed in manufacturing (157,831). However, these are covered by the SCA only if the employer is a member of the respective association or the employee is a member of the respective union. Presently, we do not have information for such coverage.</p>
Wage payment system	<p>The basic salary for the workplace with the lowest complexity equals the national minimum wage. For selected job complexities, the basic salary is realised for a full norm.</p> <p>The basic salary could be reduced by a max of 20% and for a max of six months if the employer faced difficulties in operations and devised a program for their overcoming, in coordination with the Employer’s Trade Union.</p>
Wage structure	The basic salary is calculated by multiplying the national minimum wage by the coefficient of the degree of complexity of a particular group of jobs to which the job to which the employee works according to the employment contract belongs. The groups are specified as a 9-level scale within the SCA, with a multiplication range between 1 and 3. This implies that the basic salary for the most complex jobs in the branch is triple the national minimum wage. Space is left for further specification of the pay grade at a lower-level act.

Wage composition	<p>The CA prescribes the following wage supplements: 1) profit-related supplement and 2) other supplements. Work performance supplement is determined by employees' or employees group's productivity, efficacy and effectiveness. Other supplements refer to wage toppings due to exposure to unfavourable environmental circumstances and danger, and when lastingly wearing protective equipment.</p> <p>Wage is also increased for overtime work (35%), night work (35%), three-shift work (5%), work during non-working day (50%). These supplements are not mutually exclusive.</p> <p>Basic salary is increased by 0.5% for each additional year of tenure.</p> <p>The right to wage is maintained by the employer during sickness leave, annual vacation, paid exceptional leave, cessation of the working process due to reasons on the side of the employer, holidays and non-working days determined by law, free work days, education and re-qualification for the purpose of the employer, education related to unionization, during notice period. The employer also pays salary compensation in cases of inability of the employee to work due to his/her illness, or injuries up to 15 days (70%), up to 30 days (90%) and over 30 days (90%) if paid by the employer.</p> <p>Supplements due to innovation, rationalization and other products in favour of the employer are possible if contracted between the employer and the employee.</p> <p>The employee is entitled to a per diem during travel according to a scheme depending on the duration of the travel, supplement for on-site work, supplement for separate life from family, compensation for using of own car, and compensation of costs for move enticed by employer's needs.</p> <p>The employee receives annual vacation supplement in the amount of minimum 40% of the average net wage paid in the country in the last 3 months, however, in total, it cannot exceed a third of the profit in the latest accounting period. New Year supplement is optional and determined at the employer's level.</p>
Adjustments possible during the term of the agreement	Adjustment is not made directly, but since the national MW is prescribed as the minimum wage of the branch, adjustment is automatic.
Use of formulae for the determination/adjustment of wages	No formula is prescribed. Wages are determined by multiplying the basic salary for the lowest-complexity job with the coefficients prescribed for the more complex jobs.
Lowest salary point as a percentage of the relevant SMW	It is positioned at the level of the SMW.
Existence of provisions that protect the most vulnerable groups of/ lowest paid employees	The Collective Agreement contains provisions that refer to the protection of disabled employees. The special protection of disabled employees shall be exercised in accordance with the pension-disability insurance regulations and the collective agreements at a branch, that is department level (SCA) and at the level of the employer (ELCA). Special protection normally consists of exercising the rights deriving from the remaining working capacity of the disabled employee, such as: the right to vocational rehabilitation, the right to short-time work at the same job or at other suitable job.
Existence of gender equality provisions regarding pay	None.

(more categories can be added to the table if relevant)

Aspects of CBA	Response options
Sector, date, in force/ expired agreement	<p>Collective Agreement for the Employees of the Agriculture and Food Industry (Official Gazette of the Republic of Macedonia No.3/16 (consolidated text).</p> <p>This consolidated text of the Collective Agreement for the Agriculture and Food Industry was concluded on 24.12.2015 in Skopje.</p> <p>The CA is in force.</p>
Parties involved	The CBA is concluded between the Trade Union of workers in agro-industrial complex of Macedonia - AGRO Trade Union (affiliated with SSM) and the Association of Agriculture and Food Industry (affiliated with ORM).
Type of agreement	The basic text of the CBA was concluded on 23.09.2015 and was followed by an amendment concluded on 24.12.2015.
Length of bargaining relationship (if not first contract)	Since the conclusion of the first contract in 2008.
Duration of the agreement	Initially concluded for a period of duration of 2 years, which can be extended by an Agreement of the parties concluded no later than 30 days before the expiration of the validity of the initial Collective Agreement. If the parties do not conclude an Agreement for extension within the given period, the Collective Agreement is automatically extended for another 2 years.
Coverage of the agreement	The Collective Agreement for the Employees of the Agriculture and Food Industry is a so-called "Special" Collective Agreement (SCA), concluded at the level of an industrial sector, i.e. branch that is department level in accordance with the National Classification of Activities of the R.N. Macedonia.
Number and types of employees covered	<p>This Agreement is valid for all employees in the sector of agriculture (except forestry) and food & beverages industry branches - members of the Agro Trade Union and the Association of Agriculture and Food Industry of the Organisation of Employers of Macedonia, as well as to all employees and employers who have additionally acceded to them.</p> <p>It applies to all types of employees regardless of the duration of their employment relationship (indefinite / fixed-term) or working time (full time / part-time).</p> <p>In 2019, 135,847 employees worked in the above industry (NACE Rev.2 classes of 1, 3, 10 and 11), representing 17% of all employed in the country (797,651). However, these are covered by the SCA only if the employer is a member of the respective association or the employee is a member of the respective union. Presently, we do not have information for such coverage.</p>
Wage payment system	<p>The basic salary for the workplace with the lowest complexity equals 9,900 in agriculture and 10,150 in food industry, for a full norm and full time. These amounts were set in 2015 and have not been corrected since. Employers who at the time of signing of the CA had higher MW, cannot reduce it and it must comprise part of the Employer's CA.</p> <p>SCA stipulates the basic wage as a monthly rate, still providing space that a CA at the employer level may prescribe a weekly salary. Hence, the wage system used is flat time rate system.</p> <p>The basic salary could be reduced by a max of 20% and for a max of six months if the employer faced difficulties in operations and devised a program for their overcoming, in coordination with the Employer's Trade Union.</p>
Wage structure	The basic salary is calculated by multiplying the prescribed lowest basic wage by the coefficient of the degree of complexity of a particular group of jobs to which the job to which the employee works according to the employment contract belongs. The groups are specified as a 9-level scale within the SCA, with a multiplication range between 1 and 4. This implies that the basic salary for the most complex jobs in the branch is quadruple the lowest basic sectoral wage. Space is left for further specification of the pay grade at a lower-level act.

