

THE ANALYSIS OF EMPLOYMENT LAW IMPLEMENTATION

EMPLOYMENT LAW OF THE REPUBLIC OF MONTENEGRO

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INTRODUCTION

In the east-European countries during the previous ten years the **transition** has been going according to different dynamics. It had its own leaders: Bohemia, Poland, Hungary and Slovenia. The most of the transition countries have entered the new transition era since 1996 in which the main former aims –liberalization and stabilization - are giving up their place to the radical measures of reconstruction, as well as the efforts of the higher rates of increase. The major word is: competition, and the major process: is the process of joining EU, which has his own political and economic aspect, including trade, cultural and finance cooperation, as well as coordination of legislation (Enlargement)¹

Of course, not all countries in the transition were equally successful in the carrying out of economic and social reforms. In the most countries of the Balkan region, during nineties, long-term and exhausting transition recession has been going on. The dynamic transition process, which follows the building of new institutions and law regulation adapted to the standards of EU, on this area, is actually at the beginning. In the focus is still the creation of favourable economic and justice ambient on the microeconomic level and the major process is: **The process of stabilization and joining EU.** Croatia and Macedonia are both signers of this agreement since 2001, while Albania and Montenegro are just preparing for that process.

The main messages from the experiences of countries in transition are: the process of transition means the adaptation to the new institutional and social-cultural rules of the open market economy; the country needs the effective and justice society whose rules are equal to all; the leaders of economic policy should set up market measures in every field of human activity in which the market can effective work; finally, it is also needed the diminishing of enterprising and proprietor functions of the state, with the protection of its social, supervisor, infrastructural role, the guide role of legal security, the protector of the fair market game.

The building of the open market economy with dominant participation of private property with the high level of competition- is defined as a main strategic aim of the economic prosperity. Every country faced the same problems

¹ Slovenia, Czech Republic, Slovakia, Poland, Lithuania, Letonia, Estonia, Hungary, Cyprus, Malta, Turkey, Bulgaria and Romania.

on their way to that aim: strong economic breakdown at the beginning of transition, strong inflations, high fiscal deficits, bank crisis, increasing of unemployment, privatizations models loaded with numerous conflicts of interests².

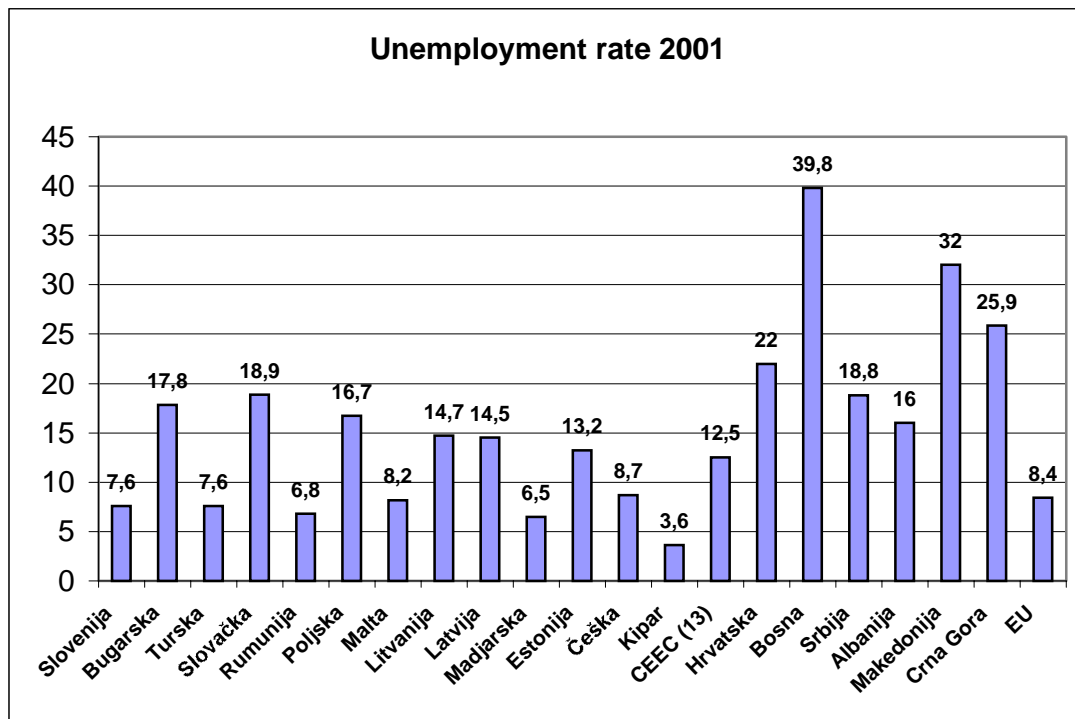
The speed and sequence of measures for given strategic aim implementation, have been often, different between countries, what affected the quality of the total economic reforms and the level of harmonization with the economic systems of EU. The experience shows that every stopping or deceleration of reform processes in some area is very soon turning back through the negative effects, which affect total economic system. Because of that it is needed that the proposals of new reformist laws in some areas, because of their mutual connections and influences, they must be carefully, essential and chronological consistent, in order that their implementation will be effective and complete.

The building of the open market economy with dominant participation of the private property and high level of competition is the strategic aim set before the economy of Montenegro. The important segment of the whole economic system reforms is also the reforms in the area of labour-social legislation. **The employment law** – possibilities of its high-quality implementation, the influence on the level of employment, as well as the connection with other reformist laws, is the subject of our analysis.

² Croatia in 21st Century-Macro economy, Office for strategic development of Croatia, Zagreb, 2001.

1.THE PROBLEM OF THE UNEMPLOYMENT IN EUROPE

The most visible indicators of the transition recession in the countries of the region are registered in the field of the total economic activity and achieved BDP, and also in the high level of unemployment and the diminishing of the noticed employment. Unemployment is becoming the central economic, social and political question. The whole seriousness of the unemployment problem, with which are faced not only the countries of the region, but also the East-European countries, and EU, we can notice in the following graphic review:



The average unemployment rate in 2001 in the EU countries was 8, 4 percent, and in the countries, which are in the process of joining with EU amounted 12, 5 percent. But, in this group of countries it is different. Hungary, Malta, Cyprus, Turkey and Slovenia have the unemployment rate below the average, while the biggest unemployment is in Slovakia (18, 9 percent). Bigger unemployment rate can be seen in the Balkan region.

The special aspect presents **regional disproportion** of the unemployment rate. In 209 regions of EU the regional unemployment rate is moving from 1, 2 percent in region Utrehta in Holland to 33 percent in the region Reunion in France. The similar disparities are in 53 regions in the countries CECC, where the unemployment rate goes from 2 percent in the region Kozep-Magyarorszag in Hungary to 32, 8 percent in the region called Severozapaden in Bulgaria. Sixteen regions of these countries have the unemployment rate lower than the EU average. Female unemployment is bigger than male in 75 percent of the EU

region, while we have the same proportion in the countries CECC only 55 percent³.

