

Promotion and Strengthening the Social Dialogue in Water Services through Innovative Approaches

PROMOTING SOCIAL DIALOGUE ON AN OBJECTIVE BASIS GUIDELINES FINAL REPORT "Water Supply and Sewerage"

Federation "CIW" - "Podkrepa"

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Promotion and Strengthening the Social Dialogue in Water Services through Innovative Approaches



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TABLE OF CONTENTS

1. Introduction	==.....	page 7
2. Project objective		page 7
3. Methodology.....		page 8
4. Activities.....		page 8
4.1. National reports on the Sectoral Social Dialogue and general characteristics of the "Water Supply and Sewerage" sector in the participating countries Bulgaria, Italy, the Republic of North Macedonia and Malta.....		page 8-140
4.2. External "Summary report on the challenges of social dialogue at European level by country" based on a preliminary SWOT analysis by participating countries:.....		page 141-182
4.3. External report based on socio-empirical research on participating countries: "Summary report on key indicators of the workforce in the water sector".....		page 182-278

4.4. Summary report based on a joint analysis of the participating countries "Mechanisms for measuring the quality of social dialogue as a tool for improving dialogue in the Water Supply and Swerage sector - Standards for the quality of social dialogue and key performance indicators."	page 278-307
5. Practical stage - Memorandum of Social Partnership	page 307-316
6. Conclusions and recommendations - guidelines	ctp. 316-320
7. Bibliography	ctp.320

Summary

This report was prepared within the framework of the project ProSDinWater-101102352-GAP-101102352, co-financed by the European Commission. The content of the report follows the activities implemented under the project in a chronological sequence corresponding to the work packages. The project was developed on the concept of a dissertation "Strategic workforce management through integrated social dialogue" as the activities implemented verify the author's hypothesis, and the comparison of the obtained results increases the scientific value of the text. The introductory part is based on a comprehensive review of the literature, including the national legislative framework of the participating countries, both in terms of the regulation of the water supply and sewerage sector and in terms of the regulation of labor legislation concerning social dialogue. The presentation is based on an analysis of the strengths and weaknesses of social cooperation and the key factors for workforce development at the sectoral level. Summaries have been made through an external expert assessment of the data provided by the partners. For the purposes of clear and comparable processing of the information, samples of each of the conducted studies were used: 1. Sample of a national report on the state of the water supply and sewerage sector and social cooperation; 2. Sample of a SWOT analysis of social dialogue; 3. Sample of Standards for quality of social dialogue in the sector. Of particular interest for the development of social dialogue and collective bargaining are the data related to the factors influencing the workforce, since staffing is among the main problems in the "Water Supply and Sewerage" sector.

The results achieved can be of significant contribution, both for stimulating the Collective Bargaining process and for the capacity building of the tripartite social dialogue, but also for other sectors that

decide to put on an objective basis the topic related to the regulation of labor resources and, above all, improving working conditions for employees in the relevant sector.

Last but not least, the report could be of interest to the academic community in the field of industrial relations, as the content design and the chosen methodology for conducting the research fully meet the criteria of the scientific style.

1. Introduction - Project idea

In times of crisis, the water sector plays a key role in national security, ensuring recovery and resilience. This sector is crucial for protecting the health and safety of the workforce and in this sense, the quality of employment in the sector is essential. This is why the partners are joining forces to develop a project proposal for the water sector as a pilot sector. The aim is to improve the process of workforce regulation through social dialogue and to develop new approaches that adapt social dialogue to the changing needs of the workforce through appropriate - objectively verifiable - key performance indicators.

2. Project Objective

Improving the process of workforce regulation through integrated measurable indicators, on the basis of which to justify appropriate solutions at the tripartite level - industrial, national and European.

The project aims to assess institutional effectiveness, to find good practices in different countries for the use of possible objective measurable indicators (KPI's), including based on workers' priorities, to assess their international applicability or to find out the specificity in the water sector at the national level. It is of research interest whether the national results will coincide with the international results or in what dimensions the differences between them are and what could be the possible reasons for these differences. To outline the needs of workforce in a dynamic environment and to include them in the agenda for the development of social dialogue in the sector, as well

as to support data collection and dissemination of the main results of the project.

3. Methodology

All tasks are aimed at gaining knowledge obtained through literature review, documentary research, socio-empirical research and practical application in order to protect the workforce in one of the key sectors for national security and not only - Water supply and sewerage services.

4. Activities

4.1. National reports on the Sectoral Social Dialogue and general characteristics of the Water Supply and Sewerage sector in the participating countries Bulgaria, Italy, the Republic of North Macedonia and Malta

- **NATIONAL REPORT BULGARIA**

Context of the analysis and its objectives

In the context of global changes resulting from the unstable geopolitical situation, the consequences of the Covid19 pandemic, the energy crisis, the economic and social crisis, the shortage of resources, the capacity of institutions for adaptive functioning in a changing environment in recent years, and other consequences arising from globalization processes, the role of water and the water sector as a key element of statehood and national security will increase its importance.

The political dynamics in domestic political terms are characterized by the change of seven caretaker and five regular governments in the period 2013-2023, anti-corruption protests in 2020, unstable coalition governments and the introduction of a

precedent-new form of government based on a rotational principle - 2023/2024. These circumstances are accompanied by struggles for "political" appointments in state-owned enterprises and regulatory authorities, which directly affects the functioning of both the water sector and the lives of citizens, as it affects the quality and cost of water service.

Political instability and the increasingly clear unprincipled belonging to a specific ideological vision reduce the national social dialogue in the National Council for Tripartite Cooperation (NCTC) to a series of regular and extraordinary meetings in which the legislative framework is changed, budgets are agreed, employment action plans are approved, but income is not prioritized, through the development of an objective mechanism for regulation corresponding to the public need in the poly-crisis period.

The combination of factors raises attention to the role of the water and sewerage sector in economic recovery and sustainability, both industry and workforce security.

In the context of the Adequate Minimum Wages Directive in the European Union 2022/2041, the debate on mechanisms for setting adequate wages at national and sectoral level will be key for tripartite partners with a view to defining appropriate traceability indicators by the end of the 2024.

The issue of integrating key indicators is also addressed by the ESG regulations (Environmental, Social, and Governance (ESG) Investing) of the European Union-EU, related to reporting corporate sustainability of enterprises of public importance and interest, which will have to take into account key performance indicators measuring the overall long-term performance of the organization against six environmental objectives:

1. Reducing greenhouse gas emissions: EU aims to reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels.;

2. Increasing the share of renewable energy: The target is to achieve a share of at least 40% renewable energy in gross energy consumption by 2030..
3. Improving energy efficiency: EU targets to reduce energy consumption by at least 32.5% by 2030.
4. Transition to sustainable transport: EU wants to increase the share of low-carbon and electric transport and reduce dependence on conventional fuels.
5. Protecting nature and biodiversity: EU aims to restore at least 25% of land and marine areas by 2030.
6. Green economy and innovation: EU supports innovation and investment in green technologies and infrastructure.

The many challenges in the environment justify the need to improve the process of regulation of labor relations both at national, branch and regional level, through the mechanisms of tripartite cooperation and social dialogue, as an instrument of state governance, which embodies the principle of industrial democracy..

The aim of the project, which implements the national report, **is to raise a constructive debate on the need and opportunities for integrating measurability as an instrument for tripartite and bilateral cooperation and consolidation of the social partners around objectively verifiable indicators for regulation of labor relations..**

In this sense, the aim of the project activities is to examine in depth the mechanism of functioning of the tripartite social dialogue at branch level - for the water supply and sewerage industry (WSS) and **to draw objective indicators** - key factors on which to base tripartite decisions in order to improve the correspondence between the necessary and the available workforce, ensuring the quality provision of the service and the effective functioning of the industry, and **raise the issue of introducing standards for social dialogue in WSS.**

The report analyzes the challenges facing the tripartite social dialogue at branch level and outlines the current **main issues** that the **new working environment** - influenced by various factors influencing the environment - makes as guidelines for improving the dialogue and hence improving the industry, and especially for raising the standard of living and the well-being of its employees.

The Foundation for the Improvement of Living and Working Conditions in the EU sets out in its report **"Capacity Building for Effective Social Dialogue in the European Union"** from 2020 three main challenges to Social Dialogue in the Member States:

1. Improving the capacity of human resources;
2. Improving the capacity of the organizational structure;
3. Improving the regulatory framework;

The Foundation itself is a tripartite agency of the European Union whose main role is to support the development of better social and labour policies by providing knowledge, supporting social cohesion and a just transition in changing conditions. That is why the national report will examine and build on the knowledge of the state of the Social Dialogue for the WSS industry and will in conclusion compare with the challenges outlined in the report referred to above..

The methodology for the preparation of the report includes a preliminary review of the existing experience, a survey of the existing literature, normative sources, analysis of documents and results of the social dialogue between the social partners conducted so far, as well as on the basis of the long experience of the experts involved in the project, who are legitimate representatives in the social dialogue in the WSS industry. Relevant research approaches and techniques have been applied, resulting in the empirical information sought.

The European Foundation for the Improvement of Working and Living Conditions examines the representativeness of partner

organisations in certain sectors, but there is a lack of a representative report on the water supply and sewerage industry as a source for comparability of information between Member States. [Representativeness studies | European Foundation for the Improvement of Living and Working Conditions \(europa.eu\)](#) In this sense, the current national reports from the four partner organizations involved (Bulgaria, Malta, Italy and North Macedonia) and their Synthesis Report can be used as a database in the future development of a sectoral report concerning the water supply and sewerage industry in the European Union, which increases the importance of the study, both at national and European level.

Part ONE

Presentation of the WSS industry

Water supply and sewerage is a sector of the economy dealing with the supply of water for various needs. In the Statistical Classification of Economic Activities for the European Community, it is called collection, treatment and supply of water, sewerage, waste management and remediation.

The water supply covers the collection of groundwater, surface and rainwater, its treatment and its transmission to consumers - domestic, industrial and agricultural. Water resources in the country are formed mainly by external inflows and are unevenly distributed throughout the country. The main pillars of the Water sector are the branches "Water Supply and Sewerage", "Hydropower",

"Hydromelioration" and "Prevention of Harmful Effects of Water", and this report deals only with the water supply and sewerage industry.

According to the Bulgarian legislation - water supply and sewerage services (WSSS) are the services of purification and supply of water for drinking, industrial and other needs, disposal and treatment of waste and rainwater from consumers' properties in urban areas (settlements and settlement formations), as well as the activities related to the construction, maintenance and operation of water supply and sewerage systems, including wastewater treatment plants and other Facilities.

The state policy on water management aims to achieve and maintain good status of all ground, surface and marine waters as a resource of particular importance for life on the planet, as well as to limit the harmful effects on human life and health, the environment, cultural heritage and economic activity.

At national level, the water management policy is implemented by the Ministry of Environment and Water, assisted by the Water Management Directorate, and at the basin level - by 4 Basin Directorates, with 15 Regional Inspectorates of Environment and Water monitoring and control over wastewater and the boundaries of their respective territorial scope. The policy in the water supply and sewerage sector is carried out by the Minister of Regional Development and Public Works (MRDPW), and by the Municipal Councils and the mayors of municipalities.

The water management policy is aimed at developing and implementing River Basin Management Plans as a basic planning document for integrated water management, which provides sufficient quantity and quality water for the needs of population, economy and ecosystems - continuity of water use, management of water as an economic resource, development of a monitoring system, reduction of

adverse climatic impacts, flood risk assessment and preventive measures for population preparedness, investments in ecological water supply and sewerage structures.

The regulatory framework governing water policy is based on compliance with European Community and national legislation. The leading documents on which the water sector is managed and the main management and investment decisions are taken are the Environmental Protection Act (EPA), the Water Act (AA), the Water Services Regulation Act (LRSA), regulations*, national strategic and planning documents - National Strategy for Management and Development of the Water Sector (NSSURVS) Strategy for the Development and Management of Water Supply and Sewerage in the Republic of Bulgaria, River Basin Management Plans, Flood Risk Management Plans and National Programmes in the Field of Water Protection and Sustainable Development. Bulgaria is a party to several international conventions in the field of water, including the Convention on Cooperation in the Protection and Sustainable Use of the Danube, the Convention for the Protection of the Black Sea against Pollution and the Convention on the Protection and Use of Transboundary Watercourses and International Lakes.

With the changes in the European legislation regarding the quality of drinking water (DIRECTIVE (EU) 2020/2184 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 December 2020 on the quality of water intended for human consumption (recast) and the expected ones with regard to waste water (Directive 91/271/EEC - urban wastewater treatment) create additional needs and open up new opportunities for companies with expertise, and focus in the industry.

1.1. Ownership and types of enterprises involved

The state has a major role in the mechanisms for functioning in the field of water, which is expressed in the Strategy for Development and Management of the Water Supply and Sewerage

Industry for the period 2014 - 2023. - prepared by assignment of the Ministry of Regional Development and Public Works, in accordance with the responsibilities of the Ministry for the elaboration of an industry strategy for the development of the water supply and sewerage sector - **sets the following strategic objectives:**

- **Compliance:** The water supply and sewerage industry meets the national/European requirements;
- **Sustainability:** The water supply and sewerage industry is environmentally friendly, financially and technically viable;
- **Social tolerance:** The prices of water supply and sewerage services are socially bearable for consumers;
- **Quality: price** - the quality of services and efficiency of water and sewerage operators correspond to good European practices;

The strategy for the development of the sector for the period 2014-2023 completely lacks a separate part dedicated to human resources. The development of personnel potential among the objectives is not affected, which is surprising, given that the HRM strategy is an important element of the overall strategy whether it is an industry or an individual enterprise, because when this part is missing, the overall strategy cannot be complete, as it excludes an assessment of the risks and opportunities associated with one of the two relevant production factors - the labor factor.

The main institutions in the water sector are: Ministry of Environment and Water, which conducts the state environmental policy; Ministry of Regional Development and Public Works, which conducts regional development for reconstruction and modernization of water supply and sewerage systems; Department of Energy; Ministry of Agriculture and Food; Ministry of Economic Affairs; the Executive Environment Agency EAE, which monitors the environment; Regional Inspectorate of Environment and Water - RIEW, which is a regional administration of the Ministry of Environment and Water with regulatory, information and control functions; State Agency for Metrological and Technical Surveillance -

SAMTS performs surveillance of construction products on the market, surveillance of dams and facilities; Water Supply and Sewerage Association, Energy and Water Regulatory Commission;

It is important to note that although water management in Bulgaria, according to the current legislation, is complex and divided among many institutions, it is based on the above regulatory framework and the development of social dialogue in the sector..

The water and sewerage operator is a trader, state or municipal enterprise - a legal entity that has a contract with the Chairman of the Water Supply and Sewerage Association or with the mayor of the municipality according to a decision of the Municipal Council (contract for management, maintenance and operation of water supply and sewerage systems and provision of water services within the boundaries of one or more separate territories), when the provision of water and sewerage services is its main activity. ZRVKU and ZV allow the presence of companies that in certain cases (with regard to certain users and/or with regard to certain activities) can be considered as water and sewerage operators.

In Bulgaria, there are currently 44 water and sewerage operators with different forms of ownership:

- 14 of them are 100% state-owned,

- 11 are 100% municipal property

- 14 are 51/49% state-owned,

- 4 are 100% private property

- and 1 is 77/23% private-municipal property.