Wage composition	<p>The CA prescribes the following wage supplements: 1) work performance supplement, 2) profit-related supplement and 3) other supplements. Work performance supplement is determined by employees' or employees group's productivity, efficacy and effectiveness. Other supplements refer to wage toppings due to exposure to unfavourable environmental circumstances and danger, and when lastingly wearing protective equipment.</p> <p>Wage is also increased for overtime work (35% for up to 8 hours weekly; and 50% for over 8 hours weekly), night work (35%), three-shift work (5%), work during non-working day (50%). These supplements are not mutually exclusive.</p> <p>Basic salary is increased by 0.5% for each additional year of tenure.</p> <p>The right to wage is maintained by the employer during sickness leave, annual vacation, paid exceptional leave, cessation of the working process due to reasons on the side of the employer, holidays and non-working days determined by law, free work days, education and re-qualification for the purpose of the employer, education related to unionization, during notice period. The employer also pays salary compensation in cases of inability of the employee to work due to his/her illness, or injuries up to 15 days (70%), up to 30 days (90%) and over 30 days (90%) if paid by the employer.</p> <p>Supplements due to innovation, rationalization and other products in favour of the employer are possible if contracted between the employer and the employee.</p> <p>The employee is entitled to a per diem during travel according to a scheme depending on the duration of the travel, supplement for on-site work, supplement for separate life from family, compensation for using of own car, and compensation of costs for move enticed by employer's needs.</p> <p>The employee receives annual vacation supplement in the amount of minimum 45% (agriculture) and 40% (food industry) of the average net wage paid in the country in the last 3 months. 13th wage is optional and determined at the employer's level.</p>
Adjustments possible during the term of the agreement	The adjustment of the lowest basic wage (as per the system explained below) is done once per year and not later than December 31.
Use of formulae for the determination/adjustment of wages	Wages are determined by multiplying the basic salary for the lowest-complexity job with the coefficients prescribed for the more complex jobs.
Lowest salary point as a percentage of the relevant SMW	At the time of signing of the CA, the lowest wage (serving a calculation unit for the lowest-complexity job) represented 103.2% (agriculture) and 105.8% (food industry) of the national MW.
Existence of provisions that protect the most vulnerable groups of/ lowest paid employees	<p>The Collective Agreement contains provisions that refer to the protection of disabled employees. A disabled employee has the right to short-time work, employment in another adequate job, retraining or additional training, as well as the right to adequate monetary compensation in connection with the use of those rights, in accordance with the pension-disability insurance regulations, and collective agreements at a branch that is department and employer level.</p> <p>The Collective Agreement also contains provision for the protection of income security of older employees, i.e. employees who are five years before retirement. The salary of those employees, when they are assigned to a less valued job, cannot be lower than the salary they received before that assignment.</p>
Existence of gender equality provisions regarding pay	None.

(more categories can be added to the table if relevant)

