

The European Social Dialogue and the Social Dialogue in the Railway Sector in Western Balkan Countries



***THE EUROPEAN SOCIAL DIALOGUE AND
THE SOCIAL DIALOGUE IN THE RAILWAY SECTOR
IN WESTERN BALKAN COUNTRIES***

A publication of the European social partners Community of European Railway and Infrastructure Companies (CER) and European Transport Workers' Federation (ETF).

Published by EVA European Academy for Environmentally Friendly Transport

THIS PUBLICATION WAS DEVELOPED DURING THE PROJECT "SOCIAL DIALOGUE IN THE RAILWAY SECTOR IN WESTERN BALKAN COUNTRIES". THE PROJECT WAS INITIATED BY THE EUROPEAN SOCIAL PARTNERS OF THE RAILWAY SECTOR ETF AND CER AND ORGANISED BY EVA ACADEMY.

WITH FINANCIAL SUPPORT FROM THE EUROPEAN COMMISSION. THE PUBLICATION REFLECTS THE AUTHOR'S VIEW AND THE COMMISSION IS NOT RESPONSIBLE FOR ANY USE THAT MAY BE MADE OF THE INFORMATION IT CONTAINS.

THE EUROPEAN SOCIAL PARTNERS:

Community of European Railway and Infrastructure Companies (CER)
Avenue des Arts, 53 // 1000 Bruxelles // Belgium
Tel.: +32 2 2130870 // contact@cer.be // www.cer.be

European Transport Workers' Federation (ETF)
Galerie Agora // Rue du Marché aux Herbes 105, Boîte 11 // 1000 Bruxelles // Belgium
Tel.: +32 2 2854660 // etf@etf-europe.org // www.etf-europe.org

EDITOR AND PROJECT ORGANISATION:

EVA – European Academy for Environmentally Friendly Transport
Chausseestr. 84 // 10115 Berlin // Germany
Tel.: +49 30 3087526 // info@eva-akademie.de // www.eva-akademie.de

CONTENTS

FOREWORD EUROPEAN COMMISSION	06
FOREWORD ETF AND CER	07
INTRODUCTION	08
1. SOCIAL DIALOGUE – UNDERSTANDING HOW IT WORKS	10
1.1. Background	10
1.2. Objectives and benefits of social dialogue	12
1.3. The European social dialogue – history and development	12
1.4. The European social dialogue – forms and processes	14
2. THE EUROPEAN SOCIAL DIALOGUE IN THE RAILWAY SECTOR	16
2.1. The history of the European social dialogue in the rail sector	16
2.2. The structure of the European social dialogue in the railway sector	16
2.3. The social partners	17
2.4. Work programme and outcome	20
2.4.1 The social dialogue work programme at European level	20
2.4.2 Social partner agreements	21
2.4.3 Joint Recommendations	22
2.4.4 Joint Opinion	23
3. THE RAILWAY SECTOR AND SOCIAL DIALOGUE IN THE WESTERN BALKAN COUNTRIES	24
Introduction	24
3.1. Republic of Croatia	26
3.2. F.Y.R. of Macedonia	34
3.3. Montenegro	40
3.4. Republic of Serbia	48
APPENDICES: JOINT RECOMMENDATIONS, JOINT OPINION	56
APPENDIX CONTACTS STEERING COMMITTEE	79
BIBLIOGRAPHY	81



FOREWORD EUROPEAN COMMISSION

Social dialogue at European Union level plays an essential role in advancing the European social model, delivering benefits for employers, workers and for the economy and society as a whole. European Social dialogue was established as one of the tools to promote the social dimension of the Single Market. Today it has an indispensable role in strengthening economic governance and building an economic union. For the European Commission, the involvement of social partners is vital for the success of the Europe 2020 strategy, the EU's strategy to achieve a smart, sustainable and inclusive growth. These three mutually reinforcing priorities should help the EU and the Member States deliver high levels of employment, productivity and social cohesion.

As outlined in the Flagship Initiative, 'An Agenda for new skills and jobs', the European Commission seeks to strengthen the capacity of social partners and make full use of the problem-solving potential of social dialogue at all levels (EU, national/regional, sectoral, company). This is why the European Commission provides support for social partner capacity-building through the European Social Fund and through various transnational projects.

The activities of the project, 'Social Dialogue in the Railway Sector in Western Balkan Countries' is a good example of strengthening social partner capacity and social dialogue structures in candidate countries and member states that recently joined the EU. The project also sought to reinforce the impact and visibility of European social dialogue outcomes in Croatia, the former Yugoslav Republic of Macedonia, Montenegro and Serbia.

Bipartite social dialogue between workers and employers' representatives in the Western Balkan region is not very common. A fundamental precondition for such dialogue is the mutual understanding and trust of the social partners in this process. This can only be achieved by joint meetings and better knowledge of the situation. That is why the European social partners CER and ETF carried out on-site visits and a joint seminar to inform the railway social partners in these countries about the achievements of their social dialogue at EU level. The exchange of information with regard to demands and perspectives of EU accession and the future of social dialogue between representatives of the European sectoral social dialogue committee and the candidate countries helped to enhance mutual understanding.



This brochure provides comprehensive information on both European social dialogue and the national railway social dialogue in Croatia, the former Yugoslav Republic of Macedonia, Montenegro and Serbia. It will serve as reference book for the social partners at all levels and shall motivate them to make their social dialogue more effective. We strongly encourage the project partners to broadly disseminate this brochure amongst their respective affiliates and to remain in close contact with each other to further strengthen social dialogue in the Western Balkans.

Jean-Paul Tricart

Head of Unit Social Dialogue and Industrial Relations; DG Employment, Social Affairs and Inclusion; European Commission



The Voice
of European
Railways



FOREWORD ETF AND CER

A meaningful European social dialogue is the social partners' instrument to contribute to European integration and to build Social Europe. The rail sectoral dialogue has been since it has been set up active and productive. From the agreements on working conditions to joint recommendations and projects, European rail social partners have constantly been assessing the needs of the sector and have tried to bring the best possible solutions and means to improve both the staff working environment and the efficiency of the rail system.

The joint CER-ETF project "Social dialogue in the railway sector in Western Balkan countries" allowed the European social partners to jointly meet their members and to gain knowledge about the situation of the railway sector and the functioning of the social dialogue in the Western Balkan region. It also aimed at creating awareness about the functioning and the activities of the European rail social dialogue in the new Member State Croatia and in the candidate countries of the Western Balkan region. It is also an invitation to actively participate and make use of the instruments already produced by the European social partners.

The purpose of this publication is to take stock of the situation both within

the European Union and in the Western Balkan countries. The rail social partners are particularly proud of having been able to bring together rail social partner representatives from Croatia, Montenegro, F.Y.R. of Macedonia, Serbia but also from Bosnia and Herzegovina and active members of the European social dialogue from the companies' and trade unions' side. This is a first step. Other initiatives will be needed in the future to pursue the dialogue.

Our last words are for EVA Academy and in particular for Ms Almut Spittel. We would like to thank them and to congratulate them for the work done. The success of this project is largely due to their high dedication and their hard work. For all and on behalf of all those who have attended, thank you.

Xavier Martin
Senior Policy Adviser CER

Sabine Trier
Deputy General Secretary ETF



Belgrade, Serbia



Skopje, Macedonia



INTRODUCTION

The European social partners of the railway sector, the Community of European Railway and Infrastructure Companies (CER) and the European Transport Workers' Federation (ETF), share the opinion that social dialogue is necessary to develop the rail sector and improve working conditions for company employees. They are endeavouring to conduct an intensive dialogue at European level, because a joint statement of both parties has great relevance for the sector. Results of their joint work influence legislation and politics. Examples are the agreement on a "European licence for drivers carrying out a cross-border interoperability service" and the agreement on "Working conditions of mobile staff in cross-border services", which became via different legislative procedures binding directives. The joint opinion on „Social aspects and the protection of staff in competitive tendering of rail public transport services and in the case of change of railway operator“ contains demands affecting social aspects, which were included in the European Parliament's position for amending regulation 1370/2007. Important is the participation and involvement of the affiliates and member organisations in the countries.

At the European level social dialogue is seen as an effective means to develop the industry and to meet current challenges. It is the aim of the European Union and the European social partners "to strengthen the capacity of social partners and make full use of the prob-

lem-solving potential of social dialogue at all levels" to reach "a high-employment economy delivering economic, social and territorial cohesion". This project reinforced the impact and visibility of European social dialogue outcomes in the railway sector in the Western Balkan countries. The measures strengthened the capacity of social partners of the candidate countries to develop the national social dialogue and to be informed about the structure and outcome of the European social dialogue.

European institutions emphasize, that a functioning social dialogue is important for growth and employment in the countries. "Beyond all the diversity of national industrial relations systems, social dialogue is a key component of the European social model and its vital role is recognised by the European Treaties, including the Charter of Fundamental Rights." The Communication of the European Commission even states that "strong social dialogue is a common feature in those countries where labour markets have proved to be more resilient to the crisis."

CER and ETF wish to introduce the social partners of the rail sector in the candidate countries to the work being done at European level. They also promote social dialogue in the member states and candidate countries in the Western Balkan region. They initiated this project to start and intensify the communication process with social partners in the Western Balkans and at the European level.

The countries involved in this project were the new member state Croatia and the candidate countries Serbia, Montenegro and F.Y.R. of Macedonia. Country visits and a seminar on experience and information exchange on national and European social dialogue in the railway sector formed the main features of this project. The idea was to introduce social dialogue as an instrument to solve problems jointly on a bipartite basis. At the same time the initiators wanted to highlight that it is necessary to be educated and trained in using the tool of social dialogue and to be informed about the dialogue process and the potential benefits. Another leading aspect was to show that there are a lot of possibilities for conducting social dialogue at a company, regional or national level. The experts explained the different systems in Europe and gave an overview of the diversity of dialogue forms and the possibilities offered. The project also wanted to raise the social partners' ability to fulfil their role in the dialogue process. The discussion should reveal which circumstances influence the development of social dialogue – both positively and negatively.

A fundamental precondition is a mutual understanding and trust between the social partners in this process. The basic rules of dialogue must be adhered to. Individual partners must not just proclaim their own viewpoint but also listen to the other partners take them seriously and consider their arguments. This climate can be achieved with well-prepared meetings and information



Podgorica, Montenegro



Zagreb, Croatia

exchange. To this end the project organised a seminar for the exchange of experience and information between the social partners in the Western Balkan countries and experts from the member states and European institutions.

The European social partners CER, in person of Jean-Paul Preumont, and ETF, in person of Sabine Trier, have been supporting the social dialogue in candidate countries for several years. They have experience in the promotion of the situation in former candidate countries. In 2004 CER and ETF carried out a first round of information seminars on the European social dialogue in the new member states. The seminars took place in 2004, the first one in Budapest with the participation of the social partners from Hungary and Slovenia and the second one in Bratislava involving the social partners from Slovak Republic, Czech Republic and Poland. The second round of information seminars took place in 2006 in Tallinn and Bucharest. The participating countries were Estonia, Latvia, Lithuania, Bulgaria and Romania.

With this positive experience the joint seminar with social partner representatives from Croatia, Montenegro, F.Y.R.

of Macedonia and Serbia took place in Split, Croatia. It contributed to a better mutual knowledge of the various sectoral social partners from the new and old member states, a better understanding of the national systems and the European social dialogue and a smoothing of the integration of the new partners into the European Social Dialogue. Specifically, this resulted in:

- a strengthening of the capacity of the social partners of Croatia and the candidate countries to contribute to the national - and in future the European - social dialogue,
- a reinforcement of the impact and visibility of European social dialogue outcomes in the railway sector in the candidate countries,
- better mutual understanding between the partners of the sectoral social dialogue in the candidate countries,
- information for the social partners in the candidate countries regarding the objectives and activities of the European social dialogue in the railway sector

- the priming of the social partners from the candidate countries for the European social dialogue
- the identification of the prospects of the railway sector and the social partners regarding EU membership.

This brochure on “European Social Dialogue and Social Dialogue in the Railway Sector in Western Balkan Countries” presents the European social dialogue in the railway sector and the situation of the social dialogue in Western Balkan countries. The publication describes in the following two sections social dialogue at the European level, especially relating to the rail sector. The social partners in this sector are constantly interacting to reach agreements and recommendations on relevant social and labour-related issues for the rail sector. The structure, process and outcome of the social dialogue will be presented in this brochure. Achievements so far will motivate the partners to continue and intensify dialogue and to develop joint activities. In the third section the specific situations in Croatia, Montenegro, F.Y.R. of Macedonia and Serbia will be described by representatives of the rail companies and trade unions.

¹ European Commission (2010): Europe 2020 - A European strategy for smart, sustainable and inclusive growth. Communication from the Commission. P. 22, p.5.

² European Commission (2012): Industrial Relations in Europe 2012. Commission Staff Working Document. P. 8.

³ European Commission (2012): Towards a job-rich recovery. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee of the Regions. European Commission. Strasbourg. P. 12.

1 SOCIAL DIALOGUE – UNDERSTANDING HOW IT WORKS

1.1 BACKGROUND

Actors in industrial relations are familiar with the term ‘social dialogue’. When it comes to influencing the arrangement and development of work related issues, social dialogue is an effective instrument for the actors, the social partners. What do we understand by the term ‘social dialogue’? The definition of the International Labour Organisation (ILO) says

“Social dialogue includes all types of negotiation, consultation and exchange of information between, or among, representatives of governments, employers and workers on issues of common interest. How social dialogue actually works varies from country to country and from region to region. It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations between labour and management, with or without indirect government involvement. It can be informal or institutionalised, and often is a combination of the two. It can take place at the national, regional or at enterprise level. It can be inter-professional, sectoral or a combination of these.”

The principle of informing and consulting workers’ representatives is at the core of the European social model and especially of social dialogue. Directive 2002/14/EC establishing a general framework for informing and consulting employees in the European Community, sets out “minimum requirements for the right to information and consultation of employees in undertakings or establishments within the Community”. This directive anchors the information and consultation rights as part of social dialogue in EU legislation (acquis communautaire). New member states must implement social dialogue structures and activities and integrate it into their national provisions. It can take different forms and have different levels of relevance across the 28 EU member states. The varying national patterns of dialogue reflect the countries’ different histories and economic

and political situations.

The development of social dialogue is based on a number of regulations and joint agreements arrived at in Europe. These are fundamental texts which regulate workers’ participation and promote social dialogue:

- ILO conventions “Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)” and “Right to Organise and Collective Bargaining Convention, 1949 (No. 98)”.
- European Social Charter (1961). Collected texts, 6th edition, updated to 30 June 2008.
- The Community Charter of the Fundamental Social Rights of Workers (1989).
- Charter of fundamental rights of the European Union. 2000.

The principle of freedom of association is at the core of the ILO’s values. The right to organise and form employers’ and workers’ organisations is the prerequisite for sound collective bargaining and social dialogue. The relevant ILO instruments are set out in two main conventions:

Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)

This fundamental convention sets forth the right of workers and employers to establish and join organisations of their own choosing without previous authorisation. Workers’ and employers’ organisations shall organise freely and not be liable to be dissolved or suspended by administrative authority, and they shall have the right to establish and join federations and confederations, which may in turn affiliate with international organisations of workers and employers.

Right to Organise and Collective Bargaining Convention, 1949 (No. 98)

This fundamental convention provi-

des that workers shall enjoy adequate protection against acts of anti-union discrimination, including requirements that a worker shall not join a union or relinquish trade union membership for employment, or dismissal of a worker because of union membership or participation in union activities. Workers’ and employers’ organisations shall enjoy adequate protection from any acts of interference by each other, in particular the establishment of workers’ organisations under the domination of employers or employers’ organisations, or the support of workers’ organisations by financial or other means, with the object of placing such organisations under the control of employers or employers’ organisations. The convention also enshrines the right to collective bargaining.

The European Social Charter is a Council of Europe treaty which guarantees social and economic human rights. It was adopted in 1961 and revised in 1996. Article 21 of the revised version determines the right of workers to be informed and consulted on the economic and financial situation of the company and proposed decisions, which could substantially affect the interests of workers. Article 22 extends the right of participation:

Article 22 – The right to take part in the determination and improvement of the working conditions and working environment



With a view to ensuring the effective exercise of the right of workers to take part in the determination and improvement of the working conditions and working environment in the undertaking, the Parties undertake to adopt or encourage measures enabling workers or their representatives, in accordance with national legislation and practice, to contribute:

- a. to the determination and the improvement of the working conditions, work organisation and working environment;*
- b. to the protection of health and safety within the undertaking;*
- c. to the organisation of social and socio-cultural services and facilities within the undertaking;*
- d. to the supervision of the observance of regulations on these matters.*

The Community Charter of the Fundamental Social Rights of Workers was adopted in 1989 by all member states except the United Kingdom. The Charter is seen as a political instrument containing „moral obligations“, whose object is to guarantee that certain social rights are respected in the countries concerned. These relate primarily to the labour market, vocational training, social protection, equal opportunities and health and safety at work. The relevance of the results of social dialogue are mentioned under point 12:

12. Employers or employers' organisations, on the one hand, and workers' organisations, on the other, shall have

the right to negotiate and conclude collective agreements under the conditions laid down by national legislation and practice.

The dialogue between the two sides of industry at European level, which must be developed, may, if the parties deem it desirable, result in contractual relations in particular at inter-occupational and sectoral level.

The Charter of Fundamental Rights consolidates in a single document the fundamental rights applicable at the European Union (EU) level. It was proclaimed in Nice on 7 December 2000. It establishes ethical principles and rights for EU citizens and residents that relate to dignity, liberty, equality, solidarity, citizenship and justice.

The provisions of the Charter are addressed to the institutions and bodies of the EU, as well as to its member states. EU and national legislation must be consistent with the principles

laid down in the Charter. However, the Charter has legal application only when the institutions and member states are implementing EU law. It does not extend the competences of the Union beyond those already granted in the Treaties. The United Kingdom, Poland and the Czech Republic have secured an opt-out from the application of the Charter.

With the entry into force of the Lisbon Treaty on 1 December 2009, the Charter (as amended in December 2007) received the same legal value as the Treaties and became equally binding.

Articles 27 and 28 refer to “Workers’ right to information and consultation within the undertaking” and to “Right of collective bargaining and action”. It also contains an explicit request to the Commission to put forward proposals for translating the content of the Charter into legislation. The Charter has been followed up by action programmes and specific legislative proposals.



VAL DUCHESSE CASTLE, BRUSSELS:
In January 1985 Jacques Delors, president of the European Commission, invited the European social partners to meet for the first time to initiate European social dialogue.

⁴ <http://www.ilo.org/global/about-the-ilo/decent-work-agenda/social-dialogue/lang-en/index.htm>
⁵ http://eur-lex.europa.eu/resource.html?uri=cellar:f2bc5eea-9cc4-4f56-889d-3cc4c5ee5927.0004.02/DOC_1&format=PDF. Article 1.
⁶ <http://www.ilo.org/global/about-the-ilo/decent-work-agenda/social-dialogue/lang-en/index.htm>
⁷ http://www.coe.int/t/dghl/monitoring/socialcharter/presentation/ESCCollectedTexts_en.pdf
⁸ http://europa.eu/legislation_summaries/glossary/social_charter_en.htm
⁹ http://www.europarl.europa.eu/charter/pdf/text_en.pdf



1.2 OBJECTIVES AND BENEFITS OF SOCIAL DIALOGUE

Organisations representing employers and workers play an important role in the member states of the EU. They are the actors influencing developments at the workplace and in the wider economy and society. The nature and extent of this role varies considerably from country to country. On national level it includes setting pay and employment conditions through collective bargaining in different forms and on different levels. They can jointly draft agreements on areas such as social security, training or health and safety, or discuss issues of mutual interest. The social partners also express opinions to governments and other public authorities through consultations. In best-case scenarios they can influence the shaping of employment law and policy.

The European social model is a common vision nurtured by many European states for their societies. There is broad acceptance that this model at least includes sustained economic growth, a high and rising standard of living, high levels of employment, high-quality education, comprehensive welfare and social protection, low levels of inequality and high levels of solidarity, and an important role for representatives of workers and employers and the dialogue between them. The social dialogue and the quality of industrial relations are regarded as being at the centre of

the European social model. Because social dialogue plays a relevant role in the member states, especially in the founding member states and those that joined up until the end of the 20th century, it was included in the institutional and policy-making texts and processes that these countries constructed at European level.

The social partners have the best knowledge and experience of the realities of the employment and social situation in the respective sector and companies. Their consultation by politicians and authorities can improve governance in the area of work-related issues. By reaching agreements, they can achieve compromises and balance their interests in a way that sometimes is not possible for legislation. The benefits of social dialogue have long been widely recognized in the member states.

As the European economy and labour market have become more integrated, it became necessary to develop the employment and social-policy role of the EU. The EU institutions and member states have decided, that similar benefits can be achieved through social dialogue at European level. But social dialogue at European level - due to its transnational character - takes a different form to the ones at national, regional or company level. The European social partners provide a forum to exchange ideas and opinions and to promote dialogue between the partners. They are

able to negotiate binding agreements and non-binding recommendations on relevant social and employment topics on an ongoing basis. With their joint opinions and declarations they can make their concerns known to the European Commission, the European Parliament and the Council of Ministers. The European social partners in the rail sector have already conducted a wide variety of initiatives and they have generated a large number of joint texts, to promote their policies. The outcome of the social dialogue in the rail sector is described in a separate chapter.

1.3 THE EUROPEAN SOCIAL DIALOGUE – HISTORY AND DEVELOPMENT

Social dialogue exists at different levels within the respective countries but also at the level of the European Union. Together with European social legislation, European social dialogue is a major instrument for improving labour standards in the European Union and for contributing to the modernisation of labour markets. The European social dialogue has different tasks and takes different forms to the ones at national level. At European level European organisations, which represent employers and workers at national level, conduct discussions and negotiations to reach joint agreements or recommendations and to influence EU policy-making. It is enshrined in the Treaty on the Functioning of the European Union (Articles 151-155).



We will not write the complete history of European social dialogue, but a brief overview is useful to understand forms and processes. The roots of social dialogue at European level can be traced back to the European Coal and Steel Community (ECSC) established in 1952 by six countries. A Consultative Committee was in charge, gathering representatives of coal and steel producers, workers, consumers and dealers. In later years this principle was extended to the overall economy within the European Economic and Social Committee. Forms of EU-level cross-industry dialogue started to emerge in 1970 and were essentially of a tripartite nature. In the 1980s bipartite dialogue between employer and worker representatives started to gain relevance due to new social and economic issues arising from the European internal market. The so-called Val Duchesse dialogue achieved the first Treaty recognition for EU-level social dialogue between management and labour.

With the Maastricht Treaty (1992), the European-level social partners were accorded a stronger role in framing and applying Community social policy and greater legitimacy through their new right to be consulted on proposed Community action. Cross-industry dialogue was conducted either by the social partners, following their own autonomous agenda, or through consultations based on the Commission's legislative agenda. The autonomous dialogue resulted in joint opinions and declarations on aspects of employment and economic policy. Consultations led to framework

agreements, on parental leave (1995), part-time work (1997) and fix-term work (1999), resulting in binding directives in the member states. Articles 138 and 139 in the Treaty of Amsterdam (1997) institutionalised European social dialogue as a means of consulting the social partners on social initiatives and legislation at European level and as an instrument with which to negotiate agreements. New types of texts in the autonomous dialogue between cross-sectoral social partners led to framework agreements, e.g. on work-related stress (2004), gender equality (2005), harassment and violence at work (2007) and inclusive labour markets (2010).

The Treaty of Lisbon (2009) amends the EU's two core treaties, the Treaty on European Union and the Treaty establishing the European Community. The latter has been renamed the Treaty on the Functioning of the European Union (TFEU). It intends to provide the Union with the legal framework and tools necessary to meet future challenges and to respond to citizens' demands. The provisions on social dialogue, on social partner consultations and negotiations (formerly Articles 138 and 139 of the Treaty of Amsterdam) have been retained virtually unchanged in the TFEU (Articles 154 and 155).

1. *The Commission shall have the task of promoting the consultation of management and labour at Union level and shall take any relevant measure to facilitate their dialogue by ensuring balanced support for the parties.*
2. *To this end, before submitting propo-*

sals in the social policy field, the Commission shall consult management and labour on the possible direction of Union action.

3. *If, after such consultation, the Commission considers Union action advisable, it shall consult management and labour on the content of the envisaged proposal. Management and labour shall forward to the Commission an opinion or, where appropriate, a recommendation.*
4. *On the occasion of the consultation referred to in paragraphs 2 and 3, management and labour may inform the Commission of their wish to initiate the process provided for in Article 155. The duration of this process shall not exceed nine months, unless the management and labour concerned and the Commission decide jointly to extend it¹⁰.*

Article 154 TFEU

1. *Should management and labour so desire, the dialogue between them at Union level may lead to contractual relations, including agreements.*
2. *Agreements concluded at Union level shall be implemented either in accordance with the procedures and practices specific to management and labour and the Member States or, in matters covered by Article 153, at the joint request of the signatory parties, by a Council decision on a proposal from the Commission. The European Parliament shall be informed. The Council shall act unanimously where the agreement in question contains one or more provisions relating to one of the areas for which unanimity is required pursuant to Article 153(2).*

Article 155 TFEU

The main change is that the TFEU contains a new Article 152:

"The Union recognises and promotes the role of the social partners at its level, taking into account the diversity of national systems. It shall facilitate dialogue between the social partners, respecting their autonomy. The Tripartite Social Summit for Growth and Employment shall contribute to social dialogue."

Article 152 TFEU

¹⁰ For more information see: European Commission, Directorate-General for Employment, Social Affairs and Inclusion: Social Europe guide. Volume 2: Social Dialogue. January 2012.

¹¹ Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU) as amended by the Treaty of Lisbon (2007). 2008. Article 152.

1.3 THE EUROPEAN SOCIAL DIALOGUE – FORMS AND PROCESSES

EU-level social dialogue, at both cross-industry and sector levels, takes two main forms. One is the action in response to consultations by the European Commission, the other is the independent work on issues identified by the social partners themselves. These processes can be formal or informal, can be limited to workers' and employers' organisations and can also include the government and other public authorities.

Dialogue takes two basic forms and occurs at two main levels. Its form can be either:

- **bipartite**, involving only the social partners (organisations representing employers and workers) or
- **tripartite**, involving both the social partners and the EU institutions (mainly at cross-industry level)

The main levels of dialogue are:

- **cross-industry**, which means a dialogue whose scope covers the whole EU economy and labour market and all sectors;
- **sectoral**, covering one specific industry across the EU; and
- **company**, where the main forums are the European Works Councils,

depending on the level at which different organisations participate in the dialogue. At cross-industry level trade unions are represented by the European Trade Union Confederation (ETUC) and employers by BusinessEurope (broadly private-sector employers), the European Centre of Employers and Enterprises Providing Public Services (CEEP) and the European Association of Craft, Small and Medium Sized Enterprises (UEAPME). At sector level the social partners are associations bringing together national unions and employers' associations operating in a particular industry across Europe.

43 sectors of industry, services and commerce have set up social dialogue committees; one of them is the railway sector. The work of the committees is supported by the European Commission. In these committees the social part-

ners can, on their own initiative, discuss matters of mutual concern, carry out joint work and negotiate agreements and other joint texts.

The Commission consults the cross-industry and sectoral social partners on different issues and the partners can develop joint responses through the social dialogue committees. In European legislation processes pertaining to employment and social policy the Commission has to consult the social partners. They can negotiate agreements which may be given legal force by an EU directive, as indirectly in the case of the agreement on a "European Licence for drivers carrying out a cross-border interoperability service" (Directive 2007/59/EC) and directly in the case of the agreement on "Working conditions of mobile staff in cross-border services" (Directive 2005/47/EC). In the transport sector a number of legislative measures have a direct social impact, which means that they should be deemed social legislation in the view of the social partners.