Table 1 Forms of ownership of water and sewerage operators

	Water supply and Sewerage operator	Ownership	City
1.	"ViK" Ltd. Blagoevgrad	100% state owned	Blagoevgrad
2.	"ViK-Kresna" Ltd. Kresna	100% municipal	Blagoevgrad
3.	"Uveks" Ltd. Sandanski	100% municipal	Blagoevgrad
4.	"ViK" EAD gr. Burgas	100% state owned	Bourgas
5.	"Lukoil Neftochim Burgas" AD Burgas	100% private	Bourgas
6.	"Water Supply and Sewerage Varna" Ltd. Varna	51/49% state owned / municipal	Varna
7.	"ViK-Zlatni Piasaci" Ltd.	100% частно	Vartna
8.	"ViK – Yovkovtsi" Ltd. V. Tarnovo	51/49 state owned / municipal	Veliko Tarnovo
9.	"ViK – Vidin" Ltd.	100% state owned	Vidin

10.	"ViK" Ltd. Vratsa	51/49% state owned / municipal	Vratsa
11.	"ViK" Ltd. Gabrovo	51/49% state owned / municipal	Gabrovo
12.	"ViK" Ltd. Dobrich	100% state owned	Dobrich
13.	"ViK" Ltd. Kardzhali	51/49% state owned / municipal	Kardzhali
14.	"Kyustendilska Voda" Ltd. Kyustendil	100% state owned	Kyustendil
15.	"Water Supply and Sewerage Panichishte" Ltd. Separeva Banya	100% municipal	Kyustendil
16.	"ViK" AD gr. Lovech	51/49% state owned / municipal	Lovech
17.	"Water supply and sewerage – Staneto" gr. Troyan	100% municipal	Lovech
18.	"ViK" Ltd. Montana	51/49% state owned / municipal	Montana
19.	"ViK Berkovitsa" Ltd. Berkovitsa	100% municipal	Montana

20.	"Water Supply and Sewerage Services" Ltd. Pazardzhik	100% state owned	Pazardzhik
21.	"Infrastry" Ltd. Bratsigovo	100% municipal	Pazardzhik
22.	"ViK – Batak" Ltd. Batak	100% municipal	Pazardzhik
23.	"Water supply and sewerage – Belovo" Ltd. Belovo	100% municipal	Pazardzhik
24.	"VKTV" Ltd. Velingrad	100% municipal	Pazardzhik
25.	"VKS" Ltd. Cave	100% municipal	Pazardzhik
26.	"VKTV" Ltd. Rakitovo	100% municipal	Pazardzhik
27.	"ViK" Ltd. Pernik	51/49 state owned / municipal	Pernik
28.	"POSV – LEKO CO" EOOD gr. Radomir	100% private	Pernik
29.	"ViK" Ltd. Pleven	100% state owned	Pleven
30.	"ViK" Ltd. Plovdiv	100% state owned	Plovdiv

31.	"ViK" Ltd. Isperih	51/49 state owned / municipal	Razgrad
32.	"Water Supply – Danube" Ltd. Razgrad	100% state owned	Razgrad
33.	"ViK" Ltd. Ruse	51/49 state owned / municipal	Ruse
34.	"ViK" Ltd. Silistra	51/49 state owned / municipal	Silistra
35.	"Water supply and sewerage – Sliven" Ltd. Sliven	51/49 state owned / municipal	Sliven
36.	"ViK" Ltd. Smolyan	100% state owned	Smolyan
37.	Sofiyska Voda AD Sofia	77.1/ 22.9% private / municipal	Sofia
38.	"ViK" Ltd. Sofia	100% state owned	Sofia Region
39.	"Verila Service" AD gr. Sofia	100% private	Sofia Region
40.	"ViK" Ltd. Stara Zagora	100% state owned	Stara Zagora
41.	"ViK" Ltd. Merchating	51/49% state owned / municipal	Targovishte

42.	"ViK" Ltd. Haskovo	100% state owned	Haskovo
43.	"ViK – Shumen" Ltd. Noisy	51/49 state owned / municipal	Shumen
44.	"ViK" Ltd. Yambol	100% state owned	Yambol

A form of concession exists only in one of the enterprises in Bulgaria - Sofiyska Voda AD. The concession contract was signed for 25 years. until 01.01.2025, but with an annex from 2023. The concession was extended for another 7 years.

Over the past 20 years, important reforms in the Water Supply and Sewerage industry have been carried out in Bulgaria. In 1999. By Decree 181 of the Council of Ministers on the basis of the Energy and Energy Efficiency Act (later the Energy Act) the State Energy Regulatory Commission (SCR) was established. In 2005. with the adoption of the Law on Regulation of Water Supply and Sewerage Services the Commission was transformed into SEWRC. In 2015 SEWRC was renamed to the **Energy and Water Regulatory Commission (EWRC)**, which is an independent specialized state body of the Republic of Bulgaria, regulator of two sectors - energy and water supply. The Commission plays an extremely important role in the control and management of these areas, ensuring fairness and transparency in the relationship between energy and water suppliers and consumers.

In 2009. The reform continued with the introduction of a new institutional model - Water Supply and **Sewerage Associations** were established, such as legal entities under the Water Act, which manage the ownership of assets owned jointly by the local government and the

state. They are the main management and planning body for the development of water supply and sewerage systems and the services provided through them to the population of these separate territories. The activity of the WSS Associations is aimed at preservation, development and modernization of water supply and sewerage systems and facilities, ensuring the needs of the population of a separate territory for quality water and sewerage services through effective control over the activities of the water and sewerage operator in the implementation of the established delegation contracts between the Association of Water and Water Operators (under Art. 198p, para 1 of the Water Act), which define their rights and obligations to manage, maintain and operate. Members of the Association are the state and the municipalities. The state is represented by the regional governors, and the municipalities of the respective region are represented by their mayors.

The WSS associations or the Municipal Councils control the implementation of the contracts, as well as whether the respective water and sewerage operator meets the requirements of the law (Ordinance on the criteria and requirements to the water and sewerage operators under Art. 198, para. 7 of the Water Supply and Sewerage Act).

From 22.01. 2020, the established "**Bulgarian WSS Holding**" **EAD** with authorized capital amounting to BGN 1 billion, owner of the state shares in most water and sewerage operators, whose members are part of the state and joint ventures, also starts operating. The Holding is not a member of the municipal water supply and sewerage companies and the concessionaire "Sofiyska Voda".

Part of the institutional framework and political representation in the sector is the voluntary association of water and sewerage operators in the **Union of Water Operators in Bulgaria**, which unites 42 water and sewerage operators out of a total of 44. The main

objective of the Union is to support the implementation of the state policy on water supply, sewerage, treatment of drinking and waste water. The Union participates in negotiations with the representative organizations of workers and employees - the trade unions F "Comecon" - "Podkrepa" and NBS "Water Supplier" CITUB for the signing of collective agreements at branch level and participates in councils for the development and updating of sectoral legislation. Other functions of the Union related to mediation in the settlement of disputes arising in the business relations of its members, supports the development of the professional qualification of employees, organizes trainings to increase the knowledge and skills of the workforce, monitors changes in legislation and gives opinions to the relevant institutions and bodies, informs and consults its members, promotes the activity in the sector through specialized literature and materials related to good practices for the conservation of water resources and optimization of technological processes.

Despite the strategic measures taken, water and sewerage operators still face challenges related to the achievement of the regulator's goals – EWRC. These circumstances and legal requirements create prerequisites for more and more funds to be allocated to measures related to meeting environmental requirements (construction of treatment facilities, as well as measures related to reducing losses, including investment and replacement of measuring instruments, replacement of water pipes, digitalization, etc. Unfortunately, a number of strategic documents, such as the Strategy for the Development of the Industry 2019-2023 and the comparative analyses of the Energy and Water Regulatory Commission, are missing a look at the development of the workforce in the sector. The mention of human resources in these and other industry-development documents is almost entirely focused on their numbers, and human resources are seen as a cost rather than as the value-adding factor of production that they actually are. Overexposure of the importance of

numerical control in search of economic efficiency leads to diverting the attention of observers of the processes the industry and stakeholders from the more important for its sustainable development problems.

We can talk about sustainable transformation of the sector while investing in improving the qualification and retraining of staff, updating the knowledge and skills of the workforce, as well as investments in replacing old and depreciated equipment, such as pumping units, excavators, trucks, etc., with which water and sewerage operators have and operate.

The issue of remuneration in the industry is also of utmost importance because human resources are a central element of the context in which the industry is developing and it is the quality of the workforce with the necessary characteristics that makes it possible to develop the plans, programs and strategies adopted for implementation. The lack of investment in the staffing of the industry leads to their transformation into a limiting factor that can hinder the plans for sustainable development of the sector and the undertaken reforms in it..

1.2. National water policies and technologies

The national water policy is set out in the National Strategy for Management and Development of the Water Sector (NSSURVS), which analyzes the existing state and future of the water sector, outlines the challenges, evaluates alternatives and proposes an action plan and monitoring and control of the sector..

The analysis of water consumption in NSURVS in a long-term forecast by 2035 that **a general trend of shortage of natural surface and groundwater resources is not expected for the country**. At the same time, however, the observed fluctuation is a very worrying

indication of the future. During the years with an extremely high level of rainfall, it is enough to flood large areas of the country (2005), in addition to the uneven distribution of water resources on the territory of the country. The problems of water scarcity in dry years and in the normally wet years, related to the introduction of year-round and seasonal water supply regimes, mainly affect settlements that do not have built and are not connected to reservoirs for round-the-clock, seasonal and multi-year storage of the surface water resource. Deviations in the quality of drinking water supplied in some regions are mainly due to the lack of potable water treatment facilities (PWTPs) and the outdated water supply network for surface water sources, pollution from anthropogenic impact and background pollution for underground water sources. The deterioration of the quality of surface and groundwater bodies is mainly due to the insufficient number and capacity of wastewater treatment plants (WWTP), environmentally inconsistent land use and industrial activity. Bulgaria is one of the richest countries in Europe of mineral waters, allowing different applications.

The analysis of the water supply infrastructure shows that the capacity of hydropower systems satisfies the complex needs of water users and water users, but the majority of the operating water supply assets (water intake facilities, water supply network, pumps, hydrophores, water meters, etc.) were put into operation before 1980 and are made of materials (predominantly eternite and steel pipes) whose shelf life has expired. In much of the water supply network, the level of corrosion or accumulation of deposits is significant, which determines risks to water quality.

The water losses found are extremely large and are mainly due to physical leaks - both visible and hidden, both from the water supply network and on cranes, connections, tanks and in the various shafts. Large volumes of water are also lost to empty and fill the water supply

network in case of accidents, due to the fact that it is poorly designed and / or resized and the border cranes between the hydraulic zones do not work well enough.

A serious problem is the presence of uneven hydraulic pressure (high or low) in separate areas of the water supply network. Reasons for the high pressure are a large displacement between the reservoirs and the supply territory; direct connections (water supply) to high-pressure transit pipelines; lack of regulators to reduce pressure; resized pumping stations, hydrophores and respectively the water supply network. Low pressure occurs due to smaller diameters or oversized networks supplying many users, resulting in large pressure losses, especially in suburban villa areas; construction near the tanks, where due to lack of displacement the necessary static head cannot be provided; numerous leaks on the water supply network.

Almost all PWTP built and in operation (46% of the population is connected to PWTP) have outdated equipment and urgently need reconstruction and modernization..

The percentage of construction of the sewerage network is relatively low (61%). The depreciation period of the network has expired and there is a high infiltration rate of foreign water (leaks from losses of water, ground and drainage water). These facts have been established in all feasibility studies and the already prepared Master Plans of the big cities.

The level of construction of WWTP is relatively low. Almost all WWTPs built and commissioned at the end of the last century need reconstruction and modernization. In many cases there is a lack of correspondence between the degree of construction of the sewerage network and the conductivity of the main collectors with the capacity and construction of WWTP. Some of the facilities in the water sector are not designated maintenance operators, and some are also of unestablished ownership.

National policies are also related to the utilization of funds under the Operational Program Environment, whose main objectives are - the construction of wastewater treatment facilities and investments in the water supply and sewerage infrastructure in order to reduce water losses and improve the quality of the water supply and sewerage service provided by individual water supply and sewerage operators. Similar are the opportunities under the Operational Program "Regions in Growth" OPRD, where beneficiaries can be individual municipalities.

Mainly water supply in Bulgaria is developed by two methods - gravitational and pumping. As the territory of the country is divided into two - in the northern part the water supply over 90% is carried out by pumps, while for the southern part of the country it is carried out through built hydro facilities - dams - i.e. gravitationally. Each potable dam has a potable water treatment plant..

The main methods of purifying drinking water are by coagulation precipitation, filtration and disinfection with chlorine. For this purpose, drinking water treatment plants (PWTPs) have been built at each dam for drinking water supply, which are equipped with the necessary facilities for sedimentation, filtration and disinfection.

After 2015, there has been an increase in investments in water supply network - the average number of main and distribution water pipelines until 2014. It was 18km, respectively. and 60km, and since 2015. - average 43km. (up by 139%) and 106 km. (increase 77%).

Similarly, there is an increase in investments in sewerage infrastructure, as for the period up to 2014. The average number of heads and distribution manifolds was 9km respectively. and 55km, and since 2015. average 41km. and 134km.

Up-to-date NSI data on the water supply network show that by 2022. 77 525 km of water supply network were built for the whole

country, of which 26 063 km. water supply pipelines and 51,462 km. distribution water pipelines and 13,166 km of sewerage infrastructure.

- 99,5 % of the population connected to public water supply;
- 75.0 is % of the population with public sewerage; n
- 67.2 is % of settlements with wastewater treatment plants (WWTP);
- 56.8 is % of average water losses

Sewerage activities are covered by 91.8% with concrete pipes, 1.4% with polyethylene, 3.2% with polyvinyl chloride, 0.2% with fiberglass pipes and 3.5% others. Water pipes are in the largest volume eternite – 71.5%, 15.1% are steel, 2.3% cast iron, 5.7% polyethylene, 0.3% polyvinyl chloride, 0.1% polyvinyl chloride and 5.1% other materials.

Estimates of the funds needed to invest in water infrastructure show amounts in the order of more than EUR 12 billion. Lv. to cover minimum needs of more than EUR 43 billion. Lv. to bring it into a state approaching European standards.

The information security in terms of the situation (both in quantitative and qualitative terms), events and monitoring is too low for the preparation of full analyses of the infrastructure in the water sector and for making relevant management decisions. The available information is dispersed in a large number of institutions and commercial companies, in many cases unsystematized and not updated.

1.3. Pricing and social element of the water supply service

EWRC is the body that approves the prices of water supply and sewerage services as part of the business plans of water and sewerage operators. Prices are approved for a five-year period, updated

annually according to inflation and the degree of implementation of the investment intentions set out in the business plans, and targets for service quality indicators.

Separate prices are approved for each of the services - Supply of drinking water, Waste water disposal, Wastewater treatment. The majority of the population – 73% tends to increase the use of all three services. The current by 2025 total prices of services for major water and sewerage operators in the country are as follows:

- Sofiyska Voda AD: 3,69 BGN / 1,89 EUR
- Vik Ltd. – Plovdiv: 3,59 BGN/ 1,83 EUR
- ViK EAD – Burgas: 5,21 BGN/ 2,66 EUR
- ViK Ltd. – Varna: 5,56 BGN / 2,84 EUR
- ViK Ltd. – Ruse: 5,18 BGN / 2,65 EUR

The price of the water service is complex and it depends on its elements realized to the user - delivery, disposal and purification. The Ordinance on Regulation of the Prices of Water Supply and Sewerage Services defines the methods for regulating the prices of water supply and sewerage services of water and sewerage operators and the rules for their formation and amendment.

The necessary annual revenues of water and sewerage operators include costs subject to approval by EWRC and return on invested capital. The price for supplying water to consumers shall be formed as a ratio between the annual revenues required for the service and the amount of water, defined as the difference between the quantities of water measured for the previous year at the entrance to the water supply systems served by the water supply and sewerage operator and the maximum amount of the allowable total water losses according to the annual target levels of the quality indicators, Determined by the Commission.

The cost of waste and rainwater disposal is formed as a ratio between the required annual revenue for the service and the annual quantities of waste water discharged depending on the degree of pollution determined by an accredited laboratory for industrial and commercial producers.

The cost of wastewater treatment is formed as a ratio between the required annual revenue for the service and the quantities of treated waste water for the year depending on the degree of pollution determined by an accredited laboratory.

1.4. Economic results of the companies

A large number of water supply and sewerage companies in Bulgaria fail to cover their operating costs. Many operators have a revenue efficiency ratio (the ratio between operating costs and operating income) above 1.00 and too few companies have an efficiency ratio below 0.90 to allow them to use their own funds for capital investments.

The principle of cost recovery should be fully integrated into the requirements for calculating the final cost of water paid by the consumer, including the value of the water resource, the cost of the environment and the operation of the infrastructure.

Poor financial viability and inefficiency prevent water companies from financing and implementing large capital investment programmes that are necessary to meet compliance requirements and required long-term service levels.

According to the annual data of the water supply and sewerage operators for 2020, the water supplied at the entrance of the water supply system is 832 225 thousand. m³, and the invoiced quantities of water delivered to consumers are 331 141 thousand. m³. The data show that in the water supply and sewerage sector on average about

39.7% of the water supplied to the water supply system is invoiced. The rest is non-revenue-bearing water

Every year, WSS loses about BGN 250 million due to bad commercial practices. There are great opportunities for Bulgarian water companies to improve revenue generation, thus reducing the need to increase prices for the population due to upcoming large future investments. The value of commercial losses (quantities delivered to consumers but not invoiced) for Bulgarian water companies is estimated at 120 million m³ for services in the water sector and 79 million m³ for sewerage services. Furthermore, of the total volume of water supply and sewerage services invoiced, 79 million m³ and 29 million m³ respectively are not collected. Overall, it is estimated that about BGN 275 million are lost each year by Bulgarian water companies due to the ineffective management of their trading cycle - i.e. the consecutive operational activities of measuring, reporting, invoicing and collecting invoiced amounts.

In this calculation, the assumption is made that **the average level of water losses in Bulgarian water supply and sewerage companies amounts to 30 percent of the average level of non-revenue-bearing water (NPS)**, which consists of both commercial (assumed) losses and physical (actual) losses.