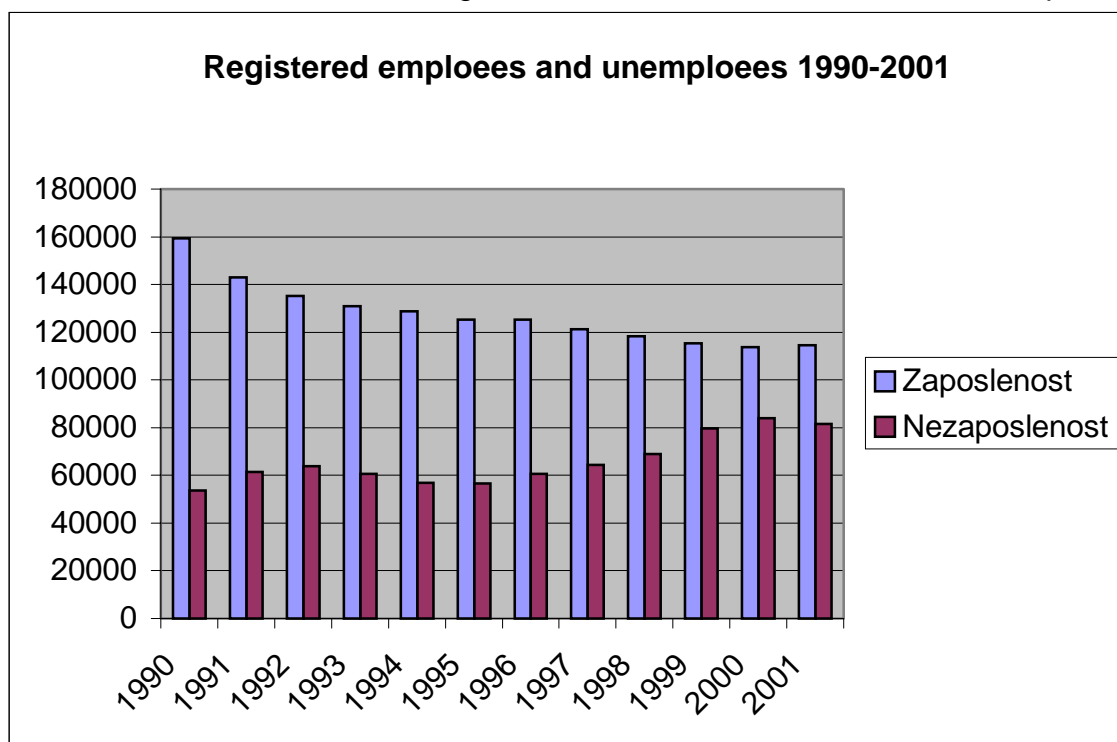
2. UNEMPLOYMENT AND LABOUR MARKET IN MONTENEGRO

2.1. Unemployment in Montenegro 1990-2001

The phenomenon of the unemployment, which appears nowadays as the global problem, didn't pass away either Montenegro. On the contrary, according to its own dimensions, structural characteristics and implications that brings with it, for a long time, presents the serious social, economic and also political problem.

Unemployment can be present as open (registered) and as hidden unemployment. That means that it has negative consequences, on unemployment people, as well as on the firms and effectiveness of the economic system on the whole, appearing in the same time as the result and consequence of the current model and characteristics of development.

The common economic and social movements had indirect effect on the condition and movement on the labour market and also in the area of employment in Montenegro, and the main characteristics on the labour market are still under the influence of negative tendencies carried from the recent period.



³ Source: www.europa.eu.int/com/eurostat

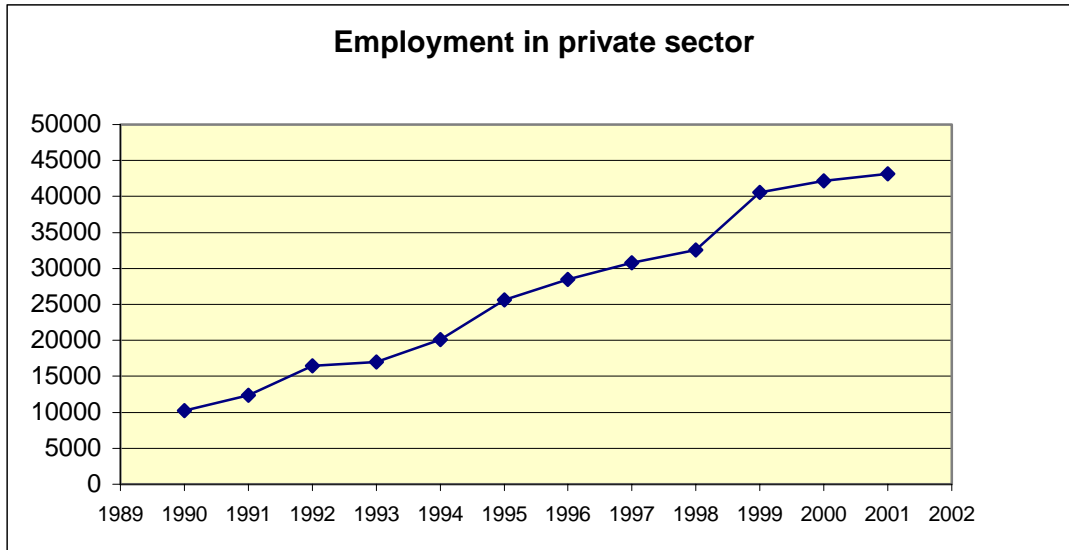
The global unemployment is reduced (except in the private sector), which presents the continuing of the long-term tendencies for the reducing of unemployment. In the period from 1990-2001 it's being noticed the constant fall of the number of employers and at the same time the rise of the number of unemployment, which is receiving the character of long-term unemployment.

In the period of so-called **transition recession**, which is leaving this area very hard, the structural changes on the labour market were mostly recession. That means that the structural adaptation was taking part above all by the shutting up of current labour places, and very rare by opening the new ones. The available domestic means for the financing (as the main factor for the faster employment) were very small because: a) the lack of the savings of the citizens, b) the loss in the companies, c) insufficient dynamic of privatization, while the income of the foreign investments was minimal, and external finance support, donations and credits, is present only recently.

In the noticed twelve years period we can see the fall of the number of employment for 18,2 percent (44.908 persons) and the rise of the number of unemployment for 51,6 percent (27,726 persons). The ratio of the number of employment and unemployment was reduced from 2,9 on 1,4.

The great unemployment enforced the spread of the poverty in Montenegro. The problem is not only with the capable workers who can't find a job, but also with the workers who receive salaries irregular, and from their incomes they can't afford normal living conditions. The greatest problem is with working incapable persons (mostly older and invalid persons) who don't have at all or have very low incomes. Those persons are mostly exposed to the poverty. In that way the creation and realization of the current strategy in order to diminish the poverty in Montenegro according to the receipt of the World Bank, will be determined by the condition on the labour market.

The positive trend in the observed period represents the raise of the registered employment in the private sector, which rose from 10.200 in 1990 to 29.215 in 2001. If we enlarge this number for the estimated number of the workers in this sector, and also for the number of agricultural citizens we get the following trend:



Source: Questionnaires about labor forces 1995-2001.

In small and middle companies, and especially in private shops, beside the significant raise, the registered employment is below the estimated. Especially when it is considered the number of companies and shops, the kind of activities, as well as the ratio of the number of owners and registered workers in all communities.

This condition in the area of registered employment we can observe in the following table for the previous two years. First of all, from the total number of employment in 2001, in firms and shops are registered 122.586, in **private sector 28.871 workers, i.e. 23 percent of the total number of registered workers.** Considering that above 55 percent of capital in the companies is private, it can be said that Montenegro approached the critical power of private capital necessary for the creation of the qualitative property structure, which have for the consequence the economic raise and the raise of the economic effectiveness. Of course, that process also follows the raise of the employment. In 200, **private sector with 28 percent of registered employment created 37 percent of the total DP of Montenegro**, which speaks about its significant importance in the SP of Montenegro, but which don't follows the similar trend of the employment raise.

The special trend in the raise of the registered workers in the private sector is the main indicator of the private shops. According to the evidence of the number of registered shops (the owner, i.e. one worker), and the number of the registered workers in these shops, in 2000 in 6.852 shops worked only 1.950 workers. In 10 communities of Montenegro there is no registered worker in these shops, beside the owner. The same fact for the former communities is in 2001.