Aspects of CBA	Response options
Sector, date, in force/ expired agreement	<p>Collective Agreement for the Protective Associations of Macedonia</p> <p>(Official Gazette of the Republic of Macedonia No.151/2014).</p> <p>This CA applies to the Protective Associations' Sector. Protective Associations are companies that meet the requirements in accordance to the Law on Employment of Disabled Persons (Official Gazette of RM, no.44/2000) and employ employees on the basis of an employment contract, or other employers that employ persons with disabilities.</p> <p>The Collective Agreement for the Protective Associations was concluded on 25.09.2014 in Skopje.</p> <p>The CA is in force.</p>
Parties involved	The CBA is concluded between the Trade Union of the Workers in catering, Tourism, Communal and Housing Economy, Handicraft and Protecting Associations of Macedonia – SUTKOZ (affiliated with SSM) and the Community of Protective Associations of Macedonia – ZAPOVIM (affiliated with ORM).
Type of agreement	A New CBA concluded on 25.09.2014.
Length of bargaining relationship (if not first contract)	Since 2014
Duration of the agreement	Initially concluded for a period of duration of 2 years, which can be extended by an Agreement of the parties concluded no later than 30 days before the expiration of the validity of the initial Collective Agreement. If the parties do not conclude an Agreement for extension within the given period, the Collective Agreement is automatically extended until the conclusion of a new Collective Agreement.
Coverage of the agreement	The Collective Agreement for the Protective Associations is a so-called "Special" Collective Agreement (SCA), concluded at the level of an industrial sector, i.e. branch that is department level in accordance with the National Classification of Activities of the R.N. Macedonia.
Number and types of employees covered	<p>This Agreement is valid for employees employed with protective companies and with self-employed disabled persons registered as sole proprietors.</p> <p>It applies to all types of employees regardless of the duration of their employment relationship (indefinite / fixed-term) or working time (full time / part-time).</p>
Wage payment system	<p>The basic salary for the workplace with the lowest complexity is determined at the employer's level and cannot be lower than the national MW.</p> <p>SCA stipulates the basic wage as a monthly rate. Hence, the wage system used is flat time rate system.</p> <p>The basic salary could be reduced by a max of 20% and for a max of six months if the employer faced difficulties in operations and devised a program for their overcoming, in coordination with the Employer's Trade Union.</p>
Wage structure	The basic salary is calculated by multiplying the prescribed lowest basic wage by the coefficient of the degree of complexity of a particular group of jobs to which the job to which the employee works according to the employment contract belongs. The groups are specified as a 9-level scale within the SCA, with a multiplication range between 1 and 3. This implies that the basic salary for the most complex jobs in the branch is triple the lowest basic sectoral wage. Space is left for further specification of the pay grade at a lower-level act.

Wage composition	<p>The CA prescribes the following wage supplements: 1) work performance supplement, 2) profit-related supplement, and 3) other supplements. Work performance supplement is determined by employees' or employees group's productivity, efficacy and effectiveness. Other supplements refer to wage toppings due to exposure to unfavourable environmental circumstances and danger, and when lastingly wearing protective equipment.</p> <p>Wage is also increased for overtime work (35% for up to 8 hours weekly; and 50% for over 8 hours weekly), night work (35%), three-shift work (5%), work during non-working day (50%). These supplements are not mutually exclusive.</p> <p>Basic salary is increased by 0.5% for each additional year of tenure.</p> <p>The right to wage is maintained by the employer during sickness leave, annual vacation, paid exceptional leave, cessation of the working process due to reasons on the side of the employer, holidays and non-working days determined by law, free work days, education and re-qualification for the purpose of the employer, education related to unionization, during notice period. The employer also pays salary compensation in cases of inability of the employee to work due to his/her illness, or injuries up to 15 days (70%), up to 30 days (90%) and over 30 days (90%) if paid by the employer.</p> <p>Supplements due to innovation, rationalization and other products in favour of the employer are possible if contracted between the employer and the employee.</p> <p>The employee is entitled to a per diem during travel according to a scheme depending on the duration of the travel, supplement for on-site work, supplement for separate life from family, compensation for using of own car, and compensation of costs for move enticed by employer's needs.</p> <p>The employee receives annual vacation supplement in the amount of 40% of the average net wage paid in the country in the last 3 months. New Year supplement is optional and determined at the employer's level.</p>
Adjustments possible during the term of the agreement	No adjustment is assumed.
Use of formulae for the determination/adjustment of wages	Wages are determined by multiplying the basic salary for the lowest-complexity job with the coefficients prescribed for the more complex jobs.
Lowest salary point as a percentage of the relevant SMW	Not prescribed.
Existence of provisions that protect the most vulnerable groups of/ lowest paid employees	None
Existence of gender equality provisions regarding pay	None

(more categories can be added to the table if relevant)

Aspects of CBA	Response options
Sector, date, in force/ expired agreement	<p>Collective Agreement for the Chemical Industry (Official Gazette of the Republic of Macedonia No.10/2013).</p> <p>The Collective Agreement for the Chemical Industry was concluded on 10.12.2013 in Skopje.</p> <p>The CA is in force.</p>
Parties involved	The CBA is concluded between the Trade Union of Chemistry and Non-metals and Metals of Macedonia – SHNM (affiliated with SSM) and the Association of Employers of the Chemical Industry of Macedonia (affiliated with ORM).
Type of agreement	A New CBA concluded on 10.12.2013.
Length of bargaining relationship (if not first contract)	Since 2013
Duration of the agreement	Initially concluded for a period of duration of 3 years, which can be extended by an Agreement of the parties concluded no later than 30 days before the expiration of the validity of the initial Collective Agreement. After the expiration of the term for which this collective agreement has been concluded, its provisions shall continue to apply until the conclusion of a new Collective Agreement.
Coverage of the agreement	The Collective Agreement for the Chemical Industry is a so-called “Special” Collective Agreement (SCA), concluded at the level of an industrial sector, i.e. branch that is department level in accordance with the National Classification of Activities of the R.N. Macedonia.
Number and types of employees covered	<p>This Agreement is valid for all employers members of the Association of Employers of the Chemical Industry of Macedonia or that additionally acceded to it as well as for all the employees members of SHNM.</p> <p>It applies to all types of employees regardless of the duration of their employment relationship (indefinite / fixed-term) or working time (full time / part-time).</p> <p>In 2019, 1,264 employees worked in chemical industry (NACE Rev.2 class of 20), representing 0.2% of all employed in the country (797,651) and 0.8% of the employed in manufacturing (157,831). However, these are covered by the SCA only if the employer is a member of the respective association or the employee is a member of the respective union. Presently, we do not have information for such coverage.</p>
Wage payment system	<p>The basic salary for the workplace with the lowest complexity equals a lowest basic sectoral wage to be determined separately, but not lower than the national MW.</p> <p>The basic salary could be reduced by a max of 20% and for a max of six months if the employer faced difficulties in operations and devised a program for their overcoming, in coordination with the Employer’s Trade Union.</p>
Wage structure	The basic salary is calculated by multiplying the basic wage for the lowest-complexity job by the coefficient of the degree of complexity of a particular group of jobs to which the job to which the employee works according to the employment contract belongs. The groups are specified as a 9-level scale within the SCA, with a multiplication range between 1 and 3. This implies that the basic salary for the most complex jobs in the branch is triple the national minimum wage. Space is left for further specification of the pay grade at a lower-level act.