The sources of financing of the investment programs of the water and sewerage operators are the own revenues of the operators, through the prices of water and sewerage services, loans (from commercial banks, the European Bank for Reconstruction and Development (EBRD), the Flag Fund and the Bulgarian Water Holding and transfers from the state budget (MRDPW, EMEPA) and grants under European programs (OP "Environment", Rural Development Program, etc.). Considering how big the needs for financing investments are, Substantial price increases in the short and medium term are inevitable. This increase is limited by the Introduction of a mechanism to protect vulnerable consumers and/or

users for their WSS bills, which puts an upper limit on social tolerance of prices and thus makes the need for subsidies to achieve compliance with European directives and normal operating practice inevitable and increasing.

1.5. Human Resources and Development

According to the analysis of the regulatory framework made in NSSURVS, there is no regulatory framework that will give sustainability over time to the management of water and sewerage operators and guarantees for the availability of qualifications and expertise. Management contracts should include similar guarantees when key performance of operators is achieved.

Among the main problems identified in the strategy for the entire water sector, relevant to the water supply and sewerage industry are: quantitative shortage of staff in a number of key institutions; turnover; unfavorable qualitative and structural characteristics of the staff; poor interinstitutional coordination, especially in the strategic management of the water sector.

According to NSI data as of 30.06.2023. Employed in water supply, sewerage, waste management and remediation amounted to 19,452 persons, of which 16,000 are engaged in the water supply and sewerage industry and the remaining about 3,000 in waste management. [Number of employed persons | National Statistical Institute](#) According to NSI data, the total number of employed persons in Bulgaria as of 30.11.2023. is 2,188,285 persons. [Number of employed persons | National Statistical Institute](#) Employment in the branch under consideration therefore represents less than 1% of the total number of persons employed in Bulgaria. In most of the Central and Eastern European countries, the number of people employed in the water supply and sewerage sector, in percentage terms compared

to the total population in the respective country, varies in close terms between 0.22 and 0.25 percent. (Source Eurostat)

Additional information provided by the National Statistical Institute (NSI) shows the following situation by year in Economic activity 36 – Collection, purification and supply of water

Year	Number of employed persons	Number of reporting units
2014	17099	72
2015	17008	66
2016	16941	63
2017	16729	64
2018	16473	63
2019	16267	63

Referring to this information, we can conclude that the total number of employees in the sector, respectively those directly involved in the implementation of Economic Activity 36, decreased gradually over the years. The reasons are rooted mainly in the systematic regulatory pressure on water and sewerage operators for "optimization", perceived by EWRC as a reduction in staff, unrealistically high regulatory targets for staff efficiency and to a lesser extent are a consequence of emerging digital solutions.

According to the Sectoral Analysis of the Water Supply and Sewerage Sector in the Republic of Bulgaria, made in connection with the implementation of the Project "Improving the adaptability of employees and strengthening collective bargaining through joint actions of the social partners at national, sectoral and branch level", funded under HRD OP, **in the period 2010 – 2018 for eight years the number of employees in collection activities, water supply and purification has seen a steady decrease of about 10%.**

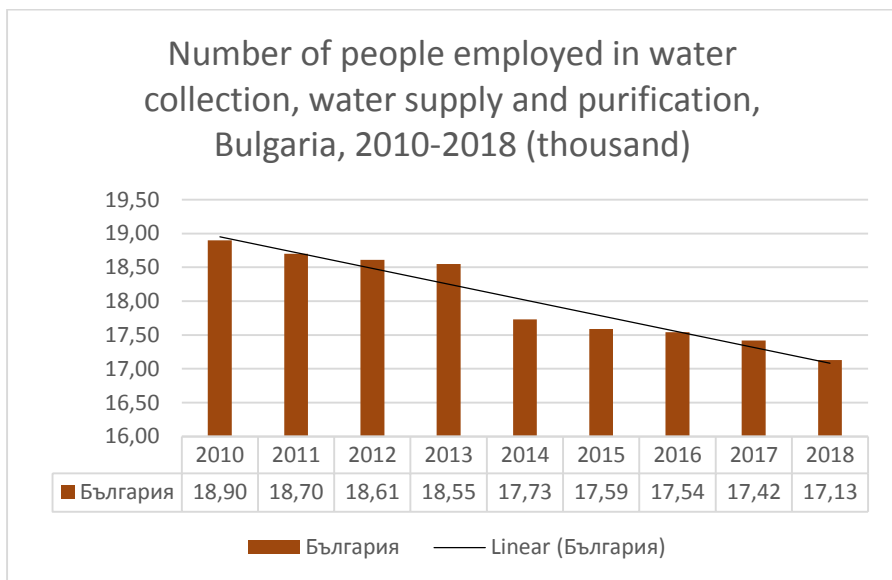


Figure - Number of people employed in the collection, supply and purification of water, Bulgaria, 2010-2018 (thousand.)¹

From information provided through the Union of Water Operators in the Republic of Bulgaria of 30 WSS, including the number of employees, qualification structure of the workforce, demographic structure of staff and wages at the end of 2020 and 30.09.2021, it is clear that:

- The total number of vacancies in these water and sewerage operators is 687 and represents 5% of the number of employees;
- Turnover (staff leavers for the year) is also on average about 5% of total employment in companies;
- 21% of the employed have higher education, 24% with secondary special education;

¹ Източник: Евростат, [lc_nnum1_r2], [nama_10_a64_e]

- The number of people employed with secondary education is predominant – 47%. Employees with basic education are just under 8%.
- Half of the employees in the industry - 50% are between 50 and 65 years of age. 24% are between 40 and 50 years old. Only 4% are employed between the ages of 18 and 30. A lot of pensioners are working – 2%.

Nearly three-quarters of those employed are men (74%). According to official statistics, in the branch "Water supply and sewerage", the coverage with trade union structures is extremely high. According to the two representative trade unions F "Comecon" - "Podkrepa" (CL Podkrepa) and NBS "Water Supplier" (CITUB), the total trade union density in the industry is about 91%. This creates a good prerequisite for the implementation of follow-up research embedded in the activities of the ProSDinWaterer project: Promoting and Strengthening the Social Dialogue in Water Services through Innovative Approaches.

According to NIPA data as of 03.03.2024. for economic activity water supply, sewerage services, waste management and restoration, there are 45 collective agreements in force and they cover 17 267 employees. [National Institute for Conciliation and Arbitration](#) Here it should be noted that the data of NIPA include those employed in the waste management sector, which does not give a clear statistical idea of the actual CLC covered by CLC is the water supply and sewerage industry.

According to the General Labour Inspectorate Executive Agency, the CLC for the water supply and sewerage industry is registered under the entry number CLC 23000086 / 18.01.2023. [Special register of collective labor agreements \(government.bg\)](#)

A report on the remuneration of labor in the water supply and sewerage industry according to NSI data in comparison with the economy for the country shows that the average monthly gross salary as of December 2023. amounts to 1614lv. for the WSS industry, at a national level of 2173 BGN. At the same time, we have a significant lag in labor income, comparing the average rates in the WSS industry with those in the European Union - 8.24lv. (4.21.euro) and 34.3 EURO for the WSS industry in the EU. [Wages and labour costs - Statistics Explained \(europa.eu\)](#)

Similar conclusions follow from data on annual average wage costs per person employed in water collection, purification and supply activities, for Central and Eastern European countries, adjusted for comparative price levels for these countries: they show that remuneration levels in the WSS sector are 35 to 100% lower than those in other former socialist countries.

The financial capabilities of water and sewerage operators are predetermined by the low remuneration of employees in the industry, and these opportunities are directly related to the work of EWRC and the WSS Association through the approval of business plans of water and sewerage operators.

Despite the low remuneration of employees in the sector, according to the "Comparative Analysis of the Water Supply and Sewerage Sector in the Republic of Bulgaria for 2018" prepared by the Energy and Water Regulatory Commission, the largest share of the total costs for the water supply sector is spent by personnel costs - 40.1% (including remuneration and social security costs), followed by material costs (24.6%) and external services (15.2%).

High trade union density and CLC coverage, despite the low pay in the industry, can be justified in the choice of workers to prefer the public sector over the private alternative, in terms of job security, social benefits, career opportunities and working conditions. On the

other hand, however, the lack of the expert staff resources needed for the industry should be seriously reviewed as a risk factor for its functioning, because the overall demographic picture of the country, the aging of the population and the weight that this trend has on the demographic replacement rate on the labor market is in a negative trend. As of 31.12.2022, the demographic replacement rate is 66, which means that for every 100 people who leave working age, 66 new persons enter. For comparison, in 2001. 100 people coming out of working age were replaced by 124 young people. In this sense, the task of improving the capacity of human resources remains the main issue for the development of the industry.

The achievement of the main objective - adequate with the real market conditions and trends payment of labor in the brane can be done by: limiting the influence of EWRC in the implementation of the agreements reached in collective bargaining and / or their inclusion in some form in the tripartite social dialogue by the State; with the introduction of greater transparency and more active participation of stakeholders, including employers and trade unions in the process of preparation by the EWRC of Guidelines for the formation of prices of water and sewerage services; by introducing an annual comparative analysis of remuneration in the branch by activity and preparation of programs by operators for their gradual increase until reaching normal market levels.

1.6. The Double Transition in the Water Sector

The European Pillar of Social Rights is an essential tool that will ensure that transitions to a climate-neutral economy, digitalisation and demographic change are socially fair. The European Semester of economic policy coordination will continue to monitor progress on the implementation of the Pillar. In 2020. It integrates the UN Sustainable

Development Goals so that the well-being of citizens can also be at the heart of economic policies. In this regard, the European Commission's annual sustainable growth strategy, which outlines the EU's main social and economic priorities, sets economic and employment policy in line with the priorities set out in the Green Deal.

Environmental transformation means adapting and prioritising sustainable production and consumption patterns with the environment at the heart of these processes.

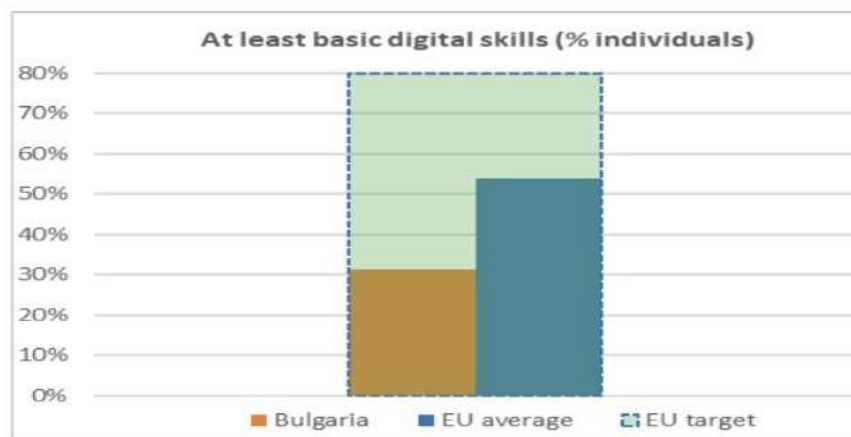
Meeting the European criteria for wastewater treatment through the construction of wastewater treatment facilities (WWTP) by water supply and sewerage operators requires investments of particularly large sizes. Part of these investments are set in the implementation of events under projects of water supply and sewerage companies under the Operational Program "Environment" (OPE). They are related to the discharge and treatment of wastewater before their admission to natural water bodies - sea or rivers. With the largest number of WWTP has "plumbing" - Sofia. Burgas with 20 such facilities.

Digitalisation aims to empower people and businesses, including administrations, to have a new generation of technologies where digital transformation benefits everyone. The European Commission (EC) assists Member States in implementing reforms for digital growth and deploying innovative solutions for businesses and citizens, as well as improving accessibility and making public services more efficient.

According to the European Commission's report "Digital Decade Report 2023 Bulgaria" for 2023. The population in Bulgaria with basic digital skills is 31%, both in 2021 and 2023, compared to 54% of the average European level, which is the lowest in the

European Union. Above the basic level of digital skills are 8%, again unchanged by 2021. and 2023, at 26% average European level. The Commission aims for 80% of Europeans to have basic digital skills by 2030.[Country reports - Digital Decade report 2023 | Shaping Europe's digital future \(europa.eu\)](https://country-reports.digital-decade.eu/)

Figure 1

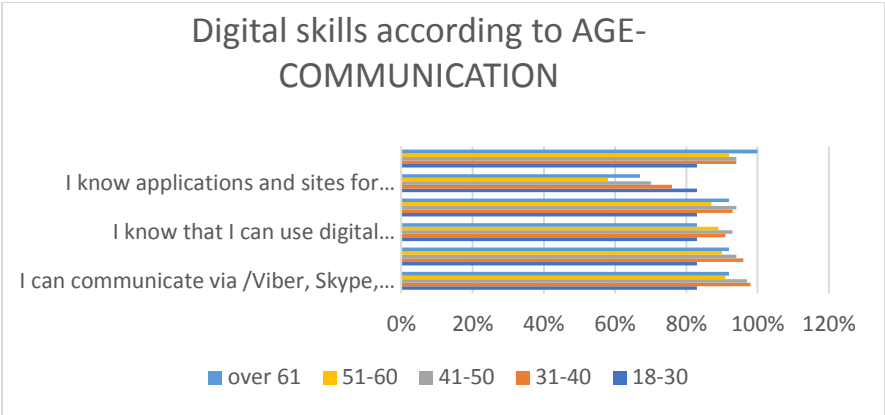


Specific measures to improve the digital qualification of workers in the water and sewerage sector have not been undertaken as a state policy, but rather such measures are carried out on the initiative of individual managers or as an initiative of a bilateral social dialogue in the industry.

According to a report from an empirical sociological survey carried out under the Digital Syndicalism project in the period 01.02.2022. - 30.04.2023 the digital channels that trade union members use in their work are mainly e-mail (90%) and Viber communication channels (70%), with respondents stating in their trade union activities that they mainly use e-mail (93%) and only (7%) do not use e-mail for the purposes of employee representation. According

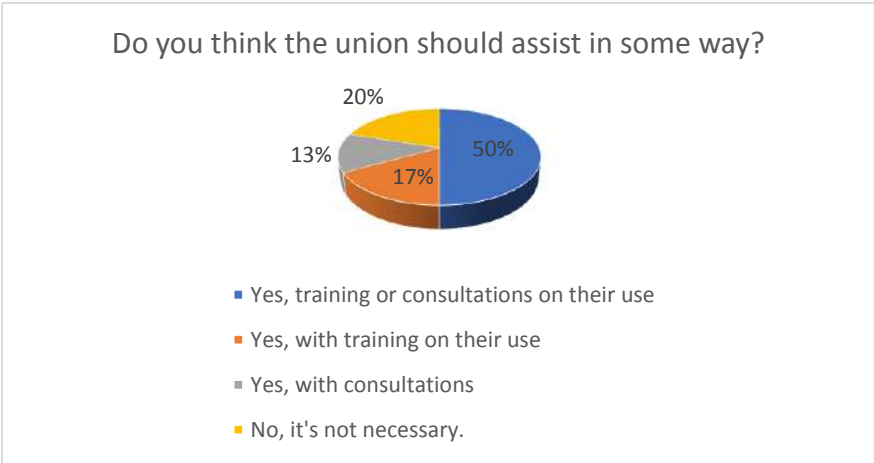
to the report, despite expectations of problems in terms of digital skills, respondents declare that they have excellent skills, for example, to communicate. According to the results, age is not a determining factor, despite the initial hypothesis that this may play some role.

Figure 2.



Among the respondents, the opinion prevails that the trade union should assist by organizing trainings and consultations on the use of digital means of communication, information and shared work.

Figure 3.



However, these data cannot be transposed as relevant to all employees in the water supply and sewerage sector, as the survey carried out covers only trade union members.

According to another social empirical study conducted by the Confederation of Independent Trade Unions in Bulgaria - "Sectoral analysis investigating the entering digital solutions in the Bulgarian water supply and sewerage sector in order to identify the needs for digital competences in specifically selected positions of Economic Activity 36 - Collection, treatment and supply of water", it is found that most of the data provided by the water and sewerage operators are of insufficient reliability, due to the lack of implemented digital products (registers and database carriers). This leaves a significant niche for an intensive digital transition in the industry.

Part TWO

SOCIAL DIALOGUE IN THE SECTOR

2.1. Legislative framework of social dialogue at national and sectoral level

The European social model is based on several fundamental principles: equality, freedom, solidarity, social justice, non-discrimination and sustainable development.

The social Europe model is based on common principles, values and a diversity of systems, common rules and means to achieve them, outlining protective minimum standards that ensure that economic growth and competitiveness, as an EU goal, will not be achieved at the expense of lower standards, denied rights and deteriorating working conditions.