T1. Indicator of registered employment in private shops by the municipalities

Municipality	2000. year			2001 year			change		
	Owners	Employees	Total	Owners	Employees	Total	Total growth rate	Growth rate of shops	New-worker growth rate
Andrijevica	67	25	92	69	25	94	2.2	3.0	0
Bar	530	130	660	603	166	769	16.5	13.8	21.7
Berane	309	100	409	357	119	476	16.4	15.5	16.0
Bijelo Polje	532	172	704	594	149	743	5.5	11.7	-15.4
Budva	408	0	408	462	0	462	13.2	13.2	0.0
Cetinje	236	0	236	285	0	285	20.8	20.8	0.0
Danilovgrad	153	0	153	196	0	196	28.1	28.1	0.0
Žabljak	45	30	75	63	45	108	44.0	40.0	33.3
Kolašin	195	0	195	238	0	238	22.1	22.1	0.0
Kotor	427	589	1016	493	660	1153	13.5	15.5	10.8
Mojkovac	138	0	138	152	0	152	10.1	10.1	0.0
Nikšić	447	0	447	531	0	531	18.8	18.8	0.0
Plav	101	101	202	107	109	216	6.9	5.9	7.3
Pljevlja	571	77	648	616	95	711	9.7	7.9	18.9
Plužine	18	0	18	20	0	20	11.1	11.1	0.0
Podgorica	1724	569	2293	2013	856	2869	25.1	16.8	33.5
Rožaje	210	0	210	287	0	287	36.7	36.7	0.0
Tivat	173	0	173	250	0	250	44.5	44.5	0.0
Herceg Novi	240	60	300	324	65	389	29.7	35.0	7.7
Ulcinj	306	97	403	337	100	437	8.4	10.1	3.0
Šavnik	22	0	22	16	0	16	-27.3	-27.3	0.0
Crna Gora	6852	1950	8802	8013	2389	10402	18.2	16.9	18.4

The raise of the registered employment in the private shops is significant-18.2 percent, i.e. 1600 new workers (1.161 new shops and 439 new workers in them). The increase of the employment was present in every community except Savnik. In Bijelo Polje it is registered the diminished number of the registered workers in shops.

As it was presented for the countries of EU and CEEC, in Montenegro, we can desegregate the employment rate according to the regional principle, i.e. on the level of communities. The following table speaks about the difference of the unemployment rate in Montenegro from 17 percent in Zabljak to 46 percent in Mojkovac, while the Montenegrin communities can be divided into three parts as it is presented in the table about the registered unemployment rate in the communities of Montenegro:

This unemployment rate should be modified, i.e. mitigated, if we observe it according to the level of social agricultural product in some communities (SP of

the agriculture in Kolasin is 57 percent, in Savnik 77 percent, in Plav 75 percent, in Andrijevisa 43 percent etc.), as well as the level of SP of tourism in the coastal communities.

The cited negative tendencies on the labour market, which are present in the observed period, have negative effects on the market, economic and organizational reforms and also on the economic policy in the following period.

T2. - Stopa nezaposlenosti u opštinama Crne Gore u 2001 godini

Opština	Stopa nezaposlenosti
Žabljak	17
Plužine	17
Herceg Novi	17
Šavnik	21
Budva	22
Bar	23
Kotor	26

Opština	Stopa nezaposlenosti
Tivat	28
Pljevlja	28
Plav	28
Podgorica	28
Ulcinj	29
Andrijevisa	29
Crna Gora	31
Cetinje	32

Opština	Stopa nezaposlenosti
Danilovgrad	37
Bijelo Polje	37
Berane	38
Nikšić	39
Kolašin	43
Rožaje	45
Mojkovac	46

2.2. The Main Structural Characteristics Of The Unemployment In Montenegro

The unemployment rate, as one of the main indicators which measures the consistence between offer and request, presents the best synthetic indicator of the level of social problems beginning as a result of the structural inconsistency on the labour market. In 2001, according to the evidence of the employment bureau of Montenegro, 81.468 unemployed persons are registered. According to the cited, the unemployment rate, according to the poll of the employed persons, it is estimated on the level of 21, 2 percent. The unemployment rate of the females is much bigger. According to the poll, it is on the level of 38 percent. The unemployment rate is established according to the ILO and Eurostat standards.

No matter of the source, which is being used, the raise of unemployment is evident, and has different types of its demonstration. Beside the unemployment raise, it is also evident the existence of hidden employment (techno-economic surpluses estimated at the more that 10.000 persons), not only in economy, but in public and state services whose outgrowing into the registered unemployment is just the matter of time. At the same time, as a consequence of transition recession, isolation and sanctions, we have the existence of the labour in the informal sector (which goes to 60.000 persons), but also different types of added activities and complex unemployment.

In the wider context under the notion “illegal economy” we can include the following⁴:

- -Illegal getting of the property boon by avoiding the tax and social giving's,
- -Juristic and legal workers doing different kind of activities for which are not registered and don't have necessary approval,
- -Illegal import of goods, false declarations, turnover of goods and services without the evidence in the business books,
- -Illegal employment without the application of workers for pension and health care insurance
- -The work of foreigners without work permits and without application for pension and health cares insurance (in cases in which it is necessary),
- -Working activities of the legal persons without the registration into the court register or out of the registered activities in the court register,
- -Working activities of the juristic persons without the approval or contradict to approval,
- -Working activities without decision about the satisfying of minimal technical requirements,
- -Illegal trade of juristic persons with agricultural and other products mostly from the import,
- -Offering different kinds of services to the citizens in their homes,
- -Working other activities without permission (in civil engineering, taxi transport and in hotel management)

⁴ Jordanic B. “Illegal economy”, Croatia, 2002.

The cited heterogenic forms of economic activities of the population speak for itself about the **expressed trend of the avoiding of paying taxes and fees to the country**. The small finance powers of the country have a direct influence on the possibility of planned active employment policy, as well as on the deficit in the pension fund.⁵

According to the poll about the active workers the category of the population from 15 and more years includes economic active and inactive population. The economic active population includes: a) the estimation about the number of employment in the every kind of property (based on the contract on labour or verbal contract, on definite and indefinite time, b) unemployed population and c) agricultural population. Inactive population includes the persons with personal income and supported persons. According to the statistic facts for 2001 their structure is as the following:

T3. Population over 15 year in 2001.

Population	Total	Structure (%)	
Population over 15 year	475.812		
ACTIVE POPULATION	271.892	57	
<i>Workers</i>	176.602		65
<i>In agricultural sector</i>	12.944		5
<i>Helping members</i>	9.865		4
<i>Other active</i>	1.978		1
<i>Unemloees</i>	57.536		21
<i>Toemporary active</i>	12.967		5
NONACTIVE POPULATION	203.921	43	
<i>Income recipients</i>	84.632		42
<i>Dependants</i>	119.289		58

Source: Questionnaires about labor forces 2001.

The expressive distinction between the official statistics about the number of employed workers in every field of property (126542-companies, shops, agriculture) and the estimation of the number of employed people from the poll (214.356) counts **87.814**. It represents the **estimated volume of employment of the population in the sector of illegal economy**, and it also includes the contingent from the different named categories (from both active and inactive population).

One of the structural characteristics of the unemployment in Montenegro is the participation of the young people. First of all, in the total number of unemployed people, the group of individuals from 15 to 27 years participates with 47 percent. From this **high participation of young people in the total unemployment** in Montenegro (in EU this fact is 20 percent), it is evident a need to dedicate much more attention to this group of unemployed people in the active policy of employment.