PROCESS OF CONSULTATION ¹²

Before submitting a proposal in the social policy field and prior to legislative proposals on social matters, the Commission has a duty to consult the social partners on their views of a possible new EU-wide initiative or legislation. The consultation includes different steps and stages. Under Article 154 TFEU, European social partners are consulted by the Commission on the principle and content of any European social policy initiative in a formal two-stage consultation procedure.

In the first phase the Commission consults the EU social partners on the possible direction of a new legislative proposal in the field of social policy. The social partners reply within a period of six weeks. After analysing the replies, the Commission decides whether to hold a second round of consultation. If so, it consults the European social partners on the content of the proposal. The social partners must again reply to the Commission within six weeks.

Social partners may decide to open negotiations and to deal with a specific issue through bipartite social dialogue at any stage during the two consultation phases. In this case the Commission initiative is suspended. However, if the European social partners do not wish to do so and the Commission considers that Union action is desirable, it will continue to prepare its legislative proposal.

2) The European social partners are consulted by Commission services on developments at Union level in all areas (such as trade, internal market, education, industrial or transport policies) having social implications.

Article 2 of the Commission Decision 98/500/EC of 20 May 1998: *Each Committee shall, for the sector of activity for which it is established,*

(a) be consulted on developments at Community level having social implications, and

(b) develop and promote the social dialogue at sectoral level.

3) In addition, social partners can take part in all public consultations on non-legislative initiatives (e.g. Green papers, White papers, Communications) launched by the Commission often prior to the preparation of an impact assessment for new or modified EU legislation. As this initiative is part of a more general framework, social partners will be consulted on the same basis as other stakeholders. However, if the European social partners





THE SOCIAL PARTNERS PRESENT THEIR JOINT OPINION ON "THE PROTECTION OF STAFF IN COMPETITIVE TENDERING" TO MEPS IN SEPTEMBER 2013

LTR: Matthias Rohrmann (CER), Dr. Libor Lochman (CER), Karim Zéribi (MEP), Bogusław Liberadzki (MEP), Guy Greivelding (ETF), Karl-Heinz Zimmermann (EVG), François Nogué (CER)

adopt a joint position it can provide a strong and representative indication of realistic policies and their impacts, which should be taken into account in any subsequent impact assessment.

IMPACT ASSESSMENT ¹³

The Commission is committed to consult social partners in relation to impact assessments, which are compulsory for the European Commission when preparing new or modifying existing legislation as mentioned in its Impact Assessment Guidelines. These guidelines indicate that consultation must comply with the Commission's general principles and minimum standards for consultation (e.g. regarding minimum response times, sufficient publicity and outreach to all relevant target groups, or the need to provide feedback on the outcomes).

The views and input of European social partners can be a key element in the Commission's impact assessment process. European social partners are particularly well placed to provide detailed evidence

and expertise for their sector, including data and other technical input, thereby contributing to the quality of both the impact assessment and decision-making.

SECTORAL SOCIAL DIALOGUE COMMITTEES

The sectoral social dialogue committees are the main bodies for the development of joint actions by the social partners at European level. The rail sector has installed its sectoral social dialogue committee. The social partners are autonomous in their work. They decide on the working programme, the number and dates of meetings and the planned outcome. The European Commission supports the work financially and organisationally.

Meetings are divided into plenary meetings, working group meetings and steering group meetings. In plenary meetings 28 representatives for the employers and the workers respectively can be reimbursed by the European Commission. Reimbursement of costs is limited to representatives of EU mem-

ber states. The initiative provides for interpretation into 6 languages.

15 participants per side using 3 working languages are reimbursed for working group meetings. The rail sector has installed two working parties:

- Working party I:**
Adaptability – Interoperability
- Working party II:**
Employability and Equal Opportunities

5 participants are reimbursed per side for steering group meetings.

In addition, ad-hoc project working groups will convene, depending on the working programme. One plenary meeting takes place per year. This sets out the annual work programme and elects the president and vice president of the European social dialogue committee for the rail sector.

The following chapter describes the activities and outcome of the European social dialogue (rail).



¹² From: European Commission (2014): Vademecum – A Practical guide for EU Social Partner Organisations and their National Affiliates.
¹³ From: Vademecum – A Practical guide for EU Social Partner Organisations and their National Affiliates. March 2014.

2 THE EUROPEAN SOCIAL DIALOGUE IN THE RAILWAY SECTOR

2.1 THE HISTORY OF THE EUROPEAN SOCIAL DIALOGUE IN THE RAIL SECTOR

European social dialogue in the rail transport sector has a long history. In 1972 a joint committee for the rail sector was founded on the initiative of the European Commission. Its members were nominated by the Commission, based on proposals made by the relevant social partners. The joint committee was initially more of a consultative body than a forum for real social dialogue. But the social partners involved used it to develop an active dialogue and, moreover, since 1992 they have taken advantage of the possibilities provided by the Treaty of Maastricht pertaining to sectoral social dialogue.

The sectoral social dialogue committee for the rail sector was founded in 1999, at the joint request of the social partners, the CER and the ETF and replaced the Joint Committee. Its creation became necessary due to a requirement stipulated in the Commission's Decision 98/599, which extended the possibility for European social dialogue to all sectors and did not foresee it only for a limited number of joint committees. One of the main differences compared to the former joint committees is that the social partners are no longer individuals nominated by the Commission, rather they are the representative and recognised European social partner organisations, which themselves nominate the participants.

The European social dialogue is enshrined in the EU Treaty (Article 152 TFEU). The European Commission has to support and facilitate the dialogue between social partners while respecting their autonomy (Articles 152, 154). The Commission also has to consult social partners in the social policy field (Art. 154) and in accordance with the impact assessment procedure for new sector legislation, for example regarding the 4th Railway Package (internal procedure). It functions as a kind of

catalyst. European social partners have the right to decide to carry out autonomous negotiations (Art. 155).

Negotiations according to Article 155 of the Treaty: an important experience. The European railway social partners negotiated for the first time in 1996, and signed in 1998, an agreement regarding the integration of railway workers in the EU's working time directive (93/104/EEC, now 2003/88/EC). In this agreement, the social partners jointly declared that railway workers shall be fully included in the scope of the working time directive and identified three areas of activity where the derogation possibilities of Article 17 of the directive may apply.

When the working time directive was amended and the excluded sectors (transport workers, fishermen, doctors in training) were included, the Commission, European Parliament and the Council of Ministers fully respected the agreement and definitions of the social partners. However, in this agreement the social partners agreed on principles and did not negotiate the terms and conditions for working time.

2.2 THE STRUCTURE OF THE EUROPEAN SOCIAL DIALOGUE IN THE RAILWAY SECTOR

The general procedure of formal social dialogue on EU level is described in chapter 1.3. This procedure also applies in the rail sector.

Bipartite social dialogue is the most important form of dialogue for the rail sector. The European social partners participating in the formal social dialogue have to be recognised by the European Commission as representative social partner organisations for the railway sector. Criteria are that they have to be European organisations, their affiliates have to be recognised social partners at national level, they have to have a mandate and the capacity to act as a social partner organisation at European level

and there has to be mutual recognition of each other as a partner.

The recognised social partners in the rail sector are on the employers' side:

- Community of European railways and infrastructure companies (CER)
- European Infrastructure Managers (EIM) since 2005,

and on the trade union side:

- European Transport Workers' Federation (ETF).

The tasks of the social partners in the formal social dialogue are:

- Consultation on legislative proposals (Article 154)
- Establishment of a social dialogue committee and active participation
- Negotiation of agreements for example on working conditions for the whole sector [Article 155(2) TFEU]

The bodies of the European social dialogue are the Social Dialogue Committee, the steering committee and working groups.

The social dialogue committee for the railway sector has 28 members from each side - employers' associations (nominated by CER and EIM) and trade unions (nominated by ETF). The reimbursement of participation by the European Commission is limited to representatives of EU member states. The Committee meets once a year in a plenary meeting. Current chairman is Guy Greivelding (ETF), current vice-chairman is Matthias Rohrmann (CER). The chairman and the vice-chairman are elected every two years.

The Steering Committee is composed of five representatives from each side and the secretariats of the CER, EIM and ETF. It prepares the agenda for the plenary meeting. The social dialogue committee for the railway sector has two permanent working groups. Working group I focuses on adaptability and interoperability (chairman: Anders Olofsson (CER), rapporteurs are Serge Pitel-

jon (ETF), Barbara Grau (CER)). Working Group II focuses on employability and equal opportunities (chairwoman: Maria-Cristina Marzola (ETF), rapporteurs: Viktoria Kalass (CER), Daniela Zlatkova (ETF)).

The social dialogue committee is organised according to internal rules. However, in its daily work it follows a flexible approach and utilises its structures according to different needs as they arise. In addition to the formalised social dialogue the European social partners install ad-hoc project groups, which depend on the yearly work programme.



SIGNING OF THE JOINT RECOMMENDATIONS ON SECURITY:
On 5th December 2012 by Libor Lochman, Dr. Rudolf Müller, Sabine Trier and Guy Greivelding (LTR)

2.3 THE SOCIAL PARTNERS

2.3.1 THE COMMUNITY OF EUROPEAN RAILWAY AND INFRASTRUCTURE COMPANIES (CER)

The Community of European Railway and Infrastructure Companies (CER) is the leading European railway association. It was founded in 1988 with twelve members and now brings together more than 70 members - European railway undertakings, their national associations and infrastructure companies. The membership is made up of long-established bodies, new entrants and both public and private enterprises.

CER members represent about 61% of the rail network length, more than 84% of the rail freight business and about 99% of rail passenger operations in EU, EFTA and EU accession countries.

Geographically, CER members come from the European Union, Norway, Switzerland, Moldova, the candidate countries (Macedonia, Montenegro, Serbia and Turkey) and the Western Balkan countries.

CER is based in Brussels and represents the interests of its members to the European Parliament, European Commission, Council of Ministers and other policy-makers and transport stakeholders. CER's objectives are to contribute

to a regulatory environment enhancing business opportunities for European railway and railway infrastructure companies.

COMMUNICATING THE RAILWAYS

The main challenges for communications are building CER's reputation as a competent and reliable partner and bringing the railway messages to the fore in a differentiated environment. Using a wide range of internal and external communication tools, CER aims to present the sector's positions to European institutions, the public and CER members. Events and media relations are used to raise awareness of CER positions, while publications provide essential information on many issues. Internal communications tools, like the weekly newsletter, CER Monitor, keep CER members up to date on recent transport developments in the EU. Over the past year, two new information tools have been launched on a monthly basis. The CER Technical Monitor informs members about ERA-related activities, and the CER Environment Monitor focuses on rail-related environment issues.

DIALOGUE WITH PARTNERS

CER constantly strives to be a reliable, competent and committed partner, building stable relationships based on active and transparent dialogue

between the sector and the European institutions. To achieve this, we are fostering a common and united European railway community.

Other rail organisations are regularly invited to participate in CER working groups. Discussions on infrastructure, freight, and passenger issues are frequently held between CER experts from the Brussels office and CER members and representatives from the European Rail Infrastructure Managers (EIM), the International Union of Railways (UIC), the European Rail Industry (UNIFE), and the International Union of Public Transport (UITP). Recent activities have also led to close co-operation between rail associations on technical issues. Since its establishment by the EU in 2004, the European Railway Agency (ERA) has become another key partner in most technical harmonisation issues.

CER also maintains close relationships with the European Federation of Railway Trackworks Contractors (EFRTC), the European Transport Workers' Federation (ETF), the International Union of combined Road-Rail transport companies (UIRR), RailNetEurope (RNE) and the International Rail Transport Committee (CIT), among others. On specific issues, CER liaises with non-rail organisations too, including NGOs such as Transport and Environment (T&E), road lobby organisations like the International Road

Transport Union (IRU) and the Fédération Internationale de l'Automobile (FIA) and financial bodies, such as the European Investment Bank (EIB). CER is also a member of the Centre of European Policy Studies (CEPS) and Friends of Europe, two Brussels-based think-tanks, and Rail Forum Europe, an MEPs' platform dedicated to rail transport.

CER AND THE SOCIAL DIALOGUE

CER is a non-profit organisation, recognised by the European Commission as a representative social partner organisation for the railway sector on the employer's side. It has been granted full powers to comply with the role given to social partners by the EC treaty that is, consultation on legislative proposals according to Art. 154 and negotiation of agreements on, for instance, working conditions for the whole sector according to Art. 155. CER is committed to the European social dialogue.

OTHER KEY POLICY ISSUES

CER's main focus is the promotion of rail transport development: this is essential to the creation of a sustainable transport system that is efficient and environmentally sound. A key priority in this respect is the achievement of a more balanced modal split in the transport system, minimising external costs to society and improving economic efficiency. In parallel with the railways' own initiatives for improving the quality of rail services, CER sees ensuring proper funding for rail infrastructure modernisation (both at the national level and through EU TEN-T and Cohesion funds) as a prerequisite for achieving the desired modal split. Creating fair framework conditions for transport economics, in particular a level playing field for infrastructure access charging in all transport modes, is another condition for achieving a modal shift. CER therefore believes that the internalisation of external costs in infrastructure access charges must be achieved in future EU legislation. Achieving European rail system interoperability is vital to improving rail's competitiveness for international freight business and, in the long

term, to reducing costs. CER supports actively the work of the European Railway Agency set up in 2005.

STRUCTURE AND ORGANISATION

CER is run by a multinational team led by the Executive Director. The team covers all policy issues affecting rail: infrastructure, passenger and freight transport. It provides special support for its Central and Eastern European members and has a special focus on social affairs. CER offers expertise and advice to policymakers in Brussels. The members meet regularly at working group level on specific issues, and twice a year at senior level, in order to decide on the policy guidelines for the CER work.

2.3.2 THE EUROPEAN RAIL INFRASTRUCTURE MANAGERS (EIM)

EIM is a Brussels-based, international, non-profit association which represents the common interests of independent European Rail Infrastructure Managers. EIM currently has 11 full and 2 associate members accounting for 11 European countries. The members of EIM are dedicated to improving railway infrastructure management and the service they provide to their customers. They achieve this by promoting self-improvement through benchmarking and the exchange of best practice. The organisational structure of EIM is designed to provide the best platform.

EIM MISSION

Since its creation in 2002, EIM has been the main lobbying organisation for the independent Infrastructure Managers. EIM's mission is to improve the development of the rail transport mode by acting as a lobby organisation towards and together with the industry, and also to provide expertise to the appropriate bodies including the European Rail Agency (ERA).

VISION

The EIM vision is to create level playing field both intramodally and intermodal-

ly, promoting the development of rail traffic by providing an efficient cost-effective and open rail network, in which infrastructure managers operate in a non-discriminatory manner to facilitate optimisation of overall system cost and performance whilst taking the lead in developing the network.

MEMBERSHIP

The current members are the rail infrastructure managers from 11 EU countries (Belgium, Denmark, Finland, France, Italy, Portugal, Spain, Slovenia, Sweden, the Netherlands, the UK) and one European Free Trade Association country (Norway). EIM members provide direct employment to over 200,000 people and their networks cover 93,000 km of lines, i.e. 50% of the EU 25. In 2004, they transported 3.15 billion passengers (50% of the EU 25) and 350 million freight tonnes (30% of the EU 25). Regarding independence in a liberalised market, the infrastructure manager, who is at the heart of the railway network, must be neutral and independent and provide a level playing field for all customers and potential customers. Separation of infrastructure from operation clarifies the roles of all players concerned, i.e. the infrastructure manager on the one hand and operators on the other, and as such is conducive to a transparent process. This neutrality and transparency enable the infrastructure manager to offer a safe and efficiently managed network, which in turn attracts customers and encourages competition.

Those customers compete and/or co-operate with each other for the following reasons:

- Non-discriminatory allocation of track capacity in line with market demands
- Access for all licensed railway undertakings
- Compulsory procurement for public passenger services

Ultimately, all of this will result in growth of rail traffic and job security.

ACTIVITIES

EIM recognises that the industrial, political and international context has indeed evolved and therefore the transport policy needs to be adapted in order to ensure sustainable mobility. EIM believes there are various ways to develop these issues whilst taking into account the level playing field between all transport modes:

- Working together with the other stakeholders to encourage a freight oriented network
- Contribute to appropriate development and implementation of EU legislation such as the EC Railway Packages
- Contribute to the ongoing debate to find an efficient way to finance transport infrastructure
- Monitor, identify and influence the work of the European Railway Agency
- Monitor, identify and influence the standard-setting bodies, e.g. CEN, CENELEC.
- Influence any other representative bodies

EIM became a European social partner in 2005 upon request, after having been recognised by the existing social partners CER and ETF.

2.3.3 THE EUROPEAN TRANSPORT WORKERS' FEDERATION (ETF)

The European Transport Workers' Federation (ETF) is a pan-European trade union organisation which embraces transport trade unions and fisheries' trade unions from the European Union, the European Economic Area and Central and Eastern European countries. The European Transport Workers' Federation was created at a founding congress in Brussels on 14-15 June 1999, replacing former European transport trade union structures. The ETF members are workers trade

unions, which organise workers in railways, road transport and logistics, maritime transport, ports and docks, inland waterways, civil aviation, fisheries and tourism services.

The ETF represents more than 3 million transport workers from 243 trade unions and 41 European countries.

Working within an overall framework of global solidarity, the ETF operates both as the European region of the International Transport Workers' Federation (ITF) and as the transport federation of the European Trade Union Confederation (ETUC). Its principal activity is to represent and defend the interests of transport workers throughout Europe. It formulates and coordinates trade union positions on transport and social policy, organises concerted industrial actions, engages in education and training and conducts innovative research on a variety of subjects from workers' health and safety to employment impact studies.

The ETF is the recognised social partner in seven European Social Dialogue Committees and represents the interests of transport workers across Europe vis-à-vis the European institutions, the European Commission, the European Parliament and the Council of Ministers.

The ETF established good links between trade unions and the European Parliament, the Economic and Social Committee and the Committee of the Regions.

ETF STRUCTURE AND ORGANISATION

The ETF governing bodies at horizontal level are the Congress, which meets every 4 years and elects the ETF President and General Secretary and the Executive Committee, which elects a Management Committee. The Federation's sector-related practical work is organised in what are known as the sections. The ETF has seven separate sections: road transport, railway, maritime, inland waterways, civil aviation, dockers' and fisheries. In addition to the sections

the ETF has also established three permanent committees: The Urban Public Transport Committee, the Women's Committee and the Youth Committee. The various sections act autonomously within the ETF, in accordance with general ETF policy. They decide their own work programme, elect their own European leadership and are responsible for political decisions and positions relating to the respective transport sector. The ETF employs a small team comprised of 16 staff members. Political and day-to-day work is managed jointly by General Secretary Eduardo Chagas, the Deputy General Secretary Sabine Trier, five political secretaries, four assistants and five staff members in administration and accounting.

THE ETF RAILWAY SECTION

The ETF Railway Section represents 72 trade unions from 33 European countries that organise about 900,000 railway workers. It elects its president, two vice-presidents, a representative of young railway workers, a representative of women railway workers and three ordinary members every four years and together they form the Steering Committee of the ETF Railway Section. The Railway Section meets twice a year in a plenary meeting of all railway trade unions. Between these two plenary meetings, the Steering Committee acts as the main management body. The ETF Railway Section established two Advisory Groups, one for locomotive drivers and one for on-board personnel, which support the ETF work for these specific professions. Ad-hoc working groups are also formed as needed.

The ETF is as well represented in the European Railway Agency. The ETF is member without voting rights in the Administrative Board of the Railway Agency and it nominates trade union experts to the relevant working groups of the agency.

ACTIVITIES

The activities of the Railway Section, which are similar in all ETF Sections, cover four general areas:

- Lobbying the European institutions on sector-related EU legislation
- European social dialogue
- Organising European industrial actions and solidarity actions
- Serving its members

As the transport sector is one of the most regulated sectors at European level, influencing EU legislation is an important part of ETF activities. About 10% of all EU legislation, known as the *aquis communautaire*, concerns the transport sector. As an integral part of the wider European social model, the European Social Dialogue is of great political importance to ETF and the ETF Railway Section.

2.4 WORK PROGRAMME AND OUTCOME

2.4.1 THE SOCIAL DIALOGUE WORK PROGRAMME AT EUROPEAN LEVEL

The European social partners discuss social and personnel related issues in their joint work, which are relevant for railway companies, infrastructure managers and their personnel in all or many EU member states. According to Article 153 (3) on EU social policy, initiatives affecting wages are excluded from the scope of EU competences. There are also no effective instruments for industrial actions at European level available for the trade unions to support their position. Therefore the European social partners are forced to identify topics of joint interests and the success of the European social dialogue highly depends on the capacity to identify the European dimension of problems and the willingness to tackle them at European level. But the European social partners develop different kinds of texts for the benefit of the European rail companies and railway workers.

Every year, the social dialogue committee adopts a work programme that follows current developments in the sector. It is expanding because of the relatively recent recognition of the role of the social dialogue within the formal consultation by the Commission

on sector-related legislation. In general the work programme covers the following areas:

Information and consultation on EU railway legislation (tripartite part of the dialogue). This is the formal European social dialogue, where the European Commission is included.

Negotiation, implementation and follow-up of agreements. The social partners negotiated two already described autonomous agreements, which were implemented in EU legislation in the form of Council Directives. The implementation and respect at national level as well as a possible review are regular topics in the work program of the European social partners.

Joint recommendations is the second most important instrument of the European Social partners. They are legally not binding but morally binding for the signatory parties. Joint recommendations usually address the CER and ETF member organisations and are intended to be implemented at company level. The European social partners in the rail sector signed several Joint Recommendations (see below) and prepare within their current work program for new recommendations on the issue of the attractiveness of the rail sector as employer. Monitoring the implementation of the joint recommendations is again part of the work program (e.g. on the mid-term review of the White Paper on European Transport Policy until 2010). To date, this has resulted in joint recommendations and joint opinions.

Joint positions on EU railway legislation and social politics, if common points are identified. Joint opinions, like the one on „Social aspects and the protection of staff in competitive tendering of rail public transport services and in the case of change of railway operator“, address third parties and set out political positions. These texts are necessary for lobbying work.

Regular contact and formal consultation by the European Railway Agency on its work programme and draft recommen-

dations regarding the social dimension is ensured by EU legislation. The implementation of the Directive on the certification of locomotive drivers, the tasks of on-board personnel and health and safety at work within the Technical Specifications Interoperability for example are part of the Agency's tasks.

Joint projects on social topics: CER and ETF organise joint projects and studies, to achieve results according to the objectives of the annual working programmes. These projects develop different tools or expertise, e.g. training modules, scientific analyses, good practice examples, joint recommendations or opinions etc.

The work programme shows that the social partners take full advantage of all instruments that are available via the European social dialogue, including information and consultation, joint positions, negotiations resulting in agreements and joint projects.

Overview of the outcome of the past 10 years

Agreements

- Agreement on a “European licence for drivers carrying out a cross-border interoperability service” (2004)
- Agreement “on certain aspects of the working conditions of mobile workers engaged in interoperable cross-border services” (2004)

Joint recommendations

- “Better Representation and Integration of Women in the Railway Sector” (2007)
- “The Concept of Employability in the Railway Sector” (2007)
- “Promoting Security and the Feeling of Security vis-à-vis third-party Violence” (2012)
- “Identify and prevent Psychosocial Risks within the Railway Sector” (2014)

Joint opinions

- „Social aspects and the protection of staff in competitive tendering of rail public transport services and in the case of change of railway operator“ (2013)



PANEL DISCUSSION OF THE SOCIAL PARTNERS
from Croatia, F.Y.R. of Macedonia, Montenegro, Serbia and Bosnia & Herzegovina
led by Sabine Trier and Jean-Paul Preumont in Split 2014

Joint reports

- Annual report 2013 on women employment in the rail sector (annual report 2014 in preparation)

Joint projects

- Employability and demographic change (3 studies from 2004 to 2010)
- Rail freight business restructuring and its impact on employment (2008-2009)
- Social dialogue in new member states and candidate countries (3 projects in 2004, 2006, 2014)
- Equal opportunities (3 projects: 2004/2005, 2007 and 2012)
- Insecurity and third-party violence (2012)
- Identify and prevent psychosocial risks (2013)
- Social aspects and the protection of staff in case of change of rail operator (2013)

2.4.2 SOCIAL PARTNER AGREEMENTS

The two agreements that were negotiated in 2003 and signed on 27 January 2004 were groundbreaking for the European railway social dialogue, since they anticipated the possible consequences of the EU policy on market opening of the railway sector and the need for European social rules.

- Agreement on a “European licence for drivers carrying out a cross-border interoperability service”
- Agreement “on certain aspects of the working conditions of mobile workers engaged in interoperable cross-border services”

In these agreements, the social partners were able to define their own terms and conditions for the workers concerned. The agreement “on certain

aspects of the working conditions of mobile workers engaged in interoperable cross-border services” directly became European legislation (Directive 2005/47/EC) in July 2005. The content of the “European license for locomotive drivers” agreement was integrated in the Commission’s draft directive “on the certification of train drivers operating locomotives and trains on the railway system in the Community” within the 3rd Railway Package and became Directive 2007/59/EC.

The two agreements define common qualification standards, safeguard the health and safety of mobile railway workers and attempt to avoid social dumping. They are an important contribution made by the railway sectors’ social partners to the creation of a common European railway market.

The negotiations were tough and all the social partners went through a necessary learning process in order to succeed by reaching agreement. Negotiations at European level, in a multi-national delegation with partners from different systems and negotiation cultures, require a high capacity and willingness to move away from one’s own national background and to search for common European views. The European social partners in the railway sector gained a wealth of experience and capacity through these successful negotiations.

Agreement on a “European licence for drivers carrying out a cross-border interoperability service”

The CER-ETF agreement largely inspired the proposal for the certification of train drivers (Directive 2007/59/EC). The operating license stems directly from this initiative of European social partners. The agreement aims

to ensure qualification standards and thus ensures safety and improve the mobility of drivers. They receive a European operation licence card and a complementary certificate, indicating the infrastructure and rolling stock which the train driver is authorised to operate.

Agreement “on certain aspects of the working conditions of mobile workers engaged in interoperable cross-border services”

This agreement was transformed into Directive 2005/47/EC (application of Art. 155(2) of the TFEU) and adopted by national legislatures. It contains a limitation on driving hours and stipulations regarding breaks, minimum daily and weekly rest periods and the maximum number of rests away from home. The agreement aims to improve safety and avoid social dumping.

Candidate countries are not yet affected by this agreement, which applies only to cross-border services, but it will provide protection in the face of the coming competition. There is a non-regression clause: the agreement cannot be used to lower standards already enshrined in national laws or agreements.

Excerpt of the agreement’s provisions (for cross-border services):

Minimum breaks: Regulation for drivers: if working 6 - 8 hours at a stretch: 30 minutes; if more than 8 hours: 45 minutes. Regulation for other on-board staff: if working more than 6 hours: 30 minutes.

Daily rest at home: Minimum 12 hours; once a week: 9 hours (compensated by the following rest at home). A reduced rest cannot be placed between 2 rests away from home.

Rest away from home: Minimum 8 hours. A daily rest at home will follow a daily rest away from home (exceptions for a second rest away from home possible at company and national level to be negotiated between social partners). Compensation have to be discussed at national or company level.

Weekly rest: Minimum 24 hours + daily rest (12 hours), guarantee of 104 rest periods of 24 hours / year, guarantee of 12 double rests (48 h + 12 h) including Saturday and Sunday and guarantee of 12 double rests (48 h + 12 h) without guarantee of weekend.