<p>Wage composition</p>	<p>The CA prescribes the following wage supplements: 1) work performance supplement and 2) other supplements. Work performance supplement is determined by employees' or employees group's productivity, efficacy and effectiveness. Other supplements refer to wage toppings due to exposure to unfavourable environmental circumstances and danger, and when lastingly wearing protective equipment.</p> <p>Wage is also increased for overtime work (35%), night work (35%), three-shift work (5%), work during non-working day (50%). These supplements are not mutually exclusive.</p> <p>Basic salary is increased by 0.5% for each additional year of tenure.</p> <p>The right to wage is maintained by the employer during sickness leave, annual vacation, paid exceptional leave, cessation of the working process due to reasons on the side of the employer, holidays and non-working days determined by law, free work days, education and re-qualification for the purpose of the employer, education related to unionization, during notice period. The employer also pays salary compensation in cases of inability of the employee to work due to his/her illness, or injuries up to 7 days (70%), up to 15 days (80%) and over 15 days (90%) if paid by the employer.</p> <p>Supplements due to innovation, rationalization and other products in favour of the employer are possible if contracted between the employer and the employee.</p> <p>The employee is entitled to a per diem during travel according to a scheme depending on the duration of the travel, supplement for on-site work, supplement for separate life from family, compensation for using of own car, and compensation of costs for move enticed by employer's needs.</p> <p>The employee receives annual vacation and New Year supplements in amounts determined at employer's level but not lower than the national MW. In cases of generated losses or natural disasters, these supplements are not paid.</p>
<p>Adjustments possible during the term of the agreement</p>	<p>Adjustment is done once per year with the CPI.</p>
<p>Use of formulae for the determination/adjustment of wages</p>	<p>Wages are determined by multiplying the basic salary for the lowest-complexity job with the coefficients prescribed for the more complex jobs.</p>
<p>Lowest salary point as a percentage of the relevant SMW</p>	<p>First salary to be determined with a separate decision within six months of the signature of the SCA.</p>
<p>Existence of provisions that protect the most vulnerable groups of/ lowest paid employees</p>	<p>Yes. The employer is obliged for equal work with equal requirements in the workplace to pay equal wages to employees regardless of gender.</p> <p>The Collective Agreement contains provisions that refer to the protection of disabled employees. The special protection of disabled employees shall be exercised in accordance with the pension-disability insurance regulations and the collective agreements at a branch, that is department level (SCA) and at the level of the employer (ELCA). Special protection normally consists of exercising the rights deriving from the remaining working capacity of the disabled employee, such as: the right to vocational rehabilitation, the right to short-time work at the same job or at other suitable job.</p>
<p>Existence of gender equality provisions regarding pay</p>	<p>None</p>

(more categories can be added to the table if relevant)