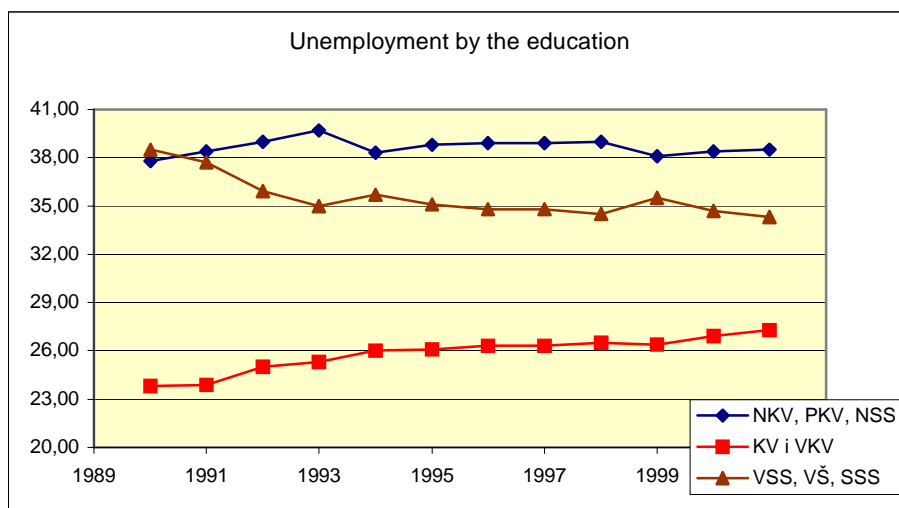
If we define **long-term unemployment** as the waiting for the job more than one year, then that is the main problem, which characterizes the Montenegrin unemployment. The participation of those who are waiting for the job more than one year in

⁵ www.szv.sv.gov.yu

Montenegro counts 85 percent. If we want to compare with the countries of EU, 49 percent amongst the unemployed people is waiting for the job more than one year.

This negative characteristic is seriously questioning the character “temporality” of the unemployed phenomenon, because if 43 percent of unemployed is waiting for the job more than five years, than it is a sign that everything is getting the characteristic of something permanent.

In the **unemployed structure** in 2001 we can see that the most of people are those with lower specialist’s training-38.5 percent, then persons with university level, advanced and intermediate specialist’s training-34.3 percent, while qualified and high qualified workers are the least -27.3 percent. In the observed period it is evident the trend of reducing of unemployed persons with the higher level of education which is positive.



Source: Republic secretariat for development of Montenegro, 2002.

The cited indicators affirm the emphasized characteristics in Montenegro, i.e. its high level, negative structure, especially endangering of the unemployed young people without experience, unemployed people of the lower level of education, females, invalids, as well as the part of older population. All this indicators shows that the unemployment nowadays is one of the most difficult economic and social problems, which has its political dimension.

In the report “**Employment, labour market and life standard in Montenegro**” which was realized by UNDP on the base of four polls during 2000 and 2001 it was emphasized another specific characteristics of unemployment in Montenegro:

- Employment rate, which includes formal and informal sector, as well as complex employment, according to the polls, estimates 86 percent
- 30 percent of employment is not registered
- The complex work activity is relatively spread 18.3 percent of laborers
- The level of unemployment is relatively high, for the country with very low benefits for the employers (i.e. according to the employment bureau only 3 percent of registered unemployed received compensation for the unemployed in March 2001)
- Every fourth in the working contingent is participating in informal sector
- Pensioners participate the total informal work with 27 percent

- Considering the fact that amongst the unemployed in Montenegro dominate those in the late twenties, it is paraphrased the following cliché: “the future of Montenegro is unemployed⁶”

According to the cited we can conclude that the limit of the analysis of the main structural characteristics of unemployed in Montenegro is its insufficient evidence. It is necessary to lead down the evidence of unemployed in the employment bureau on the real “social evidence”, and to focus on aimed segments of limited finance support, which are intended for the increasing of the employment with the support of the country program of employment.

Montenegro, eleven years without roll of population, with incomplete working, reformist legislature, and also insufficiently engaged inspection services, can very hard define the precise number of unemployed people, i.e. the number of really employed people. More precise, systematized and internationally comparative statistic of the labour market is surely one of the main prerequisites for the projection and high-grade implementation of the measures of economic policy in this area.

2.3.Labour Market In Montenegro

Underdevelopment of the institutions of Montenegrin labour market, as well as inequality of dynamic adopting new legal regulative with need for dynamic economic reforms, are the main causes of insufficient prosperity of labour market, which is characterized with:

- Segmenting
- Over standardization
- Inflexibility
- Non-consistence between the structures of offers and request for work

Segmenting –labour market means the existence of two labour markets at the same time. “The one” market presents legal relationship between employer and employee, while “the other” market presents normative and fundamental not regulated part of Montenegrin labour market, i.e. non regulated relationship between employer and employees.

Over standardization – according to the necessary reforms of labour market in our country, as well as needs for the quick work engagement, employment of unemployed people and the relationship between unemployed and surpluses of employed people, the current labour legislature is burden with numerous, dispersed legal solutions in many regulations from different areas, which can cause the insufficient resourcefulness in translation and application of legal regulations, so the previous legal solutions in this area can be put in the category of so called “tough legislature”, which supports the establishment of labour relation, as well as the abuse of law from the labour relation. This phenomenon is specially expressed in unsuccessful social dialogues between the employer and employees in big and non-rent able companies.

⁶ UNDP: “Employment, labour market and welfare in Montenegro, Podgorica, 2002.

Inflexibility – the secret of fast adaptations in companies, institutions in organizations is revealed in the ability of changing of own organization, the knowledge of own employees and technologies, according to the requests of the market and opportunities which are presented with it. In Montenegro, the way of adaptation of companies in hard conditions of work is dominant, which is made by the dismissing of the surplus of, employed. As a consequence we have the unemployment and old-fashioned knowledge of workers who are in the evidence of Bureau. Newly established private firms are not able to absorb the newly created surpluses of laborers, because it is overcoming their economic needs. At the same time, the educational system is not preparing an individual, in a sufficient measure, for “long-term” education, which is seen through the flexible behavior of an individual.

Non-consistence between the offer and request for work –although registered unemployment in Montenegro is expressed very clear, it doesn't suit by its structure (qualification, specialist's training and profile of workers) to the structure and smaller volume of present request in the labour market. The significant number of unemployment from the evidence of Bureau is from the population of former employed people, who with its knowledge and skills are presenting the structure of society from the previous system. Predictable future request for work, i.e. its structure, will express the different knowledge from those expressed by current workers. So we may conclude that we need bigger investments in education and reforms of educational system- young laborers who are coming, as well as the constant system of education of elders. It is impossible to reduce the gulf between structure and volume of request and offer for new laborers without bigger investment in educational system, and without other measures for inducing of employment, in other way we can not expect the reducing of unemployment, i.e. a significant part of request can not be satisfied in adequate way from the current offer of laborers.

The huge numbers of state institutions, which have a great influence on the labour market, are not yet trained to take their role in system, the role of modern and effective institutions, which are observed to the given legal regulations in the conditions of high-level organization of the total economic system (each is doing his own job). Newly created legal solutions, beside the cited, are opening the door for the private sector in this area, which would provide the increasing of total effectiveness and further development of labour market in Montenegro.