2.4.3 JOINT RECOMMENDATIONS

Joint recommendations are process-oriented texts, which, albeit not legally binding, must be followed up, and progress in implementing them must be regularly assessed. Therefore these agreements have a great relevance for the companies and trade unions in the railway sector in Europe. The recommendations so far are:

- “Better Representation and Integration of Women in the Railway Sector” (Rome, 12th June 2007)
- “The Concept of Employability in the Railway Sector” (Belgrade, 4th October 2007)
- “Promoting Security and the Feeling of Security vis-à-vis third-party Violence” (Brussels, 5th December 2012)
- “Identify and prevent Psychosocial Risks within the Railway Sector” (Brussels, 11th March 2014)

“BETTER REPRESENTATION AND INTEGRATION OF WOMEN IN THE RAILWAY SECTOR”

Based on a joint study by the social partners to determine the representation of women in railway companies and the various railway occupations, to assess their situation and identify examples of good practices resulting in better integration of women, the social partners CER and ETF prepared joint recommendations to support equal opportunities for women in the railway sector in 2007. The social partners wanted to contribute to better representation and integration of women in the sector, which traditionally is a male-domi-

nated one. They therefore made recommendations addressed to their affiliated members and intended for implementation at national, regional and corporate level. The complete text of the recommendations can be found in the annex.

According to the joint recommendations from 2007, a follow-up project was conducted in 2012: “Follow-up of the CER / ETF Joint Recommendations ‘Better Representation and Integration of Women in the Railway Sector’: Implementation – Evaluation – Review”. The aims of the study were to compare developments to the situation in 2003, to update statistical data with a view to improving representation of women in the railway enterprises and the respective trade unions, and to monitor and evaluate implementation of the joint recommendations. This includes an assessment of the extent to which the objectives of the charter for equal opportunities are being reached, identifying what kind of positive actions have been initiated and studying whether evaluation processes have been implemented and (quantifiable) targets have been set. The report presents the main findings of the comparative analysis and the evaluation. It is based on a quantitative survey of 25 companies in 17 countries and 16 trade unions in 13 countries, members of CER and ETF, and interviews with companies’ and trade unions’ representatives in Austria, France, Germany, Italy, Poland and Sweden. The considerations are attached in the annex as “Do’s” and “Don’t’s”.

“THE CONCEPT OF EMPLOYABILITY IN THE RAILWAY SECTOR”

With the recommendations on employability, the European social partners CER, EIM and ETF advise their member organisations and affiliates to use the strategy of employability as described in the memorandum of 2007 as a central guideline for human resources policy. The strategic concept is based on prevention and aims to create a working environment, which maintains and improves the qualification, competences, health and fitness of workers. All involved parties - company, employees, works councils and trade unions - share responsibility here. The strategy should be agreed on

the basis of social dialogue between the social partners with a view to obtaining maximum benefit for all partners. The recommendations are attached in the annex. The European social dialogue has been monitoring and facilitating the process and organised a conference in 2008 to assess the results of the joint recommendations thus far. In 2010 a follow-up project on “Employability in the face of demographic change” was set up, where best-practice examples were collected and the situation in the companies was presented in a survey.

“PROMOTING SECURITY AND THE FEELING OF SECURITY VIS-À-VIS THIRD-PARTY VIOLENCE”

The security of railway employees and passengers is of essential importance for the European social partners and their affiliated companies and trade unions. Although rail passenger transport is basically safe, the social partners are very concerned in particular about third-party violence against employees in rail passenger transport. In issuing these joint recommendations, the European railway sector social partners intended to support their members - affiliated unions and companies - in taking measures that help to increase security and confidence of staff and passengers vis-à-vis third-party violence. They also want to contribute to improving working conditions in rail passenger transport and to initiate strategies aimed at preventing and handling third-party violence at work using practical measures. Measures aimed at communication, prevention, intervention and aftercare should to be tailored to the respective fields of work and company divisions. A global and joint approach is deemed to be the most promising strategy here. The European social partners therefore recommend that a sustainable policy should be applied, which includes measures in the following areas:

- Creating awareness
- Establishing a specialised entity
- Reporting, recording and analysing
- Security management and equipment
- Preventive training and sensitisation for staff members
- Aftercare
- Law and order partnerships

- Good practices
- Dialogue with politicians, other stakeholders and social partners / civil and social dialogue
- Awarding of public contracts for rail passenger transport
- Conclusion of a social partner agreement
- Regular assessment of the effectiveness of the measures taken

A detailed explanation can be found in the full-length version of recommendations in the annex.

“IDENTIFY AND PREVENT PSYCHOSOCIAL RISKS WITHIN THE RAILWAY SECTOR”



PROJECT WORKING GROUP
PSR-RAIL Berlin 2013

The European social partners in the rail sector are of the opinion that psychosocial risks (PSR) affect the occupational safety and health (OSH) of rail employees. In their view, dealing with the issue of PSR will be beneficial to both the railway companies and railway workers. From a company perspective, reducing PSR means reducing the hidden costs linked to psychosocial risks. For the workers, reducing psychosocial risks means improving the quality of working life and helping to prevent serious health problems. A healthy work environment taking both physical and mental aspects into account is important for ensuring good quality of work and thus high-quality services. Well-being at work is similarly important for productivity and service quality.

The joint recommendations aim to contribute to improving working conditions in the rail sector by tackling the problem of psychosocial risks and identifying sector-specific measures that help to reduce the problem. The specific objectives of

the joint recommendations are to increase employer and worker awareness and understanding of work-related psychosocial risks and to draw their attention to signs indicative of risk. The social partners would like to see strategies and action initiated in their affiliated unions and companies with the aim of preventing and managing work-related psychosocial risks.

The obligation to protect the health and safety of employees while at work lies clearly with employers under both EU and national legislation. The European social partners share the opinion that tackling psychosocial risks should not only be part of the company health and safety policy but also be addressed in all relevant fields of company policy and action. They are looking to a cooperative corporate culture in which measures are taken to prevent psychosocial risks and to deal with their consequences. Psychosocial risks may be addressed within an overall process of risk assessment, through a separate psychosocial risk policy and/or through specific measures targeting identified risk factors. The European social partners emphasise that a joint approach promises to be the most successful.

2.4.4 JOINT OPINIONS

Joint opinions denote joint positions of the European social partners on certain aspects of policy. They are designed to influence European policies and to help share knowledge.

„Social aspects and the protection of staff in competitive tendering of rail public transport services and in the case of change of railway operator“

Within the European social partner project “Social Aspect and the Protection of Staff in Case of Change of Railway Operator (The current Situation)”, a joint opinion was developed by the Steering Committee. On 23 September 2013 the European Social Dialogue Committee for Railways adopted the joint opinion. CER and ETF agreed on the „joint opinion“.

Although the European social partners differ in their view on the need for further liberalisation and market opening, they share the conclusion that the consequences of competition should not affect the working conditions of staff providing services by requiring, at national, regional or local level, binding social standards and/or the compulsory transfer of staff in cases where the operator is changed. The project has shown that there are very different national situations in terms of social aspects and protection of staff in cases of a change of operator and especially concerning the application of articles 4(5) and 4(6) in conjunction with recitals 16 and 17. Five principle statements explain the social partners’ position in this joint opinion.

In its first reading of the 4th railway package the European Parliament adopted the main propositions of the “joint opinion” that the EU social partners CER/ETF had agreed upon. This can be seen as a great success for EU social partners. There is a good chance that the demand for binding social standards and/or compulsory transfer of staff will be incorporated into legislation. If the European Council agrees, PSO Regulation 1370/2007 will be adjusted to conform with this demand.



PROJECT WORKING GROUP
“Protection of staff” Paris 2013



3. THE RAILWAY SECTOR AND THE SOCIAL DIALOGUE IN WESTERN BALKAN COUNTRIES

INTRODUCTION

The following chapter describes the railway sector in the countries Croatia, F.Y.R. of Macedonia, Montenegro and Serbia and the situation of social dialogue in these countries. It presents the social partners and the structure and legal preconditions for social dialogue. The social partners of the countries express their expectations of accession to the European Union.

Some observations are relevant for all countries in the region. A key aspect is that the railway sector in the region is in a transition process. Most of the former state-owned integrated companies are divided into separate entities. In the case of Serbia the integrated organisational structure has been maintained, but business is divided into two directorates. The companies have the obligation of separated accounts and balance sheets to fulfil criteria for EU accession. These separated entities or directorates are at least infrastructure and operation, mostly operation is in addition divided into passenger transport and freight transport. The restructuring processes are not finalised, separations and restructurings became continuous processes. The ownership of the entities is still dominated by state-owned structures.

The financial crisis has hit the countries in the Western Balkan region and

with them the railway companies in a period, which still is influenced by the transition process of the last century. Old problems have not yet been solved while new ones are arising. Investments in infrastructure and rolling stock are pressing. Transport volume, especially rail cargo transport has decreased severely. In this situation new restructuring measures are on the agenda.

The number of employees in all the companies has decreased during the last years. Railway companies need well qualified and motivated staff to compete effectively in the intermodal competition. The development of personnel and of working places is a main challenge for the future. Technological modernisation requires new competencies. Maintaining employability and developing qualifications of staff are key factors for the companies and employees.

For the trade union movement the fragmentation into many different unions in the countries is a severe problem. Although strong and coordinated bodies for representing the interests of workers are needed and mergers should be encouraged, the unions have split or new organisations have been founded. This development hinders effective efforts for the workers' benefits. Unfavorable regulations for founding unions and self-interests of some representatives promote this development.

All social partners of the candidate countries, which participated in this project, expressed their wish to become member of the European Union soon. Positive economic and social development of the region is expected. All the countries have already started to implement EU regulations. Economic benefits are expected by a closer relationship with the EU and an implementation of social aspects.

In all countries mechanisms of social dialogue exist, according to ILO conventions and demands of the European Union. Tripartite social dialogue is still more relevant in the countries than bipartite dialogue on sector level, although not always formalised. The intensity and the outcome of social dialogue are subject to changes. A joint approach of employers' and workers' representatives is considered to be beneficial for the development of the railway sector. And the railway sector is relevant for a sustainable transport system in the region.

The social partners of Croatia, F.Y.R. of Macedonia, Montenegro and Serbia present the situation of the rail transport and social dialogue in their countries. The reports were largely written by employer representatives and trade union representatives together. This joint approach promoted mutual understanding and dialogue between the partners and presents us a complete picture.

COUNTRY - KM RAIL	COMPANIES	NUMBER OF EMPLOYEES	NUMBER TRADE UNIONS
Croatia – 2.604 km	Hrvatske Željeznice (HŽ) divided into 3 independent, state-owned companies (2012):	10.038	In Croatian railways 13 trade unions organise railway workers.
	HŽ Infrastruktura d.o.o.	5.421	In HŽ Infrastruktura 3 trade unions out of 6 are representative: <ul style="list-style-type: none"> • Railway operators' Trade Union (1.634 members) • Infrastructure Workers' Trade Union (1.359 members) • Croatian Railwaymen Trade Union (1.093 members)
	HŽ Cargo d.o.o.	2.460	In HŽ Cargo 2 trade unions out of 8 are representative: <ul style="list-style-type: none"> • Croatia Train Drivers' Union (762 members) • Croatian Railwaymen Trade Union (549 members)
	HŽ Putnički prijevoz d.o.o.	1.906	In HŽ Putnički prijevoz 3 trade unions are representative: <ul style="list-style-type: none"> • Croatia Train Drivers' Union (834 members) • Trade Union of Croatian Railwaymen (495 members) • Croatian Railwaymen Trade union (473 members)
F.Y.R. of Macedonia – 926 km	Macedonian Railways was separated into 2 entities (2003)	2.515	Railway workers in Macedonia are organised in 8 trade unions.
	Public Enterprise Macedonian Railways Infrastructure	1.315	Representative trade unions are: <ul style="list-style-type: none"> • Trade Union organisation of Railway Workers of PE MR Infrastructure – Skopje, • Association of Independent Trade Unions – Zeleznicari
	Public Enterprise Macedonian Railways Transport JSC	1.200	Representative trade unions are: <ul style="list-style-type: none"> • Trade Union organisation of Railway Workers of PE MR Transport JSC – Skopje • Trade Union Organisation of Depot Workers
Montenegro – 326 km	Separation of former company into 4 companies (2008)		1200 members are organised in 4 representative trade unions
	Željeznička Infrastruktura Crne Gore - AD Podgorica (ŽICG)	840	Trade Union of Railway Infrastructure of Montenegro
	Railway Transportation of Montenegro JSC (ŽPCG)		Trade Union of Railway Transportation of Montenegro
	Montecargo JSC Podgorica (AD Montecargo)	243	Trade Union Montecargo, Montenegro
	Railway rolling Stock Maintenance JSC Podgorica (OŽVS)		Trade Union of Railway Rolling Stock Maintenance
Serbia - 3.809 km	Serbian Railways JSC, integrated state-owned corporation	18.047	28 trade unions, 85 % of employees are member of a union, 3 trade unions are representative: <ul style="list-style-type: none"> • Union of Railway Workers of Serbia • Union of Executive Services of Serbian Railways • Union of Workers of Railway Infrastructure of Serbia.



REPUBLIC OF CROATIA

The favourable geographic and transport position of the Republic of Croatia enables the development of the transport infrastructure and transport industries as one of the more important factors of the country's overall economic and social development. However, the current unfavourable economic trends in the country are also impacting the cargo and passenger railway transport, which is decreasing year after year.

The transport network of the Republic of Croatia can, in short, be described by the following data:

- the overall length of the road and motorway network is 29,333 km,
- the overall length of the railway network is 2,604 km,
- the overall length of the inland waterway network is 805.2 km, inclu-

ding four ports (Sisak, Slavonski Brod, Vukovar and Osijek),

- the infrastructure of maritime transport includes six main seaports (Rijeka, Zadar, Šibenik, Split, Ploče and Dubrovnik),
- the air transport system – nine airports, 7 of which are international airports (Zagreb, Rijeka, Split, Dubrovnik, Osijek, Pula and Zadar), and 2 of which are airfields (Brač and Mali Lošinj).

Investments in roads comprised, on average, 85 percent, and in railways 10 percent of the total public sector investments in the transport infrastructure development for the 2000-2007 period, whereas there were no investments at all in intermodal transport, although the Transport Development Strategy of the Republic of Croatia, adopted by the Croatian Parliament in

November of 1999, envisaged otherwise. Namely, the Strategy envisaged that 25 percent be invested in railways, 10 percent in intermodal transport, and in 40 percent in road transport.

The railway sector is underinvested. In 2011, road transport comprised 64 percent of the total transport of goods and 44 percent of the total transport of passengers.

In the same year, railway transport comprised 10 percent of the total transport of goods and 43 percent of the total transport of passengers.

The second most significant goods transport mode was maritime transport with 26 percent of the total transport, whereas maritime passenger transport comprised 11 percent.

ORGANISATION OF THE RAILWAY SECTOR

The Railway Act defines railway infrastructure as public property used for public purposes owned by the Republic of Croatia. The Act regulates the organisational structure of the railway system, the method and conditions of the provision of railway transport, the status of railway infrastructure and the conditions for the access to railway infrastructure, the railway transport services of special national interest for which the Republic of Croatia ensures part of the funds and the control system for railway transport activities.

Services in railway transport are transport services in passenger and cargo transport, and they are carried out in accordance with market conditions, based on a transport contract. Railway undertakings are independent in their business activities and they are operated, managed and supervised in accordance with general and special regulations that regulate the business operations of trading companies, regardless of whether the Republic of Croatia is a member or shareholder of the company.

Until 2012, Hrvatske željeznice operated with the structure of a holding, but in November of 2012 it changed its legal status by dividing the company HŽ Vuča vlakova d.o.o. and by merging its parts with HŽ Putnički prijevoz d.o.o. and HŽ Cargo d.o.o. and by merging the holding company with the infrastructure manager (HŽ Infrastruktura d.o.o.).

After these changes, these three railway companies (HŽ Putnički prijevoz, HŽ Cargo and HŽ Infrastruktura) are completely separate, but are still 100 percent state-owned.

HŽ INFRASTRUKTURA D.O.O.

HŽ Infrastruktura d.o.o. was established with the goal of managing, maintaining and constructing railway infrastructure. Its core business activities are the following: managing railway infrastructure, organising and regulating railway transport, maintaining and modernising

railway infrastructure, the protection of existing railway infrastructure and construction of new infrastructure. The company currently employs 5,421 workers.

Limited liability companies that are in 100-percent ownership of HŽ Infrastruktura are the following: Pružne građevine d.o.o. and Croatia express d.o.o. as well as the affiliated company Proizvodnja – regeneracija d.o.o. (23% owned by HŽ Infrastruktura d.o.o.).

QUALITY OF INFRASTRUCTURE

The constructional line length amounts to 2,722.28 km, of which single-track lines comprise 2,468.41 km or 90.7%, and double-track lines 253.87 km or 9.3%. The total length of electrified railway lines amounts to 984.74 km or 36.2% (of which single-track lines comprise 734.48 km, and double-track lines 250.26 km).

The present state of the railway infrastructure capacity as a whole is not satisfactory. The restructuring programme envisages significant investments in the modernisation and construction of the railway infrastructure. The harmonisation of the characteristics of the Croatian railway network that are of significance for international transport with the technical specifications for interoperability for the trans-European railway network represents one of the priorities of the Restructuring programme. In the 2013-2017 period, investments in the amount of HRK 25 billion have been envisaged. A significant source of these investments should be EU funds.

INFRASTRUCTURE DEVELOPMENT PROJECTS

Completed projects:

- Rehabilitation and upgrade of the Vinkovci – Tovarnik – state border railway section
- System of signalling and interlocking devices at the Zagreb Main Station

Works in progress:

- Rehabilitation and upgrade of the Okučani – Novska railway section

Tenders for works that are in progress:

- Construction of second track of the Dugo Selo – Križevci railway section
- Construction of new line Gradec – Sveti Ivan Žabno

Designs in progress:

- Construction of new line Podsused – Samobor
- Reconstruction and construction of second track on the Dugo Selo – Novska railway section (stage 1, 2 and 3)
- Construction of the second track on the Križevci – Koprivnica – state border railway section
- Construction of new double-track railway line Goljak – Skradnik
- Reconstruction and construction of second track on the Hrvatski Leskovac – Karlovac railway section
- Reconstruction and electrification of the Zaprešić – Zabok railway section
- Reconstruction and electrification of Vinkovci – Vukovar railway section
- Building of the Railway Safety Agency
- GSM-R central traffic management project

Open tenders for designs:

- Rehabilitation and upgrade of the Okučani – Vinkovci railway section
- TMS – development of a central traffic management system

Tenders for designs in preparation

- Rehabilitation and upgrade of the second track on the Zagreb – Klara – Sisak railway section
- New bypass road for cargo transport around Zagreb

HŽ PUTNIČKI PRIJEVOZ D.O.O.

HŽ Putnički prijevoz d.o.o. is owned by the Republic of Croatia and its field of activity is public passenger transport in national and international railway transport. The company currently employs 1,906 workers.

About 25,000,000 passengers are transported annually by HŽ Putnički prijevoz. However, the railway transport has been recording a drop in the number of passengers, which is mostly the result of the existing state of the

railway infrastructure, with frequent works halting transport, great competition from road transport operators as well as timetable that is not well adjusted to the real needs of passengers.

Companies that are in 100-percent ownership of HŽ Putnički prijevoz d.o.o. (daughter companies) are the following: Tvornica željezničkih vozila Gredelj d.o.o., in bankruptcy, TERSUS EKO d.o.o., Željeznička tiskara d.o.o., Tehnički servisi željezničkih vozila d.o.o. and the company in 77-percent ownership of HŽ Putnički prijevoz d.o.o. - Produkcija-Regeneracija d.o.o.

HŽ CARGO d.o.o.

HŽ CARGO d.o.o. is in 100-percent ownership of the Republic of Croatia and since 2007 it carries out public cargo railway transport in the domestic and international railway and combined transport. On 15 May 2014, the company employed 2,460 workers.

Indicators of transported quantities in tonnes show a constant downward trend in the 2007-2013 period. In the first quarter of 2014, the same transport level as in 2013 was recorded. In 2007, the transported quantities amounted to 17.2 million tonnes, whereas in 2013 they amounted to 10.8 million tonnes. The quality of infrastructure directly influences the execution of cargo transport services, primarily the transit-time and the rolling stock maintenance costs, which shows that investments in railway infrastructure and railway modernisation will have a direct effect on the quality of railway cargo transport services.

Companies in 100-percent ownership of HŽ Cargo d.o.o. (daughter companies) are the following: AGIT d.o.o.; Održavanje vagona d.o.o., Radionica željezničkih vozila Čakovec d.o.o., Remont i proizvodnja željezničkih vozila Slavonski Brod d.o.o.

Companies partly owned by HŽ Cargo: Robno-transportni centar Brod d.o.o., (ownership share of 51%), CROKOMBI d.o.o. (47.09% ownership share) and Cargo centar Zagreb (25% ownership share).

OPENNESS OF THE MARKET FOR COMPETITION

The railway market in the Republic of Croatia is open for competition in the cargo transport sector, from the day of its accession to the EU, 1 July 2013. In order to be able to carry out railway cargo transport services, companies need to obtain a permit from the Railway Safety Agency and meet other conditions pursuant to the Railway Act. HŽ Cargo is currently the only active operator in railway cargo transport in Croatia.

RESTRUCTURING PROCESSES

HŽ Infrastruktura d.o.o.

According to the Restructuring programme of HŽ Infrastruktura d.o.o. (June 2012) and the first (January 2013) and second amendments to the Restructuring programme of HŽ Infrastruktura d.o.o. (June 2013) HŽ Infrastruktura d.o.o. carried out a series of planned activities:

Status changes and restructuring of the companies that are part of the HŽ of Infrastruktura d.o.o. group:

Three companies were separated from the daughter company Željezničko ugostiteljstvo d.o.o. in January of 2013: Hotel Miror d.o.o., Hotel Mursa d.o.o. and Croatia express d.o.o. In July of 2013 the shares of the companies Hotel Miror d.o.o. and Hotel Mursa d.o.o. were transferred to the Republic of Croatia as a result of an agreement concluded by the Republic of Croatia, the Government Asset Management Company and HŽ Infrastruktura d.o.o. The remaining part of Željezničko ugostiteljstvo d.o.o. was merged with HŽ Infrastruktura. It is envisaged that the company Croatia express d.o.o. will be sold to HŽ Putnički prijevoz d.o.o. The value assessment of the company has been carried out as well as other preparatory activities concerning the sale of the company shares in 2014. Status changes and restructuring of the company Pružne građevine d.o.o. - On 1 March 2013 the following companies were merged with Pružne građevine

d.o.o.: Remont i održavanje pruga d.o.o. and POSIT d.o.o., and on 01 May 2013, the unit „Poslovni centar održavanja pruga“ was separated from HŽ Infrastruktura. With the transfer of employees from the company PRO-REG d.o.o., the company Pružne građevine d.o.o. was enabled to carry out the construction of railway switches and the welding of rails. The company was capitalised in July of 2013 with the amount of HRK 134.3 million for assets, machinery and equipment necessary for the performance of railway infrastructure maintenance and construction services.

According to the second amendments of the Restructuring programme, the company will be privatised. For this purpose, a value assessment of the company real estate, machinery and equipment was carried out by authorised appraisers, which was entered in the commercial records of the company. In October of 2013 the Decision on the covering of losses to the account of the reserves and the subscribed capital was carried out. With the carried out restructuring, the company is completely prepared for the privatisation process, and on 29 November of 2013 the tender for the sale of the company was published.

After the sale of the company Croatia express of d.o.o. to HŽ Putnički prijevoz and the privatisation of Pružne građevine d.o.o., HŽ Infrastruktura d.o.o. will no longer have daughter companies within its structure, but will contract its services via public procurement procedures.

Organisational changes and collective bargaining in HŽ Infrastruktura d.o.o.

The management board of HŽ Infrastruktura d.o.o. carried out activities for the preparation of the Regulations on organisation for the purpose of the rationalisation of business operations and the harmonisation of the real number and systematised number of employees.

The company regularly negotiates with its social partners on the application of the Collective Agreement regarding the current company capacities and the necessary austerity measures and the rationalisation of labour costs.

Rationalisation of operating costs

In order to rationalise the company operating costs, the number of employees is being cut via reorganisation and the improvement of the technological process as well as through incentive measures for the voluntary departure of employees with the payment of a stimulating severance pay.

Investments in the railway infrastructure

A level of investments in the infrastructure capacities was envisaged in the 2014-2018 period that will mostly compensate for the lag in the maintenance of railway capacities to about 1,500 km of railway lines and create conditions for the increase of the quality of railway transport services as well as the harmonisation of the exploitation costs of railway lines. This shall be achieved by: increasing the transport capacity of railway lines and removing „bottlenecks“ on railway lines, increasing the average infrastructure speed of railway lines, achieving a speed on newly built railway lines for international transport of 160-250 km/h, on railway lines for regional transport a speed of 100-160km/h and on branch-lines a speed of 60-100 km/h and by increasing the maximum permitted weight of trains on railway lines for local transport.

HŽ CARGO d.o.o.

The company HŽ Cargo is in a restructuring process that comprises a personnel restructuring and a financial consolidation, with the aim of turning the business operations of the company positive in the future. Attempts have been made to reduce organisational irrationalities and operating costs, which influence the survival of the company. Technological processes are being rationalised in order to increase profitability and productivity. The restructuring of the company is a lasting and continuous process that will go on in the future period and during which new regulations on the organisation and systematisation of the company will be adopted, in accordance with the changes in market demands.

Status changes

Significant status changes were carried out with the merging part of the company HŽ Vuča vlakova d.o.o. with HŽ Cargo d.o.o. on 1 October of 2012. With the Decision of the Bjelovar Commercial Court of 05 April 2013, the company Remont željezničkih vozila Bjelovar d.o.o. was merged with the company Radionica željezničkih vozila Čakovec d.o.o.

HŽ Putnički prijevoz d.o.o.

The restructuring programme of HŽ Putnički prijevoz d.o.o. comprises four components. The first is the structural reorganisation, which includes the division and merger of HŽ Vuča vlakova d.o.o. which was carried out on 1 October 2012, and the privatisation of the companies Željeznička tiskara d.o.o. and Tersus eko d.o.o.

The following components comprise the rationalisation of operating costs through the application of measures aimed at a more efficient use of resources, such as the reorganisation of business operations, changes in the business model, and the reduction of the total number of employees with a redundancy programme.

The final component is the modernisation of the rolling stock, investments in the computerisation of the company with a focus on the ticket sales system, and the introduction of other new technologies.

ECONOMIC ENVIRONMENT

According to a World Bank report (2013. RoC - Report on railway sector policies), the railway sector will need over EUR 130 million annually for the maintenance of the existing system (EUR 55 million for infrastructure, EUR 30 million for the cargo rolling stock and EUR 45 million for the passenger rolling stock). The largest part of the funds for the railway sector should come from EU Funds. This is why it is important that the Government of the Republic of Croatia prepares a transport development strategy as soon as

possible, in which all important goals will be strategically defined.

The railway network must be optimised, and the multi-annual contracts on the infrastructure maintenance must be improved so as to improve the quality of the maintenance services. The Government of the Republic of Croatia should act in two directions:

- supervision of companies in the implementation of the programme and the achievement of goals with respect to the state aids and the optimisation of the number of employees and the network size,
- creation of an environment that will enable a timely implementation of the restructuring and opening the market.