Aspects of CBA	Response options
Sector, date, in force/ expired agreement	<p>Collective Agreement for the Employees in the Tobacco Industry (Official Gazette of the Republic of Macedonia No.137/2016, consolidated text).</p> <p>This consolidated text of the Collective Agreement for the Tobacco Industry was concluded on 23.06.2016 in Skopje.</p> <p>The CA is in force.</p>
Parties involved	The CBA is concluded between the Trade Union of workers in agro-industrial complex of Macedonia - AGRO Trade Union (affiliated with SSM) and the Association for tobacco industry of the Organisation of Employers of Macedonia (affiliated with ORM).
Type of agreement	The basic text of the CBA was concluded on 09.10.2009 (Official Gazette of RM no. 135/2009) and was followed by amendments concluded on 23.05.2012 (Official Gazette of RM no. 14/2012), 23.06.2014 (Official Gazette of RM no. 115/14) and 23.06.2016 (Official Gazette of the Republic of Macedonia No.137/2016).
Length of bargaining relationship (if not first contract)	Since 2009.
Duration of the agreement	Initially concluded for a period of duration of 2 years, which can be extended by an Agreement of the parties concluded no later than 30 days before the expiration of the validity of the initial Collective Agreement. If the parties do not conclude an Agreement for extension within the given period, the Collective Agreement is automatically extended for another 2 years.
Coverage of the agreement	The Collective Agreement for the Employees in the Tobacco Industry is a so-called "Special" Collective Agreement (SCA), concluded at the level of an industrial sector, i.e. branch that is department level in accordance with the National Classification of Activities of the R.N. Macedonia.
Number and types of employees covered	<p>This Agreement is valid for all employees and employers in this industrial sector, members of the Agro Trade Union and the Association for tobacco industry of the Organisation of Employers of Macedonia.</p> <p>It applies to all types of employees regardless of the duration of their employment relationship (indefinite / fixed-term) or working time (full time / part-time).</p> <p>In 2019, there were 2,884 employees in tobacco industry (NACE Rev.2 class of 12, though also including the trade-related sections of 4635 and 4726), representing 0.4% of all employed in the country (797,651) and 1.8% of the employed in manufacturing (157,831). However, these are covered by the SCA only if the employer is a member of the respective association or the employee is a member of the respective union. Presently, we do not have information for such coverage.</p>
Wage payment system	<p>The basic salary for the workplace with the lowest complexity equals is determined at 10.650 MKD at the time of signing of the SCA. Presently, this is below the national MW. The employer in the industry who has had higher MW at firm level at the time of signing of the SCA cannot reduce that level.</p> <p>The basic salary could be reduced by a max of 20% and for a max of six months if the employer faced difficulties in operations and devised a program for their overcoming, in coordination with the Employer's Trade Union.</p>
Wage structure	The basic salary is calculated by multiplying the basic wage for the lowest-complexity job by the coefficient of the degree of complexity of a particular group of jobs to which the job to which the employee works according to the employment contract belongs. The groups are specified as a 9-level scale within the SCA, with a multiplication range between 1 and 3. This implies that the basic salary for the most complex jobs in the branch is triple the lowest basic sectoral wage. Space is left for further specification of the pay grade at a lower-level act.

<p>Wage composition</p>	<p>The CA prescribes the following wage supplements: 1) work performance supplement and 2) other supplements. Work performance supplement is determined by employees' or employees group's productivity, efficacy and effectiveness. Other supplements refer to wage toppings due to exposure to unfavourable environmental circumstances and danger, and when lastingly wearing protective equipment.</p> <p>Wage is also increased for overtime work (35%), night work (35%), three-shift work (5%), work during non-working day (50%). These supplements are not mutually exclusive.</p> <p>Basic salary is increased by 0.5% for each additional year of tenure.</p> <p>The right to wage is maintained by the employer during sickness leave, annual vacation, paid exceptional leave, cessation of the working process due to reasons on the side of the employer, holidays and non-working days determined by law, free work days, education and re-qualification for the purpose of the employer, education related to unionization, during notice period. The employer also pays salary compensation in cases of inability of the employee to work due to his/her illness, or injuries up to 7 days (70%), up to 15 days (80%) and over 15 days (90%) if paid by the employer.</p> <p>Supplements due to innovation, rationalization and other products in favour of the employer are possible if contracted between the employer and the employee.</p> <p>The employee is entitled to a per diem during travel according to a scheme depending on the duration of the travel, supplement for on-site work, supplement for separate life from family, compensation for using of own car, and compensation of costs for move enticed by employer's needs.</p> <p>The employee receives annual vacation supplement in an amount of the average wage in the country in the last 3 months, while of the New year supplement it is a minimum of 65% of the average wage.</p>
<p>Adjustments possible during the term of the agreement</p>	<p>Adjustment is done once per year, by December 31, with the CPI.</p>
<p>Use of formulae for the determination/adjustment of wages</p>	<p>Wages are determined by multiplying the basic salary for the lowest-complexity job with the coefficients prescribed for the more complex jobs.</p>
<p>Lowest salary point as a percentage of the relevant SMW</p>	<p>At the time of signing of the SCA, 105.7% (10.650 in 10.080 MKD)</p>
<p>Existence of provisions that protect the most vulnerable groups of/ lowest paid employees</p>	<p>None.</p>
<p>Existence of gender equality provisions regarding pay</p>	<p>None.</p>

(more categories can be added to the table if relevant)