3.LEGAL REGULATIVE

3.1. Metodological-Anlytical Approach

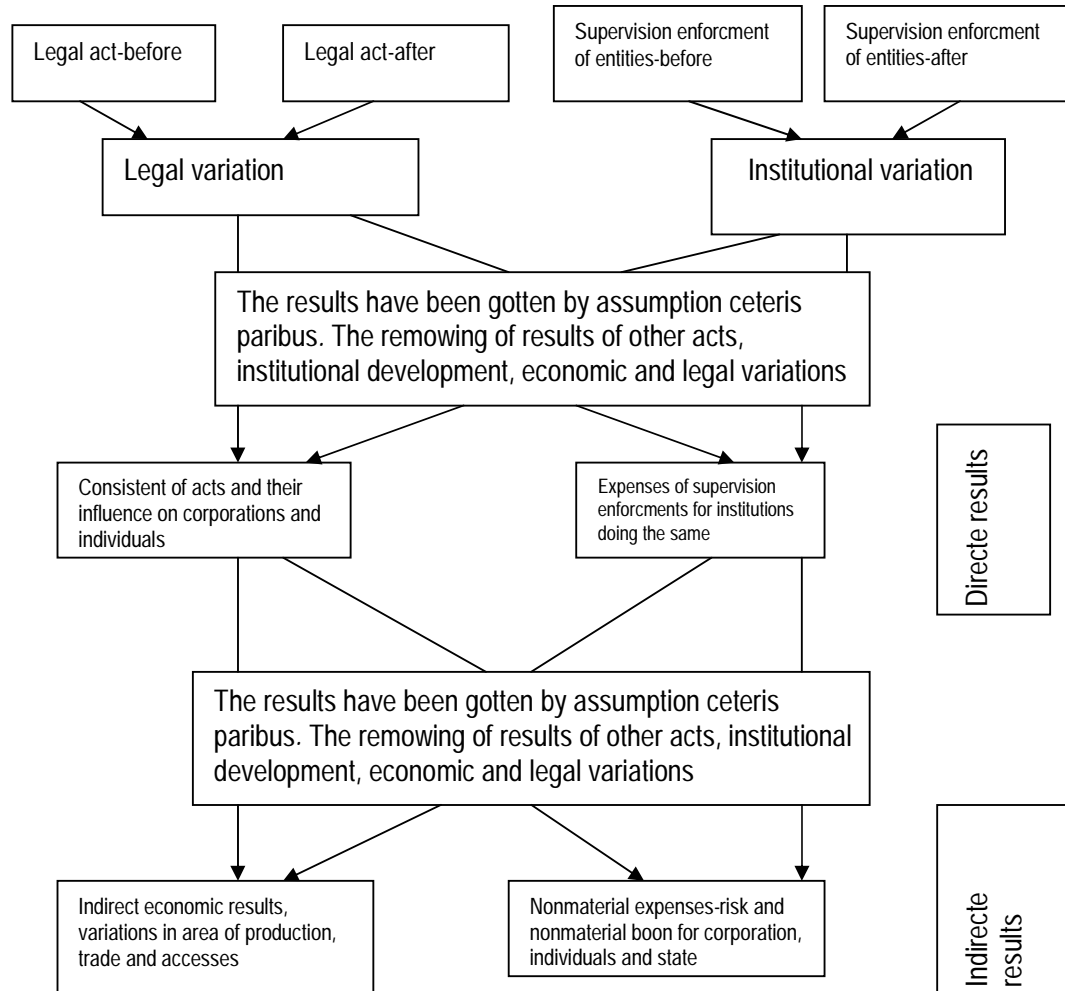
The complexity of analysis of whole effects of newly created reformist law like Employment law expresses the analysis of profit of entering the regulations in the context of integration with the system of EU (process of association and joining).

The methods of analysis effects of entering the new regulations are different depending on the volume and depth of analysis. All methods, basically, are following the same logic of analysis. The main structure of analysis of useful entering of regulations is in the following:

1. The title, use and expected result of regulation;

2. The possibility of implementation;
3. Profits that are brought by entering this regulation and individuals who will have the right on that profits;
4. The expenses of implementation;
5. The opinions of other sides (in our case of all social partners)
6. The conclusions and suggestions
7. The control of carrying out of this regulations, sanctions and revisions;

The mechanism of the analysis of effects, i.e. the profit of entering of certain regulations can be expressed in the following scheme⁷:



7

Beside the mentioned, each new reformist law can be analyzed from aspect of consistent with certain recommendations of EU, with their acts, international conventions and common accepted standards.

3.2. The current legal regulative

Beside the employment of the Republic of Montenegro (official gazette number 5/2002), the labor and employment area regulate the whole row of the other legal regulative, which as correlated and consistent entity can offer new and more qualitative solutions. It is first of all considered the law of labor relations' i.e. suggestion for labor law from the July 2002 that is sent to the Parliament, then pension and invalid insurance law, i.e. suggestion of new pension law which has been discussing till the October 2002, the set of new tax laws, the suggestions for the law on education etcetera. There are also federal laws: strike law, the law of evidence in labor area, law of conditions for the establishment of labor relations for foreign citizens, the law of protection of citizens working abroad, which also should be involved in Republic legislative in the next period, as well as numerous international conventions and the acceptance of the standards of ILO and EU. It's obvious thing, that in the process of creation of new legal regulative and acceptance of international standards in the area of social politics regulations and employment, as well as freedom of movement, there is lot of thing to do.

3.3 The new employment law

The employment law was passed in the Parliament of Montenegro in the January 31st 2002. Meanwhile it was also suggested the new labor law, representing the unity with subject law i.e. the basis of labor legislative compatible to new market conditions and recently starting process of association and EU joining. But, the suggestion of labor law was retired from procedure, i.e. was given to the proposer on amendment. The remarks of social partners (especially the syndicates) were referred the offered solutions for labor contract, the treatment of techno economic surpluses, absence duration due to having a baby. In the mean time the proposer has made amendment in according to quoted remarks and in July served to the Parliament of Republic of Montenegro the new suggestion for labor law that is being treated in this analysis. But, its ratification will be only in forth quarto of current year.

With new employment law from 2002 has been given the more qualitative **institutional frame** for regulation of intervening when the employment at labor market is considered. The law systemizes the process of employment, insurance (in case of unemployment) the law of legal persons, the providing of devices in case of unemployment, and many other questions referring the organized and productive employment.

In the process of mediation of employment by this law are regulated the relations between fundamental **subjects** of this process: a) and unemployed, b) employers and c) mediators in employment. It is very important to mention that beside the labor exchange, mediation in employment can operate some other legal persons under conditions of statutory.

The interest of unemployed is to get a job according to his professional characteristics. That will give him the successful development of his abilities and skills, and by achieving good results to realize his material interest and business affirmation.

The interest of employer is to take unemployed individual according to certain criterions of work place, as well as professional and other characteristics, as a main condition in achieving successful results.

The interest of Employment bureau as a public service is to make an employment as effective as possible, and in process of mediation, we have both interests appreciated and realized: unemployed and employer.

The interest of private agency for mediation in employment is to take part in employment of bigger number of unemployed in the country and abroad, and in that way, to achieve higher refund for its service basing on contract with Employment bureau.

The new employment law has been systematized in details. It is not especially emphasized the part of criteria's for the establishment of priorities in the process of employment, nor employment of practitioners. The measures of policy of employment have been involved in the part of the program of active policy of employment in area of law of unemployed individuals which is obviously represented in the following table:

New law on employment ("Official-book RCG" #. 5/2002)	Old law on employment ("Official-book SRCG" br. 29/90, 28/91 i ("Official-book RCG" br. 8/92 , 3/94 i 16/95))
I General provision	Osnovne odredbe
II Prava nezaposlenih lica:	Evidencija lica koja traže zaposlenje
III Postupak za ostvarivanje prava	Kriterijumi za utvrđivanje prioriteta pri zapošljavanju
IV Vraćanje sredstava	Zapošljavanje pripravnika
V Zavod	Aktivna politika zapošljavanja
VI Evidencija u oblasti zapošljavanja	Funkcije i organi zavoda , Finansiranje
VII Nadzor	Prava nezaposlenih lica
VIII Kaznene odredbe	Postupak za ostvarivanje prava
IX Prelazne i završne odredbe	Nadzor nad zakonitošću rada
	Kaznene odredbe
	Prelazne i završne odredbe

The comment of new law solutions

1. The fundamental constitutions: beside the employment other legal persons under certain conditions and according to the law can do bureau the mediation in employment. First of all we mean at private agencies as mediators in employment (for example: private agency "Euro system" from Podgorica).
2. The law also treats the **mediation in employment of foreign citizens** having the approval for constant lodging and establishment of work relation in Montenegro.

Till now special federal law regulated it. In the meantime in employment law and realization of unemployed individuals law of Serbia, this matter was also regulated on federal level. This means that in framework of harmonization of labor legislative between Serbia and Montenegro a special attention should be paid on the area of labor legislative, especially to this segment, what is necessary in the process of signatures of bilateral, international, contracts on social insurance between countries.