The key **elements of the European social model** are fundamental (social) rights, social protection, social dialogue together with information and consultation of employees, social and labour regulations and the responsibilities of the parties for the implementation of key European policies in harmony with national legislation.

According to Art. 136 and Sec. Article 138 of the Treaty of the European Community (TEC) the promotion of social dialogue is considered to be the general objective of the European Community and the Member States. In essence, the ESD includes all types of discussions, consultations, negotiations and joint actions between the representative organizations of the two sides of industry on issues of common interest related to economic and social policy.

The European Commission at European level and the relevant governments at national level consult the social partners before submitting proposals in the field of social policy, and before these proposals become part of the current legislation.

In Bulgaria, **the social partnership** was renewed after 1990, when the administrative-bureaucratic model of regulation of labor relations proved to be unsuited to the new social dimensions. The accumulated social and labor issues escalated in numerous strike actions in the period 1989 - 1991, and the lack of prepared expert capacity in governmental and non-governmental aspect necessitated intervention by the International Labour Organization (ILO) to build territorial systems and current labor legislation in the country. The normative changes quelled the social tensions, but the strike wave catalyzed the process of creating and developing the social partnership in Bulgaria.

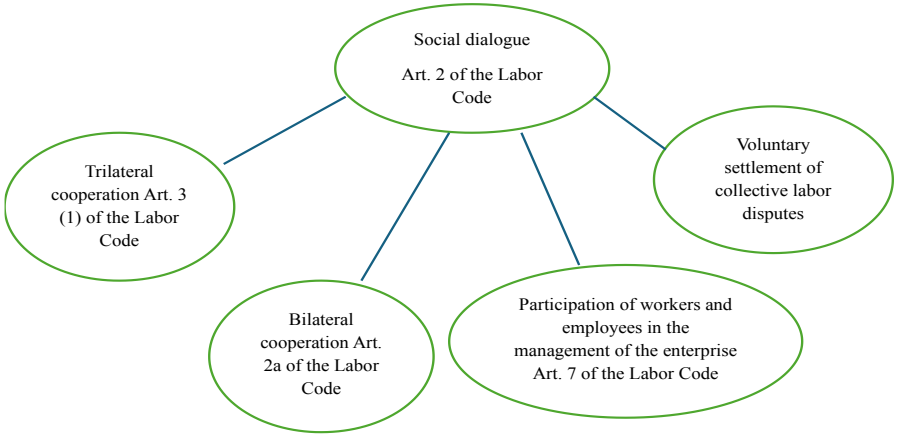
In March 1990, when the first negotiations between the government, trade unions and employers were held, and the first General Agreement between them was signed, which marked the

beginning of the official social partnership in the country. **In 1992, amendments to the Labour Code give normative legitimation to the social partnership and approve a comprehensive national system for tripartite cooperation.** In this way, societal changes necessitate institutional transformation and set the functionality of social dialogue mechanisms.

The legal regulation of the Social Dialogue in Bulgaria is contained in the provision of Article 2 of the Labour Code (LC) "The state shall regulate labour and directly related relations, social security relations and issues of living standards after consultation and dialogue with workers, employees, employers and their organizations in a spirit of cooperation, mutual concessions and respect for the interests of each of the parties".

The legal framework of the social dialogue in the form of tripartite cooperation is regulated in art. 3 of the Labour Code (LC), in the Ordinance laying down the procedure for establishing the existence of the criteria for representativeness of the organizations of workers and employers and in the Rules of Organization and Activity of the Councils for Tripartite Cooperation and in their other internal acts or agreements.

Figure 4 Forms of social dialogue in Bulgaria



The legislation of the Republic of Bulgaria defines four forms of social dialogue: bilateral cooperation (bilateral social dialogue), tripartite cooperation (tripartite social dialogue), employee participation in the management of the enterprise and voluntary settlement of collective labour disputes (see Fig. 2)

Bilateral cooperation under art. 2a CC regulates that the state promotes social dialogue between trade unions and employers' organizations on social dialogue issues. Representative organisations of employees and employers at national level shall endeavour to develop social dialogue and cooperation, which contribute to strengthening mutual trust, mutual respect for interests, promoting collective bargaining, raising employees' awareness, motivating employees to participate actively in the work process; development and promotion of corporate social responsibility.

Tripartite cooperation under art. 3, para. 1 of the Labour Code regulates the regulation of labor and directly related relations, social security relations, as well as issues of living standards in cooperation and after consultation with representative organizations of employees and employers. The scope of the issues of living standards subject to consultation shall be determined by an act of the Council of Ministers on a proposal from the National Council for Tripartite Cooperation.

The law provides for cooperation and consultations to be carried out in the adoption of normative acts on the relations and issues referred to in para. 1., and also that agreements may be concluded on them between the representative organizations of employees and employers for the adoption of normative acts, when the agreement is concluded at their request after the assessment of the State or when the State has proposed the conclusion of the agreement.

Industry, branch, regional and municipal councils for tripartite cooperation are regulated in art. 3b. (1) of the Labour Code. Cooperation and consultations on industries, branches, districts and municipalities are carried out by sectoral, branch, regional and municipal councils for tripartite cooperation.

The sectoral, branch, regional and municipal councils for tripartite cooperation consist of two representatives each of the respective ministry, another department, regional or municipal administration, of the representative organizations of workers and employers.

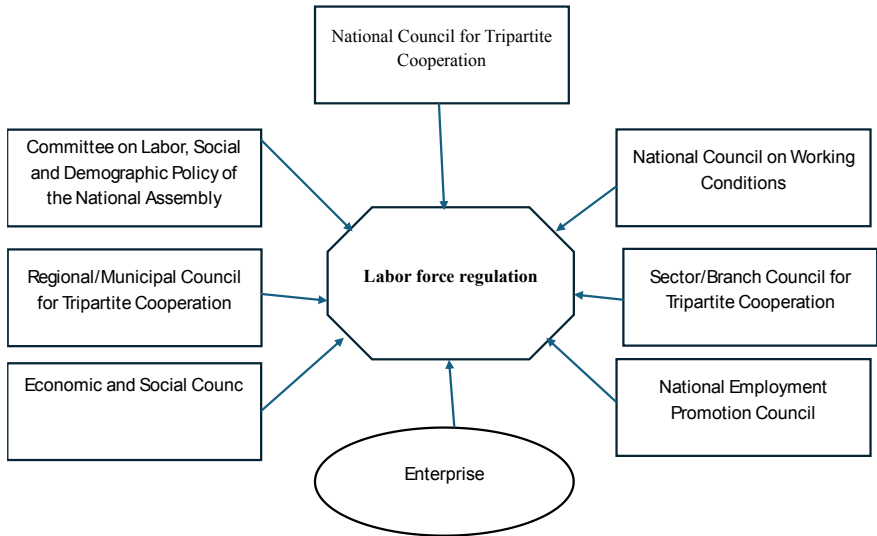
Other by-laws governing the activities of tripartite cooperation councils are their own rules of procedure.

In Bulgaria there is no formally structured Branch Council for the water supply and sewerage sector. In fact, the social dialogue in the water supply and sewerage sector is carried out only in terms of negotiations for branch CLC, as well as on separate joint initiatives of the social partners - participation in public discussions the adoption by EWRC of five-year business plans and the related annual prices of the water supply and sewerage service, the organization of annual controversial games for the industry (spartaciads), participation in various expert councils related to the adoption of legislative changes concerning the water supply and sewerage industry, development and implementation of individual project proposals.

The tripartite form of social dialogue regulated in the Labour Code has various manifestations in social reality that do not directly concern the activities of sectoral social dialogue, but their indication creates a better idea of the functioning of the industrial relations system in Bulgaria. It covers tripartite cooperation in the Committee on Labour, Social and Demographic Policy at the National Assembly, the National Council for Working Conditions, the Economic and

Social Council, the Consultative Council at the Bulgarian Development Bank and others.

Fig. 5 Types of tripartite social dialogue in the country - framework of social dialogue of national



PRINCIPLES OF SOCIAL PARTNERSHIP

It is a fundamental principle of political democracy that decisions are made directly by the subjects to whom they relate, who conduct them and who suffer the consequences of their realization. Among the basic principles are: the right **to freedom of association** (association) is recognized as a fundamental human right; affirmation of the tripartite principle in industrial relations; **autonomy of the social partners** (employers and trade unions - by the state, themselves to regulate their structure and functions in their statutes); **equality of the parties** (means that each of the parties has the right to participate in the bodies of social partnership, to conduct collective bargaining on

an equal basis, to freely express positions, and opinions to protect its economic and social interests. (consensus achieving mutually beneficial solutions); **representativeness of the parties** (based on objective criteria and rules for proving representativeness, as a condition for the right to participate in the social dialogue and as an obligation / responsibility / to fulfill obligations); **cooperation between the Parties** and a constructive approach to common solutions; **diversity of forms of modern industrial relations** (through information, consultation, negotiation, negotiation, controlling, mediation, arbitration, strike, etc.); **voluntariness of participation** in the social partnership and of the implementation of the agreements reached. This principle excludes the state, since its obligation is to organize, manage and participate in the institutions of social partnership, and the other two parties - trade unions and employers participate on the basis of their personal initiative and interest in the forms of social dialogue.

According to the observations of the participants in the social dialogue in the industry, it can be said that the most important level for the sector is the level of enterprise, where the trade union asset is concentrated - the membership, because the degree of association and the trade union leadership in the enterprise to the greatest extent depends the success in signing a Collective Labor Agreement, the specifics and the enforceability of the agreements in it. Next is the role of branch social dialogue and perseverance in collective bargaining, as it sets the "common" framework on which individual enterprises build on arrangements. The National Social Dialogue carried out within the National Council for Tripartite Cooperation has little relation to the sectoral social dialogue for water supply and sewerage, as apart from setting the minimum wage for the country there is no other function directly relevant to the industry. Moreover, since the establishment of the legal framework of the current format of tripartite cooperation in Bulgaria, with an amendment to the Labour Code in 2001. To date, a methodology for measuring the life status or degree of satisfaction of

workers or any other type of formal measurability has not been adopted as an approach to basic social dialogue. The law gives freedom and allows the social partners to choose actions to protect their interests – including the tools for their own information security as negotiators and this is an opportunity for good sectoral social dialogue to be even more effective than national one if it is based on information security of specifically monitored indicators. In a report of the Ministry of Labour and Social Policy (MLSP) on [Analysis of the main communication problems strengths and weaknesses of existing regional practices of social dialogue.pdf \(europa.eu\)](#) it is concluded that the topics discussed are diverse, but do not focus on solutions for improvement, but rather represent formal discussions from which no improvement of regional socio-economic policies derives. The report also assesses that territorial councils for social dialogue are progressing relatively slowly, given that for 20 years there are still no prerequisites for mass in the construction of these social dialogue structures.

The lack of a constructed and functioning branch council for the water supply and sewerage sphere reduces the social dialogue to a bilateral level between the trade unions in the branch and the branch organization of employers in the face of the Union of Water Operators in Bulgaria.

The legitimate parties in the social dialogue in the field of Water Supply and Sewerage Services are represented by: Federation “Construction, Industry and Water Supply”- Podkrepa” , NBS „Vodosnabditel“ and Employers in the face of the Union of Water Operators in Bulgaria.

The state has a leading role in the composition of the social dialogue at national level, as it determines the minimum wage, the poverty line, tax policy, etc., but there is no active engagement at branch level for the specific sphere.

The influence of the different levels of social dialogue - enterprise, municipality, national on the branch social dialogue,

depends on the trade union density, because from it derives the power of negotiation and the quality of the dialogue.

The national influences the branch with the adoption of the minimum wage. Enterprises influence to the extent that the social partners take into account the possibilities of covering the lowest thresholds for individual elements of the CLC - such as basic remuneration, additional remuneration, basic and additional paid leave, benefits, etc..

The tripartite partners also participate in the legislative and regulatory process through discussions in an expert council to the Minister of Regional Development when it comes to legislative changes, and when it comes to regulation - by participating in a public discussion when adopting business plans and prices of the water service. The frequency of meetings shall be determined at the discretion of the social partners, according to the need to discuss issues related to the subject of the social dialogue.

2.2. Institutional structure of the social dialogue

Today, the social dialogue is institutionalised, both at European and national level. And **the relations related to social dialogue are formal, strategic and political**. In ideological terms, the values on which the social dialogue is built coincide with the values of constitutional democracy - freedom of subjects, pluralism, equality, competitive principle, tolerance, transparency, limited role of the state, civil rights and the resulting responsibilities, social progress, but most of all active civic inclusion.

Fig. 6 Structure of the social dialogue in Bulgaria



2.3. Subject of the social dialogue

The subject of the social dialogue is legally regulated in the Labour Code and, as cited above, the subject covers mainly three elements - labour relations, social security relations and issues of living standards. An expression of its subject matter are the agreements and collective agreements concluded between the social partners, which give practical expression to agreements in the course / period of the employment relationship..

In practice, collective bargaining is adopted to cover several main sections, such as: subject, scope, maturity, remuneration, benefits, working hours and breaks, overtime, types of leave, safe and healthy working conditions, employment, professional qualification and retraining, social and cultural services, conditions for trade union activity, relations between the parties.

Examples of agreements in the water supply and sewerage industry can be given - agreements related to the organization of annual sports events (Spartaciada) determining the types of sports, the draw and the schedule of competitions.

1.4. Results of the Social Dialogue

Collective bargaining in the industry started at 25. 01.1993 when the first branch CLC was signed and since then there has been no interruption in the negotiation process for more than 30 years.

For Bulgaria, collective bargaining at sectoral level is low due to the legislative framework, which requires not only an agreement between workers' and employers' representatives, but also validation by the Minister of Labour and Social Policy, who by a special act to extend the effects of the agreements in the industry. However, for the water supply and sewerage sector there is a sustainability in the efforts to maintain an up-to-date sectoral / branch collective agreement "Water Collection, Treatment and Supply", "Wastewater Collection and Disposal" - Extended CLC | General Labour Inspectorate Executive Agency (government.bg).

There is no implementation of the Branch CLC by the Minister of Labour and Social Policy, as a request from the parties to the contract has not been submitted to him. In all water supply and sewerage companies, where there are established and functioning trade unions of the federation "Comecon" - "Podkrepa" there are concluded CLCs, i.e. by March 2024. They are 31 in number.

2.5. Factors promoting and hindering the social dialogue from 2020

The factors influencing the social dialogue in the industry are complex. On the one hand, the activity of trade union structures and the approach of employers to recognizing the benefits of social cooperation can be identified as leaders. The frequency of meetings (meetings) of the Social Cooperation Councils, the range of issues discussed and the feasibility of the agreements on collective agreements in the industry. External to the social dialogue system factors such as pandemic, war, electricity prices also indirectly affect social cooperation, as they have an impact on both decisions related to

the management of companies and decisions related to the motivation of the workforce. For example, the COVID-19 pandemic and the increase in electricity prices in the summer of 2021 have affected the water supply and sewerage industry, leading to a government decision in January 2022 to fully compensate all water and sewerage companies by 100% for the difference above that set in their business plans and in the existing prices for water supply and sewerage services at electricity costs. This decision eased the social burden on the population, which avoided civil protests and social tension at the national level.

2.6. Protests and social tension in the sector

Despite the fragmented picture in the water supply and sewerage industry and the reconstructive policy that EWRC imposes on water and sewerage operators, which directly limits their ability to set competitive wages compared to the private sector and other public sector enterprises, protest actions and strikes are not reported in the industry. To a large extent, this is due to the systematic social dialogue between trade unions and employers, which has played an essential role in ensuring balance and social justice.

2.7. Trainings improving the qualifications through social dialogue

The Federation “Construction, Industry and Water Supply”-“Podkrepa” has its training organization, which is a non-profit organization "Construction Qualification Center" (SCC). The association aims to increase the qualification and retraining of employed and unemployed people in a certain set of professions for which it is licensed by the National Agency for Vocational Training.

Thanks to the good social dialogue between employers united in the Union of Water Operators in Bulgaria and the management of the national trade union F Comecon-Podkrepa, over the past year SCC has implemented a series of trainings for acquiring professional qualification "Welder" - butt welding of polyethylene and polypropylene pipes and ways of connecting pipes in fittings. The trainings are seven days and take place on the territory of the water supply and sewerage companies (Yambol, Varna, Burgas, Pazardzhik, Lovech, Gabrovo) and this does not require the absence of workers from the workplace, which facilitates both the work and training process because they use the machines and tools in the workplace.

2.8. Future perspectives

The implementation of the increased environmental requirements related to the construction and operation of wastewater treatment plants (WWTP), increasing energy efficiency with the construction and implementation of renewable energy production facilities for own consumption, improving accountability through the introduction of water meters with remote reading, as well as expanding awareness for users of the water service require additional professional knowledge and skills of employees and new concepts for the structure of production and career development of staff. This will inevitably reflect on the intensity and quality of social dialogue and the challenge facing the social partners for balanced and equitable solutions that satisfy both sides.