HŽ Putnički prijevoz d.o.o. is operating in a recession environment, which directly influences its business operations. The increase of the number of the unemployed significantly impacts the results of passenger transport services, especially the daily migrations, which in turn, influences the sales revenue of the overall travel transport sector, including those of HŽ Putnički prijevoz d.o.o. Another aspect influencing the decline in revenues is the reduction of collective rights and the purchasing power of citizens, especially the right to the reimbursement of the costs of commuting, which causes increased numbers of persons commuting without tickets, etc.

it should also be noted that the current state of the railway infrastructure does not allow for competition of railway transport with road transport. Also, the large number of works currently carried out on railway lines also causes a decrease in the number of passengers.



THE SOCIAL PARTNERS AND THE STRUCTURE OF SOCIAL DIALOGUE

BUSINESS OPERATION OBJECTIVES

HŽ Infrastruktura d.o.o.

The primary business objectives of the company HŽ Infrastruktura d.o.o. are the following: to create conditions for an increase in the quality of railway transport services and a harmonisation of the railway line exploitation costs, an increase in labour productivity, the rationalisation of operating expenditures, achieving an operating income ratio of 0.8:1, creating conditions for achieving the projected state and an increase in the capacity of the railway infrastructure, and to adopt a company energy efficiency action plan.

HŽ CARGO d.o.o.

Personnel restructuring, getting rid of the liabilities that occurred in the previous period and raising the company to a level of competitiveness under the conditions of market liberalisation of the railway cargo transport sector represent a foundation for the further business operations of the company. While working on achieving these preconditions, the management board of HŽ Cargo d.o.o. has also carried out measures for the

rationalisation of business operations. This is why the primary objective of the company restructuring is to set the business operations in accordance with the market conditions and to create the conditions for sustainable business operations without future interventions and state aids from the Republic of Croatia.

HŽ Putnički prijevoz d.o.o.

Increasing competitiveness on the market, overhaul of the rolling stock, computerisation of business processes, increase of the qualification structure of the employees with an emphasis on training and adjusting the system to EU standards are the primary business objectives of HŽ Putnički prijevoz d.o.o.

EMPLOYMENT AND HUMAN RESOURCES

HŽ Infrastruktura d.o.o.

HŽ Infrastruktura d.o.o. was established as an independent trading company on 29 December 2006 and at that time it employed 7,538 employees. In the following years the number of employees was continually cut through stimulating severance pay and through the Railway Fund, established in 2007. In the 2007-2013 period, the number of employees was reduced by 2,222.

A further decrease in the number of employees is expected in 2014, due to the introduction of new technologies and a redundancy programme with the use of incentives and the Railway Fund.

The technological modernisations of the capacities of HŽ Infrastruktura, envisaged in the medium term, must be accompanied by the corresponding competences of the employed. Human resource management is aimed at the employment of the best personnel through the following:

- a psychological selection procedure,
- career development for those already employed,
- the development of a mentorship system aimed at accelerating the transfer of knowledge and experience from the senior employees to the newly employed and interns,
- lifelong learning and a continuous process of educating and training the employees.

Human resources management presumes the transfer of knowledge and experience to new employees. In the following medium-term period HŽ Infrastruktura d.o.o. has the goal of hiring and training a certain number of trainees for work in various segments of the system, using the most experienced and best employees as mentors.

In 2014 and 2015, the employment of 100 interns is envisaged, and in 2016, 2017 and 2018, the employment of 65 interns per year is envisaged.

Another goal is the continued training of employees, which will include obligatory instructions for railway workers, regular and unannounced knowledge assessments, development of managerial skills, computer training and foreign language courses.

HŽ Putnički prijevoz d.o.o.

HŽ Putnički prijevoz d.o.o. currently employs 1,906 employees, 52 of which are employed on the basis of a fixed-term contract. The number of employees is planned to be cut to 1,670 by the end of 2019. The increase of the qualification structure of the employees, with an emphasis on training, and harmonising the system with EU standards are the primary business objectives of HŽ Putnički prijevoz d.o.o. as regards human resources.

The primary objectives of the restructuring programme regarding human resources are the following: reduction of the number of employees in accordance with the technical and technological capacities, taking into account all significant elements of the protection of worker's rights in the process of the termination of employment contracts, the implementation of training programmes aimed at the improvement of the efficiency and quality of labour, and harmonising the necessary knowledge and skills of the employees with EU levels.

HŽ CARGO d.o.o.

The process of personnel restructuring is under way. The employees who have been made redundant have been offered a transfer to the Railway Fund as well as the possibility of a consensual employment contract termination with the payment of a stimulating severance pay. In the first stage, the number of employees will be reduced by 804.

The maximum amount of stimulating severance pay is HRK 140,000.00. Employees can spend a maximum of three

years in the Railway Fund with a maximum monthly gross benefit of HRK 4,000.00, with all rights and obligations from the employment contract.

If they decline the employer's offer for a voluntary transfer to the Railway Fund, the employees become redundant and their employment contract is consensually terminated on the basis of a redundancy termination, and they will be covered by the redundancy programme. The employees whose employment contract is terminated are entitled to a stimulating severance pay in the amount of one average monthly salary for every full year of employment, but in the maximum amount of HRK 140,000.00.

If an employee covered by the redundancy programme does not accept the consensual employment contract termination, his or her employment contract will be terminated on the basis of a redundancy termination. In this case the employee is entitled to severance pay in accordance with the company collective agreement in the amount of the average net salary calculated on the basis of the three months before the employment contract termination, for every full year of employment in HŽ, but the maximum amount is HRK 120,000.00.

For the payment of the severance pays, the Government of the Republic of Croatia issued a guarantee for a loan for the restructuring of HŽ Cargo in the amount of HRK 250 million. The funds from this loan are intended for the redundancy programme and the financial consolidation of the company. HŽ Cargo will continue with the restructuring in accordance with legal regulations, restructuring guidelines and the approval of the Government of the Republic of Croatia with the goal of turning the business operations of the company positive.

TRADE UNIONS

The main fields of activity of the trade unions in the railway sector refer to the following:

- Restructuring (railway development

strategy, organisational changes, privatisation)

- Collective agreements (procedures of collective bargaining)
- Workers' joint decision-making (workers' councils)
- Occupational health and safety
- Social partnership and social dialogue
- Improvement of the living standard

In HŽ infrastruktura, 4,365 employees or 80 percent of the total number of employees are members of trade unions. The following three trade unions are representative:

- Railway Operators' Trade Union with 1,634 members (37.4%)
- Infrastructure Workers' Trade Union with 1,359 members (31.1%)
- Railwaymen Trade Union with 1,093 members (25.0%)

260 employees (6%) are in the Croatian Railways Trade Union and 19 employees (0.4%) are in two other trade unions.

In HŽ CARGO, 2,120 or 86% of the total number of employees (2460) are trade union members. The following two trade unions are representative:

- Croatian Train Drivers' Union – 762 members (35.9%)
- Croatian Railwaymen Trade Union – 549 members (25.9%)

269 employees (12.7%) are members of the Autonomous HŽ CARGO Trade Union (12.7%), 229 employees (10.8%) are members of the TPVV Trade Union, 195 employees (9.2%) are members of the SHŽ Trade Union, 82 employees (3.9%) are members of the Croatian Railways Trade Union, 21 employees (1%) are members of the SPVH Trade Union, and 13 employees (0.6%) are members of the Infrastructure Workers' Trade Union. A collective agreement was signed with the representative trade union – the Croatian Train Drivers' Trade Union. The other representative trade union – the Croatian Railwaymen Trade Union – did not sign the collective agreement. However, it was signed by the Autonomous HŽ Cargo Trade Union, the Croatian Railways Wagon and Train Technical Inspectors' Trade Union and the Croatian Railways Workers' Union In HŽ Putnički prijevoz d.o.o., the following

trade unions are representative: the Croatian Train Drivers' Union (43.78%), the Trade Union of the Railwaymen of Croatia (26.00%) and the Croatian Railwaymen Trade Union (24.82%).

REPRESENTATIVENESS OF TRADE UNIONS

The rules on the representativeness of trade unions are prescribed by the Act on the Criteria for Participation in Tripartite Bodies and Representativeness for Collective Bargaining (OG 82/12, 88/12).

Article 8 of this Act prescribes the following:

In the process of determining the representativeness of trade unions, a trade union is considered representative if, with the employer or in the area or at the level at which the collective agreement is signed, it has at least 20 percent of the employees as its members from the total number of employees in trade unions with the employer, in the area or at the level, at which the collective agreement is signed.

Exceptionally, if the conclusion of a collective agreement in one area is negotiated, which does not include a group in accordance with the National Classification of Economic Activities, in which a trade union is active, whose members are employees of the same profession and occupation, a trade union is considered to be representative if it has at least 40 percent of employees as its members of the total number of employees of the same profession and occupation employed with employers that operate in the area for which the collective agreement is concluded.

Trade unions are also considered representative if at least 75 percent of its members are employees of the same profession and occupation, which is directly connected to the area for which the conclusion of a collective agreement is negotiated.

If the representativeness of several trade unions acting in one area or level for which the collective agreement is concluded is determined, the employer or employers' association can negotiate only with the negotiating committee es-

tablished via a written agreement by all representative trade unions. This written agreement must clearly express the wills of the trade unions for their joint collective bargaining and represents for the employer a confirmation that he is negotiating with representative trade unions.

Membership of trade unions in national or international associations

When it comes to national workers' umbrella organisations, the Croatian Railwaymen Trade Union is a member of the association Autonomous Croatian Unions (NSH), and the Croatian Railway Operators' Trade Union is a member of the Croatian Association of Labour Unions (HURS).

On the international level, the Trade Union of the Railwaymen of Croatia, the Croatian Train Drivers' Trade Union and the Croatian Railway Operators' Trade Union are members of the ITF – International Transport Workers' Federation and the ETF – European Transport Workers' Federation.

HOW DOES SOCIAL DIALOGUE WORK?

A developed social dialogue is considered a stabilising factor, necessary for the economic and social progress of the country and for the cohesion of new EU member states within the single market.

The legal framework for the social dialogue/industrial relations - national and international instruments:

- the Constitution of the Republic of Croatia

- the Labour Act
- the Act on the Criteria for Participation in Tripartite Bodies and Representativeness for Collective Bargaining
- ILO conventions (87, 98...)
- the International Covenant on Economic, Social and Cultural Rights, UN
- International Covenant on Civil and Political Rights, UN
- European Social Charter, Council of Europe (unrevised)

Considering that the social dialogue is part of the industrial relations, which as a system cannot be established by decree, but requires a bottom-up development, the initiative must originate between the social partners – the workers and the employers.

Therefore, although in the last ten years an institutional mechanism for tripartite and bipartite social dialogue has been established in the Republic of Croatia, from the local to the national level, the culture of social dialogue is not at an enviable level.

The bipartite social council for the railway transport sector was established on 30 May 2012, with the support of the Ministry of Labour and the Pension System. The signatories of the Agreement on the Establishment of this Social Council are the following trade unions: the Trade Union of the Railwaymen of Croatia, HŽ Infrastructure Workers' Trade Union, Croatian Train Drivers' Union, Croatian Railway Operators' Trade Union, Croatian Railwaymen Trade Union, the Autonomous HŽ CARGO Trade Union and the HŽ Wagon and Train Technical Inspectors' Trade Union. In the name of the employers, the



Meeting of the European social partners with the social partners of Croatia in Zagreb 2014

signatories of the Agreement are the following: HŽ Holding d.o.o., HŽ Infrastruktura d.o.o., HŽ Cargo d.o.o., HŽ Putnički prijevoz d.o.o. and HŽ Vuča vlakova d.o.o.

The Social Council is not in function because the employers have not determined the new structure of the council on the side of the employers, which they need to do since HŽ Holding d.o.o. no longer exists and new employers' representatives need to be appointed.

COLLECTIVE AGREEMENTS

In the railway sector there are several collective agreements, that is every company has its own collective agreement.

A collective agreement includes the following elements:

- the LABOUR-LAW PART, which determines the rights, obligations and responsibilities concerning the following: the conclusion of a labour contract, temporary transfer of workers, interns, working hours, rest periods and leaves of absence, education of workers and training for work, periods of service with accelerated pension plan, protection of the privacy and dignity of workers, non-discrimination of workers, termination of employment contract, protection of workers' rights, compensation of damages, relations with trade unions, worker's councils and commissioners for the temporary prohibition of the performance of activities, temporary suspension of workers.



- the TARIFF PART, which regulates salaries, employee benefits, salary compensation, compensation of workers' costs, insurance of workers, other receipts of workers.
- LABOUR CONDITIONS AND OCCUPATIONAL HEALTH AND SAFETY

RESULTS OF THE SOCIAL DIALOGUE

The social dialogue could have a very great perspective in terms of the business operations of the company because mutual dialogue and understanding of the issues at hand as well as reaching compromise to allow an easier adjustment and implementation of individual processes in the company, taking into consideration the requirements and needs of the employees and the sustainable business operations of the company. In HŽ Putnički prijevoz d.o.o., the demands of the employer and the unions are common for all employer-unions relations, but what is important for reaching a compromise, for the successful and profitable business operations of the company, is respecting the workers' rights.

EXPECTATIONS FROM EU ACCESSION

The accession of the Republic of Croatia to the European Union means that the previous business operation rules will need to change, that is they will need to be harmonized with the rules of the EU railway sector. The infrastructure manager and railway undertakings are facing great challenges and changes, primarily in the rationalisation of the business operations and the reduction of the number of employees. The Croatian railway sector has gone through a deep transformation in order to fulfil the criteria for EU accession. Over the past ten years, the legal and institutional framework was harmonised with the *acquis communautaire* and independent regulatory institutions have been established. HŽ was restructured and reorganised with the goal of becoming more competitive and user-oriented, and state aids for the railway sector have begun to decrease.

From 1 July 2013 Croatia has become a part of the European transport market, which requires sustainability of the reforms carried out in the railway transport sector and the adaptability of railway undertakings to changes on the market.

EXPECTATIONS FROM THE SECTORAL DIALOGUE

The sectoral dialogue should be aimed at achieving the following goals:

- proposing amendments to regulations with a view to increase competitiveness on principles of sustainability and environmental protection
- strengthening of collective bargaining on the level of the sector
- establishing minimal standards in the sector
- proposing measures with a view to advance the level of the functionality and safety of the railway sector
- improving the ability of predicting and managing changes that are relevant for socially responsible business operations
- monitoring the state in the sector and counselling on issues such as the sectoral plan for increasing competitiveness, employment policy, education policy, industrial policy
- participating in the formation of education programmes and redefining the role of educational institutions, necessary to the employers and trade unions in order to ensure the education of the work force in accordance with the needs of the economy, and necessary to the employees in order to increase their employability and adaptability, and in order to verify forms of training that will help bridge the period in which public educational institutions need to carry out the required reforms,
- defining information and statistical indicators that need to be regularly submitted to social partners (employers' associations and trade unions), on even terms, in order for the social partners to be able to build their capacities in order to conduct the social dialogue and to responsibly carry out their tasks,
- the development of long-term consultation mechanisms concerning important issues related to the economic and social position of the employees.



FORMER YUGOSLAV REPUBLIC OF MACEDONIA

THE RAILWAY SECTOR IN F.Y.R. OF MACEDONIA

The relevance and market share of the railway sector.

Republic of Macedonia is landlocked country located on the south of Balkan Peninsula positioned on the crossroads of the pan European corridors VIII and X. Its 25.713 m2 surface and population of 2.058.539 inhabitants are making it relatively small scale economy. Thus Macedonian economy is vastly open and export oriented.

Transport storage and communications branch has important role in building the competitiveness of the economy

and employs some 36600 workers that are participating with 6.31% in creation of Macedonian GDP, hence modernisation and the development of sustainable transport sector is one of the highest priorities in future development of the Macedonian economy.

At present the railway sector employs 2515 employees. The market share is 7.5% in freight transport and 0.8% in passenger transport.

Small market share is due to underdeveloped railway network as well due to overall the state of the railway system which has been victim of regional events of the 90's that instigated economic collapse hence prolonged absence

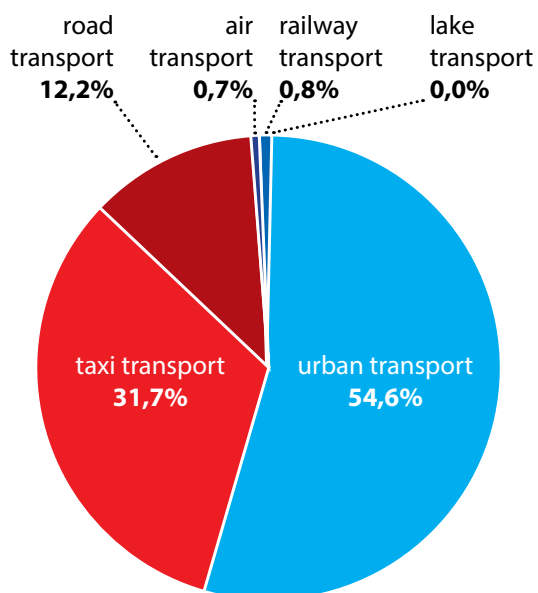
of investment in railway system.

Despite the abovementioned the importance of the railway system is crucial for the development of modern, sustainable and socially responsible transport system of R. Macedonia. That is why there are many ongoing investment projects described further in the report that will contribute to imposition of the railways as serious and reliable partner in the overall transport sector.

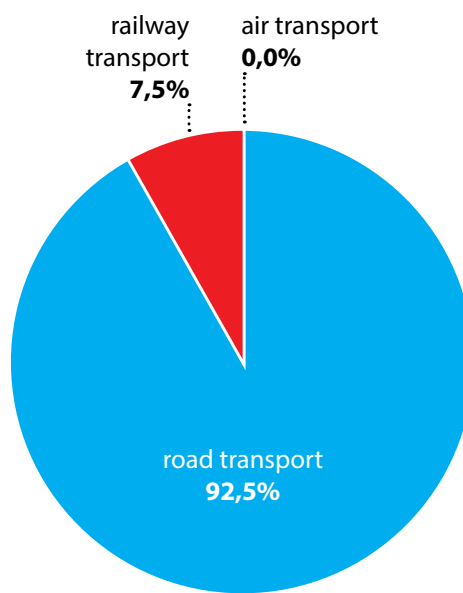
Organisation of the railway sector

Macedonian railway sector is comprised by two entities that resulted from

G-01: STRUCTURE OF PASSENGER TRANSPORT, 2012



G-02: STRUCTURE OF GOODS TRANSPORT, 2012



the restructuring of the former PE Macedonian Railways as follows:

1. Public Enterprise for railway infrastructure Macedonian Railways – Skopje employing 1315 workers and
2. Macedonian Railways JSC Skopje 100% State owned employing 1200 workers.

Length of the railway infrastructure

The length of the railway infrastructure is 925 km of which 699 are open tracks, 226 km are platform tracks and 102 are industry tracks. Electrification covers 3212.66 km of track. The main type is of 25kv 50 Hz.

State of the infrastructure and the development projects

The decades of negligence have left the railway infrastructure in dire state, undermining the quality of services. The National Transport Strategy and the Government 4 year programme foresees number of development projects that are in various stages of implementation totaling 578 mil. euro provided by National budget, EBRD and IPA Programme as follows:

Corridor 10/10d modernisation projects

- Track overhaul of Nogaevci – Negotino section
- Building and reconstruction of Bitola – Kremenica section
- Renovation of Skopje train station
- Renovation of 10 train stations along the corridor 10/10d
- Introduction of GSMR and ETCS systems.

Corridor 8 modernisation projects

- Construction of the railway line to Bulgaria in three stages
- Construction of the railway line to Albania

In accordance with the programme of the Government there is ongoing tendering procedure for procurement and reconstruction for the needs of MZ TRANSPORT JSC Skopje as follows:

- Procurement of 6 new passenger multiple units (4 DMU and 2 EMU)
- Reconstruction of the existing electro

locomotives

- Procurement of 150 cargo rail cars of various types and
- Reconstruction of the existing facilities from the energy efficiency aspect.

Total value of the abovementioned investments is 50 mln. Euro.

Freight and passengers transport per year.

MZ TRANSPORT JSC Skopje transported 853,177 passengers in 2013 representing decrease of 15.78% compared to 2012.

Concerning the freight transport 2.282.837 tons of goods were transported in 2013 whereby 26.394 tons are in the domestic market and the rest is the international transport.

Market liberalisation and cross border traffic.

The amendment of the law on Railway System in July 2012 prevented the market opening in Macedonia.

Further restructuring plans for railway sector.

Main focus of the Government and the companies in the forthcoming midterm period is the implementation of the abovementioned investment projects with in the present organisational frame of the railway sector based on the existing two state owned entities.

On the other hand the implementation of the investment programme imposes certain structural changes such is the transformation of Skopje Cargo station into complete multimodal terminal that will have to be new organisational part within the PE MR INFRASTRUCTURE - Skopje.

THE SOCIAL PARTNERS AND THE STRUCTURE OF SOCIAL DIALOGUE

EMPLOYERS

Employers in railway sector

The main employers in the railway sector are:

- Public Enterprise for railway infra-

- structure Macedonian Railways – Skopje employing 1315 workers and
- Macedonian Railways JSC Skopje 100% State owned employing 1200 workers.

Short description of the restructuring process

After the declaration of independence of Macedonia, the Public Enterprise Macedonian Railways was established in 1991 integrating all railway sector operations.

The restructuring process began in 2003 when the Government selected the restructuring process that envisaged the separation of the railways into two entities reduction of work force and the introduction of private sector in railway operations. Its implementation was supported by 19 mil. \$ World Bank loan that stipulated the strict implementation of the aforementioned severe measures.

700 employees were dismissed in January 2005 without prior agreement on the severance package with the trade unions leading to largest to date railway workers strike in Macedonia. Further restructuring process was conducted by adopting the legal basis for the separation of the public company in 2005 thus the establishment of the two newly founded companies that were relieved from the outstanding liabilities that were taken over by the Government.

By the end of 2010 the “Railways reform Project” was fully implemented and both the legislation and the necessary regulatory bodies envisaged in the 1st and 2nd railway package were in force and functioning.

The time distance from the second half of 2008 until 2013 is the period in which the new companies were operating in the environment of global financial crisis that reflected most negatively at the Corridor 10 in neighboring Greece. The freight transport intensity recorded increase of 43% reaching 1.274.678 mil.ton.km in 2008 but contracted to 711.016 mtk in 2009, which represents 55% decrease in freight transport hence the huge reduction in revenues. To avoid the worst happening the Gover-

ment intervened to consolidate the indebtedness of both companies and ensure their seamless operation.

Apart from the economic factors, the veto from one of the member states to the beginning of the accession negotiations between EU and Macedonia created political impediments to further reform of the sector resulting in large impact to railway market liberalisation process.

Economic situation in which companies are operating and the necessity for investments in infrastructure and the rolling stock.

The situation of the national and particularly of the economies of the neighboring countries along the Corridor 10 is still very difficult thus the Government intervention is still essential in both ensuring the daily operation and providing the necessary investment as above described.

Present and future goals of the companies in railway sector

The aims of both companies are stipulated by the changes in the European railway sector resulting with the separation of infrastructure management and transport operations.

Consequently the mission of MR TRANSPORT JSC Skopje is to provide quality, reliable and environmentally acceptable transport and traction services to its clients.

The ongoing investment cycle that is taking place with the assistance of Government will modernise and increase the transport capacities of the company aiming to prepare it to face future competition.

Regarding the infrastructure the future goals of PE INFRASTRUCTURE SKOPJE are to reconstruct and modernise the Corridor 10 aiming to increase the projected train speed and increase the traffic flow capacity and secondly to build the remaining sections of the corridor 8 in order to make it functional.

The number of employees in companies employment development and future expectations.

After the significant reduction of workforce in 2005, when the total number of employees was reduced by 30%, the remaining redundancies were reduced by means of natural attrition. The present size of workforce is 2515 full time employees.

The introduction of new technologies is expected to create jobs that require employment of new highly skilled workers, thus the increase of total number of employees is expected in the future.

The main objectives of the development of human resources

PE MR INFRASTRUCTURE – Skopje

Considering the fact that the average age of the employees is 56 years and the reforms of the overall public sector that are conducted by the government the main goals in human resources development are:

- Adaptation of the employees to the new technologies and adaptation of organisational priorities to meet the capabilities of employees so they can cope with the changes in the company.
- Education and building capacities of the employee evaluation, training and social protection department by means of training sessions and seminars in order of preparation for competent evaluation of employees competence.

MR TRANSPORT JSC Skopje

- Development of the skills of employees by means of continuous training and performance evaluation.
- Maintaining the appropriate level of industrial relations and engaging in collective bargaining with workers representatives.
- Improvement of working conditions of the employees by means of programs on injury prevention, workplace stress reduction and counseling etc.
- Proactive approach in motivating the employees.

Companies involved in collective bargaining

Both companies are involved at company level collective bargaining process with their respective representative partners from the trade union side.

Membership in national, European and international employers associations

Both companies are members of Community of European Railways.

THE TRADE UNIONS

Macedonian railway workers are organised in multiple trade union organisations of which relevant are following: Trade Union Organisation of Railway workers of PE MR INFRASTRUCTURE – Skopje, Trade Union organisation of railway Workers of MR TRANSPORT JSC – Skopje, Association of Independent Trade Unions – Zeleznicari, Trade Union Organisation of Depot Workers, Trade Union Organisation of Track Maintenance Workers, Independent Trade Union of MR TRANSPORT JCS Skopje and Independent Trade Union of Engine Drivers of Macedonia

Trade union density

The above mentioned trade unions are organising over 90% of railway workers.

Representativity criteria

Representativity criteria are determined by article 212 of Labor code where there are separate conditions for establishment of representativity of workers and employers organisations for the purposes of collective bargaining. The criteria for representativity are established at national, branch and employer/company level.

For the purposes of this report the criteria for representativnes at branch and company level are of particular interest.

- Representative branch trade union is considered the union that organises no less than 20% of the total number of workers employed within the branch that operates.
- Representative trade union at company level is considered the union that organises no less than 20% of the total number of workers employed in the company that operates.

Representative trade unions

Company level representativeness criteria are met by following trade unions:

- At PE MR INFRASTRUCTURE – Skopje: Trade Union Organisation of Railway workers of PE MR INFRASTRUCTURE – Skopje and Association of Independent Trade Unions – Zeleznicari.

- At MRTRANSPOR JSC Skopje: Trade Union organisation of railway Workers of MR TRANSPORT JSC – Skopje and Trade Union Organisation of Depot Workers.

Membership in national, European and International workers organisations.

Trade union organisations that are part of the Trade Union of Workers in Traffic and Communications are at the national level affiliated to the Federation of Trade Unions of Macedonia and internationally affiliated to International and European Transport Workers’ Federation.

- ANS – Zeleznicari is the member of International Transport Workers’ Federation.
- Trade union organisations that are part of the Trade Union of Transport and Communications are at national level affiliated to the Confederation of Free Trade Unions of Macedonia and internationally affiliated to ITF and ETF
- The Independent Trade Union of Macedonian Railways is member of the European Transport Workers’ Federation.

Focus of trade union activities.

- At present the activities of trade unions in both companies are directed towards the collective bargaining process at company level.

HOW DOES SOCIAL DIALOGUE WORK?

Legal basis for social dialogue

Legal basis for establishing social dialogue in Macedonia is constituted from:

- Labor code („official gazette nr. 62/2005)
- Agreement on establishment of Economic and Social Council of R. Macedonia („off. Gazette nr.113/2010).
- ILO Convention nr.87 on Freedom of Association and Protection of the Right to Organise from 1948.
- ILO Convention nr.98 on Application of the Principles of the Right to Organise and to Bargain Collectively from 1949
- ILO Convention nr.144 on Tripartite Consultation and Recommendation nr.152 on International Labour Standards from 1976.
- ILO Convention nr.140 on Paid Educational Leave from 1974.