3. In the article 9 of the law, the key formulations are defined, i.e. conceptual determinations that are used in the further text of the law. But, the term “ **work engagement**” is not précised i.e. it is not made its clear distinction from labor relation (which is treated, according to the suggestion of employment law as relation based on work contract on definite and indefinite time work). About this fact testifies the article 86, attitude 1 which says that the evidence of unemployed individual is stopped only when he concludes, and “work contract with full- time job”. From this we conclude that labor relation in definite time, even with full-time job, as all forms of employment without labor relation, is not consider as a measure of employment reducing. Those individuals, not considering the form of work engagement, are still in the evidence of bureau, what makes the evidence of number of unemployed in Montenegro being overvalued.
4. **The rights of unemployed** are considerably spread and better systematized. They involve active policy of employment and important informative function of Bureau, which should be at disposal to all unemployed individuals (the contemporary solutions in this area suppose also the publication of the monthly newsletters that can be distributed to unemployed freely, as well as the Internet for flexible forms of employment).
5. In laws of unemployed (in new law) it has been implemented the right on including in active policy of employment, as one of the fundamental rights of unemployed. **The measures of active employment policy** are also spread, and **in focus is financial support** for new-work place opening (we have not have this in previous law – section IV, articles 15a, amendments, official gazette number 28/1991) Added to current forms of financing (self-employment, financing of practitioners, the preparation of laborers for employment) there were offered many new models of financing of employment: financing of new workplaces, programs of public (relief) works, the foundation of work found, financing of productive work places , credits for investments basing on new productive and other possibilities, financing of session employment(in tourism, architecture , agriculture), financing of certain categories of unemployed individuals (invalids, people who wait on Bureau for a long time), creating of the program of spatial and professional mobility of labor force.
In the aim of the sanctions of the case of unintended usage of means for active policy of employment, in article 72 of law is defined as “The bureau has right to request the returning of the means unintended for active policy of employment, when those rights are realized on the base of false facts, i.e. when the means are used unintended”.

The positive side of this new law is the legal organization of the area of **co-financing of new work places from aspect of stimulant measures of the state towards the employer**. The financing of increments for social insurance is supposed in follow cases of employment: the individuals waiting on Bureau more than five years, the individuals with 25 years of service, the individuals who are users of money payment and practitioners working on indefinite time with full work time (article 29). For those persons have been refunded the contribution for pension and invalid insurance as well as insurance in case of unemployment at the same time (article 30) We expect that the new law will be stimulant enough for employers in private sector to register the consider part of unemployed, as well as young high educational citizens and those working

6. In the new law is supposed the foundation of Work Found, as new legal, which founders are the Government, union of employers and competent organizations of syndicates. The founders are the main financiers of the Found, with the fact that those means can be increased also by the spread of number of founders by various donations and gifts. Work fund will be occupied with the problems of employees whose need for work stopped due to technical, economic and organizational changes. In the article In article 42 is said in the case that employer can not provide the means for one-shot money payment and refund of work service, which according to law, provides to the individuals for whose labor force there is no need, and they use the means of Fund for realization of those rights, by this legal solution the problem of techno-economic services is organized institutionally, i.e. the founders of the Work found are resolving and financing suggested solutions together. Parallel with this the level of economic privatisation and increasing importance in syndicates in social dialogue, all founders of found are participating in this specific form of hidden employment, that was on the burden of state budget till now, creating the social tension in negotiations.

7. The Mediation un employment and work engagement, which according to this law can be operated by this bureau and agencies, as new subject at labor market, Agency has only explore and mediation function, but does not give financial and insurance support in the case of unemployment. Ministry of labor and social care prescribes the conditions that should be fulfilled by the agency of mediation in process of employment. This means that the competent Ministry is obliged to determine regulation of agency duty, for mediation in the process of employment, The agencies are obliged to cooperate with Bureau (article 18 attitude 1) making contracts and financing itself from the price of implemented, and obligations précised by the contract.

For the operation of Agency's business, the Bureau is making the public concurrence. In the measures of public informing, by which, in the future period, is possible to create the concurrence in this area. The Managing Board of the Bureau, in the domain of its competence, determines the account of refund for the jobs ruled by the agency (article 78 of the law).

8. The right for money payment, legislator treats precisely, especially from the aspect of individual who cannot achieve the money payment and from the aspect of conditions loosing the right on it. Taking the consideration that the quality of law implementation is based on the level of its précised use, this is one of the most sensitive questions, i.e. the test on law implementation, Examples

a) There is no base for money payment in the case that insurant has his labour relation finished in follow cases

-That the right on money payment can not be realized in the case of affirmation the fact that unemployed individual rejected to work at another work place or for another employer,

-In the case when employer has got the reassignment of the labour contract, because of making business von his or some other account.

-In the case where we have that the labour relation has been stopped because of absence from the work during the five days, constantly.

b) The second aspect of the text of the law implementation is the situation when unemployed individual loses the right on money payment, i.e.

- If unemployed individual does not inform the Bureau for two months constantly.

-If he is not applied on the advertisement recommended by the Bureau

-If it is affirmed by the authoritative inspection resolution that he is working against the labour relation rules (illegal work)

In the other words, the accent is not on "not receiving" of money payment, but on: respect of laws, exact evidence and higher quality of inspection services.

9. The functions of Employment Bureau are considerably numerous and précised in the new law, as well as authority of management body of the Bureau. The work of Bureau as a public service, reporting the annual accounts to the Government is regulated in details by the Statute, that is in this way, innovated in determinate law term, since the passing of Employment law.

The means for financing of function and work of the Bureau have been provided by:

1) Refund for insurance in the case of unemployment

2) From its own incomes

3) From the Budget of the Republic

4) From donations, gifts and other sources consistent with law.

5) From means gotten by the selling of Bureau shares.

10. The evidence in the area of employment-there are clearly defined the situations when unemployed individual is on the evidence of the Bureau. By this new law the individual has been deleted from the evidence during the period of six months in the cases if: refuses the certain employment, does not search for the job, is not in disposal for employment and if he works against the rules of labour relations (illegal work). Consequently, the elimination from the evidence also means the loss of right on the base of employment. It is new, rigid norm in accordance with intention of the Proposer, in order to achieve more précised evidence of the number of unemployed, who really need the employment.

11. The punitive constitutions of this law are reflected in 50-200 times increased amount of the lowest work price, and referred to the Bureau as well as the other legal persons participating in the process of mediation in the employment. In the article 89 of the law there are emphasized the situations when other legal persons (agencies) do pay the punishment. This activity means the sector of official economy, and punishment follows in the case that the inspection service confirm

12. Considering that the legislator expects that the use of mentioned solutions will improve the evidence about the number and structure of unemployed population in Montenegro, in article 92 is quoted:" The Bureau or agencies are making the plan of

employment for unemployed persons which have already have that status (before this law) in lasting of three months". With respect of this law, we expect more" organized and productive" employment in Montenegro.

4.THE COMPARATIVE ANALYSES

4.1. The social and employment policy in EU

The comparative analysis of the new Employment law can be elaborated in context of extensive analysis of labour legislative of particular countries and their social and employment policy, as well as comparing to social policy and conformation of labour market in EU (primarily initiated to standardization of institutions, laws and policy with EU system), considering the fact that the strategically aim for all states of Central and East Europe is the same -in "reasonable" time to become the part of the unique European market, we will, first of all, describe the basic messages from the experience of the EU.

The main aim of the European social and employment policy is achieve the satisfactory level of life standard for al population of EU. The European social model is based on creation of healthy concurrence between corporations that impel the productivity and economic development, accepting the principles of solidarity, which is necessary for "healthy society".

In forming of social and employment policy, The Union cooperates with non-government sector in order to enforce the social dialogue with social partners on European level. The social partners, that consists of European union of syndicates on one, and European organization of the employers on the other side, are involved in the process of deciding in the area of social and employment policy by the Amsterdam contract (1999). The first tendency for employment (according to directives of EU in this area) have been brought in 1997(Luxemburg), implying the preventive measures with the accent at the possibilities of new employment, entrepreneurship development, equalities between sexes. Basing on those directives, the active plans have been brought i.e. particular countries establish their own social and employment policy.

The European social found (ESF) is a financial instrument of the Union, with the main intention of investment in human capital i.e. the reducing of structural and systematic inconsistency at the labour market.