2.9. Good and bad practices from CLA in the industry

In general, collective bargaining in the WSS sector and its results are highly dependent on a third party not directly involved in the dialogue, but with a decisive voice for the implementation of the agreements reached. This decisive voice of the pre-independence Energy and Water Regulatory Commission (EWRC) is combined with

absolute freedom from responsibility for the short-term and long-term effect of the decisions it makes..

As good practices, we identify those clauses of collective agreements that build on the minimum standards regulated in a normative act or agreed at a higher level of collective bargaining and through which we achieve better protection of the rights and interests of trade union members. This CLA contains a number of clauses that are essentially "good practices" on **remuneration, additional wages, benefits, basic and additional paid leave, social cooperation, vocational training and retraining, joint cultural and sports events, safety and health at work and opportunities for trade unions.**

According to specially conducted sectoral analyses of the [National Institute for Conciliation and Arbitration](#) for BCLA, the industry reports a successful social dialogue between representative organizations, the expression of which is ensuring the continuity of BCLA's operation over the years. The analyses show that during the negotiation at branch level, the parties negotiate higher levels than the minimum labor standards laid down in the national legislation. The agreements reached testify to the linking of the social partners to the problems of labour and social relations in enterprises and at national level, as well as to the existing trust and stability of relations between partners. The analyses show a very high degree of consistency of agreed clauses in collective agreements at enterprise level with industry level arrangements. There are no cases where the arrangements at enterprise level are lower than those reached at branch level.

CONCLUSIONS AND RECOMMENDATIONS

The water supply and sewerage sector is of particular strategic importance for the development of the economy, for the protection of public health and for the implementation of any kind of human activity. Interruptions in the supply of drinking water or other problems related to access to or quality of drinking water directly affect the well-being of the population and the development of the regional economy, but would also threaten the provision of critical services for the population such as fire prevention, healthcare, provision of district heating services, etc..

Problems or interruptions in the implementation of waste water treatment activities are associated with adverse environmental and economic effects and pose a serious risk to the public health and security of the population. In this context, it is often commented on the need for investment in infrastructure in the sector and the importance of achieving and complying with European standards related to drinking water quality, technological development and control over the treatment of wastewater and other.

However, these issues, even with financial resources provided, cannot be solved without regard to the issues relating to the state of human resources in the sector, working conditions and remuneration, the ability of the sector to attract and develop specialists - microbiologists, engineers, economists, IT specialists, chemists, technicians, laboratory technicians and other employees, as a fundamental and unalternative necessity, to ensure the necessary continuity and to ensure future work for the development and optimisation of infrastructure in the sector, to introduce innovations and raise quality standards and to improve management practices, in the interest of society as a whole.

In conclusion, we can summarize that the main challenges to the Social Dialogue in the Member States, mentioned in the report of the Foundation for the Improvement of Living and Working Conditions in the EU **"Capacity Building for Effective Social Dialogue in the**

European Union" from 2020, are fully consistent with the national reality under consideration in the context of the water supply and sewerage industry.

Inevitably, policies are needed **to improve the capacity of human resources** related to annual growth of average wages, with at least 4-5% above the average wage growth in the country in the coming years and improving the qualification of employees in the industry, both in terms of directly related skills and the development of digital competence.

Improving the capacity of the organizational structure concerns the formalization of the social dialogue not only at bilateral level between the nationally representative trade unions in the industry and the Union of Water Supply and Sewerage Operators, but also in relation to the key social partner for the sector - the state - in the face of the line ministries and the Energy and Water Regulatory Commission.

The improvement of the regulatory framework can be achieved by creating a separate water and sewerage regulator, a new simplified regulatory mechanism that does not hinder the normal activity of water companies and does not restrict collective wage bargaining through restrictions. More adoption of a new Water Supply and Sewerage Act, affirming the public nature of the ownership, management and operation of water supply and sewerage infrastructure, regulating the financing of the sector in a way that guarantees stability and prosperity. Last but not least, measures should be envisaged to introduce financial support from the State to socially vulnerable persons and households in the population upon payment of water service bills.

Despite the clear regulatory framework and formalized institutional structure that were set in Bulgaria more than 30 years ago, and despite Bulgaria's commitments as a member state to apply European standards and rules in the field of industrial relations, such as the

current Directive on adequate minimum wages, for example, - unfortunately until today there is **no implemented instrument in the activities of tripartite cooperation, which shows the degree of progress achievable within the cooperation councils**, both at national, regional and branch level, much less is this applicable to social dialogue at enterprise level and quite inconceivable to social dialogue at area level.

The lack of information security and objectively verifiable indicators (UPPs) and quality standards for organizational effectiveness raise the question of the adequacy of policies and decisions taken within all levels of social dialogue. That is why the new knowledge gained from the joint efforts of the social partners contributes to the better information security of the process of regulation not only of labor relations within the framework of the social dialogue in the industry, but also of the overall regulation in the water supply and sewerage sector, as it provides an objective basis for debate and comparability of potential management decisions with strategic objectives, both in the field of water policy and in the field of labor policy - the general objective of which is to improve the social status of citizens.

*** Regulations**

Ordinance No. 1 of October 10, 2007 on exploration, use and protection of groundwater

Ordinance No. 1 of 11.04.2011 on water monitoring

Ordinance No 2 of 13.09.2007 on the protection of water against pollution caused by nitrates from agricultural sources

Ordinance No 2 of 8.06.2011 on the issuance of permits for discharge of waste water into water bodies and determination of individual emission limits of point sources of pollution

Ordinance No 3 of 16.10.2000 on the terms and conditions for research, design, approval and operation of sanitary protection zones around water sources and facilities for drinking and domestic water supply and around mineral water sources used for healing, prophylactic, drinking and hygienic needs

Ordinance No 5 of 30.05.2008 on the management of bathing water quality

Ordinance No 7 of 14.11.2000 on the terms and conditions for the discharge of production waste water into the sewerage systems of settlements

Ordinance No 9 of 16.03.2001 on the quality of water intended for drinking and domestic purposes

Ordinance No 12 of 18.06.2002 on quality requirements for surface water intended for drinking and domestic water supply

Ordinance H-4 on the characterization of surface waters

Ordinance on the Order and Manner of Utilization of Sludge from Wastewater Treatment through Their Use in Agriculture

Ordinance No 18 of 27.05.2009 on the quality of water for irrigation of agricultural crops

Ordinance on the use of surface water

Ordinance on the regulation of the quality of water supply and sewerage services,

Ordinance on the terms and conditions for the implementation of the technical and safe operation of dams and their facilities and for exercising control over their technical condition

- **NATIONAL REPORT ITALY**

Governance in the Water Sector in Italy

The integrated water system in Italy can be managed in three different ways:

- concession to third parties (a company that has won a tender);
- mixed public-private company (whose private partner has been chosen by tender);
- in-house entrusting to a wholly publicly owned company.

Although more than a quarter of a century has passed since the promulgation of the Galli Law, the Italian water sector continues to be characterised by significant fragmentation. According to this law, the entrusting of all the components of the water sector must be arranged, in an integrated manner, with respect to a single operator and with reference to the entire ATO (“Optimal Territorial Ambits”) territory. However, there are numerous cases in which this provision is not applied.

Today, there are still more than 1,200 managing entities, 800 of which provide the service without fully complying with the regulations; these are mainly municipalities that provide the service directly in the absence of the legal requirements.

This leads to a phenomenon of fragmentation of the integrated water service on a double level: territorial (number of operators per single ATO) and managerial (management not including the entire cycle).

There are 62 ATOs in Italy, of which 12 regional ATOs, 10 supra-provincial ATOs, 36 provincial ATOs, and 4 sub-provincial ATOs. There are 7 hydrographic districts: Eastern Alps, Po River, Northern Apennines, Central Apennines, Southern Apennines, Sicily and Sardinia.

A significant delay persists in the realisation of wastewater collection and treatment plants and in the upgrading of existing ones. One of the causes is the excessive fragmentation, in some regions, of the subjects responsible for implementing the interventions.

Governance fragmentation is ultimately a major obstacle to real efficiency in the sector.

In Italy, 83% of the population is served by a single manager within each ambit: this leaves 7.6 million inhabitants (13% of the national population) for whom the water service is managed independently by municipalities (1465 municipalities, mainly in the south). In addition, in the next five years the concessions for the service involving 14 million inhabitants will expire.

Thus, profound differences emerge in the management of the water cycle, resulting in waste where investment is scarce and network maintenance is lacking.

As an example, due to the poor condition of the water infrastructure, the percentage of total water losses is 41.8% on average (32% in the north and 51% in the South): this means that for every 100 litres injected into the distribution network, almost 42 do not reach homes.

The cost of the water

Water in Italy is a universal, public good for all, but not free of charge, since all managing entities apply a tariff determined according to criteria defined at national level by the Italian Energy Authority “ARERA”.

In the most populous Italian cities - Rome, Milan and Naples - water service tariffs are lower than the global average. In 2023, Milan's tariff was

0.8 euro per cubic meter per capita, the lowest among those examined as a sample. Rome 1.9 euro.

Water therefore costs less in Italy than in other EU countries, but its quality is in line with European standards, partly because the microbiological controls carried out are scrupulous. In Italy, then, 85% of supply sources are underground: groundwater is always better than surface water because it is less exposed to contamination by atmospheric or external agents.

Despite this, the paradox is that Italians still prefer bottled water, which they believe is more controlled. We are the third largest European consumer of it. Yet, the quality of tap water is not inferior to packaged water.

The tariff charged on water bills is not just to pay for the litres of water consumed, but covers the costs (infrastructural and managerial) needed to guarantee it in all homes, to collect it and purify it before releasing it back, clean, into the environment.

The payment of the water bill ensures continuity, drinking water and efficient purification and sewerage services to users.

The tariff system is based on the full cost recovery mechanism, whereby the 'full cost' of operation (including investments) is covered by the tariff.

The 'fair cost' is that which allows the operators to return on investments - in maintenance, digitalisation, development and network capillarity -, with a view to the circularity of resources, to improve service performance and reduce costs in terms of waste and dispersed energy'.

In order to guarantee the maintenance of the quality of the asset but also of the service, for Femca an integrated public-private, industrial, efficient management is necessary, because water is a continuous cycle, operating 24 hours a day, 365 days a year: competence, industrial technology and quality infrastructures are therefore indispensable to guarantee the service to citizens and businesses.

Some numbers

- Appr. 15.000 workers in the water sector (60% unionized);
- Appr. 49.000 members associated to FEMCA CISL in the gas/water sector (Italy has a unique National Labour Collective Agreement for both sectors);
- Average wage in the V level 2347,94 euros for 14 months of the National Labour Collective Agreement;
- Additional salary: productivity, profitability, participation, company excellence (ARERA);
- Welfare: 1,55% of the wage provided by the company. two complementary funds (PEGASO and Fondenergia) and 5 euros/month per worker Integrative Healthcare (FASIE);
- Social dialogue: average quality of the industrial relations and social dialogue. The employers' association is not so used and open to dialogue.

- **NATIONAL REPORT NORTH MACEDONIA**

Part 1. Presentation of water supply sector

1.1. Ownership and types of involved companies

The water supply services provider is an entity established by the state i.e. the local authority that provides one or more water supply services within the area of one or more municipalities, the municipalities within the city of Skopje or the city of Skopje and

charges a fee for the provided water supply service from the end user of the water supply service. The water supply services supplied by the services providers, as fundamental services for their end users are the following: supply of raw water and/or drinking water, collecting and outflow of urban waste water and/or waste water purification.

The water supply premises and plants are the premises utilized for water regime organization, providing, collecting, intake and preparation of water supply for the population, or industrial and other economy and communal needs (water supply premises), water for irrigation of the agricultural land and collecting and outflow of excessive water (irrigation systems and outflow systems), water for electrical power production (hydro-power plants), collecting, outflow and purification of polluted waste waters and their outflow to the recipient (water protection premise) and meeting special purposes of the defense, ecological needs (special premises). The construction, performance, management and maintenance of the water supply premises and plants in order of providing water supply activities and services are activities and services of public interest.

The development and maintenance of efficient and economic water supply system with drinking water in sufficient quantities, pursuant the requests to all legal beneficiaries and taking suitable measures is within 4

the authorization of the municipal mayors. In order of achieving the quality standards and values, legal entities supplying water aimed for consumption by people are obliged to disinfect the water.

PROVIDING RAW WATER FOR WATER SUPPLY OF THE POPULATION

The water service for providing raw water aimed for the population within the territory of the Republic of North Macedonia is provided by total of 8 water supply providers:

- 1.JPV Lisiche Veles
- 2.JP Studenchica Kichevo
- 3.JP Strezhevo Bitola
- 4.JPHS Zletovica Probishtip
- 5.AD Water Supply Subsidiary
- 6.AD Water Supply Subsidiary Strumichko Pole
- 7.AD Water Supply Subsidiary Kumanovsko-Lipkovsko Pole no.2
- 8.AD Water Supply Subsidiary Tikvesh

PROVIDING DRINKING WATER OR WATER SUPPLY

The water supply service related to provision of drinking water or water supply within the territory of the Republic of N.Macedonia is performed by total of 67 water supply providers:

Water supply service providers

- 1 JKP Derven Veles
- 2 JKP Komunalec Kavadarci
- 3 JKP Komunalec Negotino
- 4 JKP Komunalec Sveti Nikole
- 5 JPKR Usluga Berovo

- 6 JKP Solidarnost Vinica
- 7 KJP Vodovod Kochani
- 8 JKP Nikola Karev Probishtip
- 9 JKP Isar Shtip
- 10 JKP Standard Debar
- 11 JP Vodovod i kanalizacija Struga
- 12 JKP Komunalec Kichevo
- 13 JP Vodovod Ohrid
- 14 JPKD Ograzhden Bosilovo Municipality of Bosilovo
- 15 JPKD Komunalec Gevgelija
- 16 JKP Komunalec Strumica
- 17 JKP Plavaja Radovish
- 18 JP Vodovod Bitola
- 19 JP Dolneni Municipality of Dolneni
- 20 JP Vodovod I kanalizacija Prilep
- 21 JKP Proleter Resen
- 22 OJP Vardar Brvenica
- 23 JKP Vrapchishte
- 24 JKP Komunalec Gostivar
- 25 JPKD Mirmbajtja Zhelino
- 26 JKP Tetovo
- 27 JP Vodovod Kumanovo
- 28 JP Vodovod I kanalizacija Skopje
- 29 JKP Vodovod Ilinden
- 30 JPKD Boshava Demir Kapija
- 31 JKP Klepa Gradsko
- 32 JKP Topolka Chashka
- 33 JPKD Rosoman
- 34 JP Kamena Reka Makedonska Kamenica
- 35 JPKD Bregalnica Delchevo
- 36 JKP Obleshevo Cheshinovo
- 37 JP Plachkovica Karbinci
- 38 JKP Komunalec Pehchevo
- 39 JKP Vodna Kula Zrnovci
- 40 JPKD Lozovo

41	JP Eremija Vevchani
42	JPKD Debarca
43	JP Vodovod I kanalizacija Makedonski Brod
44	JKP Kale Centar Zhupa
45	JP Komunalec Plasnica
46	JPKD Komunalec Polin Dojran
47	JPKD Komuna Novo Selo
48	JKP Turija Vasilevo
49	JKP Komunalna Chistota Bogdanci
50	JP Komunalen servis Valandovo
51	JPKD Lakavica Konche
52	JPKD Komunalna higiena Novaci
53	JP Komuna Krushevo
54	JKP Komunalec Demir Hisar
55	JKP Pela Higiena Mogila
56	JP Pelagonija Krivogashtani
57	JP Higiena Tearce
58	JKP Shari Bogovinje
59	JPKD Mavrovo
60	JKP Kozjak
61	JP Komunalec Kriva Palanka
62	DKU Silkom Kratovo
63	JKP Chist Den Rankovce
64	JKP Gazi Baba – 2007
65	JKP Zelenikovo
66	JKP Skopska Crna Gora Chucher Sandevo
67	JKP Petrovec N.M. Petrovec

Providing water supply services in N. Macedonia is generally a municipal obligation.