Tripartite social dialogue at national level

At national level the tripartite social dialogue is functioning within the activities of the Economic and Social Council of Macedonia (hereto referred as ESC) where the social partnership is established between following entities:

- The Government of Republic of Macedonia, represented by the Minister of Labour, who is also presiding the meetings of ESC, Minister of Finances, Minister of Economy and the Vice President of the Government in charge of economic affairs.
- Representative trade unions at national level, the Federation of Trade Unions of Macedonia and the Confederation of Free Trade Unions of Macedonia.
- The Employers’ Organisation of Macedonia.

Social partners from the railway sector don’t have any direct participation or influence in ESC activities, for to date development of industrial relations in the sector is predominantly taking place at company level and at Ministry of transportation level depending on the issues set.

Tripartite social dialogue in railway sector

Despite considerable level of mutual respect and cooperation there hasn’t been thus far establishment of any institutional form of tripartite social dialog at Ministry of transportation level such is ESC or any other form. At sectorial level the social dialog appears in form of informal or formal meetings of partners, and the frequency of meetings depends on scale and nature of the changes that are imposed to working conditions in the sector.

Bipartite social dialogue in railway sector

- Bipartite social dialogue is taking place predominantly at company level between the trade union organisations and the management of the companies.
- At sectorial level the bipartite social dialog is seldom practiced. Depending on the occasion joint meetings between trade unions and manage-

ments of companies are set up to discuss issues of mutual concern.

Parties involved in bipartite and tripartite social dialogue in railway sector

- Information and consultation process is conducted in accordance with article 94a of Labor code meaning that all existing trade union organisations are included in the process.
- Concerning the codetermination there is significant difference between the companies in the opportunity of trade unions to participate in the decision making process. The deference is due to different legal status of the respective companies. MR TRANSPORT JSC Skopje is founded and operating in compliance with the law on commercial entities that stipulates presence of workers delegate in supervising board of the company. Following the amendments of the law on public undertakings. In 2004 the opportunity of having permanent employee representatives in the Managing board of the PE INFRASTRUCTURE Skopje was eliminated. To mitigate the latter the statute of the Company stipulates that the representative trade unions have the right to be present at the meetings of the Board when issues related to working conditions are discussed.
- The collective bargaining process is regulated by article 219 and 220 of the Labor Code and stipulates that only representative trade union organisations are entitled to negotiate the agreement.

Description of the social dialogue process

The company level social dialog is exercised in both companies in the areas of information/consultation and collective bargaining.

The information and consultation process is conducted by means of information bulletins on present and planned activities of the management, that are delivered to trade union organisations and direct consultative meetings with trade unions. The areas covered by the social partnership are predominantly problems that are occurring in day to day operations that influence the working conditions.

The most frequently discussed topics at the meetings are:

- Issues of workplace health and safety
- Individual or collective disputes between management and employees etc.

Collective agreements

Collective bargaining in the railway sector is present exclusively at company level.

At the infrastructure manager the collective bargaining agreement is present since 2010 but since Labor Code stipulates that collective agreements duration is limited to period of two years, in May 2012 the social partners agreed to extend the acting agreement for additional two years. For the next two year period the completely new collective agreement is in process of conclusion. The trade union negotiating board is comprised from representatives of Trade Union Organisation of Railway workers of PE MR INFRASTRUCTURE – Skopje and Association of Independent Trade Unions – Zeleznicari.

At MR TRANSPORT JSC Skopje in absence of company level agreement the provisions of the general agreement for the public sector employees are applied. The negotiations for the conclusion of company level agreement are at a final stage. The trade union board is comprised of representatives of Trade Union organisation of railway workers of MR TRANSPORT JSC – Skopje and Trade Union Organisation of Depot Workers.

Main elements of collective agreements

- Establishment of individual rights and duties of the employees such as employment contracts, working hours, vacation and other types of leaves, special protection of senior workers, pregnancy and maternity rights, and the protection of single parents.
- Establishment of the conditions to exercise collective rights such as right of association and the right to strike.

The collective agreements are mandatory and applied to all employees in the company.

The outcome from social dialogue

The most evident outcome from the engagement in social dialogue is undoubtedly ensuring the prolonged social peace and with some minor exceptions uninterrupted operation of the companies that are comprising the Macedonian railway sector. To the significance of the afore mentioned adds the fact that in the the foregoing 5 year period the railways had to operate within the conditions of financial crisis that triggered social turmoil followed by general strikes in railway sectors of Bulgaria and Greece in particular.

Since 2010 the employees of the infrastructure manager are covered by a collective agreement and the first agreement for the transport operator employees is very soon expected, hence the greater rights of the workers.

The perspectives for social dialogue

Further integration of the F.Y.R. of Macedonia to EU economic and political processes will inevitably entail further implementation of railway directives, hence further fragmentation of the entities that are comprising the Macedonian railway sector. Furthermore the latest reforms of the public administration of Macedonia is bringing the employees of the two companies under different legislation and consequently different employment conditions. This could be the source of future discontent among the employees and potential social instability in the sector.

The aforementioned will direct the social partners attention to sectorial social dialogue, especially to the tripartite one, whereby the efforts will be to ensure that the railway sector legislation ensures equal working conditions to all railway workers in the sector regardless of their employer or employment status.

Need for further development of social dialogue

One of the most likely possible direction of social partners synergy to further develop the social dialogue is that trade unions and employers jointly demand the formalisation and institutionalisation of the tripartite social dialogue with

the frame of the Ministry of transportation. The formalisation would contribute to reaching mutual compromises and effective inclusion of employees representatives in the decision making process.

EXPECTATIONS OF EU ACCESSION FOR THE RAILWAY SECTOR

The experience from railway reforms from the workers side is mostly negative. At the beginning of the process 700 workers were dismissed in 2005 and later on the process of liberalisation was started, which coupled with the blockade of the euro integration process due to 2009 veto on accession negotiations, threatened to endanger the jobs of then 1500 workers of MR TRANSPORT JSC Skopje, or in essence half of the sector employees. That is why a change of the law on railway system is needed to stop the liberalisation of Macedonian railway market.

Having in mind the enlargement fatigue and the latest political trends at EU level marked by ever growing influence of Eurosceptic in European Parliament logical conclusion is that in the mid-term period, apart from Montenegro, there won't be fast EU integration of the remaining countries of the Western Balkans region. But that doesn't mean that there won't be any railway integration and that the EU common transport policies will not influence the region.

The European Union has direct interest for the Western Balkans region, where



Macedonia is positioned being crossroad of two pan European transport corridors.

The present transport sector cooperation between EU and the countries of the Western Balkan region is based upon the 2004 MoU. But ever since EU is striving to create transport community with the countries of the Western Balkan where Macedonia would inevitably be included and in which case our Government would be bound by the treaty to implement all of the EU railway packages. Having in mind that railway reform and privatisation of Greek railways is being expedited, Croatia is already an EU member and Serbia has recently attained candidate status, it is not unrealistic to anticipate more intense implementation of EU transport policies along the corridor 10.

ANTICIPATED EFFECTS

For the railway sector

Gradual recovery of Macedonia and the economies of the region from the economic crisis, the investments in the sector and the reduction of border procedures will contribute to increase the volume of transport along the corridor 10 consequently increasing the job security and creating need for more employment.

For the railway companies

Infrastructure and rolling stock investments are largely assisted by European financial institutions. This is part of the large process of capacity building the

country to assume the responsibilities of being EU member, and coping with market conditions of the EU.

The modernisation and the new technologies will require new skills and new methods of organisation and management which can be attained by means of practice and experience exchange in cooperation with European industry organisations such as CER and ETF. The EU accession will certainly impact MR TRANSPORT JSC Skopje in several segments:

- The competition will be introduced firstly in freight transport resulting with necessity of rationalisation of administrative staff, but the expected scale of this reduction is expected to be resolvable for the employers and the unions.
- There will be an increase in MR TRANSPORT JSC Skopje's capacity to compete both with other modes in the domestic market and within the rail sector, increasing the efficiency of the company. The modernisation and expansion of the present network

connecting the ports in the Adriatic and the Black sea will contribute, too.

For the trade unions

The positive effects for the trade unions will be the opportunity for their participation in European sectorial social dialogue that will contribute to increase their capacities to engage in national level social dialogue.

For the working conditions and the employees

Regarding the working conditions the EU accession will reaffirm the application of positive practices in management and cooperation among social partners leading to improvement of working conditions for the workers.

For the social dimension

The European social model is one of the most important gains of EU. It is based on combination of fostering the economic growth and empowering the social partnership and will influence towards an improvement of social dimension in Macedonian railway sector.



Meeting of the European social partners with the social partners of F.Y.R. of Macedonia in Skopje 2014

MONTENEGRO

Montenegro is a small, attractive country in the south of the Balkans, covering the area of 13.812 km²; the population is 625.266, its capital city is Podgorica, and its currency is the EURO. Its rail network consists of 326 km of railway track, by which is meant station platforms and open rail track lines. There are three railway lines: the railway from Bar to Vrbnica, on the border with the Republic of Serbia, 167 km – electrified; the railway from Podgorica to Tuzi, on the border with Albania, 24 km – non-electrified, with connection to Corridor VIII; and the railway from Niksic to Podgorica, 56 km – electrified.

The Bar - Vrbnica Railway is an international line and is a part of the Belgrade - Bar railway and Route 4, which connects the Port of Bar with Trans-European Corridors VII and X, MAP 2010-2014, and it is the most important transport route for the economy of Montenegro and the Port of Bar. The railway through Montenegro is a mountain railway, so that on the 65 km long route from Podgorica to Kolasin trains climb an altitude of 1.000 m. The highest railway viaduct in Europe is located on the bridge over the Mala Rijeka, on the Bar - Bijelo Polje railway border crossing.

The share of rail traffic within the Montenegrin transport sector in 2013 was 9.8% for passenger and 41% for freight transport.

RAILWAY SECTOR ORGANISATION

The Railways Act declares that the infrastructure is a public asset in common use, owned by the state. Passengers and goods can be carried by rail either as public transport or transport for private purposes. Infrastructure management and traffic management is based on a principle of separation: infrastructure management and transportation services are distinct responsibilities. According to law, the infrastructure management authority must have an Infrastructure Management Licence, while traffic operators must have a Transportation Licence and Transport-



tation Safety Certificate issued by an administrative authority, viz. the Railway Directorate of Montenegro.

The process of restructuring the railway system in Montenegro has been carried out in accordance with the Montenegrin Railways Restructuring Strategy, starting in 2007. The strategy sets stages and appoints methods for restructuring and segmenting the Montenegrin Railways, taking into account the directives issued by the EU for liberalisation of the European railway market. In 2008 a complete separation was made between the Infrastructure Managing Authority and the Transportation Authority by closing the parent company, the Railways of Montenegro Joint Stock Company. Formation of two further companies has taken place: the Railway Infrastructure of Montenegro JSC (ZICG AD) and the Railway Transportation of Montenegro JSC (ZPCG AD). In a further process of restructuring a freight operator has further been separated from the ZPCG JSC, to become the MONTECARGO JSC Podgorica (MONTECARGO AD). In 2011 further segmentation took place in the restructuring process when a

new company was formed, the Railway Rolling Stock Maintenance JSC Podgorica (AD OZVS). Thus the system has now been divided into the following:

- ZICG JSC – Podgorica - 72% state owned,
- ZPCG JSC – Podgorica - 89 % state owned,
- JSC Montecargo –Podgorica - 87% state owned,
- JSC OZVS – Podgorica - 85 % state owned.

The restructuring process is now at the end of Phase II, involving further segmentation of ZICG into the Railway Rolling Stock Maintenance Company and the Railway Stations and Land Company. The newly formed companies will be privatised, as will Montecargo, which will be subject to privatisation in 2014 under the decision of the Government of Montenegro, when an international invitation for sale will be published.

INSTITUTIONAL FRAMEWORK

Institutional organisation scheme in Montenegro

The Ministry of Transport and Maritime





Affairs is in charge of rail transport policy. The Ministry includes the Railway Directorate, which performs a number of activities relating to development policy for railways, establishing strategic plans, programmes and projects, monitoring the rail-traffic situation, identifying, preparing and proposing systematic measures for implementation of railway policy, and analysing their impact on the economic situation and economic conditions, etc. The Department for European Integration and International Cooperation is also part of the Ministry's organisation.

The Railway Directorate is an administrative body within the Ministry of Transport and Maritime Affairs, supervising the operation of railway companies owned by the state. As a regulator, it issues licences and certificates for infrastructure management and transport operators, adjudicates on complaints involving contracts for infrastructure use, supervises infrastructure management investment programmes, controls the use of state subsidies to cover public transport costs and PSO, issues licences for use of new rolling stock, etc.

Montenegro has adopted the EU *acquis communautaire* for its rail-traffic territory. Directives have been applied within this legal framework, thus enabling access to the market and infrastructure. Technical and safety requirements are fully integrated, as are hazardous substances trans-

port, COTIF, rail-traffic safety, security and interoperability. Bilateral meetings with the EU were held in April 2013.

There are no private operators in Montenegro, but the legal framework fully ensures access for those able to fulfil the stipulated conditions.

The railway infrastructure of Montenegro has border crossing stations at Bijelo Polje with the Republic of Serbia and at Tuzi with the Republic of Albania. Engines of Serbian Railways haul trains to the border-crossing station of Bijelo Polje, while haulage of freight trains at the border crossing of Tuzi, MC - Bajze, HSH is subject to agreement for each individual timetable.

What is the quality of infrastructure and are there large-scale infrastructure-development projects in the pipeline?

In addition to economic and political problems, one of the key obstacles to the progress of the economy, due to insufficient and varying regional development, is the state of the transport infrastructure, which has been identified as a limiting factor, even though in the past few years a significant amount of work has been done on improving all kinds of traffic, as stated in the European Commission Report.

In addition to the state of the infrastruc-

ture, a particular weakness of the current transport system in Montenegro is the absence of links between road, rail and sea traffic, as a result of which much freight transport has been by road, while the potential offered by the railways and the Port of Bar has been under-utilised.

Since the volume of rail transport can be viewed as an indicator of the region's international appeal and its integration into the market, it is in the best interests of Montenegro to increase this volume and utilise all circumstances promoting such a development.

19 million Euros, from loans by international financial institutions loans and pre-accession funds, has been invested since 2007 until now in upgrading the Vrbnica – Bar railway.

Track superstructure has been modernised in the following sections: Bijelo Polje - Krusevo-Mijatovo Kolo; Mijatovo Kolo - Mojkovac; and Trebaljevo-Kolasin.

Likewise platform tracks at Trebjesica station have been modernised, and the sixth and seventh tracks at Bijelo Polje station have been electrified.

The main designs have been produced for modernising the Vrbnica – Bar railway, covering each individual section from Kolasin to Bar.

The main design for modernisation of

the Trebaljevo bridge has been produced and its review has been completed.

Designs have also been prepared for construction of a new electric-traction plant at Trebjesica.

Current investment in the Vrbnica – Bar railway

Designs for modernising 15 steel bridges and 12 embankments on the Vrbnica – Bar line are under preparation.

Invitations to tender for complete replacement of the electric traction plant at Trebjesica are underway.

Tender documentation is also under preparation for modernisation of the Kolasin - Kos and Kos – Trebjesica tracks, and the tender procedure for selection of contractors to modernise five tunnels is also underway.

Preparation of technical documentation for the electrical signal box at Podgorica and modernisation of 91 concrete bridges is underway.

Further modernisation plans have been announced for the track superstructure from Kos to Podgorica (2014 - 2020).

The Railway infrastructure of Montenegro JSC - Podgorica (Željeznička Infrastruktura Crne Gore - AD Podgorica, hereinafter called the “ŽICG”) is a joint-stock company incorporated on 7 July 2008, in accordance with the Montenegro Railways Restructuring Plan.

In its capacity as the managing authority of the infrastructure, which is a public asset in common use and owned by the state of Montenegro (72.35%), the Railway Infrastructure JSC undertakes the maintenance and modernisation of the infrastructure, guarantees access to the network, allocates infrastructural facilities to all railway carriers which meet legal requirements, sets fees for use of infrastructure facilities, develops and publishes timetables, and generally organises and governs rail transportation. The company’s governing bodies and officials are:

- Shareholders’ Meeting,

- Board of Directors,
- Executive Director,
- Secretary,
- Auditor.

The Railway Infrastructure JSC has been organised in operational sectors, consisting of 5 sectors managed by the Directors, and 3 Service Divisions.

The length of the railway network is 250 km, out of which 223 km has been electrified. The network consists of three railways: Bar-Podgorica-Vrbnica (167 km electrified); Podgorica-Nikšić (56 km electrified); and Podgorica-Tuzi-state border with Albania (25 km, not electrified). The main and most significant railway is part of the primary Beograd-Bar route in Montenegro, which enables transit traffic to reach the port of Bar from the countries of Central Europe.

Management of this infrastructure is an activity of common interest carried out by the managing authority through current maintenance and capital investment. Current maintenance of the railway infrastructure has been conducted pursuant to the Railway Infrastructure Maintenance Programme. Under the Montenegro Budget (Railway Infrastructure Maintenance) Act, funds cover the following segments:

- Maintenance of structural assets;
- Maintenance of electrical infrastructure;
- Managing and controlling the traffic.

The ŽICG greatly desires to make significant capital investment in the reconstruction of the overall rail network in Montenegro. However, due to its limited budget, and in particular after the outbreak of the current economic crisis, the ŽICG has been unable to fund significant capital investment in Montenegro by itself. Although railways in Montenegro are extremely difficult to maintain and huge financial investment is required, under strategic plans drawn up over the last seven years, intensive work has been underway on refurbishment projects, financed by loans from the EBRD, the EIB, and pre-accession funds.

A major part of the EBRD funding has

been used for reconstruction of the Nikšić – Podgorica railway, completed in 2012. Reconstruction of the Vrbnica-Bar railway has been mainly financed from EIB loans (EUR 34 million), IPA funds (EUR 20 million), and one part from the EBRD loan (EUR 25 million).

The primary goal of the ŽICG is to restore the condition of railway infrastructure to that which existed at the time when it became operational for traffic, the level to which it was designed, within the scope allowed by the financial constraints and other conditions – plus refurbishment and modernisation of the railway as a whole.

Pursuant to the Montenegro Railways Act, the ŽICG issues and publishes a Network Statement, providing information on the rail network, conditions for access and allocation of infrastructural capacity, the fees for infrastructural use, and the organisation and control of traffic.

The ŽICG currently has 840 employees. Employment policy has favoured a natural outflow (retirement, filling existing vacancies in case of health-related resignations, resolution of redundant employees’ status under governing legislation). No significant changes are expected to the number of employees in the forthcoming period.

The ŽICG plans to improve employees’ administrative and technical skills. Support directed for improvement in administrative skills, provided from IPA funding, is of considerable significance. These projects help to enhance the skills needed to identify and prepare proposals, to develop and implement major infrastructure-development projects. A significant number of projects financed by funds from international financial institutions are helping to develop the technical skills of ŽICG staff. As well as the work outlined above, and for the purpose of improving existing skills, the ŽICG itself organises training courses, workshops and seminars for its employees, including vocational training and specialist education for railway workers (engine drivers and signalmen).

The Sector has been governed by two important acts:

The Railways Act (2014)

The Railways Act governs railway-infrastructure management and rail-traffic operations.

The Railway Traffic Safety Act (2008)

The Railway Traffic Safety Act sets the conditions and procedures under which railway traffic operates and the railway system functions in the territory of Montenegro. The same Act raised the level of qualifications and specialist knowledge required of railway staff, regulated railway workers' vocational skills and specialist knowledge, and established regular and specialist assessment of their professional skills. Vocational training programmes, vocational examinations and the examination certificates issued to successful candidates have also been standardised.

Through its accession to the EU and consequent access to the European market, Montenegro expects to expand trade and thus provide a greater volume of work for the railway sector, by increasing both passengers and freight. Active engagement on the part of all stakeholders in the traffic sector of Montenegro will therefore be necessary in order to improve competitiveness and to attract regional markets to use the services which it provides. This will furnish an incentive for the existing workforce to invest in improving the education, qualifications and skills they will need to carry out their duties at the highest possible professional level, providing a highly committed workforce able to strengthen compliance with EU legislation, build up capacity, raise institutional expertise, etc.

Given that Montenegro has a status of a candidate country, it has been able to participate in allocation of EU funds through Components II and III - Cross-border Cooperation and Regional Development. We have also made improvement of cross-border traffic a priority, at the border stations of Bijelo Polje and Tuzi (programme to run

from 2014 to 2020). This will involve improving collaboration, attracting more cargo for shipment, and simplifying procedures, i.e. carrying out all customs and border formalities in accordance with each country's legal requirements in one zone.

Medium-term priorities are as follows:

- To achieve the requisite level of infrastructure safety standards, while complying with the principles of interoperability and developing it in accordance with EU legislation;
- To strengthen infrastructural capacity;
- To maintain safety on the railways.

The intention of these plans is to develop rail transport in Montenegro in such way as to ensure secure and safe transport for a larger number of passengers, and to encourage long-distance goods traffic, while maintaining the essential criterion of safety in the organisation and functioning of all traffic. The railway system will also be better positioned in its competition with road carriers, where improvement and financial sustainability in goods transport is possible in this sector.

Accordingly we must create conditions for smooth and safe traffic flow and for the integration of the Montenegrin railway network into the European railway networks, by bringing the technical characteristics of the Montenegrin railway lines up to the level of the railway lines in other European countries.

SOCIAL PARTNERS AND SOCIAL DIALOGUE STRUCTURES IN MONTENEGRO

EMPLOYERS

Restructuring of the railway sector has had its advantages and disadvantages.

Issues that the railway sector encountered during the restructuring process are as follows:

- There is no actual key for distribution balance
- Inherited problems burdening the

new company, redundant employees, court decisions in the past, inadequate distribution of jobs and responsibilities

- Lack of regulatory authorities in Montenegro at the time of restructuring in 2007
- Inadequate allocation of assets, audit of the balance-sheet distribution,
- Problems with acting authorised persons' interrogation,
- Level of fees for infrastructure use, unsustainability of national passenger operator, etc.

Advantages:

- Successful financial consolidation, debts having been taken over by the state,
- Greater transparency in application of budget
- More precise grant allocation
- Different treatment of railway companies, etc.

The legal framework under which the Montenegro social dialogue operates is as follows:

- Labour Act (Official Gazette of Montenegro, editions 49/08,26/09,59/11, 66/12),
- Montenegro General Collective Agreement (Official Gazette of Montenegro, edition 14/14) – tripartite social dialogue
- Occupational Safety Act (Official Gazette of Montenegro, editions 79/04, 26/10)
- Rail Transport Security, Organisation and Efficiency Act 2014
- Healthcare Protection Act (Official Gazette of Montenegro, edition 39/04), specifically Section 3 governing health at work and the working environment (Articles 15, 16 and 17), involving medical examinations of employees and risk assessment for each job.
- Trade Union Representation Act (Official Gazette of Montenegro, edition 36/13)
- The Social Council Act (Official Gazette of Montenegro, editions 16/07 and 20/11). The Social Council was formed with the following areas of jurisdiction: development and improvement of collective negotiations, impact of economic policies and their implementation on social dialogue,

wages and prices, privatisation, occupational safety and environmental protection, education and vocational training, healthcare, social security, demographic trends, etc.

- The legal framework in Montenegro governing social dialogue and working hours is largely in line with the EU legislation. It requires minor changes to reflect EU regulations on the institutional side, i.e. Directives 2003/88/EC and 2005/47/EC, involving such issues as performance deadlines, methods of application and certain norms and application deadlines. It is important to note that EU legislation does not prevent national legislation from passing rules of a stricter kind or instituting special provisions.
- Some of this legislation contains a narrower, some a wider framework, the wider context referring to Directives 2003/88/EC and 2005/47/EC.

General Collective Agreements: a new agreement came into effect in March 2014, agreed on a tripartite basis. It represents the key foundation for social dialogue. A General Collective Agreement came first, and this has been followed by individual collective agreements.

The unions believe that this makes it possible to apply the principle of labour solidarity, motivating employees to join the union which has provided certain benefits for them through the collective agreement.

Employers believe that collective agreements are an exclusively voluntary matter governing the interests of the two parties, the trade unions and the employers, who are its signatories.

Social partners in Montenegro are: the Montenegro Federation of Trade Unions (SSCG), the Union of Free Trade Unions of Montenegro and the Union of Employers of Montenegro.

The Social Council has been founded on the achievements and values of the European society, where social dialogue is the main tool for setting economic and social policies.

The government has instituted labour legislation, and a legislative environment has been established, meaning that the state has worked on the reform of labour legislation and on the promotion of social dialogue. Thus a set of laws has been passed, improving the business environment and adopted in accordance with the EU *acquis communautaire*, and the social partners have participated in their drafting.

The government, as a representative of the state, participates with unions and employers in social dialogue, and it participates as a partner in the discussion developed in economic and social councils.

The government is an employer negotiating with the unions in the public sector and concluding collective agreements.

Social dialogue has great democratic potential: through its development, a part of the government's social power is transferred to the institutions of civil society.

In times of crisis social dialogue is a major challenge to social partners – both at company and state level. Montenegro has seen significant progress in this area, although there is still considerable room for improvement. The process of EU integration is expected to contribute to the anticipated changes: in particular, it is expected that the regulatory framework governing social dialogue will develop in such way as to retain its basic foundation, while upgrading its general features.

Works councils have no legal or formal existence in our country, so we can only expect their gradual introduction. Successful examples of these bodies at EU level will therefore be useful to us, since our country must accept further obligations on its path to the EU integration, as in the accession of Montenegro to the EU.

Social dialogue, in a wider sense, includes all types of negotiations, consultations and exchange of information between social partners, or between public authorities' representatives and social partners, on issues of interest involving economic and social policy.

TRADE UNIONS

Employees in the railway sector have been organised in the following trade unions:

- Trade Union of Railway Infrastructure of Montenegro
- Trade Union of Railway Transportation of Montenegro
- Trade Union Montenegro, Montenegro
- Trade union of Railway Rolling Stock Maintenance

Trade unions in the railway sector have a total of about 1,200 members. For a trade union to be accredited as a representative, it must have at least 20% of the total number of staff working for a particular employer.

The main areas in which trade unions operate in the railway sector relate to:

- Restructuring (restructuring strategy, organisational changes, privatisation)



- Collective agreements
- Social partnership and social dialogue
- Occupational safety
- Living standards.

There are three trade unions within JSC MONTECARGO – Podgorica:

- Trade union organisation of JSC MONTECARGO - 185 representative union members,
- Trade union organisation of JSC MC employees - 32 members,
- Trade union organisation of JSC MC engine drivers - 16 members.

JSC MONTECARGO has 243 employees. The representation of trade unions has been established in accordance with the Trade Union Representation Act (Official Gazette of Montenegro, edition 36/13). The representative MC union has met the general conditions pursuant to law, i.e. it is entered in the official register, is independent of official bodies, employers and political parties, is financed by membership fees and special conditions, and its members include a minimum of 20% of the employees.

Social dialogue at MONTECARGO takes place at management and union level. As a result of social dialogue, we have a collective agreement between the management and the representative union. The collective agreement accords with the General Collective Agreement and complies with the specific requirements of rail transport.

The social dialogue in the MC aims at



the following: coordination of collective negotiations, consultation, information sharing, establishing trust, alignment of positions, conflict resolution and development of democratic relations, all as part of economic and social policy.

The Collective Agreement consists of an obligatory part, regulating relations between the signatories, and a normative part, regulating the rights and duties of employees and employers.