ESF also means the financing of the measures in campaign against unemployment and protection of the law of unemployed ones. In 2001 ESF projects have included the following areas: the development of active policy of employment, aid to social case, the improving of educational system, the stimulating of entrepreneurship, the education in new technological areas, self-employment, employment of women and the campaign against the inequality of the sexes in the process of employment.

4.2 The Social Policy Of EU In The Context Of The Union Spreading

The approach of new member states is a big temptation for social policy of EU, because of the fact that the life standard in candidate states is considerably lower than those in EU states. Because of that, in pre-approach strategies is being involved the social laws system opportunism with EU norms, before the accession of those states to the Union. In this point of view there is a considerable financial support by EU, as well as the exchange of the knowledge and experience in the program of training and qualifying. This action is also planned for the states in the process of the association.

The recommendations of EU have been taken from the White book, the kind of document of European commission consists the suggestion of the further actions of the Community in the particular area. In the process of approaching the Middle and East Europe to European integrations, the Commission has published The White book with preparations of the Middle and East Europe for integration in internal market, as guide to the states of Middle and East Europe in the process of consistency of legislatives in the area of internal market establishment. That document works at 22 from total 31 paragraphs of rules in Acquis communautaire.

The 13th part is a part of social policy and employment, implying the main directives for action plan creating for joining to the unique "European labour market", Its intention is to make proportions in the policy of the employment, labour legislative, labour protection, freedom of movement of labour force and equal treatment of male and female. Analogy to the mentioned, in the area of social policy and employment, for candidates states, there were opened the following programs of pre-accessible aid in the period from 2001-2006:

- Active program against discrimination
- Active program against social isolation
- The measures of employment
- The program of the active policy of employment considering the equality between the sexes.

In the reports of achieved results in the process of harmonization with the EU system for the Enlargement states, the freedom of movement and social policy and employment in particular state have been especially analysed.

For the mark of mobility at the labour market, in annual reports, have been especially considered the following indexes:

- The consistency of the basic laws in subject's area with the rules of EU (The Labour law, The Employment law, the Strike law, The Labour protection law, The Social and healthy insurance, The Pension-invalid insurance)
- The accordance with Community acquires rules (the chapter of social policy and employment)

For mark of quality of reforms in the area of social policy and employment:

- The definition of priorities and programs of active employment policy in accordance with priorities of EU (the acceptance of international register of activity)
- The consistency of regulative in the area of education, especially high (recognition of diplomas and qualities)
- Bilateral compacts of labour force free movement and each other understanding of norms in the area of law legislative between the member states (healthy, pension insurance etcetera)
- The harmonization of the social insurance system (social protection, campaign against the poverty)
- Infrastructure and personnel capacity of inspection
- The social partnership development
- The level of unemployment and measures for its reducing
- The implementation of the projects presented to the ESF
- Including in the European Employment Service network
- The accordance between the regional network of national agency for mediation in employment with regional disperse of unemployment⁸

4.3 The review of useful measures against the unemployment in selected states of EU

The facility in the process of the refund for employment in France has showed as good measure of the employer's stimulation to invest in fitness of the employees. In France, the employers who invest in fitness of its own employees, and in reasonable limits, pay smaller contribution for employment or are completely realized of payment. The acquisition of work experience is not considered as investment in education of the employee. In France there are the difficulties in the point of control and quality of the education, but this defect could be removed with the verification of national programs for the fitness of the employees.

The tendency of the employer to invest more in the fitness of his employees, can also through the creation of legal possibilities during the participation of employees in the program of their training, the employee is receiving the diminished salary. In that case the distinction to the full salary is due to competent institution.

The governments of the numerous states (**Great Britain**) emphasize the importance of investment in their own fitness. They stimulates by offering the low interest credits for fitness in lasting of year or reducing and partial return of the tax for those who decide to prolong the education. The individual investment in own qualifying, is more expensive and risk than investment of employer in his qualifying, because it is eventual job for the individual, Although, the measures that should support the employers in the process of qualifying of the employees and measures that take the Employment Bureau in order to pre-qualify the employee. In individual investment in own education of the big importance is the service of employment which would inform the individual about the labour market needs and give the advice in order to achieve the more qualify programs.

⁸ www.europa.eu/int

In **Germany** the employers make an influence on low-qualified employees being educated for high-qualified employees by advancement in the work, whereby the state agencies subsidize the further scholarship.

The **Denmark** has the positive experiences with so-called "Rotation on the work" including alternatively the acquirement of work experience and employees qualifying. While the employees are on training, the unemployed employees are going through the preparative course. This very inventive measure provides the employer having the employees being trained for the new skills and knowledge, and in the same time provides the acquirement of considerable work experience. In Denmark, in three from five chances, the work in indefinite time has turned into the constant labour relation. Because of its success in 1996, this program has been spread on the other states of the Europe as well.

In **Austria** there is the regional program of elder population employment increasing, so-called. "The impetus 50" .The program provides the subvention employment of the elder population on the practice work, lasting three-six months. This program has been resulted successfully, because of the fact that 70% of experimental employment resulted with the labour relation in indefinite time.

The employers, mostly, distrust the elder's capability in acquirement of the new skills (it is only the Sweden giving the more chances in work to elders). The particular states have age limit for including in some programs of professional fitness (for example: The Great Britain, Denmark, Greece, Italy) But, there are many proofs disapproving the prejudices of incapability of the elders to acquire new skills, One experiment showed that the average difference in work results between the different age groups has been considerably smaller than those one within the each age group. The most often excuse for their unwillingness to invest in elder employees is relatively short time of their work, and according to this the impossibility of back investment. Nowadays, in the time of technological advances, this argument is getting weak, because, the necessary of big number of employments owing to advance in their realization, each year employees are trained for that changes (the updating of the knowledge and skills). Because of the fact that the elders employees are ill disposed for coming again in school, there is need to adapt their qualifying to the practice work, directly. It should be also discussed the tax facilities to the employers investing in qualifying of elder employees.

Finally, the specific endangering group at the labour market are the persons with reduced physical abilities, on who, in the states of EU, is being especially paid attention.

4.4 The comparative analysis of the current law resolutions of the Region states

The constitutions of employment in Montenegro, in this analysis have been compared to law resolutions in the mentioned area in Croatia, Bosnia, Macedonia, as well as to law resolutions in the area of mediation in employment in Serbia. The problem of

unemployment in these countries is also emphasized, and quite useful to compare some law resolutions, considering the analogical economic and social milieu in mentioned states.

* In the states of the Region, this matter has been treating (added to fundamental law) **by many others laws and sub legal acts**, i.e. **by the regulation** of the Resource Ministry, elaborating the process of mediation in employment and law. In addition to this, the different countries, by the **contracts of social insurance** regulate this matter between each other.

*From the aspects of the elementary constitutions, The Croatian law gives the more précised definition of the persons considered the **unemployed**. Not only the persons who are not in labour relation according to the work contract, but also those ones below the determined level of income from self activity, who do not have the registered incomes from agriculture, and are not registered as farmers according to rules of pension insurance, then are not formal students etcetera our law this categories have been treated more through the law of money payment receiving, but it is also needful to define precisely, in the elementary constitutions all those individuals considered as unemployed.

Considering that in Serbia has been already passed the new Labour law, and is being prepared the suggestion of employment law, there is need to innovate the **law of Employment of foreign citizens** (federal law) as well. The same thing is in all contemplated states of the Region, and what is very important from the aspect of stabilization and association with EU (the Europe insists on better treatment of its citizens in candidate states, even at the labour market, so-called. questions of labour force mobility and creation of European labour market and "the European concurrence").

* In the article 3 of our law, as articles 2. Of Bosnia law (the single in the Region) it is decidedly emphasized the equality in realization of employment law, according to the principles of civil society, what is definitely positive.

*From comparative analysis, we can conclude that the rights of unemployed individuals represent very important part of the law. It is interesting that for mediation in employment, the access is allowed also to the **employed employees**, who want to change their job from various motives (the law of employment in Serbia, article 9,10).