The provided services are considered as services of public interest, thus Public Companies must follow the principles of safety during provision, continuity, consistence and quality, transparency, accessibility and protection of the users and consumers. Public

Companies have to provide water supply and sewage system services continuously pursuant the quality standards and must maintain the premises, equipment and devices in functional and operational condition. 1

1.2. National Policy and Water Technologies

Управлението на „водния баланс“ е основата на политиките за ефективно управление на водите. Увеличаващият се дисбаланс между търсене и предлагане на вода в много части на Европа, както и в Македония, водната наличност и водният дефицит постепенно се превръщат в ключови фактори при изготвянето на водни политики на национално и ниво на ЕС. Промените във водната наличност могат да окажат отрицателно влияние върху екосистемите и няколко други социално-икономически сектора, включително доставката на питейна вода, земеделието, индустрията, производството на електроенергия и корабоплаването. Една от основните задачи на политиката на ЕС във връзка с водите е ясно идентифициране и измерване на рисковете от воден дефицит.

Water supply services are essential and necessary. They support the sustainable development of our societies and are essential for achieving the goals covered by the Green Deal of EU and the goals for sustainable development of UN. Every drop of water and efficient integrated water management present a world challenge. The urbanization and economic development have increased during the past two decades, except during the COVID-19 crisis period, causing increased pressure for water extraction, pressure towards the water supply network, increased amount of waste water and the necessary needs for investments regarding waste water treatment and water reutilization. The underground water within the territory of N. Macedonia is one of its most significant treasures with significant potential reserves.

The underground waters represent the basic resource of water supply for great number of settlements and industrial premises. They take

about 80% of the total water supply in Macedonia. Thus, special attention should be paid to the underground waters related to their rational utilization and protection against pollution. There are four hydro-geologic provinces or regions within the N. Macedonia territory, and they are: Western Macedonian hydro-geologic province, Pelagonian hydro-geologic province, Vardar hydro-geologic province and Macedonian-Serbian hydro-geologic province.

The area of utilization and protection of underground waters in N.Macedonia is regulated by several laws and bylaws, such as: Law on Water, Law on Mineral Raw Materials, Law on Environment, Ordinance for Water Classification and the Rulebook for Determination and Maintenance of the Protected Areas around Drinking Water Sources. Underground waters are only mentioned in some of the above laws, while in others, such as the Law on Waters and Rulebook for Determination and Maintenance of the Protected Areas around Drinking Water Sources, the problem regarding utilization and protection of underground waters is closely legally regulated.

Water supply and access to public water supply system

Ensuring quality drinking water for the population is an important priority for every country. The population, household and housing census, as a statistical survey covering the entire population, also includes data on the way of drinking water supply and the equipment of housing units with appropriate water supply installations. Although 88.9% of the total number of individual households are supplied with drinking water through the public water supply system, which is a high statistical indicator, it is worrying that at the beginning of the 21st century, in the heart of Europe, a part of households still use water that has not been biologically and chemically analyzed. Moreover, the fact that a large part of households without public water supply are concentrated mainly in sparsely populated rural areas should not be an excuse for insufficient care on the part of the state to provide quality drinking water for every dwelling or household.

According to the Water Act, urban waste water and industrial waste water must be adequately treated before discharge. According to the Drinking Water Safety Regulation, as well as European directives in this area, the defined water need is 150 liters per person. The International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights imply the right to water.

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It is prohibited to carry out activities that pollute water. The discharge of waters is carried out in accordance with a discharge permit. The discharge application and permit are regulated in the Regulation on the form and content of the application and the required documentation, as well as in the Regulation on the form and content of the discharge permit. The Ministry of Environment and Spatial Planning issues the permit according to the existing water quality criteria and environmental objectives. The permit determines the maximum values for the emissions of substances and their quantities, as well as environmental standards, including emission standards, determined according to the principles of management of the integrated environmental permit, in order to achieve the objectives of the water environment.

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environmental objectives. The permit determines the maximum values for the emissions of substances and their quantities, as well as environmental standards, including emission standards, determined according to the principles of management of the integrated environmental permit, in order to achieve the objectives of the water environment.

However, in the next period, construction of treatment plants is planned in Skopje, Tetovo and Bitola.

The first treatment plant in North Macedonia was built in 1978, and a total of 51 plants have been built so far with a designed capacity for 756,499 equivalent inhabitants.

Only 34 of the total number of water treatment stations are in function with projected capacity of

730 744 equivalent citizens. Some of the constructed water treatment stations connect the systems for release of wastewater from several settlements.

At the moment, 6 water treatment stations are under construction with a projected capacity of 53.500 equivalent citizens, the construction of a water treatment station which will treat the waste water from Skopje started in 2023 and it has projected capacity of 650 000 equivalent citizens.

Six water treatment plants are planned to be constructed or their technical documentation is within preparation, with projected capacity of 207 626 equivalent citizens referring to only two stations, and the capacity for the rest of the stations shall be additionally determined after completion of the technical documentation.

Unfortunately, there are 34 settlements without anticipated construction of systems for collecting and treatment of waste water.

One of the reasons for that situation is lack of construction investment assets.

Taking into consideration the degree of waste water purification within all of the water treatment stations (constructed, under construction and planned), 16 are with primary, 27 with secondary and 4 suitable degree of purification, and there is no data regarding the purification degree for 17 stations.

Considering the aforementioned data, 96,13% of the projected capacities are related to the system of secondary purification, 2,13% are at primary and lowest percent of 1,32% of the projected capacities are related to a system for suitable purification degree, which points out that in order to improve the quality of water in the water flows it is necessary to increase the number of water treatment plants with suitable degree of waste water treatment.

Only 15% of the country is covered by mechanical and biological purification stations, while the bigger cities continue to release the unrefined waste water directly in the environment. Namely, in spite of the researches supported by the EU and the efforts to create an economic instrument for effective and acceptable covering of the expenditures within the water supply sector, the country continues having the lowest water tariffs in Europe, which at the same time is a real challenge regarding the sustainability of water supply and its system for water accumulation and treatment.

“The Government included the establishment of infrastructure for collecting and treatment of the waste water as one of the measures for structural reforms in the Program for economic reforms for the period from 2022-2024. The velocity and conduct of other larger projects is still a challenge”, has been stated in the Report of the European Commission within the part for management of water quality in the country.

According to the data of the State Bureau of Statistics, during 2022 the public water supply system collected and took over 300 116 thousand m³ supply water, which 2.0% less than 2021. The total quantity of collected water, 63.8% have been collected from spring water, and 0.9% from lakes. The total quantity of delivered water from the public water supply system in 2022 was 1.8% more compared to the previous year. According to the structure of water consumption, the largest consumers were the households, which spent 67.0% of the total water delivered by the public water supply system. The total amount of waste water in 2022 was 3.3% lower compared to 2021. The total amount of the released water in 2022, untreated were 72.4%, and treated 27.6% of the waste water.

The basic legal principle regulating the area related to water is the Law on Waters¹³ and the bylaws brought on the grounds of the law. The Law on Waters is a framework law regulating the basic principles for water resources management. The law was drafted according to the model of the Western European laws in order to establish one legal framework for regulation of the water management in integrated and comprehensive manner.

Nevertheless, the water management covers all measures and activities for rational and efficient utilization of water, sustainable development of water resources, water protection and protection against harmful action on waters. The necessity of integrated approach during preparation of the Framework Law on Waters, accrued from the fact that the management and protection aspects are essentially connected and cannot be regulated separately without taking consideration about their mutual connection. Thus, this matter focuses on three areas which are: water utilization, water protection and pollution control and protection from harmful action on water.

It directly covers the requests from the following EU directives related to the water resources management:

- Framework Directive for Waters,
- Directive for quality of water aimed for consumption by people,
- Directive for quality of water for bathing,
- Directive for treatment of communal waste waters,
- Directive for utilization of sludge acquired by purification of waste water, and
- Directive for protection of waters against pollution caused by nitrates originating from agricultural resources.

The fundamental purposes of the law are: provision of sufficient quantity of water; secure protection, maintenance and continuous improvement of the water regimen, improve the condition of the water ecosystems and ecosystems dependant of water and protection and improvement of water environment through rational water utilization, progressive decrease of harmful release and gradual elimination of the dangerous substances emissions, as well as alleviation of the consequences accrued from the harmful action over waters and water scarcity.

Nevertheless, the contents of the law is not completely covered by that. Even though the EU directives related to the water resources management do not contain specific requests, due to the integrated approach in regulation of this area, it is necessary the legal framework to have integrated effective provisions aimed at regulating the physical and legal entities right to use water, to release waste water, i.e. to release and remove matters and substances in the surface and underground waters, as well as to extract sand, gravel and stone from the surface water body beds and banks. The flexibility of the European legislation provides regulating this issue by respecting the constitutional legal framework and legislative practices of the countries.¹⁴

1.3 Prices and social element of water supply service

The water supply service prices in N.Macedonia are determined by the Law on Water Supply Service Prices Determination.¹⁵ This law regulates the aims of politics for the water services for supply of raw water aimed at water supply of the population, water supply, collecting, outflow and purification of the waste waters, establishment of functional system for determination of the water supply service prices, the manner, conditions and procedure for determination of the prices paid for water services, the structure of the water service tariffs, as well as the authorizations of the Regulatory Commission for Energy related to determination of water supply service tariffs.

The general purpose of this law is to provide establishing of financially self-sustaining system of water services, providing high standard of the given services with affordable price pursuant the National Water Strategy of the Republic of Macedonia and the plans for management with the area of river basin.

The special purposes of this law are:

- to provide affordable total price of water services for an average household taking into consideration the total income upon household within the area where the water supply service is being provided,
- to provide sustainable utilization of the infrastructure for performing the water supply services, with final purpose to provide overall return of the expenditures,
- to improve the quality of water supply services in order to provide unimpeded provision of services pursuant the best available practices,

- to provide gradual and finally complete application of the principle upon which the pollutant pays, the beneficiary pays and the principle for resource expenditures pursuant the Law on Waters, and

- to improve the efficiency of the water supply service, through provision of the best water supply services with less expenses.

The Law shall ensure that the water supply services total price for an average household shall be available pursuant the total household income. It should create conditions with the necessary investments within the water supply systems for provision of sustainable utilization of the infrastructure for performing water supply services in order of achieving complete return of expenditures and improvement of water supply services' quality in order of unimpeded provision of water supply serves pursuant the best available practices and application of the principle - the pollutant pays, the beneficiary pays and the principle for resource expenditures. Improvement of the efficiency of water supply service, through provision of the best water supply services with least expenses and stable and predictable conditions for operation of the water supply services' providers and protection of the consumers and beneficiaries against breach of dominant position of the water supply services providers.

The body authorized for determination of the water supply service tariff is the Regulatory Commission for Energy. While determining the water supply service tariff, the social aspect, i.e., the availability threshold of the households within the area where the service is provided, should be taken into consideration.

“The availability threshold” is the ceiling stated in percentage of the financial availability of water supply services calculated within Republic of Macedonia where the price of water supply service does not exceed the determined percentage of the average total income upon

household within the area where the water supply service is provided. The Regulatory Commission, once in every three years within a period of intensive investments, brings a recommendation for availability threshold upon the level of household income in RM, or every seven years, if the investments are smaller.

The Law covers mechanisms for protection of the citizens against excessive tariffs, since the decision for determination of the tariff should be submitted by the the services providers in order of acquiring a consent by the municipality mayor who is obliged to commence a procedure for consent within 60 days, meaning that the mayor may not issue the consent, whereas, if the consent is not obtained within 150 days as of the announcement of the decision for determination of the water supply tariff in the Official Gazette of Republic of Macedonia, the Regulatory Commission shall make a decision for commencing a procedure for bringing a Regulatory Water Supply Service Tariff.

1.4 Economic results of companies

The assessment of the performance of water utilities is crucial for a major improvement of the water management system in the country. As the pioneer of business management Peter Drucker said, “What gets measured gets managed.” In today’s fast-paced world with constantly evolving water technologies and innovative management tools, the implementation of international best practices and tools for assessing and improving the financial and operational performance of water utilities in North Macedonia is crucial.

Although international and bilateral financial institutions often require such an assessment to ensure sustainability, the role of these

institutions as a catalyst for cultural transformation of water utilities should not be underestimated. After analyzing the state of water utilities, plans can be prepared with recommendations for improving the institutional level and implementation. Therefore, it is important to ensure an appropriate legislative framework and true independence of the regulatory body. Policymakers should focus on supporting the cultural transformation of water utilities.

Due to the lack of economic indicators for most public water supply companies, data are presented below only for the public company "Water Supply and Sewerage - Skopje":

Year	2020	2021	2022	2023
Economic results	59,595,847	-67,187,779	-13,273,000	-20,926,603

1.5. Human resources and their development

In many countries around the world, public water supply companies usually develop their strategy, operational plan and human resource selection under the strong influence of the political agenda of the respective municipal administration, without regard to efficiency, incentives for service improvement and customer orientation. All these activities are carried out at the expense of the state, regional or municipal budget.

If we take a closer look at these public water supply and wastewater treatment companies, we will not be surprised by their institutional model, the way they operate, the type of human resources available and the level of innovation. They usually fail to renew their workforce and are the least attractive work environment for young people, especially for the best-qualified technicians in the country.

The average net monthly salary of an employee in the Water supply; wastewater disposal, waste management and environmental remediation sectors is 31,103 MKD, while the minimum salary for March 2023 is 20,175 MKD. The total number of occupied job positions in the sector for the specified period 2021–2023 varies between 9,509 and 10,508 jobs. According to statistical data and analyses of the State Statistical Institute, in 2023 the number of occupied positions in this sector is between 10,143 and 10,463. Since 2012, this number has been constantly increasing — then it was 8,703. The largest number of occupied positions was reported in 2019 — 11,082.

1.6. Double transition of the water supply sector

According to the Water Act, water management includes taking measures and activities for sustainable, rational and effective use of water resources, water protection and protection against harmful impacts on them. A thorough analysis of the data and conclusions from the strategic, planning and program documents in the field of water management is required, as well as an analysis of the legislation and status of management at the national and local levels. The purpose of the analysis is to propose measures to create a conceptual framework for solving problems in the field of water management.

The objectives of management coincide with those set out in the Water Act - ensuring a sufficient amount of high-quality drinking water, as well as water for other purposes; protecting, maintaining and continuously improving water resources, coastal zones, aquatic ecosystems and biological diversity; completely reducing harmful emissions and gradually eliminating hazardous substances; mitigating the consequences of the harmful impact on water and overcoming water shortages. The proposed measures must meet the challenges of

sustainable water resource management, significantly reducing environmental risks and improving the qualitative and quantitative status of water resources, with a positive impact on the environment, the social sphere and health.

The Water Act creates a legal basis for full compliance with European legislation, being implemented in accordance with the Water Framework Directive and other relevant EU acts. Water management includes measures and activities for rational and efficient use of water, sustainable development of water resources, water protection and protection against harmful impacts. This includes the creation of public policies, laws, plans and strategic documents; their implementation through licensing, monitoring, financing, control and inspection.

The structure of the Act reflects the overall management of water, distinguishing between water protection management - aimed at environmental protection, which is the main objective of European water legislation, and water use management - related to water use and flood protection, which is not always related to environmental objectives and water protection.

The 2019 European Commission Report for North Macedonia notes some improvement in water quality (there are plans to implement the Urban and Drinking Water Directives, a National Investment Plan in the sector has been adopted, a new methodology for water service tariffs has been introduced under the principle of full cost recovery). However, it should be borne in mind that the harmonisation of some instruments has not started and the implementation of the legislation is at a very low level. This is mainly due to the lack of secondary legislation, which is important for the implementation of the law, which makes the legal framework incomplete. Therefore, the law is only a declaration of rights and obligations without real implementation in many areas of governance,

and water resources do not receive adequate protection as part of the environment and are used irrationally.

Lack of planning documents for water management

The Water Law provides for three types of planning documents to be adopted after its entry into force:

- National Water Strategy, defining the long-term policy for 30 years;
- Fundamentals of Water Supply in the Republic of North Macedonia - current state of waters, current and future needs, technical and economic solutions for rational use and implementation schedule;
- River Basin Management Plans (each river basin is defined by law) for a period of 6 years, including innovative tools for integrated water management through planning.

Despite the adoption by Parliament in 2010 of the National Water Strategy for the period 2011–2041, the Fundamentals of Water Supply and River Basin Management Plans have not yet been adopted. The Strategy does not contain specific strategic investment objectives and priorities, nor measures and activities for their implementation.

In total, the Water Act provides for 106 legal bases for the adoption of by-laws ensuring the implementation of the Act and the achievement of its objectives, 52 of which have not yet been adopted. Most of them relate to environmental objectives, limit values for emissions into water, protected areas, permissible tolerances, protection against harmful impacts, monitoring and information system for water, as well as keeping registers and methodology for calculating the harmfulness of benefits. Therefore, the rights and

obligations provided for in the Water Act cannot be adequately implemented, and the lack of by-laws is noticeable.

The requirements for implementing environmental standards are significant and require large financial investments. In terms of water, the requirements arising from the Urban Waste Water Directive and the Drinking Water Directive require significant investments. Recently, investments have been made in the sector, especially for waste water treatment, mainly through the use of donor funds (mainly from the EU), as well as local resources, mainly from the budget of the North Macedonia.