Pursuant to employment law, it determines the rights, duties and liabilities under which employment is commenced, working hours, holidays, internships, training, strikes, the responsibilities of employees, termination of employment, retirement, and protection of employees' rights. It also contains sections relating to earnings, increase in earnings, wages and salaries and other employee income. Part of the Collective Agreement governs working conditions and occupational safety. Part of the Collective Agreement sets out the rights and duties of the parties and governs dispute resolution.

The representative union has been a member of the Standing Conference of European Railway Unions since 2012.

Social dialogue with the employer at JSC Montecargo is without problems; issues in dispute are resolved by agreement through dialogue, and as a result a number of annexes have been adopted into the Collective Agreement.

Railway Transport of Montenegro JSC – Podgorica

The employees in ZPCG are organised in eight trade unions as follows:

1. ZPCG Passenger Transport Union (183 members) - President Svetozar Stanovic;
2. United Union of the Engine Drivers of Montenegro (30 members) - President Zoran Maras;
3. Engine Drivers' Transport Union of Montenegro (28 members) - President Milan Vukovic;
4. Trade Union of ZPCG Technicians (11 members) - President Goran Malovic;

5. Railway Transport Union of Montenegro (6 members);
6. Trade Union of Driving Staff of Montenegro (1 member) - Dusko Srdanovic;
7. Engine Drivers Union (1 member);
8. Independent union (1 member).

In 2011 the ZPCG Passenger Transport Union and the United Union of the Engine Drivers of Montenegro signed a merger agreement, forming the Federation of Railway Transport Unions of Montenegro (213 members), which acquired the status of a representative trade union in the same year and was entered on the Register of Representative Trade Unions held at the Ministry of Labour and Social Welfare. According to the Trade Union Representation Act (Official Gazette of Montenegro, edition 26/10) "it shall be a condition for determining the representative nature of a trade union with an employer that the union represent at least 20% of the total number of employees concerned."

Restructuring and optimising the number of employees in the period from 2009 to 2013 represented a special challenge for the trade unions. The restructuring of ZPCG through separation and formation of two new joint stock companies, „Montecargo“ - Podgorica in 2009, „Maintenance of Railway Rolling Stock“ Podgorica in 2010, required a reduction in the number of employees in the parent company, which was reflected in a significant reduction in union membership.

At the national level the Federation of Railway Transport Unions of Montenegro is a member of the Federation of Trade Unions of Montenegro, and at the supranational level of the ETF (European Transport Workers' Federation).

SOCIAL DIALOGUE

The legal basis for the dialogue is provided by the Constitution of Montenegro, Labour Act, and the General Collective Agreement. At national level there is a social dialogue and a Social Council, consisting of representatives of trade union headquarters at state



Meeting of the social partners of Montenegro with the European social partners in Podgorica 2014

level, employers' associations and the government. The railway has no representatives of its own. There is no specific tripartite dialogue for the railway sector. Bipartite dialogue is operating at the level of all companies in the railway sector. The bipartite processes in the railway sector include representatives of trade unions and employers' representatives. The process of social dialogue covers agreements, including their development and amendment stages, contractual agreements, wages, working conditions, housing issues and other questions.

Collective agreements exist in every company in the railway sector. Collective agreements have been signed by the following: trade union of railway infrastructure, railway transportation, Montecargo and railway rolling stock maintenance. The main elements covered by collective agreements are: vacations and leave, relations at work, wages and salaries, occupational health and safety, working conditions for trade unions, protection of workers' rights, etc.

Until now the results of social dialogue have been constrained by the limited material and financial capacities of a company.

Social dialogue in the ZPCG

The legal basis for social dialogue in Montenegro is the Labour Act, the Social Council Act and the Trade Union Representation Act. The General Collective Agreement dated 20 March 2014 is the result of tripartite social dialogue between the Ministry of Labour and Social Welfare, representative trade unions at national level (Federation of Trade Unions of Montenegro and the Union of Free Trade Unions of Monte-



negro) and representative employers' associations, i.e. the Union of Employers of Montenegro.

Social dialogue at the level of the ZPCG takes place between management and trade unions. There are no works councils. The Collective Agreement for the ZPCG was concluded, following bipartite negotiations, on 27 December 2013 between the President of the Board of Directors and the President of the Federation of Railway Transport Unions of Montenegro. Normally the ZPCG allows the union to start initiatives, submit requests, make proposals, take positions, and actively represent the rights of employees.

The Collective Agreement traditionally covers all basic areas of work and management:

- Employment
- Rights and duties of employees and employers
- Working hours
- Holiday and leave
- Education and specialised training of employees
- Earnings, increase in earnings, wages and salaries, and other income of employees
- Protection of employees' rights
- Working conditions and working environment
- Health and safety at work
- Cooperation between trade unions and management

The main focus of the trade union work, and the key issues in social dialogue, are as follows:

- Collective negotiations and collective agreements
- Development plans and their impact

on the status of employees; trends and change in earnings policy

- Time and method of wage payment
- Organisation of working hours, night work and overtime
- Measures to improve working conditions, health and safety at work, and other issues for the material and social status of employees
- Protection of the rights of employees made redundant by technological and economic change and by restructuring
- Amicable resolution of labour disputes

Railway Infrastructure of Montenegro JSC– Podgorica

There are 840 employees in the ZICG.

The main focus of trade union activity is as follows:

social dialogue, negotiations and collective agreements, organising holidays for workers, collaboration with the employer to improve living conditions and resolve housing issues, and purchase of primary foodstuffs under favourable conditions.

The union's legal basis, on which social dialogue in the ZICG is based, are the Constitution of Montenegro, the Labour Act and the General Collective Agreement.

As a result of social dialogue we have signed the Collective Agreement. The main elements covered by collective agreements are: holidays and leave, working relations, wages and salaries, occupational health and safety, working conditions for trade unions, protection of workers' rights, etc.

EXPECTATIONS FROM EU ACCESSION

The impetus to EU enlargement, i.e. confidence in a country is strengthened by acquiring membership; the country becomes safer for investment and economic growth; there is a stronger rule of law, and democracy is strengthened. The EU is the world's largest trader and is a large market, benefitting small economies through economic integration, and it provides a framework in which a country can develop, the rule of law be strengthened, strong institutions created and the business environment tailored to the development of strategic partnerships. The Union symbolises stability, security, economic prosperity and common values for all European nations. Ultimately, integration into European structures will become a key factor for increasing growth and prosperity and raising living standards in a country.

Given that the European Parliament has regarded social dialogue as a key element in the tradition of member states, and that it has always supported development of social dialogue, we have considerable expectations in this area, too. This would give a key role to social partners and show that crises are overcome most successfully achieved in those member states where social partnership is the strongest. Therefore we expect that the importance of social dialogue will be raised, and that future reforms to the labour market will be based on a strengthened co-ordination of social dialogue, as is the case in the EU.

REPUBLIC OF SERBIA

THE RAILWAY SECTOR IN SERBIA

The importance of the railways in the traffic system and their share in the market

According to strategic documents, the railways are very important in the traffic system of the Republic of Serbia, although their share in the transport market is still not satisfactory. Concretely, during 2012 the railway accounted for 21.5 % of the total number of passengers carried by public transport, and 42.3% of the total number of goods. During 2013, though the volume of passengers and goods carried by railway increased, the share of railway traffic was not substantially changed. If we include the transport of passengers when analysing the market share of railway traffic as well as the transport of goods for personal needs, the actual share of the railways would be considerably less than the figures above.

Over 18 million passengers were carried by rail during 2013, which is almost 9% more compared with the previous year, and over 8% more than planned, while around 10.5 million tons of goods were carried by rail freight. Total output over 2013 was 3.8 billion RTKM, up 9.5 % on 2012, and for almost 6% higher than the planned volume.

The railway infrastructure

The rail network of the Republic of Serbia is more than a century old, and over 55% of all railway lines were built in 19th century. The following table illustrates the rail network of Serbian Railways JSC (joint stock company), according to usage:

The total length of all railway lines (gauge of 1.435 mm) is 3,808.7 km. There is also a museum and tourist railway line „Šarganska Osmica“ (gauge of 760 mm), which is 21.7 km long.

Railway Categorisation Regulations divided lines into main, regional, local and manipulative lines. Of the Serbian Railways JSC network, 283 km of line are two-track; 1,279 km are electrified; on 44% of the network the maximum



vehicle weight per axle is 22.5 tons; the average age of the railway lines is about 42 years; the average age of the majority of electrical installations is between 30 and 40 years; on 64% of line the highest permitted speed is lower than 60 kph, and it is higher than 100 kph only on 3%.

Due to the lack of significant investment in the maintenance of infrastructural capacity, the year 2013 was marked by the following: the need to introduce light rides, primarily due to the poor technical condition of elements in overhead lines and track, measures aiming in all cases a traffic safety; lack of necessary renovation to railways lines and consequent absence of improvement in the performance of the tracks for raising

maximum speeds to the level foreseen by the project; unsatisfactory technical condition of lines and station tracks, resulting in lower level of service quality, reflected in a growing difference between the real average and projected average speed; no upgrade of electro-technical capacities on lines, impacting directly to the availability and reliability of these capacities.

Reduction of maximum speed to around 181 km on the total length of main line is planned for 2014, of which 50 % is related to the planned reduction in the highest permitted speeds in the direction of the Corridor X.

Important projects are planned, aimed at the development of railway



infrastructure, primarily for modernising Corridor X. Among the railway-infrastructure modernisation projects in the forthcoming period are the reconstruction and modernisation of the Niš – Dimitrovgrad line, the reconstruction and modernisation of the Belgrade – Niš line (sections Gilje - Ćuprija – Paraćin, with the construc-

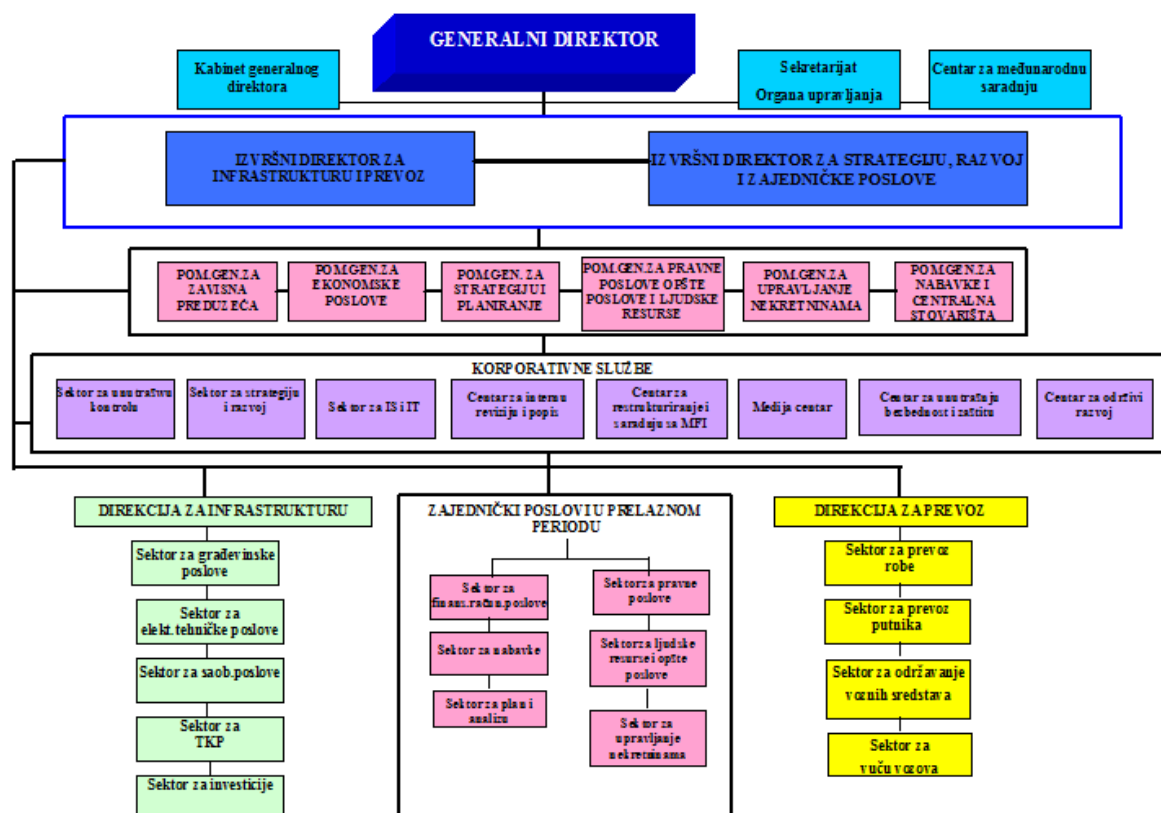
tion of a bridge over Velika Morava), plus renovation of other railway lines along Corridor X, the Belgrade Central Railway Station project, construction and electrification of other track on the Belgrade Centre - Pančevo main line, a project for construction of the „Bridge of Žeželj“ over the Danube in Novi Sad, etc.

The organisation of the railway sector

Serbian Railways JSC trades as a corporation sole and integrated company, whose founder is the Republic of Serbia. The shareholders are the Republic of Serbia (98.96%) and the Fund for Development of the Republic of Serbia (1.04 %). At the end of 2013 there were 18,047 employees in Serbian Railways JSC.

The existing organisational structure and integrated enterprise respectively have two directorates: the Directorate for Infrastructure and the Directorate for Transport.

The organisational structure of Serbian Railways JSC can be seen in the following diagram on page 50.



Measures are underway that would speed up the opening of the railway market to competition and access to railway infrastructure.

The total market for transport services in the Republic of Serbia represents one of the most liberalised segments of the economy. There is absolute competition, both in types of traffic (road, railway, water, air), and among an enormous number of private enterprises, transport operators and specialised freight forwarders working in the market, so that numerous offers are available and competition supplied for all distances and for all types of freight, facilities which are thoroughly utilised by goods owners. For example, Serbian Railways JSC has contracts with more than 60 international freight forwarders and transport operators for international traffic (import, export and transit).

Transport of goods by rail, because other types of transport are excluded, is also subject to key competition by railway corridors, especially for transit

traffic from Western and Central Europe to Turkey and Greece, and vice versa.

International passenger transport is currently dominated by the airline (i.e. between Belgrade and Vienna there are 6 to 7 flights daily, and there is no direct railway line between these two cities).

Measures are underway that would provide the access to railway infrastructure for all railway operators fulfilling prescribed conditions.

International cross-border traffic

Serbian Railways JSC provides carriage to other countries, as do other railway authorities in our network, but in compliance with regulations harmonised and adopted to date. Under current traffic arrangements, Serbian Railways JSC locomotives take trains to the border station of Tabanovci in FYR Macedonia and to the border station of Bijelo Polje in Montenegro, while locomotives of national and private operators from other countries travel to border stations with Croatia, Hungary, Romania and Bulgaria in the territory of the Republic of Serbia.

Plans by the Government to reform the railway sector in the coming years

To introduce and improve corporate administration, under a Decision of the Serbian Government, the legal form of Serbian Railways was changed from a public corporation to a joint stock company, the basic capital of the public corporation being converted to equity capital.

Serbian Railways JSC, in its capacity as the controlling company, will found two dependent companies in the course of 2014 - „Infrastructure of Serbian Railways“ Ltd, Belgrade and „Serbia Train“ Ltd Belgrade, forming a Serbian Railways Group together with other dependent companies already founded.

The Serbian Railways JSC controlling company will address matters of strategic importance for the Republic of Serbia and sponsor the development of railway capacity and services by realising the projects to improve railway capacity and services in future; thus the controlling company would contribute to the improved competition over the entire Ser-

bian Railways JSC Group system.

„Infrastructure of Serbian Railways“ Ltd, Belgrade, in its capacity as administrator of public railway infrastructure, will have inter alia the goal of realising as much additional revenue from the sale of railway-infrastructure usage services from the companies within the Group as from the users outside of the Group, along with an improvement to the technical reliability of infrastructure on railway lines, improvement to technological availability of capacities on railway lines, and improvement to safety of train traffic on the public railway infrastructure of all railway lines and at all nodes.

„Serbia train“ Ltd, Belgrade will be the company operating in the market for transport of goods and passengers (internal, regional, suburban and urban public transport and international transport), by realising the revenue from the sale of passenger-transport and goods-transport. The Act which will separate the passenger-transport and goods-transport companies is expected to be passed by the end of 2014.

THE SOCIAL PARTNERS AND THE STRUCTURE OF SOCIAL DIALOGUE

EMPLOYERS

Serbian Railways JSC is a corporation sole and legal entity, and at the same time is the sole „railway employer.

Current processes of restructuring

The process of restructuring the railways began in March 2002 with a decision of the Government of the Republic of Serbia to found a public company for administering the public railway infrastructure and for operating railway traffic. This Decision formed the basis for later Decisions on division of responsibilities, founding two executives (for infrastructure and transport), and on division of property between those two directorates. The company operates as one legal entity and as such it submits annual reports to competent state institutions. Non-revised and internal balances of success are made by these Directorates pursuant to the above Decisions, following an overview of re-

sults, as needed for future business.

One of the largest impacts of restructuring was the rationalisation of the work force. The number of employees was reduced by 44%, from 32,832 (on 31 December 2000) to 18,356 (31 December 2012), through welfare schemes.

Measures to privatise dependent companies have been also launched; three have been sold, while founding rights for five of them have been transferred from Serbian Railways JSC to the Government of Serbia, and their status will be resolved in agreement with the competent ministries.

The economic situation in which the company operates

The world economic crisis impacted negatively on the Serbian economy, including the railway sector. Although the financial position of Serbian Railways JSC is still not satisfactory, the main business indicators for 2013 suggest positive trends compared with 2012, both for operations (increase in total operation by 9.5%, increase of operation expressed in passenger kilometres by over 11%, for net ton kilometres over 9%) and for the financial situation (loss more than halved, increase of total revenues by 5% and cost savings of around 11%). Business results in 2013 are also better than target (volume of operation is larger than planned by 5.9%, 8% more passengers and almost 7% more goods were carried in comparison to target; and losses, generated primarily by expense items, are some 8% less than scheduled).

The reduction in the regular subsidy in 2013 significantly reduced transport-based revenue growth, and austerity measures adversely affected the company's financial operations, against a background of continuous and cumulative increase to price input for railway services (the last price increase for freight traffic came in the first quarter of 2008, and for passenger traffic in the first quarter of 2010). At the same time in 2013 the railways, by deploying their resources, both manpower and assets, significantly contributed to vital parts

of the Serbian economy (transport of cars and car parts, oil derivatives, coal, grain, steel, etc.). Positive macroeconomic trends (growth of GDP, industrial production, foreign exchange, exports and imports, etc.) were also recorded in the previous year in the Republic of Serbia, which impacted on the business of Serbian Railways JSC.

The Serbian Budget Act of 2014 has set subsidies for the railways at RSD 12.6 billion, so that the most important sources of finance for current operations in 2014 will be their own revenues (about 51%) and subsidies from the state. The percentage share of this subsidy in GDP was significantly reduced in the previous period, so that the railways are in a complex economic position, which will require additional measures to realise potential transport revenues.

Serbian Railways JSC will operate at a loss in 2014, but the loss will be primarily generated expense items (amortisation and negative exchange rate differences). Loss can be covered once the causes of unprofitable business have been resolved, the most important being lack of adequate compensation for OJP funding; inadequate level of transport revenues due to the persisting effects of the global economic crisis; insufficient funds to cover costs of infrastructure (subsidy can cover 75% of total expenditure by the Directorate for Infrastructure); considerable financial costs, viz. negative exchange rate differences, the exchange rate for the Euro having been planned at a higher rate compared with the actual rate at the end of 2013, while the railways were running high levels of debt, etc.

Company goals

Primary goals of Serbian Railways JSC in 2014:

Operational goals:

- Increase in output by 4.1%,
- Increase in staff productivity (RTKM per employee) by 5%,
- Improving the quality of infrastructure, raising and transport capacity, and developing resources through capital investment.

Financial goals:

- Rationalisation of expenses and re-

duction of operating expenses by 1 RTKM up to 4%,

- Working towards the principle of market economics, i.e. commercial management of business operations through appropriate pricing policy, and establishment of contractual relations with the state (local self-administration), in order to provide adequate financing for non-profitable services and adequate financing of infrastructure.

The goal of Serbian Railways JSC in the future is to grow into a modern, safe, market-oriented and profitable railway, with motivated staff; to be the national market leader in quality and mass transport of passengers and goods; and to become a major and integral part in the European rail freight-traffic network, reflecting the geostrategic position of Serbia and the relative role of Railway Corridor X, which passes through Serbia.

Number of employees and trends in employment

At the end of 2013 there were 18,047 employees in Serbian Railways JSC, while it is estimated that there will be 17,940 employees at the end of 2014. The number of employees at the end of 2014 was planned in accordance with the Fiscal Strategy of the Republic of Serbia, so that the number of employees should be equal to the number of employees at the beginning of the year minus the number of persons who will be retired during 2014.

The number of employees over the following years will depend on several factors, but primarily on the policy of the Government of the Republic of Serbia.

Main goals in development of human resource

As of 31 December 2013 the staff structure of Serbian Railways JSC was as follows: the majority of employees (42.4%) were of secondary-education standard, while 12.2% had graduated from higher education; the average age of employees was approximately 47.5 years, and the largest number of employees (some 46%) had 26-35 years of service.

Measures to improve the qualifications and age structure of employees will be continued in the forthcoming period, such measures to be harmonised with the real needs of newly formed companies in the Serbian Railways Group.

Companies participating in collective wage and salary negotiations

Serbian Railways JSC, as integrated legal entity, participates in collective negotiations as the employer. The company is member of the CER.

UNIONS

Twenty eight unions were established in the Serbian Railways JSC: Railway Workers Union of Serbia, Union of Executive Services of Serbian Railways, Union of Workers of Railway Infrastructure of Serbia, Joint Unions of Serbian Railways, Independent Union of Railway Workers of Serbia, Independent Union of Locomotive Drivers of Serbia, Union of Operational Services ZTP Belgrade, Union of Professional Services of Serbian Railways, Regional - Branch Union of Serbian Railways, Railway Union, Union of Infrastructure of Serbian Railways, Serbian Union of Railway Workers 1884, Union of Journalists of Serbia - Union of Journalists of Serbian Railways, Union „Transport of Passengers“ of Serbian Railways, Union of Workers in Transport of Goods, Union „Independence“ - Railway Traffic of Serbia, ASNS Branch Union of Employees in Railway Traffic, Union of Disabled Railway Workers of Serbia, United Independent Branch Union of Serbian Railways, Union of Locomotive Drivers, Independent Union of Railway Workers of Vojvodina, Union Organisation „Railway Union - May 1st,“ Union of Joint Railway Workers, Independent Union of Vojvodina Locomotive Drivers, Union of Locomotive Drivers „Solidarity“ Užice, Serbia Cargo Union of Railway Workers, Union „Harmony“ Railways Reborn, and Union of Railway Workers of Serbia.

Of the total number of employees in Serbian Railways JSC, some 85 % of them are members of unions. The number of union members is different for each union. Given that the union scene in Serbian Railways JSC is very fragmen-

ted, there are unions in which some 30% of the total number of employees (Union of Railway Workers of Serbia) are members, and unions which have only several members.

Such a large number of unions in the company, and at national level, is a consequence of legislation governing unions, which determines clear criteria for establishing unions and for their work. This favours the existence of a smaller number of unions, which would make them stronger. Each union in Serbian Railways JSC operates independently; however in certain situations, and regarding certain questions of common interest, some unions team up and act together when dealing with the Government and the employer.

Representation rules

Employment legislation regulates the conditions governing union representation. Under this legislation a union is considered representative in the following cases:

- 1) if it is founded and operates on the principles of free union organisation and action;
- 2) if it is independent of state institutions and employers;
- 3) if it is financed mostly from membership fees and from other sources of its own;
- 4) if it has the requisite number of members, as evidenced by application forms, pursuant to employment law;
- 5) if it is registered in the stipulated way in accordance with the Law and with other regulations.

The condition relating to the number of members on the basis of application forms (Item 4) of previous paragraph) varies depending on the level at which union is founded:

The Employer considers the union as representative if:

- it is a union in which at least 15% of employees from the total number of employer's staff are members;
- it is a union in a branch, group, subgroup or business in which at least 15% of the employer's staff are members.

- A representative union for the territory of the Republic of Serbia, or for units of regional autonomy or local government, in a branch, group, subgroup, or business, is a union which, in addition to the conditions in the first paragraph of this section, can also show that at least 10% of employees in the branch, group, subgroup or business, or in the territory of a certain regional unit, are members of that union.

Representative unions

The representative unions in Serbian Railways JSC are: the Union of Railway Workers of Serbia, the Union of Executive Services of Serbian Railways and the Union of Workers of Railway Infrastructure of Serbia.

The Union of Railway Workers of Serbia is a member of the Alliance of Independent Unions of Serbia (the union which is representative at the national level as the largest union - around 600,000 members), of the International Transport Workers' Federation, and of the European Transport Workers' Federation.

The Railway Union is a member of European Transport Workers' Federation.

Main focus of the work of unions

Their main focus is on improving the material and social position of employees.

- Setting earnings policy,
- Providing better conditions for work for employees and applying the law on safety and health at work;
- Setting transport policy at national and company level;
- Informing employees about the activities of the employer and about all other issues important to the life and work of employees;
- Monitoring and applying collective agreements;
- Participation in the process of restructuring of the company;
- Improving conditions for the work of unions.

HOW DOES SOCIAL DIALOGUE WORK?

The legal basis for social dialogue and industrial relations

Social dialogue in Serbia does not have a very long history. Social and economic reform in Serbia have enabled the development of social dialogue to take place. Employment law, legislation setting up the Economic and Social Council, and legislation on the peaceful resolution of industrial disputes form the legal basis of social dialogue in Serbia.

Trilateral social dialogue at the national level

Trilateral social dialogue at the national level has been established by the Social and Economic Council Act (passed 2004). The Social and Economic Council of the Republic of Serbia is an independent institution, comprising representatives of the Government of the Republic of Serbia, representatives of employers' associations and representatives of unions. The Social and Economic Council's primary responsibility is to deliberate on various issues: on the development and improvement of collective negotiation, on economic policy and its related measures, on employment policy, on prices and earnings policy, on competition, productivity and privatisation. The Social and Economic Council deliberates on draft legislation and on other proposed regulations impacting on the economic and social status of employees and employers, its opinions being then submitted to the competent ministry, which must inform the Council of its response within 30 days from the date when the opinion was delivered. Should the Ministry not accept the opinion, the Social and Economic Council can deliver the opinion to the Government.

Serbian Railways JSC are not included in trilateral social dialogue.

However, the Union of Railway Workers of Serbia, in which around 30% of the employees of Serbian Railways JSC are members, is a member of the Alliance of Independent Unions of Serbia, which is one of the two representative unions at national

level and it has its representatives on the Social and Economic Council.

Trilateral dialogue in the railway sector

Since Serbian Railways JSC altered its legal form from the public company to a joint stock company, social dialogue is conducted by the Serbian Railways JSC on a bipartite basis. Social dialogue takes place between the employer and representative unions in the employer's company, and all in accordance with employment law.

Bilateral social dialogue in the railway sector

Social dialogue in the railway sector was established at the level of the company.

Talks and negotiations with union organisations take place the level of the company (Serbian Railways JSC) and a dual social dialogue is undertaken; parties included are authorised representatives of Serbian Railways JSC and the unions founded in the employer's company.

The process of social dialogue

The form of communication, viz. social dialogue between the employer and unions, was more precisely organised by employment legislation and under the terms of the collective agreement. Besides the topics already mentioned, social dialogue is conducted in practice in a variety of ways, from informal conversations, to official meetings and agreements on various issues. The way in which communication between the employer and union is organised depends the subject of dialogue. Dialogue between the management of Serbian Railways JSC and the unions is a dynamic and changing process, which is continuously improved and expanded.