Aspects of CBA	Response options
Sector, date, in force/ expired agreement	<p>Collective Agreement for the Hospitality of Macedonia, (Official Gazette of the Republic of Macedonia No.2/2008).</p> <p>The Collective Agreement for the Hospitality was concluded on 27.12.2007 in Skopje.</p> <p>The CA is in force.</p>
Parties involved	<p>The CBA is concluded between the Trade Union of the Workers in catering, Tourism, Communal and Housing Economy, Handicraft and Protecting Associations of Macedonia – SUTKOZ (affiliated with SSM) and the Association of Hotels, Restaurants and Cafeterias of Macedonia – HOTAM (affiliated with ORM).</p>
Type of agreement	<p>A New CBA concluded on 27.12.2007.</p>
Length of bargaining relationship (if not first contract)	<p>Since 2007.</p>
Duration of the agreement	<p>Undefined number of years</p>
Coverage of the agreement	<p>The Collective Agreement for the Hospitality is a so-called “Special” Collective Agreement (SCA), concluded at the level of an industrial sector, i.e. branch that is department level in accordance with the National Classification of Activities of the R.N. Macedonia.</p>
Number and types of employees covered	<p>This Agreement is valid for all employers and employees in hospitality, i.e. those in section 55 Accommodation of NACE Rev.2.</p> <p>In 2019, 7,702 employees worked in hospitality (NACE Rev.2 class of 55), representing 1% of all employed in the country (797,651).</p>
Wage payment system	<p>The basic salary for the workplace with the lowest complexity is determined at the level of employer. It is expressed in monthly terms, with stipulation of the monthly hours.</p>
Wage structure	<p>The basic salary is calculated by multiplying the basic wage for the lowest-complexity job by the coefficient of the degree of complexity of a particular group of jobs to which the job to which the employee works according to the employment contract belongs. The groups are specified as a 9-level scale within the SCA, with a multiplication range between 1 and 3.5. This implies that the basic salary for the most complex jobs in the branch is 3.5 times the lowest basic sectoral wage. Space is left for further specification of the pay grade at a lower-level act.</p>

<p>Wage composition</p>	<p>The CA prescribes the following wage supplements: 1) work performance supplement and 2) other supplements. Work performance supplement is determined by a couple of tenets (timeliness, productivity, savings etc.), each of which is valued with 5% wage increase, in total up to 30%.</p> <p>Wage is also increased for overtime work (35%), night work (35%), three-shift work (5%), work during non-working day (50%). These supplements are not mutually exclusive.</p> <p>Basic salary is increased by 0.5% for each additional year of tenure, but not more than 20% for the entire working life.</p> <p>The right to wage is maintained by the employer during sickness leave, annual vacation, paid exceptional leave, cessation of the working process due to reasons on the side of the employer, holidays and non-working days determined by law, free work days, education and re-qualification for the purpose of the employer, education related to unionization, during notice period. The employer also pays salary compensation in cases of inability of the employee to work due to his/her illness, or injuries up to 7 days (70%), up to 14 days (80%) and over 14 days (90%) but up to a maximum of 21 days, while over 21 days at the expense of the health insurance. For professional injuries the compensation is 100%.</p> <p>The employee is entitled to a per diem during travel according to a scheme depending on the duration of the travel, supplement for on-site work, supplement for separate life from family, compensation for using of own car, and compensation of costs for move enticed by employer's needs.</p> <p>The employee receives annual vacation supplement in an amount of the average wage in the country in the last 3 months, while of the New year supplement it is a minimum of 60% of the average wage.</p>
<p>Adjustments possible during the term of the agreement</p>	<p>Adjustment is done once per year, at the beginning of the year, with the CPI and the sectoral wages in the previous year.</p>
<p>Use of formulae for the determination/adjustment of wages</p>	<p>Wages are determined by multiplying the basic salary for the lowest-complexity job with the coefficients prescribed for the more complex jobs.</p>
<p>Lowest salary point as a percentage of the relevant SMW</p>	<p>None.</p>
<p>Existence of provisions that protect the most vulnerable groups of/ lowest paid employees</p>	<p>The Collective Agreement contains provisions that refer to the protection of disabled employees. A disabled employee has the right to short-time work, employment in another adequate job, retraining or additional training, as well as the right to adequate monetary compensation in connection with the use of those rights, in accordance with the pension-disability insurance regulations, and collective agreements at a branch that is department and employer level.</p> <p>The Collective Agreement also contains provision for the protection of income security of older employees, i.e. employees who are five years before retirement. The salary of those employees, when they are assigned to a less valued job, cannot be lower than the salary they received before that assignment.</p>
<p>Existence of gender equality provisions regarding pay</p>	<p>None.</p>

(more categories can be added to the table if relevant)

► Individual Collective Agreements

Aspects of CBA	Response options
Sector, date, in force/ expired agreement	Collective Agreement regulating the rights, obligations and responsibilities of the employees and the employer in the manufacturing industry. The CA is in force.
Parties involved	The CBA is concluded between the Trade Union of the company (the trade union leader signed) and the company (the general director signed)
Type of agreement	Not specified
Length of bargaining relationship (if not first contract)	Not specified
Duration of the agreement	Initially concluded for a period of duration of 2 years, which can be extended by an Agreement of the parties concluded no later than 30 days before the expiration of the validity of the initial Collective Agreement. If the parties do not conclude an Agreement for extension within the given period, the Collective Agreement is automatically extended for another 2 years.
Coverage of the agreement	The Collective Agreement covers all employees of the company.
Number and types of employees covered	Not disclosed
Wage payment system	The basic salary for the workplace with the lowest complexity is determined at 12.508 MKD at the time of signing of the ELCA. Presently, this is below the national MW. The employer in the industry who has had higher MW at firm level at the time of signing of the SCA cannot reduce that level. The basic salary could be reduced by a max of 20% and for a max of six months if the employer faced difficulties in operations and devised a program for their overcoming, in coordination with the Employer's Trade Union.
Wage structure	The basic salary is calculated by multiplying the basic wage for the lowest-complexity job by the coefficient of the degree of complexity of a particular group of jobs to which the job to which the employee works according to the employment contract belongs. The groups are specified as a 9-level scale within the ELCA, with a multiplication range between 1 and 3. This implies that the basic salary for the most complex jobs in the branch is triple the employer-level lowest basic wage. The scale is specified with company-specific jobs.