Part 2. Social dialogue within the Water supply sector

2.1. Social dialogue legislative framework on national and sector level

The N. Macedonia legal framework regulating the freedom of assembly and the right of collective bargaining is regulated pursuant the ratified Conventions of MOT, the national legislation within the labour area covered by the Republic of North Macedonia Constitution and the Labour Relations Law.

The process of collective bargaining represents a possibility of the social partners to freely negotiate the working conditions. Pursuant the Labour Relations Law (ZRO), the collective bargaining in N. Macedonia is performed on three levels:

- National - through General labour agreements for the private sector and General labour agreement for the public sector

- Branch/Sector - through individual labour agreements within branches i.e. sectors pursuant the National classification of activities (NKD), and

-Employer.

The general labour agreements are mandatory for all employers and employees within the economy (private sector), i.e. the public sector according to the sector where the General labour agreement was concluded.

2.1.1 Collective bargaining at national level

Collective bargaining at the national level is carried out with the aim of concluding a General Employment Agreement for the Private Sector and a General Employment Agreement for the Public Sector. According to the Labor Code, the parties concluding a General Employment Agreement for the Private Sector are the representative organization of employers and the representative trade union organization for the private sector within the economy, while the parties concluding a General Employment Agreement for the Public Sector are the representative trade union organization in the public sector and the Minister authorized for labor-related activities, after prior authorization by the Government of the Republic of North Macedonia. This General Employment Agreement for the Economy is concluded between the Federation of Trade Unions of Macedonia as the representative trade union for the private sector and the Employers' Organization of Macedonia as the representative organization of employers. Regarding the General Employment Agreement for the Public Sector, the signatory parties are the Federation of Trade Unions of Macedonia and the Government of the Republic of North Macedonia, represented by the Minister authorized for labor-related activities. Collective bargaining for the public sector covers state authorities and other state bodies, local government bodies, institutions, public enterprises, bureaus, agencies, funds and other legal entities with public interest, including the Public Enterprise for Water Supply and Sewerage

2.1.2 Collective bargaining at sector level

The collective bargaining on the level of a branch, i.e. department, pursuant the National activities classification is performed for conclusion of the Special Labour Agreement. The Labour Agreements on the level of a branch/department/sector are concluded by the representative associations of employers and trade unions and are applied only to the signatories, i.e. the members of the associations of employers and trade unions or the ones who joined the association additionally.

At the moment, there are 19 Special Labour Agreements (considered as valid) in the Republic of Macedonia, 10 of which belong to the public sector according to their functional area of application, and 9 are in the private sector. One of the special labour agreements in the public sector is the *Labour Agreement for Communal Activities in RM32* at a level of branch signed in 2006.

Labour Agreement for Communal Activities in North Macedonia

The employment contract for communal activities in the Republic of North Macedonia is concluded at the sector level according to the National Classification of Activities in North Macedonia. The employment contract is concluded between the Trade Union of Workers in the Hotel, Tourism, Municipal and Domestic Economy, Crafts and Protective Associations of Macedonia - SUTKOZ (affiliated with the Federation of Trade Unions of Macedonia) and the Organization of Employers in Public Enterprises (part of the Macedonian Employers' Organization).

The presentability of SUTKOZ on the branch/department level, for the departments within the sector E/D - Water supply, removal of waste water, waste management and improvement of the

environment, pursuant the National activity classification is 54,09 %.³⁴

The Laws governing the operations of the Public water supply companies are: Law on Waters³⁵, Law on Drinking Water Supply and removal of urban waste waters³⁶, Law on Protection and Improvement of the Environment and Nature, Law on Physical and Urban Planning, Law on Local Selfgovernment, Law on Public Companies, Law on Communal Activities and others.

Besides the legal regulation, several ordinances and rules of procedure have been brought and represent basis for water management and refer to several domains: classification and categorization of water, river basins, council bodies, planned documents, water supply, urban waste waters and release of waste waters. The following bylaws have been brought as well: Rulebook for water safety, Ordinance for Water Classification, Ordinance for Water Flow, Lakes, Accumulation and Underground Waters' Categorization, Decision for Determination of Protected Waters' Borders at the protected zones on the spring Rashche and determination of the safety measures, Decision for Determination of the Protected Waters at the well area Nerezi - Lepenec Borders.

Ever since, no new labour agreement has been signed in this area.

2.1.3 Collective bargaining on the level of employer

The collective bargaining on the level of employer is performed for conclusion of Individual Labour Agreement. The individual labour agreement is concluded on the level of entire company/employer (irrespective of the fact whether the company has one or several branch offices/subsidiaries arranged in the different municipalities throughout the country).

The parties of the individual labour agreement, which according to the functional area of applications belongs to the private sector, are the representative trade union at the employer and the authorized person of the employer.

In case when several representative trade unions participate in the labour agreement, a negotiation board is established.

The parties of the individual labour agreement, which according to the functional area of application belongs to the public sector (individual labour agreement for public companies and institutions), are the basis or the authorized body and the representative trade union at the employer. The Public company Water supply and sewage system has the individual Labour Agreement on the level of Company and it determines the rights, obligations and responsibilities covered by the employment.

Total number of 35 companies has signed a labour agreement on the level of employer.

2.2 Institutional structure of the social dialogue

The labour agreement for communal activities in RM regulated the rights, obligations and responsibilities of the labour agreement signatories, pursuant the law and other regulations, legal rules regulating the concluding, contents, termination of employment and other issues related to employment.

In N.Macedonia, the key affected parties taking direct participation in the collective bargaining are the representative associations of employers and representative trade union organizations.

Representative employers

The only representative organization of the employers is the Macedonian employers' organization which has concluded labour agreements on branch level. This organization represents the employers in the general and special social partnership, it provides for the development and realization of the rights and freedoms of the employers within the economic and social sphere.

The Macedonian employers' organization pays great attention towards the social dialogue on every level such as:

- European level, through the Common Consultative Committee, part of the Economic social Council of EU it allows the employers to follow the road of N.Macedonia towards membership in EU through adoption of recommendations to the Government of the Republic of Macedonia and the EU institutions.
- National level, through the Economic Social Council. The employers from the Macedonian employers' organization, with their 4 out of 12 members participated in the creation of the economic-social policies in the Economic Social Council on national level, where the other two parties were the representatives of the trade unions and 4 Government representatives.
- Bipartite level through the citizens labour agreements and labour agreements on the employers level. The Macedonian employers' organization represents 17 employers' associations on a branch level, including small and medium companies, as well as almost every bigger corporate company in the country. The Macedonian employers' organization has signed: 10 labour agreements on branch level as well as General labour agreement for the private sector within economy binding for every businessman from the private sector.

- On the local level through the Local ESS.

In the Waters sector, the biggest association of communal service provider in the Republic of Macedonia is ADKOM and is currently under preaccession procedure for ORM membership. ADKOM is an association of citizens established in order of performing activities for improvement of the communal sphere in the Republic of Macedonia. ADKOM is nongovernmental and nonprofitable organization joining the Public Communal Companies in the Republic of Macedonia and its membership is consisted of 80 Public Communal Companies (PCC).³⁷

It is essential to mention that part of the JKP performs the activity for water supply, but the other part performs other activities as communal companies, and it is difficult to make a discrepancy since those are companies in small municipalities and/or rural regions.

The key gain emphasized by the ADKOM association to their members is the “possibilities for their direct participation in the process of creating opinions of ADKOM related to issues faced by the JKP in the Republic of Macedonia through participation in work commissions with a purpose to improve the legal framework referring to the communal activity

Representative trade union

The employees’ trade union from the industries of hospitality, tourism, communal - housing economy, craftsmanship and protection associations of the Republic of Macedonia represents the interests of five social activities.

The three labour agreements signed by SUTKOZ almost completely cover the employees in the included activities. Those are the Labour Agreement for Communal Activities in the Republic of Macedonia, the Labour Agreement for Protection Associations in

Macedonia and the Labour Agreement for Hospitality in the Republic of Macedonia.

SUTKOZ is a voluntary, independent organization of workers in the hotel, tourism, municipal and domestic economy, handicraft and protective associations in the Republic of Macedonia. It was established on February 12, 1991 with the aim of expressing and implementing special and collective interests, improving economic, social, material and other interests and improving labor rights. The union organizes all members who accept the Statute and the program and regularly pay the union membership fee.

SUTKOZ is an equal member of the Federation of Trade Unions of Macedonia and a full member of three international trade union organizations: PSI, EPSU and IUL. SUTKOZ advocates for:

- Economic and material security and improvement of the economic and social situation of members through the signing of employment contracts;
- Improvement of working conditions, occupational safety and protection of the environment and the working environment;
- Implementation of trade union rights and freedoms;
- Implementation of labor rights;
- Social dialogue based on tripartite principles;
- Democratic and humane legislation in accordance with international standards;
- Accelerated economic recovery of the country, raising salaries and standards of employees to a civilized level and a decent standard of living.

2.3 Subject of social dialogue

Social dialogue in the water sector is reflected in the Labor Agreement for Utilities, which regulates the following areas: The labor contract, the manner of termination of the validity of the labor contract, payment of labor (success, bonuses to the salary, minimum wage, additional remuneration, compensation for official expenses), working hours, breaks and holidays, compensation for damage, occupational safety and special safety for certain categories of workers, temporary dismissal from work, protection of labor rights, amicable resolution of individual and collective labor disputes, submission of written documentation, trade union organization, exercise of the right to strike, temporary forced leave and validity of the labor contract.

The labor contract at the company level may regulate greater rights defined by law, the General Labor Agreement for the Economy of the RSM and this agreement. This agreement is directly applicable and its provisions are mandatory for the parties concluding it.

2.4. Results from the social dialogue

The European Commission Report states that “North Macedonia should continue the efforts to adjust the national legislation to the EU law for governing the water quality. The programme for water management for 2023 in order of projecting and construction of new and maintenance and improvement of the existing public structures for water supply and water flow regulation was brought in February 2023. The legal and political framework for integrated water management is greatly adjusted to the *acquis* for waters. In addition, the report also noted that “the slow pace of the implementation and conduction is a huge system weakness. Certain improvement at increasing the very low level of financing has been achieved.”⁴¹

The social partners cooperation in the past two years, 2022-2023, went through very intensive communication directed at discussing several key labour laws, such as: draft Labour Relations Law, draft Law for Prevention and Protection of Harassment at Work, draft Law on Public Sector Salaries System, the Tripartite Action Plan of ESC 2023-2025 was additionally examined, Action Plan for Improvement of Amicable Work Dispute Resolution for the period from 2023 until 2026. With respect to the collective bargaining, new General Labour Agreement for the public sector prepared by a work group formed within ESC was signed in July 2023, 15 years later.⁴²

The Government intended to bring these laws before the parliamentary elections, but did not achieve significant progress in spite of the great efforts by all parties involved in the process.

Currently, the signed Labour Agreement for Public Communal Companies is effective, but not applicable for the signatories, since the Macedonian employers' organization membership is in preaccession procedure. ORM has submitted a request for presentability of the waters sector and is awaiting a response by the Presentability Commission within MTSP upon this issue. If a positive responsive is received, the negotiations will start immediately.

The Ministry of Information Society and Administration presented the Draft Law on Public Sector Salaries System, published on ENER together with the draft report for estimation of the regulation influence, which is the first attempt in North Macedonia to overcome these issues, eliminate the differences between same type institution salaries, as well as to establish order in the payment system.

This draft law created by the support of SIGMA and with cooperation of the Ministry of Finance, the Ministry of Labour and Social Politics and the General Secretariat of the RNM Government is aimed at equality and bears the basic principle of "equal salary for

work with equal value”, i.e. provides equality and equal evaluation for every job position in the public sector.

Accordingly, this law shall cover all 1.346 public institutions with around 132.088 employees included in the Law on Public Sector Employees.

The acquisitions from bringing the General Labour Agreement, brought 15 years later, for the employees in the public sector, are salaries increase of 10 percent, K-15 bonus for every employee in the public sector of about 10.000 MKD until the end of the year and long term increase of salaries in the public sector.

The labour agreement itself establishes a system of public sector salary raise. As of March 1, 2025, the average salary multiplied by the complexity coefficient, at job position, will be the basic salary of every employee.

The Federation of trade unions of Macedonia should make and Agreement with the Government of the Republic of North Macedonia by the end of 2024 and determine the complexity coefficients of the job positions. Each year, with the increase of the average salary, the public sector salaries shall increase as well.

2.5. Factors for development of social dialogue

Effective tripartite social dialogue and cooperation is required. The governments, employers and employees organizations should carry out overall needs estimation covering all dimensions (health, social and economic) and create effective strategies and policies for mitigation of the economic-social consequences from the crisis, thus protecting the workers and their families, especially the most vulnerable ones, from losing their jobs and incomes, and the companies from bankrupt. The social dialogue is an essential asset for stable management in intricate situations due to several reasons:

-sharing information among the tripartite constituents shall improve the quality policies and strategies creation for response and recovery from crisis;

-The social dialogue builds title and pledge for these policies, alleviates the road towards their accelerated and more effective implementation; and

-The social dialogue helps creating the confidence necessary for overcoming the differences and strengthening the social cohesion and sturdiness while the countries put their efforts in reviving the structure of their economies and societies on longterm basis.⁴³

The social dialogue, based on respecting the freedom of joining and effective recognition of the collective bargaining right, plays a crucial role during creation of the policies for social justice promotion. The social dialogue and tripartism are essential for the democracy and the good governing and represent a moving force for economic and social endurance, competitiveness, stability and inclusive growth and development.

The involvement of social partners in crisis decision-making is particularly important, as demonstrated by the experience of managing the 2008-2009 financial crisis, when social dialogue helped to design and implement stimulus measures, protect jobs and incomes, and accelerate economic recovery.

Support from the International Labour Organization (ILO) is an essential factor in the development of social dialogue. The ILO supports social partners through projects, research, training and direct involvement, promoting sound industrial relations and the adaptation of legislation to economic and social conditions.

Lessons from past crises include:

- Countries with experience and developed social dialogue institutions react more quickly and effectively;
- Governments should involve social partners at the earliest stage of a crisis;
- Social partners should be proactive in presenting issues to the authorities;
- Political will is needed to build consensus and support for measures;
- Crises can provide opportunities to overcome conflicts and improve industrial relations;
- Sustainable employment, quality services and respect for labour standards need to be prioritised;
- Free, independent and representative employers' and trade union organisations are key.

Every situation is unique, but all forms and levels of social dialogue are essential. Dialogue should start as soon as possible and social partners should be involved in all stages of the process, from needs assessment to implementation and monitoring.

The importance of state engagement increases trust in social dialogue. The involvement of social partners leads to better preventive and supportive measures for workers and companies, especially in limiting the spread of COVID-19 in the workplace.

Effective social dialogue requires strong, independent organisations with capacity and free access to relevant information. Political will and respect for the fundamental rights of association and collective bargaining are essential.

The Labor Relations Act regulates the establishment of employer and trade union organizations, collective bargaining, and labor relations. It is also the basis for the establishment of the Economic and Social Council (ESC), which is a tripartite advisory body to the government on economic, social, and labor issues.

2.6. Protests and social tension in the sector

There have been no protests or social tensions in the water supply sector in the last twenty years.

2.8. Training and improvement/upgrade of skills

Taking into consideration the training organized for improvement of the social dialogue, MOT has the main role and organized series of training on different topics in order to strengthen the cooperation between the social partners and emphasize the need of collective bargaining improvement. All affected parties always take part in this training.

The key role for advancement and development of the communal companies capacities is inclusion of the employees in training and improvement. ADKOM actively works on building capacities and through its Training centre provides organizing extensive training, conducts programs, offers technical assistance, as well as realizes activities for knowledge exchange with affected parties within the waters sector.

The following examples are pointed out: specialized training provided introduction to a model of municipal information system for communal waste management (SWIS), a methodology for determination of the waste quantity and composition was discussed, presentation of the results from the conducted campaigns for measurements in the four pilot municipalities, N.Macedonia, Reforms

in the system for water supply, collecting and purification of urban waste waters on local level and many more.⁴⁶ However, there is lack of training for the employees in the waters sector, since that training cannot cover large group of representatives from communal companies from all of the municipalities.

2.8. Future perspectives

The Ministry of Environment and Physical Planning aims the future perspectives and activities related to water management towards achieving “good condition” of all waters for certain period of time, which contains the requests for application of the integrated approach of water management on the level of river basin regarding the quantity and the quality. The law’s concept presents the integrated and overall approach for achieving strategic determination for clean water on the whole territory of the country. The goals of all activities are aimed at protection, preservation and continuous improvement of the condition of water ecosystems and water habitats, promotion of the sustainable utilization of water based on longterm protection of the water resources, improvement of the protection against harmful emissions and reduction of underground waters pollution, alleviation of the consequences accrued from harmful action on waters and water scarcity, as well as fulfillment of the responsibilities covered by the international agreements. The ultimate demand of the law is water management on the level of river basin which means utilization, planning, as well as protection of all surface and underground waters on the level of geographic and hydro-graphic units. Central element of the water management on the level of river basin is preparation of plans for river basin management. In order to promote rational water utilization, the law determines an obligation for remuneration of all expenditures, which are: expenditures for the environment and expenditures for the resource.