*The mediation in employment by Croatian law can be done by legal persons, and by **physical as their own activity as well**. It is clearly elaborated in the regulator of renovation of activities when we talk about the employment outside of Croatian Bureau for employment.

*In the employment law of Serbia, Croatia and Macedonia, specific articles of the law have treated the **professional orientation** more precisely, from the aspect of aimed groups for which the **professional orientation and rehabilitation** are supposed.

* The law resolutions considering the mediation in the Croatian law a special attention pay on the **professional selection** in the process of the best candidate for

certain work place (article 20). This is stimulant, but also and protective clausal respecting the interest of the employer.

***The amount of the money** payment in the laws of Bosnia and Croatia considers the average monthly net salary per employed, but not the minimal one. For example, the money payment cannot be lower than 20% of monthly salary in Croatia, 50% in Serbia, and 30-40% in Bosnia.

***The duration of the law on the money payment** use in contemplated states is from 3 to 24 months. But, to unemployed who was insured for 30 and more years, without employment, the money payment is being given till the fulfilment of criteria's for realization of the pension right.

***The evidence of the unemployed** is deleted from the list of unemployed the individual refusing the certain employment. But, in some law this term has been elaborated, precisely. In other words, a certain employment is that one offering at the distance of 50 km (Serbia, article 40.a) or 80 km (Croatia, the article 11) from the lodging place, in the case that the employer provided the lift. The content and method of leading the evidence in the process of employment has been determined by the special act that means also its continuing adaptation to the amendments of the elementary laws in the area of labour and employment.

*In many of these countries, for **specific categories of unemployed, the right on pension insurance** has been treated in the Employment law. In that way, for example, the users of the money payment, in Serbia, whose labour relation has stopped because there is no need for their work (befall and liquidation), and in all other cases of discountenance of employer's work, according to norms of employment (article 12). In Croatia, the right on pension insurance have the unemployed individuals who need more than five years till the pension, as well as women during the maternity leave (articles 30 and 43).

The Employment Bureau of Croatia has made the **annual reports** of the work to certain work organ of Croatian parliament, what impel the publicity of its work and achieved results.

* The law resolutions of Croatia and Serbia précised the **self-incomes** of the Bureau, whereas the Croatian law defines also the structure of the expenditure. As incomes, are being appeared both the domestic and international credits and loans, the incomes realized by publication, or by currency of the paper of value, The incomes implemented by capital investment, the incomes of the mediation in employment of our individuals abroad.

***The penal constitutions** have the different degree of rigid ness in complemented states. The most delicate in the law are the Macedonia, whereas Croatia and Bosnia are considerably strict.

5. THE FINAL MARKS AND RECOMMENDATIONS

- **The political stability- CONDITIO SINE QUA NON" of dynamic economic reforms-** Macroeconomic stability of the certain state is considerably due to its political stability. The relatively stable political system makes the direct influence on successful legal-economic ambient, which is the base of economic development, and versus. The faster growth would considerably reduce the current disarrangement at the labour market i.e. or would increase the employment and reduce the unemployment.
- **The synchronization and dynamic of reform processes-** The employment law of Montenegro, passed at the beginning of the year, presents important contribution to the reform process, in order to mediate in employment and the law of unemployed arranges in the way compatible to modern transition economies. In order to be useful and efficient demands the passing of other key law in this area-The Labour law. At the same time, the reform of labour legislative must be parallel with reform of pension system, healthy insurance system and fiscal system. The relation between the reform processes is very emphasized. Only as entity they could represent the adequate institutional frame for modern standard apply in the area of labour and employment.
- **The new laws-** The law that could contribute to the further elaboration of "game rules" in the area of the labour and employment, which is well known in the states in transition is the law of labour interruption and illegal employment, including the all institutions and activities of the state, especially the inspection services in campaign against this activity. It is not enough to pass the law. **There is need to force against those derogating it.**

The harmonization of current and passing of new necessary sub law acts which follows the Employment law:

-The rulebook of content and the way of carrying out the evidence about unemployed people

-The rulebook on conditions for carrying out the activities of the employment agency

-The rulebook on organization of supervision on the work of Employment Bureau and other people in the area of employment

-The rulebook on procedure of registration and proclamation of free working places and the way of informing facts to the Employment Bureau

-The rulebook on way of financing the active policy of employment

-The rulebook on the programme and way for carrying out the skilled exam for the supervision above the employment area

- **The foundation of labour fund** –taking into consideration that law regulates the needs of employees who because of technological, economic and organizational changes were left without job on entirely new way, it is necessary to give an approach to the foundation of labour fond, which as a new institution should seek and make conditions for employment of this category of unemployed people. In that way we open the opportunity that for

these needs labour fund can try to provide the means from international donations, which is surely useful.

- **The production of the plan for employment**
- **Inspection and control**-the measures that should increase the work of inspection services are the following:
 - Introducing and detailed working out of flexible forms of employment in system
 - Much better means of employment and other forms of foreign works (example: problem with not registered employees in the season from Republic of Srpska and Serbia)
 - To provide the working of various activities and paying a flat rate in the name of taxes and refund for pension and invalid insurance
 - To prevent with added measures the illegal employment and illegal economy (ex: by giving the jobs to the firms without enough number of employees)
 - The bigger control of used means for active employment policy (co-financing and opening the new working places through various programmes-the number of approved means on the base of plan of new working places, is not consistent with registered number of new workers according to the realisation of the programme)
 - Bigger preciseness and consistence of judiciary
 - To enforce the cooperation and responsibility of competent entities in the area of revealing all forms of illegal economy and providing the adequate measures
 - To enforce the medium informing about the measures for the stopping of illegal economy
- **The harmonization of laws in this area with laws in Serbia**- in the field of harmonization of economic systems of Serbia and Montenegro in the future three years period have to be realized by two governments and a special attention have to be made in the harmonization in the area of free moving of people. The following activities were planned:

-The area of labour and employment (The law on labour, the employment law, the law on the protection on work): 1. Making the analysis both laws and other regulations and affirmation of differences, 2. The rights of employees and their obligations according to the labour who are working in the parts of companies on the territory of other republic, 3. Workbook, 4. The informing about free working places, 5. Money payment in the case of unemployment for the workers who are working in the parts of companies in the territory of other republic and 6. The rights on health care insurance and other rights in the case of unemployment.

-The current federal laws in this area (the law on strike, law on evidence in the labour area, the law on establishing a labour relationship with foreigners, the law of a citizen's protection working abroad): the useful practise of federal laws till the adoption of republic laws.

-The contract of realization of rights in the case of unemployment: the identification of rights which should be provided in the case of unemployment, and after that 2. The conclusion of the Contract on insurance in the case of unemployment.

-**International conventions:** the application of concluded international conventions.

-In this field of activities it is necessary **to regulate the work of foreigners.**

- The process of harmonization will **provide the following activities:**

-The signature of **bilateral contracts on social insurance**, by which it is treated the areas of health care insurance, pension-invalid insurance in the case of unemployment between different countries (signers: Serbia and Montenegro)

-**The ratification of convention of international labour organization** in the field of labour relations, syndicate freedoms, collective contracts, labour protection and similar, which are not signed till now.

The cited activities will provide Montenegro to involve more active in **the process of association and joining EU in the field of Serbia and Montenegro**, as well as using programmes of financial support from EU, which will make faster the process of economic reforms and building the adequate institutional system in Montenegro.

- **The quality of new law should be first of all based on its consistent application** – on the base of previous analysis, we can conclude that in this moment, first of all, it is necessary to provide the law completed with all necessary sub-law acts and of course, to be obeyed. The obey of laws, is especially important in the area of obeying of all rights of unemployed individuals, but also in the area of application of sanction measures in the conditions when it is established that unemployed individual is rejecting the offered job, giving false data or works illegally. Also the punishment measures should be provided for employers, which don't hold on legal regulations in the process of employment. The same relation is for the Employment Bureau and other mediators in the process of employment.