One Collective agreement was signed with Serbian Railways JSC.

The collective agreement for the company was signed by the employer and representative unions, the main text of the Collective agreement having been signed in 2002 by the Union of Railway Workers of Serbia and by the Independent Union of Railway Workers of Ser-



bia, which at the time of the signing were only representative unions in „Serbian Railways.“

Since 2002 a number of annexes to the collective agreement have been signed with unions that were representative unions at that time.

The collective agreement covers various areas, including commencement of employment, education and professional training and development, redeployment to other jobs, working hours, holidays and leave, protection at work, wages, salaries and other employee benefits, indemnities, conditions for union work, provisions governing strikes, surplus employees, and the resolution of disputes during application of the collective agreement.

Results of social dialogue so far

Key results of social dialogue so far relate to the preservation and improvement of the material and social status of employees.

The greatest achievement of social dialogue has been the signing and application of the collective agreement and

a pledge of its consistent application. Consequently the primary task of the employer and unions is the preservation and improvement of the material and social status of employees.

The future for social dialogue in Serbia:

From the companies' point of view
Social dialogue must first resolve a series of social issues, in order to avoid social unrest, viz. the maintenance of stability in the railway system in the process of transition.

From the unions' point of view
Social dialogue must be a compulsory and continuous activity, aiming to preserve and improve the material and social status of employees.

- Further development of social dialogue by applying the standard of developed countries;
- Greater participation by representative unions in policy creation, covering employment, social policy, pensions and health insurance, and all other areas important to employees, through the active work of the Social and Economic Council.

The demands of each side

The employer's basic demand is to create stable conditions of business for the company and to establish a financial balance, such also being necessary to meet the basic demand of the unions, viz. improving the status of employees in every aspect. The basic goal of both parties is to create general consent on all issues of key importance for the company to operate and develop in market conditions.

EXPECTATIONS OF EU ACCESSION FOR THE RAILWAY SECTOR

Serbian Railways JSC considers that the European integration processes will inter alia enable our railways to participate more in the European railway market, and produce a number of positive effects, through administrative and technological standardisation, or through compliance with European standards.

The expected effect for

- *The railway sector*
Integration processes, which should create conditions for increasing participation by Serbian Railways JSC in the European rail market include increased modernisation of railway infrastructure and transport capacity, in order to ensure equal participation by the



national railway company in the transport market.

• *The railway companies*

In order to accelerate the integration processes, Serbian Railways JSC has undertaken a number of measures to restructure the company, and thorough implementation of the proposed organisational solutions is expected to follow. Serbian Railways JSC intends to create a modern, secure, market-oriented and profitable railway system through integration and restructuring. The goal, and therefore the expectations of Serbian Railways JSC, is to become a national market leader in quality and mass transport of passengers and goods and a major and integral part of the European rail freight transport, in line with Serbia's geostrategic position.

• *The Unions*

Unions expect joining the European Union to create the conditions for greater inflow of investment, primarily grants in the railway sector, which will improve the position of Serbian railways in the transport market, an improvement in the economic position of Serbian Railways JSC being a basic prerequisite for improvement in the material and social status of its employees, but also to increase the demand for rail

services, therefore eliminating the need for downsizing through the increased volume of work.

A further positive impact on the countries of Southeast Europe and the Western Balkans through further development of social dialogue, especially in:

- Strengthening social dialogue as the best mechanism for building and achieving social consensus, for developing democratic relations and reducing tensions and conflicts between social partners by establishing social peace.
- Promoting social dialogue as an essential, constitutive element and pillar of modern democracy, showing its participants that, if they are only guided by goodwill, mutual understanding and constructive behaviour, they can promote and spread a spirit of mutual respect and a culture of tolerance;
- Offering full support to Serbia, as candidate for EU membership, in strengthening the legal and national framework needed to establish a real social dialogue of high quality.

• *Conditions of work and staff*

Integration processes, along with the mo-

dernisation of railway capacity and improvement of the economic position, should also result in improved working conditions and a better status for employees.

• *Social dimension*

European integration processes must be implemented, while the prior conditions are fulfilled in employment, union and social, so that large number of pressing issues, primarily social in character, can be resolved through social dialogue, the main focus remaining on preserving and improving the material and social status of employees. Thus Serbian Railways JSC expects social dialogue to provide a general consensus on the pace and direction of the transition process, thus avoiding social discontent. Social dialogue must offer the stability and solid support which Serbian society and Serbian Railways JSC both need in a period of continuing reform and transition.

Serbian Railways JSC expects social dialogue, during the integration process, to establish complete trust between the participants by defining common the interests of all.

APPENDIX

Joint Recommendations for a better representation and integration of women in the railway sector



The Voice
of European
Railways



JOINT RECOMMENDATIONS FOR A BETTER REPRESENTATION AND INTEGRATION OF WOMEN IN THE RAILWAY SECTOR

Based on a joint study by the social partners to identify the representation of women in railway companies and various railway occupations, their situation as well as examples for good practices for a better integration of women in the railway sector, the social partners CER and ETF prepared joint recommendations to support equal opportunities for women in the railway sector.

The issue of equal opportunities is widely reflected in the fundamental documentation of the European Union, starting from the EEC Treaty¹, to the Treaties of Maastricht² and of Amsterdam³. Recently, the Lisbon strategy for growth and employment marked an important stage of this positive path making provisions for an increase of female employment rate to 60% by the year 2010⁴. Today, female employment rate is 57,1%.

In order to achieve the policy goals, employers, trade unions and politics must act and promote equal opportunities for men and women. That is why an integrated intervention at the European level⁵ is decisive. In the railway sector, which traditionally is a "male-dominated sector"⁶, the social partners CER and ETF want to contribute to better representation and integration of women. Therefore they have established the following recommendations, which are addressed to their affiliated members with the aim to put them into practice at the national and regional levels as well as the corporate level.

1. Charter for Equal Opportunities in the European Railway Companies and Trade Unions

Additionally, modern European societies and the European railway companies will be affected by globalisation and demographic change. The European railways will only enjoy long-term success when they make use of the potential of both men and women. Good cooperation and social partnership of companies and unions is an important prerequisite in this context.

Prompted by a mainstreaming approach and in connection with this Charter, we, the railway companies and the trade unions, will:

1. create a corporate and workplace culture which is characterized by mutual respect and esteem between all parties concerned and in which men and women will work with each other in a partnership of equals;
2. integrate the principle of equal opportunities and "gender mainstreaming" in the work organisation and employment policy of the company;





3. review HR processes and ensure that women will not be denied or hindered in their access to occupations or leadership levels because of their gender;
4. create the general framework that will make it easier for employees to reconcile their jobs and their families;
5. ensure that the existing differences in the remunerations of men and women will be overcome. Men and women shall receive equal remuneration for equal work;
6. create the general framework to protect women against discrimination at the workplace;
7. include gender equality issues in collective bargaining and contractual labour relations;
8. act as advocates for equal opportunities in internal and external media and provide information on positive examples;

2. Recommendations for Positive Action

1. Encourage women to choose technical occupations. Girls can gain familiarity with technical occupations through cooperation with schools and open-house days.
2. Use selection processes which allow an unbiased selection of candidates. Professional ability should have top priority.
3. Establish procedures/benefits in railway companies to improve work-family balance. This includes options for a greater flexibility of working hours in line with the needs of and in consultation with male and female employees and their trade union representatives, support in caring for children or family members in need of care.
4. Develop actions to increase security for shift workers and swing-shift workers. This provides a greater sense of security not only to women and makes them willing to work shifts. These actions will also make our female and male customers feel more secure.
5. Review the suitability rules and adjust them at the European level. Women may not be deployed in certain areas, when they are expecting a baby. At all other times, they can work in all areas, where their physical and mental fitness fulfils the requirements.
6. Offer women employees equal access to all development and qualification measures.
7. Promote a gender equality culture in training and upgrading for all workers by the railway companies and trade unions.
8. Take concrete steps towards the implementation of the Community acquis on gender equality in the workplace.
9. Corporate reporting on the share of women in a company in various fields of activities and levels of hierarchy as well as the corresponding conditions of employment and remuneration and the establishment of equal opportunity action plans in line with EU Directive 2002/73/EC.

3. Methodological recommendations

As possible methodological approaches we recommend:

Joint Recommendations for a better representation and integration of women in the railway sector



a) to promote an evaluation process (for example through a circular and multi-actor total e-quality policy) in order to guarantee the quality of organizational structures, procedures and resource management within a mainstreaming approach and to evaluate the change effects during the process and at the end of it.

b) to set up measurable targets for women presence in specific professions and hierarchical levels in the company/ies, which have to be agreed with the trade unions representatives and social partners as well as targets for the presence and representation of women in the trade unions.

4. Evaluation and Follow-up

Three years after signing these recommendations, the European social partners will perform a study on the measures introduced by their affiliated companies and unions for the implementation of these actions.

They will perform a second study to analyse the developments that will have taken place since their first joint study (the study period was 2004).

Based on the evaluation regarding implementation of the recommendations the European Social partners will consider further actions such as common objectives for the future and for the adoption of ad hoc measures;

ROMA, 12 June 2007

For the CER:

For the ETF:

Franz NIGL
Chairman of the CER Human Resources
Directors Group

Lena MOBERG-LINDWALL
Member of the ETF Railway
Section Bureau

Jean-Paul PREUMONT
Senior Social Advisor, CER

Sabine TRIER
Deputy General Secretary,
ETF



The Voice
of European
Railways



European Rail
Infrastructure Managers



WIR – Women In Railway Good Practices and Implementation Guide

Vienna 2012

KMU FORSCHUNG AUSTRIA
Austrian Institute for SME Research



With the support of the European Union



WIR - Women in Railway

Recruiting

“Do’s” ...:

- ✓ **Communicate that technology replaces physical power**
The argument of physical strength for many jobs in the railway sector is antiquated, technical progress has abolished the “physical character” of many typical “rail” jobs.
- ✓ **Make women visible / present positive role models**
Simple, but most basic initial message women should get: You belong in this job! / You do not have to pretend to be a man to do this job! Good visuals (i. e. showing women on the web site, in films, in advertisements, etc.) are the fastest way to convey the message and vault prospective female applicants over the first hurdle – the automatic perception that a company’s jobs are reserved for men.
- ✓ **Actively seek contact to potential female candidates**
e. g. via co-operations with girl’s / women’s associations, at job fairs, etc.
- ✓ **Prefer women when qualifications are equal**
This applies to vocations that are male-dominated, provided that such “positive discrimination” is legal in your country.
- ✓ **Try to admit at least 2 girls / women**
This refers to male dominated vocations / departments in general and to apprenticeships in such areas in particular. When there are (as often happens) only very few applications from girls or women, invite all female applicants.
- ✓ **Empower women and support lobby work**
Make sure that there are other women to refer to (e. g. female instructors in technical fields, female colleagues)
- ✓ **Encourage girls to do attend non-traditional (technical) formation**
E. g. establish contacts and co-operations with schools, etc.
- ✓ **Put the topic “recruiting more women” on the social dialogue’s agenda**
Discuss the issue of recruiting women (in all professions) in the social dialogue and review the collective agreements

... and “Don’t’s”:

- X **Expect that one single change / measure will attract women**
Within recruiting but also on the whole, it always is the set of measures / the overall corporate philosophy and strategy that makes a workplace attractive to women or not.
- X **Tap the usual recruitment channels and methods**
Recruitment policy has to be reviewed with respect to where and how to reach and attract the target group best (e.g. wordings and visibles that appeal to men do not necessarily attract women in the same way).
- X **Expect that the premier employment of a girl / woman is not a topic in your team**
Prepare and discuss the employment of the first girl / woman with your team. By not talking about it and by not taking stereotypes and prejudices seriously you risk a worsening working climate and gossip.



Reconciliation of work and private life

“Do’s” ...:

✓ **Reconciliation is a task of the company**

Especially in railway companies, where shift work and spatial mobility complicate reconciliation, a framework of assistance respectively structures that facilitate the issue (to be applied on-site) shall be provided.

✓ **Involve all employees in reconciliation measures**

To raise acceptance and avoid different classes of employees, men and women as well as staff without caring obligations should be included into reconciliation measures, where appropriate, and e. g. have the possibility to take a leave (for further education, etc.).

✓ **Involve the whole team in planning work**

When e. g. planning shifts the whole team on-site shall be involved so that corporate requirements and individual employee's desires can be met best. It is also important that reliable work schedules are made a certain period of time in advance.

✓ **Allow reduction / flexibility of working time when wished-for**

This refers to both, men and women; with caring responsibilities and without – where possible under consideration of the specificities of the different jobs in the railway sector. Show that flexible time arrangements have advantages for all parties involved.

✓ **Plan leaves (exit and re-entry) and keep close contact**

Think of employees on leaves as part of the team and keep them informed on all important issues, invite them to events, offer them to take over holiday replacements, etc.

✓ **Support the concept of work-life balance in the social dialogue**

Discuss the issue of reconciliation and work-life balance in the social dialogue and review the collective agreements

... and “Don’ts”:

X Offer part-time only for low skilled workers / under precarious conditions

Part-time is mostly offered in low skilled areas or in low hierarchical levels. Moreover, many flexible jobs (in part-time, with fix term contracts) that are offered in the emerging sectors / companies of transport (e. g. supply chains / logistics companies; which offer least job guarantee) are also precarious while the relatively secure work remains full-time and male-dominated. Part-time shall be possible in all hierarchical levels and for all types of occupations.

X Think of care as an issue for parents of young children only

In fact, also adolescents aged 12 to 16 years need their parents. Moreover, besides child care there also is the need to care for elderly persons and such care leaves are even more difficult to plan (as they happen suddenly, the time-period is not predictable, and in general the employee is older than after birth of a child upon return).

Career and Equal Pay

“Do’s” ...:

✓ **Set quantitative targets and monitor them**

To foster women’s careers, strong backing from the top management is a crucial element, e. g. via the setting and controlling of quantitative targets with view to women in management positions.

✓ **Be open with employee classification, goals and career paths**

Classify and evaluate qualifications and also define career paths along with the requirements for advancement. Tap internal sources (re-orientation, promotion) to fill management positions with qualified women.

✓ **Offer mentoring programmes and support networking activities**

An active mentoring programme is crucial, especially for women in a male-dominated field. Also enable the establishment and maintenance of networks for women (keeping in mind the possibly different approaches of men and women towards networking).

✓ **Plan “inclusive” training**

Training has to be planned and tailored so that men and women can benefit from it. Make sure that content, trainers and timing also appeals to women and define which career progress can be made after having attended certain training.

✓ **Actively invite women**

Address and motivate women explicitly:

- to attend training;
- to apply for occupations in an higher hierarchical level.

✓ **Apply transparency against gender pay gap**

Transparency plays a key role in tackling the gender pay gap. Common and strict remuneration systems which determine specific positions to defined levels of pay are essential. Nevertheless, the gender pay gap is still related to fringe benefits or specific contracts. Thus, criteria which lead to benefits are to be defined and communicated.

✓ **Put career development and equal pay on the social dialogue’s agenda**

Discuss the issue of career development and equal pay in the social dialogue and review the collective agreements

... and “Don’ts”:

X Have the illusion that “everything works out”

There is no “invisible hand” that ensures that the best employees advance in their career. By trend, there are e. g. different attitudes to leadership by men and these have to be accounted for.

X Think that good leadership is subject to availability “around the clock”

Leadership is rather a matter of organisation than of being available all the time, thus leadership in part-time is possible. Studies show that there are men as well as women in management positions who had career breaks.

X Expect that individual negotiations lead to fair pay

Rather, because of individual negotiations inequality rises and those who market themselves best earn more.



Overall Equality Policy

“Do’s” ...:

✓ **Gender equality is a management task**

A top-down strategy has to be developed, implemented and controlled for. Such a gender equality strategy should be part of the overall corporate strategy and binding for the management.

✓ **Set targets and monitor them**

Create responsibilities on the different management levels and set standard procedures for monitoring and reporting.

✓ **Communicate and support gender equality (internally and in external relations)**

Involve the whole company, as stereotypes that hinder equality may occur on any hierarchical level and in different situations (at work or in advertisements for the company).

✓ **Continuously work on a change in culture**

Such a work culture is the basis for every day work in the company, it does not come by itself but has to be developed.

... and “Don’t’s”:

X Simply think of equal opportunities as of equal treatment

When men and women at work are treated equally (and often in a way that traditionally serves male behavioural patterns) that does not mean that both have equal opportunities to develop their real potential (to apply their talents and serve the company purpose best).

X Expect that an equality / diversity strategy is sufficient

This is just the starting point for implementation, controlling and re-thinking of the process. Achieving gender equality is a long-term process that actively needs to be supported, made conscious and visible.

X Expect that all instruments / measures applied turn out to be useful

This is a (non-linear) learning process and often adaptations become necessary in order to achieve the targets.

joint recommendations Employability



The Voice
of European
Railways



European Rail
Infrastructure Managers



THE CONCEPT OF EMPLOYABILITY IN THE RAILWAY SECTOR

RECOMMENDATIONS

During the years 2000/2001 and 2005/2006 Working Group II of the European Social Dialogue Committee for the railway sector examined in two study projects the question of whether the concept of employability is a suitable and useful concept for the railway sector. The first project resulted in a sector specific framework definition of the concept published as „The strategy “Employability”-usable for the European railways?” while the second project examined the progress of implementation of this concept in selected railway companies. The result of the second project is the attached Memorandum.

The social partners are of the opinion that further activities within this field are useful for the sector and adopt the following recommendations:

1. The railway companies in Europe should use the strategy of employability as developed in this memorandum as a central theme for human resources policy and thereby package the various instruments for *personnel and organisation development* into an *integrated* approach.
2. Employability as a strategic concept is based on prevention and aims to create a working environment which maintains and improves the capacity of the workers in respect of qualifications and competences as well as health and fitness in order to be ‘employable’ in general terms. The responsibility is a shared responsibility of the company, the employees, works councils and trade unions.
3. Aims, principles and framework conditions for the implementation of the strategy into operational practice should be agreed on the basis of social dialogue between the social partners in order to allow the benefit of the approach to be effective for both parties i.e. the company and the workers.



joint recommendations Employability

4. The European social dialogue on railways will promote and accompany the process of extending and implementing employability as a central theme of modern HR policy and carry out interim assessments from time to time. This can occur through various instruments: Policy conferences, conferences for exchanging work and experiences, monitoring and via the making available of instructive materials (case studies for good practice, basic guides, specimen agreements ...)
5. A conference bringing together representatives of trade unions / work councils and management experienced in the issue of employability in practical terms on company level might be organised next year. This would allow exchange of experiences, benchmark of good practices and direct discussion between European and company based social dialogue on employability aspects.


Belgrade, 4 October 2007

For CER:



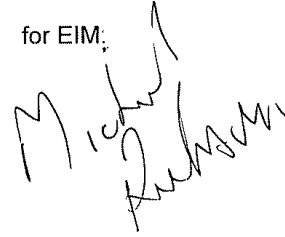
Franz NIGL
Chairman of the CER Human
Resources Directors Group

for ETF:



Didier LE RESTE
Member of the ETF
Railway Section Bureau

for EIM:



Michael ROBSON
EIM
General Secretary

joint recommendations Security



Promoting security and the feeling of security vis-à-vis third-party violence in the European railway sector

Recommendations of the European railway sector social partners

1. BACKGROUND OF THE RECOMMENDATIONS AND INTENTIONS OF THE SOCIAL PARTNERS

The security of railway employees and passengers is of essential importance for the European social partners and their affiliated companies and trade unions. Although rail passenger transport is basically safe, the social partners are very concerned in particular about third-party violence against employees in rail passenger transport. We define third-party violence as „Incidents where staff are insulted, threatened or assaulted in circumstances related to their work, involving an explicit or implicit challenge to their safety, well-being and health“¹. Incidents of third-party violence have a physical, social and economic impact for the employees and the social partners. These might be physical injuries, mental distress, fear and the feeling of insecurity, absenteeism and avoidance behaviour, lost working days and sick leave, termination of the job, disability pensions for the employees, a negative image of the service

provider due to delays and cancellation of trains and other consequences. The duty to protect the health and safety of employees while at work lies with employers under both EU and national legislations.² But employees also shall behave as far as possible in such a way that their own health and safety is not impaired. The European social partners aim at a cooperative corporate culture for taking measures to prevent violence and to deal with the consequences caused by third-party violence, especially against railway company employees. The European social partners emphasise, that a joint approach promises to be the most successful.

¹ European Agency for Safety and Health at Work (OSHA): European Risk Observatory Report. Workplace violence and harassment: A European Picture. Luxembourg, 2010. P. 16.

² European Social Dialogue: Framework Agreement on Harassment and violence at Work. 2007. P. 1.

2. OBJECTIVES OF THE JOINT RECOMMENDATIONS

In issuing these joint recommendations, the European railway sector social partners have the following intentions:

- To support their members – affiliated unions and companies – in taking measures that help to increase security and the feeling of security of staff and passengers vis-à-vis third-party violence;
- To contribute to improving working conditions in rail passenger transport;
- To initiate strategies aimed at preventing and handling third-party violence at work via practical measures in its communication, prevention, intervention and aftercare.

3. RECOMMENDATIONS FOR ACTION FOR THE SOCIAL PARTNERS

Measures aimed at communication, prevention, intervention and aftercare should be tailored to the respective fields of work and company divisions. A global and joint approach is deemed to be the most promising here. Therefore, the European social partners recommend that a sustainable policy should be applied, which includes measures in the following areas:

• **Creating awareness**

Third-party violence can be reduced through raising awareness of this issue among employers, employees, customers and passengers. Therefore, the social partners on company or industry sector level should aim at a joint approach to tackle the problem. They should define a joint communication and prevention strategy, which includes a “zero tolerance” campaign, which contains appropriate guidance and training for the employees, preventive measures for the public along with a description of incidents needing to be reported. These descriptions should be formulated in a way suitable for classifying acts of violence in a computer database.

• **Establishing a specialised entity**

An entity should be established within the companies, with the official task of analysing and implementing the agreed measures. In any case the designated entity should cooperate closely with the security and personnel units and the affected business units. Within the scope of applicable law and possible adequate means, incidents of third-

party violence should be recorded and examined there using appropriate means. This entity can also be the contact point in the case of incidents or questions.

• **Reporting, recording and analysing**

All incidents clearly defined as needing to be reported (including insults and threats), should be recorded in an appropriate systematic way and assessed. Requisite measures may be designed and implemented. All those involved should be informed about the process. Employees should be encouraged to report all incidents and to suggest improvement measures if possible.

A European typology of incidents, which have to be reported, would help to harmonise the understanding of third-party violence on European level and should be established.

• **Security management and technical means**

Security management combines personnel and technical measures. A very important factor is to make available on trains and in stations active and present security personnel, specially trained for the railway, as well as, depending on the countries, the presence of the police. Preventive measures can also be specific procedures and/or facilities concerning ticket sales, access to trains, construction aspects of stations, video surveillance etc. Video surveillance systems can help to prevent, to identify and so to prosecute incidents and crimes.

joint recommendations Security

- **Preventive training and sensibilisation for staff members**
Training prepares employees with possible customer contact and the respective management for third-party violence situations and teaches ways of prevention and of handling the consequences in the best way. Companies should provide appropriate training courses for these employees and their management on all necessary topics, including de-escalation, recognising potentially violent situations, etc.
- **Aftercare**
Appropriate and transparent procedures on support should be provided to employees who are victims of third-party violence, which, depending on the circumstances, could involve medical (including psychological), legal, practical, and/or financial support.
- **Law and order partnerships**
Cooperation between rail companies, the police and the authorities improves the overall ability to enforce security. The social partners also highlight the importance of working with other appropriate partners at national or local level to identify and prevent third-party violence by having a consistent approach.
- **Using good practices**
Good practices already exist with regard to the prevention, handling and aftercare of third-party violence against railway company employees in Europe. The measures foreseen need to take into account the size and type of company and their application should be validated. Good practices described in the guide "Promoting security and the feeling of security vis-à-vis third-party violence in the European railway sector. A good practice guide" can be used here.³
- **Dialogue with politicians, further stakeholders and with social partners / civil and social dialogue**
The demands of the rail companies, the employee representatives and the trade unions on politicians and possible other involved stakeholders should be brought to the attention of national and European politicians.
- **Awarding of public contracts for rail passenger transport**
The awarding of public contracts for rail passenger transport should require the submission of a section on the security of employees and passengers, which should be considered in the process of awarding the contract.
- **Conclusion of a social partner agreement**
Concluding social partner agreements is deemed worthwhile on different levels (company and / or industry sector level, etc.). Suggestions put forward by employees for improving weak points in security at work should be examined, and, where feasible, taken up.
- **Regular assessment of the effectiveness of the measures taken**
The European social partners recommend regular assessment of the measures taken on European and national level (e.g. annually). Experience, related developments in legislation and technology should also be taken into account to provide better solutions. Results should be assessed and agreement reached on ways of improving the measures. Assessment results can be taken up in new agreements.

Final Version 5.11.2012

³ CER, ETF, EVA: "Promoting security and the feeling of security vis-à-vis third-party violence in the European railway sector. A good practice guide". Berlin 2012.

Promoting security and the feeling of security vis-à-vis third-party violence in the European railway sector

Recommendations of the European railway sector social partners

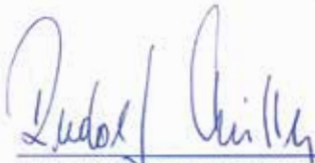
signed in Brussels on 5 December 2012



**Community of European Railway and Infrastructure
Companies (CER)**
Dr. Libor Lochman
Executive Director



European Transport Workers' Federation (ETF)
Sabine Trier
Deputy General Secretary



**Community of European Railway and Infrastructure
Companies (CER)**
Dr. Rudolf Müller
Chairman of the European Social Dialogue
Committee for Railways,
Chief Human Resources officer of DB Schenker Rail
Deutschland AG



European Transport Workers' Federation (ETF)
Guy Greivelding
President of ETF Railway Section,
President FNCTFEL, Luxembourg

CER
Avenue des Arts, 53
1000 Brussels
Belgium
Tel: +32 2 213 08 70
Fax: +32 2 512 53 31
e-mail: contact@cer.be
web: www.cer.be

ETF
Galerie Agora
Rue du Marché aux Herbes 105, Boîte 11
1000 Brussels
Belgium
Tel: +32 2 285 46 60
Fax: +32 2 280 08 17
e-mail: etf@etf-europe.org
web: www.etf-europe.org

Joint recommendations PSR-RAIL



Identify and prevent psychosocial risks within the railway sector

Joint Recommendations of the European Social Partners

1. BACKGROUND OF THE RECOMMENDATIONS AND INTENTIONS OF THE SOCIAL PARTNERS

The European social partners in the rail sector are of the opinion that psychosocial risks (PSR) affect the occupational safety and health (OSH) of rail employees. In their view, dealing with the issue of PSR will be beneficial to both the railway companies and railway workers. From a company perspective, reducing PSR means reducing the hidden costs linked to psychosocial risks. For the workers reducing psychosocial risks means improving the quality of working life and helping to prevent serious health problems. In 2002, the European Commission estimated that work-related stress costs EUR 20 billion a year in Europe due to production losses, absenteeism, “presenteeism” etc. Currently some 50% and 60% of lost working days in the EU are thought to be related to psychosocial risks.²

Social partner interest focuses on the preventive aspect with its potential to improve working conditions and consequently workers’ well-being at work. According to the EU-OSHA definition, “these risks are linked to the way work is designed, organised and managed, as well as to the economic and social context of work; they result in an increased level of stress and can lead to serious deterioration of mental and physical health”³. These troubles can, if not quickly tackled, get worse until they become pathological. Generally speaking, there are three kinds of factors conducive to psychosocial risks: (1) work-related stress, (2) internal violence (bullying, aggression, verbal or sexual harassment, conflicts, communication problems, etc.), and (3) external third-party violence (threats, insults, verbal or physical aggression).