<p>Wage composition</p>	<p>The CA prescribes the following wage supplements: 1) work performance supplement, 2) profit-related supplement and 3) other supplements.</p> <p>Work performance supplement is determined by the productivity, efficacy and effectiveness of individual employees or group of employees. Work performance supplement is further specified as a 20% wage increase in case of above-average performance and a 20% wage reduction in case of under-average performance.</p> <p>Other supplements refer to wage toppings due to exposure to unfavourable environmental circumstances and danger, and when lastingly wearing protective equipment.</p> <p>Wage is also increased for overtime work (40%), night work (40%), three-shift work (5%), work during non-working day (50%). These supplements are not mutually exclusive.</p> <p>Basic salary is increased by 0.5% for each additional year of tenure.</p> <p>For accurate usage of working time (no late arrival or early departure), the employee is awarded 50 points. This is lost if the employee is late at work for more than 10 minutes during one day.</p> <p>The right to wage is maintained by the employer during sickness leave, annual vacation, paid exceptional leave, cessation of the working process due to reasons on the side of the employer, holidays and non-working days determined by law, free work days, education and re-qualification for the purpose of the employer, education related to unionization, during notice period. The employer also pays salary compensation in cases of inability of the employee to work due to his/her illness, or injuries up to 7 days (70%), up to 15 days (80%) and over 15 days (90%) if paid by the employer.</p> <p>Supplements due to innovation, rationalization and other products in favour of the employer are possible if contracted between the employer and the employee.</p> <p>The employee is entitled to a per diem during travel according to a scheme depending on the duration of the travel, supplement for on-site work, supplement for separate life from family, compensation for using of own car, and compensation of costs for move enticed by employer's needs.</p> <p>The employee receives annual vacation supplement in an amount of the average wage in the country in the last 3 months, while of the New year supplement it is a minimum of 70% of the average wage.</p>
<p>Adjustments possible during the term of the agreement</p>	<p>Adjustment is possible at the proposal by any of the parties. After proposal for adjustment is submitted, a committee is formed which should complete the adjustment procedure in 60 days. Any agreed adjustment must be in writing.</p>
<p>Use of formulae for the determination/adjustment of wages</p>	<p>Wages are determined by multiplying the basic salary for the lowest-complexity job with the coefficients prescribed for the more complex jobs.</p>
<p>Lowest salary point as a percentage of the relevant SMW</p>	<p>At the MW level at the time of signing.</p>
<p>Existence of provisions that protect the most vulnerable groups of/ lowest paid employees</p>	<p>Disabled individuals are entitled to part-time work, employment in another suitable job, retraining, monetary compensation, according to the regulations for pension-disability insurance.</p>
<p>Existence of gender equality provisions regarding pay</p>	<p>None.</p>

(more categories can be added to the table if relevant)

Aspects of CBA	Response options
Sector, date, in force/ expired agreement	<p>Collective Agreement regulating the rights, obligations and responsibilities of the employees and the employer in the manufacturing industry.</p> <p>The CA is NOT in force.</p> <p><i>Interview insights: Despite the ELCA is not in force, its provisions are duly respected. The reasons for it not being in force are twofold: i) the compromised negotiation dynamics at the branch level, whereby at the time about 9% higher lowest salary than national MW was proposed but immediately rejected by member companies, and then the negotiation faced a deadlock; and ii) the Covid-19 crisis which delayed negotiations within the company.</i></p>
Parties involved	The CBA is concluded between the Branch of the Agro-Trade Union within the company (the company trade union leader signed), the Agro-Trade Union (the branch trade union leader signed) and the company (the general director signed)
Type of agreement	Not specified
Length of bargaining relationship (if not first contract)	Not specified
Duration of the agreement	Concluded for a period of duration of 2 years, without a possibility for extension.
Coverage of the agreement	The Collective Agreement covers all employees of the company.
Number and types of employees covered	Not disclosed
Wage payment system	<p>The basic salary for the workplace with the lowest complexity equals is determined at 15.000 MKD at the time of signing of the ELCA and being 16.500 MKD presently.</p> <p>The basic salary could be reduced by a max of 20% and for a max of six months if the employer faced difficulties in operations and devised a program for their overcoming, in coordination with the Employer's Trade Union.</p>
Wage structure	The basic salary is calculated by multiplying the basic wage for the lowest-complexity job by the coefficient of the degree of complexity of a particular group of jobs to which the job to which the employee works according to the employment contract belongs. The groups are specified as a 9-level scale within the ELCA, with a multiplication range between 1 and 2.5. The scale is specified with company-specific jobs.