¹ Presenteeism means being physically at work, though without producing the productivity expected, following sickness or burnout. Presenteeism losses can sometimes be worse for companies than losses due to absenteeism.

² Dealing with psychosocial risks: success factors and obstacles. EU-OSHA press release 2012. https://osha.europa.eu/en/press/press-releases/dealing_psychosocial_risks_success_factors_obstacles

³ FACTS. Expert forecast on emerging psychosocial risks related to occupational safety and health (OSH). European Agency for Safety and Health at Work. Belgium 2007.

2. OBJECTIVES OF THE JOINT RECOMMENDATIONS

A healthy work environment taking both physical and mental aspects into account is important for ensuring good quality of work and thus high-quality services. Well-being at work is similarly important for productivity and service quality.

The overall aim of the joint recommendations is to contribute to improving working conditions in the rail sector by tackling the problem of psychosocial risks and identifying sector-specific measures contributing to diminishing the problem. The specific objectives of the joint recommendations are to increase the awareness and understanding of employers, workers and their representatives to work-related psychosocial risks and to draw their attention to signs indicative of risk. The social partners would like to see strategies and action initiated in their affiliated unions and companies with an aim to preventing and managing work-related psychosocial risks.

The obligation to protect the health and safety of employees while at work lies clearly with employers under both EU and national legislation.⁴ The European social partners share the opinion, that tackling psychosocial risks should not only be part of the company health and safety policy but has to be addressed in all relevant fields of company policy and action. They are looking to a cooperative corporate culture in which measures are taken to prevent psychosocial risks and to deal with their consequences. Addressing psychosocial risks may be carried out within an overall process of risk assessment, through a separate psychosocial risk policy and/or through specific measures targeting identified risk factors. The European social partners emphasise that a joint approach promises to be the most successful.

3. FACTORS AND INDICATORS OF PSYCHOSOCIAL RISKS

In the course of the “PSR-RAIL” project in 2013, the joint CER/ETF study identified important factors (situations, conditions, etc.) liable to produce psychosocial risks in rail occupations.

3.1 Work demands

Technology

- Challenges from new vs. old technologies, skill requirements associated with computerization, insufficient information on new tools, performing work with faulty or obsolete equipment, restricted technical resources

Workload and time pressure

- Time pressure due to traffic (e.g. work has to be finished before the morning rush-hour starts), deadline pressure from different sources hindering the execution of traffic or maintenance work, traffic disruptions or accidents causing overtime
- Track maintenance work during traffic

Structure and communication

- An increasing number of people (from different companies) to deal with to ensure smooth traffic management
- Night and shift work subject to short-term changes, reduced transparency and predictability
- Workload during rush-hours, the sheer amount of working hours
- Pressure to achieve sales targets
- Money handling (security)
- Multitasking combined with frequent interruptions

⁴European Social Dialogue: Framework Agreement on Harassment and Violence at Work. 2007. P.1.

Joint recommendations PSR-RAIL

Human resources

- Shortfall of human resources
- Problems arising related to an ageing workforce
- Impact of overtime and shift work on work-life balance
- Teams growing in size: responsibility for an increasing number of team members

3.2 Emotional demands

External

- Aggression and violence from passengers, fear of attacks
- Exposure to suicides on tracks or serious accidents
- Commercial “keep on smiling” requirement not conducive to showing emotions

Internal

- Wide range of responsibilities: safety and security decisions, crisis management, larger geographical area, handling money, risk of penalties due to mistakes or incidents beyond one's influence
- Twin pressure from superiors and subordinates
- Implementing staff cuts
- Feeling of not delivering quality, uselessness of efforts

3.3 Autonomy/decision-making latitude

Structure and Communication

- Interdependency due to work organised along a chain of responsibilities
- Tensions due to disconnection between the deciding authority and the operational level
- Lack of resources: information, training, equipment, staff
- Process complexity and lack of clear organization
- Limited view and resources to solve problems
- Dependence on technologies and external information
- Difficulties / quarrel with hierarchically enforced decisions
- Increasing number of processes, increasing process complexity, less internal support
- Activities controlled by monitoring devices
- Lack of authority and means to take action

3.4 Social links, work relations

External

- Deteriorating public image of railway companies/ staff
- Increasing number of actors involved leads to communication problems

Internal

- Responsibility for security and rail protection
- Solitary work situations on the train
- Difficult situations with colleagues and supervisors
- Managers not present in the field (remote support), difficult for a manager to meet team members and foster management relations
- Unstaffed stations, not sufficient support for on-board staff
- Absenteeism (staying away from work)
- Presenteeism (Going to work while being sick, staying at work longer than necessary by being unproductive)

Joint recommendations PSR-RAIL

3.5 Conflicting values

- Commercial vs. personal values
- Service vs. revenue targets
- Sanction culture vs. recognition of mistakes (lack of “no blame culture” in the railways)
- Respect of safety and quality rules vs. productivity and commercial interests
- Infrastructure safety vs. number and punctuality of trains
- Short-term problem solving vs. long-term improvements
- Availability vs. rest hours

3.6 Socio-economic insecurity

Structural

- Uncertainty due to political decisions on regional, national or European level
- Reorganisation and structural changes of rail companies
- Fear of losing one’s job or being transferred to another company
- Understaffing, under investment
- Disappearance of certain jobs
- Workplace geographically far from home due to continuous organisational change and restructuring (long commuting time or nights away from home)

Personal

- Lack of understanding for processes, lack of information
- Fear of being medically unfit
- Individual competition

Possible indicators of existing psychosocial risks are high absenteeism rates, staff turnover, frequent interpersonal conflicts, complaints by workers, etc.

4. MEASURES FOR IDENTIFYING, PREVENTING AND MANAGING PSYCHOSOCIAL RISKS

The purpose of a psychosocial risk prevention procedure is to prevent and/or reduce risks and their consequences and to regulate them by finding and analyzing the causes and defining joint action. Specific tools are needed to objectify risk factors. The social partners recommend that the approach should take place in four main phases:

- PSR identification and assessment
- PSR prevention plan (including bringing the issue into the company policy)
- PSR management (implementing actions designed to remove or reduce risks, active and careful sustainable management of the process)
- Evaluation (of actions, processes and intended effects)

4.1 Identifying psychosocial risk factors

The social partners have first to identify risk factors in the work organization and the employee categories most at risk. They need to put a specific focus on a defined work population, workplace or set of operations. A risk assessment to understand the nature of the problem and its underlying causes is essential for the prevention plan.

Joint recommendations PSR-RAIL

4.2 Setting up an action plan

The concrete implementation of preventive action in the company needs to be planned, with a guarantee of consistency between management decisions or policies and the terms of their deployment. Company objectives on PSR and the role of individual workers need to be defined. Adequate management support for individuals and teams must be ensured. The action plan must aim to improve work organisation and processes, working conditions and the work environment. The action plan must contain concrete actions allowing company targets to be measurably achieved. The action plan can be built as follows

- **Why:** Explanatory statement, purpose, targets
- **What:** What actions to implement
- **When:** Timetable and, if applicable, frequency
- **Where:** Which departments, sites or groups are affected
- **Who:** Which individuals are responsible for each of the actions proposed
- **How:** By what means, processes or mechanisms can the action be implemented

The action plan needs to prioritize actions and contain the terms for their monitoring and evaluation. The action plan must set forth the implementation monitoring mechanism, possibly resulting in adjustments or improvements to the measures. Evaluation criteria must be defined for the various actions. Setting up the action plan shall involve those workers' representatives that are responsible according to national practice and culture from the beginning. Workers shall not feel the action plan as something imposed to them from the company management: to make the plan successful workers' representatives should be key actors in all phases.

4.3 Designating a dedicated unit

A dedicated unit needs to be identified within the company with the official task of analysing and implementing the agreed measures. This task could possibly be assigned to the health and safety department. The designated unit should cooperate closely with HR departments and the business unit(s) concerned. Within the scope of applicable law and available resources, incidents should be examined using appropriate means. This unit can also be the contact point in the case of incidents or questions. The option should be available to handle incidents confidentially.

4.4 Raising awareness

Measures to identify, prevent and manage psychosocial risks can be of individual or collective nature. They can be introduced in the form of specific measures targeting identified risk factors or as part of an integrated risk policy implementing both preventive and responsive measures. Where the required expertise within the business unit is insufficient, competent external expertise should be called in, in accordance with European and national legislation, collective agreements and practices.

4.5 Communication and sensitisation measures

PSR indicators need to be identified (high absenteeism rates, staff turnover, frequent interpersonal conflicts, complaints by workers, etc.). Both employer and employee representatives need a critical understanding and the capability to identify at-risk situations. They shall suggest or develop possible actions for improving the situation in question and make sure they are operational. Information about the action plan to prevent PSR factors needs to be disseminated and discussed with employees. Employees and their representatives are to be included in the risk assessment process and in implementing preventive actions. Employees shall be informed of the finalized actions.

4.6 Training

Training courses for managers and workers and their representatives are essential to raise awareness and understanding for psychosocial risks, their possible causes and consequences, how to deal with them, and/or adapt to change. The training should take account of the company context and should address PSR factors before acting on their implications. The training must be part of the comprehensive approach to PSR prevention and management.

Joint recommendations PSR-RAIL

4.7 Aftercare

Aftercare needs to be provided to employees suffering from adverse psychosocial effects. Depending on the circumstances, this may involve medical, legal, practical, and/or financial support.

4.8 Using best practices

Best practices regarding the identification, prevention and management of psychosocial risks already exist in railway companies. The measures foreseen need to take into account the size and type of company, and their application needs to be validated. Best practices described in the “Guide to identifying and preventing psychosocial risks in the rail sector” can be used here.

4.9 Social dialogue

The social partners should aim for a joint approach to tackling the issue. Consultation with workers and their representatives in accordance with EU and national legislation, collective agreements and practices are important for the successful implementation of actions. Employees should participate in developing approaches and reviewing the operability of the preventive actions. Concluding social partner agreements is deemed worthwhile at different levels (company and / or sector level). Suggestions put forward by employees for improving weak points in PSR prevention should be examined, and, where feasible, taken up.

4.10 Evaluation

Preventive measures should be regularly reviewed to assess their effectiveness, whether they are making best use of resources, and whether they are still appropriate or necessary. It is recommended that the evaluation covers two primary aspects:

- Deployment compliance: Update on actions performed vs. actions announced (e.g. Was there any real communication from management during the recent changes?)
- Effectiveness of the action: Direct and indirect effects of the action (e.g. positive employee feedback, reduced absenteeism, etc.)

Those managing the actions must regularly communicate the status of their deployment.

5. IMPLEMENTATION AND FOLLOW-UP

These joint recommendations commit CER and ETF affiliates to adopt the objectives and implement measures in accordance with the procedures and practices specific to management and labour in their countries. Member organisations will report on the implementation of the recommendations to the Social Dialogue Committee. The signatory parties shall evaluate the implementation of the recommendations any time after the three years following the date of signing, and review the recommendations if requested by one of them.

Joint recommendations PSR-RAIL

signed in Brussels on 11 March 2014



**Community of European Railway and Infrastructure
Companies (CER)**
Dr. Libor Lochman
Executive Director



European Transport Workers' Federation (ETF)
Sabine Trier
Deputy General Secretary



**Community of European Railway and Infrastructure
Companies (CER)**
Jean-Paul Preumont
Head of Social Affairs,
Industrial Relations & Human Resources



European Transport Workers' Federation (ETF)
Guy Greivelding
President of ETF Railway Section

CER
Avenue des Arts, 53
1000 Brussels
Belgium
Tel : +32 2 213 08 70
Fax : +32 2 512 53 31
e-mail : contact@cer.be
web : www.cer.be

ETF
Galerie Agora
Rue du Marché aux Herbes 105, Boîte 11
1000 Brussels
Belgium
Tel: +32 2 285 46 60
Fax: +32 2 280 08 17
e-mail : etf@etf-europe.org
web : www.etf-europe.org



The Voice
of European
Railways



Social aspects and the protection of staff in competitive tendering of rail public transport services and in the case of change of railway operator

JOINT OPINION CER/ETF

PREAMBLE

As part of an evaluation of different social rules in railway passenger transport linked to the Regulation 1370/2007 „PSO“, CER and ETF decided to conduct a study on the Social aspects and the protection of staff in competitive tendering of rail public transport services and in the case of change of railway operator. The project developed by the social partners gives a picture of the situation on the protection of personnel in the member states of the EU.

Good social standards are - both from employees' and from employers' view - a condition sine qua non for delivering good quality services and are an important factor for maintaining or improving the attractiveness of jobs in the railway sector, which becomes a major challenge due to the demographic change in nearly all EU Member States.

The project has shown that there are very different national situations in terms of social aspects and protection of staff in case of change of operator and especially concerning the application of articles 4(5) and 4(6) in conjunction with recitals 16 and 17. On the one hand some Member states established on a national level similar rules concerning binding social standards and/or compulsory transfer of staff before the Regulation 1370/2007 came into force. In fact, some countries decided to create such social rules by national laws or regulations or they established a framework for the social partners to conclude agreements for adequate social standards in the sector. On the other hand there are still Member States where the social aspects of the market opening seem to be not sufficiently or not at all taken into account.

Joint opinion Protection of staff

PRINCIPLE STATEMENTS

1. Although the European social partners differ in their view on the need for further liberalisation and market opening, they share the conclusion that the consequences of competition should not affect the working conditions of staff providing services by requiring on national, regional or local level binding social standards and/or the compulsory transfer of staff in case of change of operator.
2. The social partners insist that it must be compulsory for every EU Member State, where such protection doesn't exist, to create a social level playing field by setting binding social standards (on a national, regional or local level) in order to protect working conditions existing at the moment of change of operator and/or by requiring a transfer of staff previously taken on to provide services. This should be done according to the national or regional specificities either by the legislator and/or the social partners by sector-wide collective agreements (including the rules for civil servants or staff with a specific employment status similar to civil servants) at the latest at the opening of the domestic railway passenger market.
3. Such social standards have to include at least provisions on wages, working time, Health & Safety and training.
4. A compulsory transfer of staff in case of change of operator will also ensure the continuity of the service for the passengers and the transport authorities. When transfer occurs, it has to apply to railway staff previously taken on to provide services by the previous operator and grant them the rights to which they would have been entitled if there had been a transfer within the meaning of Directive 2001/23. Nevertheless, the previous operator has the possibility to offer new positions to the involved employees with continuing the existing contract.
5. ETF and CER recommend to use the experience and knowledge of the social partners in the whole tendering process.

Brussels, 23 September 2013

**CER – Community of European Railway and
Infrastructure Companies**

Avenue des Arts, 53
1000 Brussels
Belgium
Tel: +32 2 213 08 70
Fax: +32 2 512 53 31
e-mail: contact@cer.be
web: www.cer.be

ETF – European Transport Workers' Federation

Galerie Agora
Rue du Marché aux Herbes 105, Boîte 11
1000 Brussels
Belgium
Tel: +32 2 285 46 60
Fax: +32 2 280 08 17
e-mail: etf@etf-europe.org
web: www.etf-europe.org

CONTACT PERSONS

PROJECT STEERING COMMITTEE

CER

CER

Xavier Martin
Avenue des Arts, 53
1000 Brussels, Belgium
Tel.: +32 2 2130877
e-mail: xavier.martin@cer.be

Société nationale des chemins de fer français (SNCF)

Barbara Grau
2 place aux Étoiles - CS 70001
93633 La Plaine St Denis, France
Tel: +33 1 85078719
e-mail: barbara.grau@sncf.fr

Arbeitgeber- und Wirtschaftsverband MoVe e.V. (Agv MoVe)

Matthias Rohrmann, Viktoria Kalass
Bellevuestr. 3
10785 Berlin, Germany
Tel. +49 3029753119
e-mail: matthias.rohrmann@agv-move.de
viktoria.kalass@agv-move.de

Almega

Anders Olofsson
Agatan 9, Box 388
58104 Linköping, Sweden
Tel: +46 73 8073026
e-mail: anders.olofsson@almega.se

Ferrovie dello Stato Italiane (FS)

Roberta Tomassini
Piazza della Croce Rossa 1
00161 Roma, Italy
Tel: +39 06 44102953
e-mail: r.tomassini@fsitaliane.it

ETF

European Transport Workers' Federation (ETF)

Sabine Trier
Galerie AGORA
Rue du Marché aux Herbes 105, Boîte 11
1000 Brussels, Belgium
Tel.: +32 2 2854667
e-mail: s.trier@etf-europe.org

CGT

David Gobé
263, rue de Paris
93 515 Montreuil cedex, France
Tel.: +33 1 49 88 61 00
e-mail: david.gobe@orange.fr

Federation of Transport Trade Unions in Bulgaria (FTTUB)

Daniela Zlatkova
106 Mariya Luiza blvd.
Sofia 1233, Bulgaria
Tel.: +35 929318001
e-mail: d.zlatkova@stsb.bg

Sindikat željezničara Hrvatske (SZH)

Katarina Mindum
Trg. Francuske Republike 13
10000 Zagreb
Tel.: +385 1 3707582
e-mail: kmindum@inet.hr

Sindikat Strojvodij Slovenije (SSSLO)

Leon Didič
Trg OF 7
1000 Ljubljana
Tel.: +386 1 2913330

CONTACT PERSONS

WESTERN BALKANS

CROATIA

HŽ Infrastruktura d.o.o.

Darko Peričić
President of HŽ Infrastructure Management Board
Mihanovićeva 12
10000 Zagreb
Tel.: +385 1 3783300
e-mail: darko.pericic@hzinfra.hr

HŽ Putnički prijevoz d.o.o.

Vatroslav Težulac
Director of Human Resources and Legal Affairs
Mihanovićeva 12

10000 Zagreb
Tel.: +385 1 4577-591
e-mail: zeljeznicar@hznet.hr

HŽ Cargo

Petra Bručić Barić
International Relations Manager
Mihanovićeva 12
10000 Zagreb
Tel.: +385 1 453 4102
e-mail: Petra.BrucicBaric@hzcargo.hr

Sindikat željezničara Hrvatske (SZH)

Katarina Mindum
Trg. Francuske Republike 13
10000 Zagreb
Tel.: +385 1 3707582
e-mail: kmindum@inet.hr

CONTACT PERSONS

WESTERN BALKANS

F.Y.R. OF MACEDONIA

PE MZ Infrastructure

Petar Spasovski
Ass. Director General for General Affairs
Jordan Mijalkov 50 b
1000 Skopje
Tel.: +389 75 282841
e-mail: pspasovski@mz.com.mk

MZ Transportad

Božidar Cvetkovski
Director & Member of Managing Board
Legal issues, Human Resources & Corporate Functions
Jordan Mijalkov 50 b
1000 Skopje
Tel.: +389 2 3248704
e-mail: mztransportad@t-home.mk

Federation of Trade Union of Transport and Communication

Slave Naumovski
President
Kuzman Josifovski - Pitu no. 19/5, loc 5
1000 Skopje
F.Y.R. of Macedonia
Tel.: +389 26121994
e-mail: snaumovskizop@gmail.com

MONTENEGRO

Željeznicka Infrastruktura Crne Gore AD (ŽICG)

Lucija Filipović
Project Implementation Unit Leader
Trg Golootičkih žrtava 13
81 000 Podgorica, Montenegro
Tel.: +382 20 441 240
e-mail: piu@zicg.me

Željeznički prevoz Crne Gore AD

Aleksandar Smolović
Human Resources Manager
Trg Golootičkih žrtava 13
81 000 Podgorica, Montenegro
e-mail: aleksandar.smolovic@zpcg.me

Montecargo

Vesna Tintor
Head of Service for commercial jobs
Trg Golootičkih žrtava 13
81 000 Podgorica, Montenegro
Tel.: +382 20 441 191
e-mail: vesna.t@montecargo.me

Trade union organization AD „Montecargo“

Milenko Klikovać
President
Tel.: +382 68 877 008
e-mail: zdenkavladisavljevic@gmail.com

Sindikalna organizacija Prevoza masinovodja Crne Gore

Milan Vuković
President
e-mail: mvodjazpcg@gmail.com

Sindikata Željeznice Infrastrukture Crne Gore

Marko Cacović
President
Tel.: +382 20 441 181
e-mail: micocacovic@gmail.com

SERBIA

Železnice Srbije

Jovica Trajković
Assistant to General Director for subsidiaries
Nemanjina 6
11000 Belgrade, Serbia
Tel.: +38 11 12687736
e-mail: jovica.trajkovic@srbrail.rs

Trade Union of Railway

Men of Serbia (SZS)
Predrag Spasić
General Secretary
Nemanjina 6
11000 Belgrade
Tel.: +38 1 63572345
ztp_szs@szs-railsyn.org

BIBLIOGRAPHY

Documents of the European Union

- European Social Charter. Collected texts (6th edition). (Updated to 30 June 2008).
http://www.coe.int/t/dghl/monitoring/socialcharter/presentation/ESCCollectedTexts_en.pdf
- The Community Charter of the Fundamental Social Rights of Workers (1989).
http://europa.eu/legislation_summaries/glossary/social_charter_en.htm
- Charter of Fundamental Rights of the European Union (2000).
http://www.europarl.europa.eu/charter/pdf/text_en.pdf
- Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU) as amended by the Treaty of Lisbon (2007): <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12012E/TXT>
- Directive 2002/14/EC:
http://eur-lex.europa.eu/resource.html?uri=cellar:f2bc5eea-9cc4-4f56-889d-3cc4c5ee5927.0004.02/DOC_1&format=PDF

Documents of the European Commission

- Vademecum – A Practical guide for EU Social Partner Organisations and their National Affiliates. 2014.
- Industrial Relations in Europe 2012. Commission Staff Working Document. European Commission, Directorate-General for Employment, Social Affairs and Inclusion. Brussels 2012.
- Towards a job-rich recovery. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee of the Regions. European Commission. Strasbourg 2012.
- European Commission, Directorate-General for Employment, Social Affairs and Inclusion: Social Europe guide. Volume 2: Social Dialogue. 2012.
- Europe 2020 - A European strategy for smart, sustainable and inclusive growth. Communication from the Commission. Brussels 2010.
- Commission Staff Working Document on the functioning and potential of European sectoral social dialogue. Brussels 2010.
- Communication from the Commission - Partnership for change in an enlarged Europe - Enhancing the contribution of European social dialogue, COM/2004/0557. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52004DC0557:EN:NOT>
- Communication from the Commission - The European social dialogue, a force for innovation and change, COM/2002/0341. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52002DC0341:EN:NOT>
- Commission Decision of 20 May 1998 on the establishment of Sectoral Dialogue Committees promoting the Dialogue between the social partners at European level, as modified by Commission Regulation (EU) No 519/2013 of 21 February 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31998D0500:EN:NOT>
- Communication from the Commission Adapting and promoting the social dialogue at Community level, COM/98/0322 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:51998DC0322:EN:NOT>
- Commission Communication concerning the Development of the social dialogue at Community level, COM/96/0448 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:51996DC0448:EN:NOT>

International publications

- ILO on social dialogue: <http://www.ilo.org/global/about-the-ilo/decent-work-agenda/social-dialogue/lang--en/index.htm>
- Eurofound: Role of social dialogue in industrial policies. <http://www.eurofound.europa.eu/eiro/studies/TN1311011S/tn1311011s.htm>
- European Foundation for the Improvement of Living and Working Conditions. Role of social dialogue in industrial policies. Executive summary.
- Rohrmann, Matthias und Dr. Viktoria Kalass (2014): Der Europäische Soziale Dialog. In: Arbeit und Arbeitsrecht. Die Zeitschrift für das Personal-Management. P. 584ff.

Social partner documents

- Directive 2007/59/EC of the European Parliament and of the Council of 23 October 2007 on the certification of train drivers operating locomotives and trains on the Community's rail network. <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32007L0059>
- Council Directive 2005/47/EC of 18 July 2005 on the Agreement between the Community of European Railways (CER) and the European Transport Workers' Federation (ETF) on certain aspects of the working conditions of mobile workers engaged in interoperable cross-border services in the railway sector. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32005L0047>

Women in the Railway sector:

- ETF: <http://www.itfglobal.org/etf/etf-3556.cfm>
- ETF: <http://www.itfglobal.org/etf/women-railway.cfm>
- CER: <http://www.cer.be/publications/brochures/brochures-details/european-project-representation-and-better-integration-of-women-in-the-different-professions/>
- CER: <http://www.cer.be/publications/brochures/brochures-details/wir-women-in-rail-good-practices-and-implementation-guide/>

PSR-RAIL

- ETF: <http://www.itfglobal.org/etf/etf-3895.cfm>
- CER: <http://www.cer.be/publications/brochures/brochures-details/a-guide-to-identifying-and-preventing-psychosocial-risks-at-work-in-the-railway-sector/>

Protection of staff

- ETF: <http://www.itfglobal.org/etf/etf-3845.cfm>
- CER: <http://www.cer.be/publications/brochures/brochures-details/social-aspects-and-the-protection-of-staff-in-case-of-change-of-railway-operator-the-current-situation/>

Employability

- ETF: <http://www.itfglobal.org/etf/rw-employability.cfm>
- CER: <http://www.cer.be/publications/brochures/brochures-details/conference-report-employability-an-hr-strategy-for-shaping-change-in-the-railway-sector/>

Insecurity and the feeling of insecurity

- ETF: <http://www.itfglobal.org/etf/rw-aggressions-insecurity.cfm>
- CER: <http://www.cer.be/publications/brochures/brochures-details/promoting-security-and-the-feeling-of-security-vis-a-vis-third-party-violence-in-the-european-rail-sector-a-good-practice-guide/>

THIS PUBLICATION WAS DEVELOPED DURING THE PROJECT "SOCIAL DIALOGUE IN THE RAILWAY SECTOR IN WESTERN BALKAN COUNTRIES". THE PROJECT WAS INITIATED BY THE EUROPEAN SOCIAL PARTNERS OF THE RAILWAY SECTOR ETF AND CER AND ORGANIZED BY EVA ACADEMY.

WITH FINANCIAL SUPPORT FROM THE EUROPEAN COMMISSION. THE PUBLICATION REFLECTS THE AUTHOR'S VIEW AND THE COMMISSION IS NOT RESPONSIBLE FOR ANY USE THAT MAY BE MADE OF THE INFORMATION IT CONTAINS.

THE EUROPEAN SOCIAL PARTNERS:

Community of European Railway and Infrastructure Companies (CER)
Avenue des Arts, 53 // 1000 Bruxelles // Belgium
Tel.: +32 2 2130870 // contact@cer.be // www.cer.be

European Transport Workers' Federation (ETF)
Galerie Agora // Rue du Marché aux Herbes 105, Boîte 11 // 1000 Bruxelles // Belgium
Tel.: +32 2 2854660 // etf@etf-europe.org // www.etf-europe.org

EDITOR AND PROJECT ORGANISATION:

EVA – European Academy for Environmentally Friendly Transport
Chausseestr. 84 // 10115 Berlin // Germany
Tel: +49 30 3087526 // info@eva-akademie.de // www.eva-akademie.de

THE EUROPEAN SOCIAL DIALOGUE AND THE SOCIAL DIALOGUE IN THE RAILWAY SECTOR IN WESTERN BALKAN COUNTRIES

A publication of the European social partners Community of European Railway and Infrastructure Companies (CER) and European Transport Workers' Federation (ETF).
Published by EVA European Academy for Environmentally Friendly Transport



The Voice
of European
Railways



With financial support
from the European Union