<p>Wage composition</p>	<p>The CA prescribes the following wage supplements: 1) work performance supplement, and 2) other supplements.</p> <p>Work performance supplement is determined through the Rulebook for regulating the methodology for rewarding the employees in the company, for which the trade union organization gives its opinion.</p> <p><i>Interview insight: Work performance supplements are not a part of the ELCA beyond the specifications in the SCA, but rather form a part of a Rulebook adopted by the employer and agreed by the trade union. This is because the employer wanted that any rules for the work performance subsidies need to pass the test of the time, before they enter ELCA. In other words, the employer considers ELCA to be binding at the higher level than a Rulebook, i.e. revoking of workers' rights provided within a Rulebook to be easier to be executed than if provided within ELCA.</i></p> <p>Other supplements refer to wage toppings due to exposure to unfavourable environmental circumstances and danger, and when lastingly wearing protective equipment.</p> <p>Wage is also increased for overtime work (35% up to 8 hours weekly, and 50% for over 8 hours weekly), night work (35%), three-shift work (5%), work during non-working day (50%). These supplements are not mutually exclusive.</p> <p>Basic salary is increased by 0.5% for each additional year of tenure.</p> <p>The right to wage is maintained by the employer during sickness leave, annual vacation, paid exceptional leave, cessation of the working process due to reasons on the side of the employer, holidays and non-working days determined by law, free work days, education and re-qualification for the purpose of the employer, education related to unionization, during notice period. The employer also pays salary compensation in cases of inability of the employee to work due to his/her illness, or injuries up to 15 days (70%), over 15 days (90%), and over 30 days when paid by employer (100%).</p> <p><i>Interview insights: The company maintains two good practices in the domain of "family policies" which form a part of the Rulebook (but not the ELCA):</i></p> <ol style="list-style-type: none"> <i>1. At termination of the absence from work due to pregnancy, childbirth and parenthood for a period determined by law (9 months), the employer allows the employee for the next 3 (three) months to work part-time (50%), and to exercise a full-time salary;</i> <i>2. The employee is entitled to a permanent (until retirement) monthly allowance for a third child in the amount of 5% of his/her basic salary. This compensation is paid to both spouses in case both of them work in the company.</i> <p><i>These two practices received wider media attention and were followed by other companies in the country.</i></p> <p>Supplements due to innovation, rationalization and other products in favour of the employer are possible if contracted between the employer and the employee.</p> <p>The employee is entitled to a per diem during travel according to a scheme depending on the duration of the travel, supplement for on-site work, supplement for separate life from family, compensation for using of own car, and compensation of costs for move enticed by employer's needs.</p> <p>The employee receives annual vacation and New Year supplements in an amount of 50% the average wage in the country in the last 3 months, while 13th wage is paid out optionally.</p>
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Adjustments possible during the term of the agreement	<p>The lowest net salary for the lowest level of complexity job is determined and announced by the signatories of the ELCA at least once a year no later than 30.11, and in any case not later than 31.12 in the year ending, for the next business year.</p> <p>The increase in the cost of living published by the State Statistical Office for the previous year must be incorporated in the lowest basic net salary no later than March 15 of the current year.</p> <p><i>Interview insights: The lowest salary in the company has been adjusted twice, in 2018 and 2019, to 15.500 MKD and 16.500 MKD, respectively, and this is the current level. There is no a clear-cur system of whether the adjustment will be proportionate to the adjustment of the national MW, but this is left to be judged dependent on the current situation (incl. the financial position of the company). Overall, trade unions provide strong support to this process, since the employer-level MW is still higher than the national MW, plus they strongly appreciate the system of supplements which is strictly executed.</i></p>
Use of formulae for the determination/adjustment of wages	<p>Wages are determined by multiplying the basic salary for the lowest-complexity job with the coefficients prescribed for the more complex jobs.</p>
Lowest salary point as a percentage of the relevant SMW	<p>At the time of signing (end-2017), 125% of the national MW; while presently 110.5%.</p> <p><i>Interview insights: The changed circumstances – new foreign factories in the TIDZ, labor market developments and the demographic developments, led the company to set 25% lowest salary than the national minimum, despite the ELCA set the absolute, not relative amount. Then, the increase of the national MW in November 2019 was a kind of sudden large increase, which prompted the company to rethink the maintenance of the 125% proportion.</i></p>
Existence of provisions that protect the most vulnerable groups of/ lowest paid employees	<p>No explicit provisions.</p> <p><i>Interview insight: The negotiations have not included topics of importance to persons with disabilities, nor does the company have a written policy in this domain. Yet, the issue is relevant for the company, being a large employer. There have been a couple of isolated positive cases in the regard: i) permanent (until old-age retirement) payment of minimum wage for two 'early-retired' employees (one with a mental disorder, the other with severe damage to an upper limb as a result of an injury at work), ii) several employees for whom, due to personal health circumstances, a 50% job is assigned with a full-time salary. The possibility of establishing a special unit with disabled persons was discussed in the company, to provide that such employees would not overburden other departments while being assigned accustomed-to-their-needs productive tasks like packaging.</i></p>
Existence of gender equality provisions regarding pay	<p>There is no provision on gender equality, but discrimination on any basis is explicitly prohibited. The ELCA stipulates that in case of a proven form of discrimination, the employee has the right to claim compensation in the amount of 5 salaries.</p> <p><i>Interview insight: Collective bargaining in the company does not directly involve questions about gender-neutral wages or gender pay gap. However, the company has developed integrated labour statistics that include gender disaggregation, and it is made available to union representatives for information. In doing so, the company did not observe the engagement of persons by gender in the workplaces, but the jobs themselves. In the payment system, no aspect could be correlated with gender, and this fact is familiar to union representatives.</i></p>

(more categories can be added to the table if relevant)