In the upcoming period of five years, SUTKOZ shall realize its activity and total operations with performed radical changes of the regulation of employers and employees' relations, i.e. the conditions of deep alterations of the Work-legal position of employees. In such difficult circumstances of operation, SUTKOZ shall direct its future activities towards realization of the following determinations and purposes:

1. Protection and improvement of the material and social position of the employees The basic purposes of the SUTKOZ activities shall be realization of the constitutional and universal working right, free employment choice, satisfactory working conditions, protection from unemployment and material safeguard during unemployment.

Determination of salaries, protected by the influence from the raise of prices and life expenses, providing material safety of the employees and suitable life for them and their families.

In terms of the market economy, where the salaries strictly provide the actual individual employees' standard, SUTKOZ shall stand for stimulative salaries for the employees, dependable on the effort, preparedness and creativity for quality and timely completion of tasks and suitable valorization of the invested efforts.

The increased labour productivity must influence the salaries' increase.

SUTKOZ, joined in Federation of Trade Unions in Macedonia, shall strive for unique and overall social policy, precisely determined financing sources, based on efficiency and righteousness during its realization.

SUTKOZ shall follow the movement of prices, services, expenditures, value of the consumer's basket and salaries, and based on their influence over the standard, shall propose certain measures.

2. Privatization and employees' rights protection

SUTKOZ shall be actively included in all stages of the privatization process, i.e. in transformation of the economy entities within the public communal economy, in order to prevent violation of the material and social position of the employees. An active social dialogue between employers and the trade union should be established.

During the privatization process and through public private partnership, SUTKOZ shall strive to preserve the natural resources such as water and water supply, i.e. to prevent them becoming object of privatization or concession.

3. Collective bargaining

According to SUTKOZ, collective bargaining and labour agreement shall continue to represent basic and permanent determination and instrument for regulation of the employees' rights.

Labour agreements shall have mandatory character and every noncompliance shall cause legal consequences through more efficient inspection and court protection of the employees' rights.

4. Safety at work

Safety at work and creation of healthy and humane conditions for work, humanization of the overall relations in the working environments, adjustment of the working hours to the needs for improvement of the work conditions for the employees shall be daily preoccupation in the entire engagement of SUTKOZ in the upcoming period.

5. Employees' rights protection

The Law on Administrative Personnel brought in 2015 is based on new conceptual solutions and legal institutions, and at the same time obliges regulation of the employment, collective bargaining and labour agreements.

Activities of SUTKOZ joined in FTUM shall be aimed at application of the Law on Administrative Personnel and all

other laws within the working-legal area, i.e. application of the labour agreements on all organizational levels.

6. Membership education

The responsible social role and position of the trade union implies that the trade union education should be one of the most important activities of SUTKOZ for the upcoming period. The activities related to the education shall be performed through the usual forms of that process such as seminars, counselling, theme conferences and debates upon actual themes of interest for the membership and overall trade union operation. The educational concept shall be developed, the method and contents of the education shall be improved through preparation of models upon certain topics, according to the interests and needs of the trade union membership.

7. International trade union cooperation

The development of the international trade union cooperation, especially in adequate trade unions in the developed European countries and the neighboring countries shall be aimed at broadening the knowledge and experiences in function of further development of the trade unions upon instances from the developed world. The trade unions shall realize close cooperation with the trade union associations and organizations, thus paying special attention to the cooperation with IUL, where our trade union is a full member, as well as the World Trade Union Association of services PSI, where SUTKOZ is accepted as a full member.

8. Systematic organization of membership

The systematic enlisting in the trade union shall be permanent activity of the trade union.

Having into consideration the cognition and fact that even the unorganized employees consider the trade union as necessary and useful, they intend becoming its members. The fact that the trade union is an organization of employees organized in order to take active participation in the fight for their rights and persuasions, its power depends on its massiveness. One of the program activities of the trade union is to work on the massiveness of its organization referring to enlisting new members in all activities and economic entities where it acts, but also in environments where it is not yet organized.

2.9. Good and bad practices related to sectoral labour agreements

It is good practice to make employment contracts publicly available to all parties concerned. In particular, all social partners publish them on their websites. The Ministry of Labour and Social Policy (MLSP) also publishes them and regulates a register of records – the Electronic Register of Collective Labour Contracts.

- **NATIONAL REPORT MALTA**

Introduction

Ensuring the well-being and rights of workers is crucial for sustainable development and fair progress. Promoting and strengthening social dialogue is a key part of this effort. Social dialogue is essential for

fostering cooperation, solving problems, and benefiting employees and employers.

Objective of Analysis

The main aim of this analysis is to examine the current situation of workers' rights in Malta's water sector. This involves thoroughly investigating Maltese labour laws, working conditions, and the overall welfare of employees. This country report seeks to identify areas for improvement, anticipate challenges, recognize good practices, and find ways to enhance workers' rights and well-being. The report aims to suggest strategies for improving workers' rights by critically evaluating existing frameworks and approaches.

Promoting Social Dialogue

An essential aspect of this effort is promoting social dialogue. This involves fostering teamwork, addressing issues, and creating mutual benefits for workers and employers. Exploring this area further highlights the importance of effective communication and collaboration in creating a positive workplace environment in water production. This introduction sets the stage for examining strategies, challenges, and opportunities in promoting social dialogue for workers in water production. By focusing on this crucial aspect, we hope to discover ways to improve teamwork, working conditions, and sustainable development in the industry.

Context And Challenges:

The Maltese Archipelago, situated in the middle of the Mediterranean, is one of the smallest in the world. It is also one of the densest, with over 535,064 residents. Malta, Gozo, and Comino are the only inhabited islands in the Maltese Archipelago. The areas of the three primary islands are (Malta, 246 sq km; Gozo, 67 sq km; and Comino, 2.7 sq km). The population density in Malta is 1672 per sq km.

Malta experiences natural water scarcity due to its geographical position. The Mediterranean climate, characterized by low rainfall and high temperatures, reduces natural water availability. Additionally, significant losses occur through evaporation, further impacting the overall water resources. Annual rainfall can provide only about half of Malta's total needs. Since 1982, Malta has been 'producing' water through seawater desalination.

History Of Malta's Water Management:

The Maltese archipelago is primarily composed of sedimentary rock dating back to the Oligo-Miocene era, which affects water percolation. Areas above the impermeable Blue Clay deposit generally have more abundant water resources. Malta's primary underground water deposits are perched aquifers and mean sea-level aquifers. However, only a fraction of rainfall replenishes these sources, which makes water supply a significant challenge in Malta's Mediterranean climate, characterized by dry summers and limited rainfall. Water scarcity in

Malta is further exacerbated by population growth and rising living standards. Climate studies suggest minor variations in rainfall patterns over centuries, with an extended dry season since the 1950s. Therefore, sustainable water resource management is crucial in Malta. Water management has always been crucial throughout Malta's history. Prehistoric rock-cut tanks, Roman villa cisterns, and medieval constructions like flask-shaped cisterns and spring forts testify to the importance of water conservation. The Arab occupation likely introduced water galleries, providing a perennial water source for agriculture. In the late 17th century, the Knights of Malta initiated the construction of an extensive network of cisterns and drainage systems in Valletta to capture water. However, recognizing the insufficiency of these measures, they designed and constructed an aqueduct to transport water from agricultural springs in the Rabat area. Subsequent British rule saw the construction of small dams and weirs to store winter rains for irrigation. During the same period, the concept of using underground water stored on the impermeable clay layer within the geological matrix of the Maltese Islands started to be contemplated. At first, groundwater (as the term that would be used thereafter) from shallow boreholes and horizontal gallery systems in the perched aquifers started to be exploited. Eventually, as early as late 1800's and early 1900's, gallery systems and pumping stations started to be driven, and used in the deeper Mean Sea Level Aquifer (MSLA). Here, it should be noted that the MSLA is infiltrated rainwater floating on the much denser seawater within the geological structure of Malta

normally termed as the freshwater lens. The concept of such freshwater lens is based on the Ghyben Herzberg principle whereby the ratio of the depth of freshwater above the mean sea level to that below the mean sea level to the sea water interface is regulated by the difference in densities of freshwater and seawater. From the 1950s and eventually in the early 1980's, the large-scale exploitation of the MSLA aquifers in Malta and Gozo escalated to meet the nation's water demands. Today, the Water Services Corporation manages 13 groundwater pumping stations and over 42 kms of gallery systems in Malta and Gozo.

This increased groundwater abstraction already negatively impacted the quality of groundwater due to seawater encroachment in the aquifer body. To exacerbate matters even worse, in the early 1990's, several private boreholes were drilled by landowners without any legal authorisations, mostly for agricultural purposes., thus This was rendering the quality of groundwater in most areas in Malta and Gozo, unusable. Increasing water demand in all sectors in particular industry but also agricultural coupled with population increase, in the early 1980's, the need for a better-quality source of water was becoming a priority. The impacts, the manner these were tackled, and the ensuing results will be delved upon further in this report.

Ownership and types of enterprises involved.

The Water Services Corporation (WSC) was established in 1992 and it took over all the functions which the then Department of Water

Works ran namely to manage all aspects of the water cycle in Malta. It is responsible for ensuring a reliable water supply to the population as well as treat and dispose safely generated sewage. With a workforce of approximately 1,200 skilled workers, the corporation has significantly contributed to managing water resources in the country.

Before establishing the WSC, Malta faced severe water shortages, leading to political and social challenges. At first, the strategy used to counter the then serious water shortage problem was to increase water production. For this purpose, from 1981 till 1992, several reverse osmosis plants were built, in Lapsi, Marsa, Tigne', Cirkewwa and Pembroke. It became obvious by then that this strategy was a reactive one and was not working as the demand was, till then inexplicably increasing.

The new way forward was the establishing of the Water Services Corporation with the main objective to tackle the water issue in a holistic and sustainable manner.

In fact, in brief, the corporation addressed these issues by firstly repairing infrastructural leakages thus reducing water demand which resulted in a decrease in water production. This invariably reduced energy consumption thus rendering the WSC's operations more efficient.

The WSC is one of the most experienced water operators, producing over 35 million cubic meters of potable water annually. Three reverse

osmosis plants in Malta and a more recent addition in Gozo contribute approximately 23 million cubic meters accounting for 67% of the total potable blend. Additionally, water from underground sources is abstracted and blended with desalinated water in 24 reservoirs having a collective capacity of 400,000 cubic meters. A vast network of over 2,200 kilometres of pipes facilitates water distribution, benefiting over 550,000 people. Real-time monitoring and control of production, transfer, and storage occur from the Control Room in Luqa. Optimal reservoir levels, flow rates, and pressures are maintained continuously.

The corporation's commitment to excellence is evident through investments in cutting-edge leakage detection technology, technician training, and collaboration with external contractors for network repairs. These efforts have yielded positive results, demonstrating the WSC's dedication to ensuring a dependable water supply for Malta.

With three decades of expertise and a highly skilled workforce, the Water Services Corporation remains a pivotal entity in Malta's water industry, making substantial advancements to meet the water needs of its populace.

National water policy and technologies

Introduced in 2012, Malta's National Water Policy outlines a comprehensive strategy for water management. It emphasizes the importance of improving efficiency, reducing water losses, and promoting water conservation practices. Additionally, the policy

underscores the significance of public awareness and stakeholder engagement in achieving sustainable water use.

Ground Water

Groundwater is a unique and reliable source of water that is easily accessible. However, the availability of drinkable groundwater is increasingly threatened, making it necessary to urgently preserve it. As explained previously, in Malta, the natural water sources rely heavily on rainwater that infiltrates into the rock and is stored underground. Rainwater seeps through the cracks and joints of rocks, settles in porous rocks, and forms two main natural aquifers, an aquifer is a geological formation consisting of rock or sediment that can significantly contain and transmit groundwater. It serves as a natural underground reservoir that supplies water to wells and springs and is crucial for sustaining both human activities and natural ecosystems.

The perched aquifer is found in areas with upper coralline limestone rock outcrops. It allows rainwater to easily pass through cracks and settle on the impermeable blue clay layer. This aquifer forms natural springs, which historically served as the primary source of potable water for the Maltese. These springs were used for drinking, irrigation, and animal watering. However, over-extraction for irrigation has significantly depleted these springs. The mean sea level aquifer is located at a lower level and comprises fissures and pores of globigerina and lower coralline limestone. This freshwater reserve lies at the same level as the sea but remains separated from salty seawater

due to differences in density. Currently, slightly less than half of Malta's water consumption is drawn from the mean sea-level aquifers extracted through boreholes and underground galleries.

The reliance on groundwater highlights the importance of sustainable water management practices to preserve these vital resources. As Malta addresses increasing water demands and environmental challenges, careful stewardship of groundwater sources remains essential for the island's long-term water security. In 2022, the Water Services Corporation (WSC) produced 35.5 million cubic meters of potable water in response to demand. The corporation utilised Reverse Osmosis plants and groundwater production sites to achieve this. Groundwater contributed significantly, accounting for approximately 36% of the total potable water production, equivalent to 12.7 million cubic meters.

Reverse Osmosis

Malta's drinking water supply heavily relies on reverse osmosis plants, which account for approximately 67% of the total supply. Due to the degrading quality and hence limited usability of groundwater, the Water Services Corporation (WSC) has to convert seawater into high-quality drinking water using four reverse osmosis plants to meet the increasing demand.

The WSC has introduced desalinated water to achieve potability levels since groundwater production alone cannot meet the demand. This has

led to an increase in reverse osmosis water production, which involves pumping seawater from drilled boreholes to sea level, passing it through fine cartridge filters and then through hollow fibre membranes to create high-quality drinking water. However, this process is expensive and energy-intensive, mainly due to the significant electrical energy requirements.

The shift to reverse osmosis plants significantly changed Malta's water supply strategy. These plants enable the island to meet the increasing water demand despite limitations in natural freshwater sources. Although they provide a reliable water source, their reliance on electricity poses financial and environmental challenges.

In 2022, reverse osmosis plants produced 22,785,700 cubic meters of water.

Wastewater Treatment

Following the Urban Wastewater Directive, with the aid of EU funding, Malta underwent significant upgrade to its wastewater infrastructure. This involved the construction of three new sewage treatment plants at Ras il-Ħobż, Gozo, Tač-Ċumnija in the North of Malta and Ta' Barkat in the South Of Malta, new pumping stations, underwater galleries, and a state-of-the-art Supervisory Control and Data Acquisition (SCADA) control system. SCADA systems control, monitor, and analyse industrial devices and processes. The system

consists of both software and hardware components and enables remote and on-site data gathering from industrial equipment.

The sewage treatment plants operate by speeding up the natural bacterial breakdown process, completing it in about 18 hours instead of weeks. Raw sewage enters large aeration tanks where submerged blowers infuse air, helping bacteria break down solid matter. The resulting sludge is removed, leaving clear water albeit, high in bacteria, which is safely discharged into the sea. However, with the objective to reduce pressure on groundwater use as well as reusing water as part of the National Circular Economy strategy namely reusing resources and minimising waste, an additional tertiary treatment stage removing bacteria followed by ultra filtration, reverse osmosis and advanced oxidation can produce what is now termed New Water which is suitable and used for irrigation and industry. This New Water is accessible via water dispensers strategically located in rural areas and available using pre-programmed electronic cards. To-date, 4.2 million cubic litres per day of New Water are being produced and distributed through a wide reticulation of pipes in Gozo, North and South East of Malta. Recently, the Water Services Corporation announced a €24.5 million investment to extend the New water network to more localities in southern and south eastern of Malta.

Additionally, a €9 million project at the Sant'Antnin plant in Malta aims to treat animal farm waste, ease the pressure on urban sewage infrastructure, and still produce "New Water" for irrigation. For the

past 20 years, untreated animal waste was dumped into the Water Services Corporation's (WSC) sewage system, to the detriment of sewage plants that were not designed to handle such type of waste and which were rendering the treatment plants highly inefficient and ineffective especially during the farm waste discharge instances. It is estimated that some 60 bowser loads are discharged per week.

Leak and water loss management.

As was mentioned in previous sections, a very important aspect in the water management strategy in Malta is the water loss/leak management. Curbing water losses or reducing system demand implies more rational and sustainable water production to meet effective demand whilst at the same time reducing energy requirements and hence operational expenses. Over the past few years an aggressive leakage control programme using state-of-the-art equipment, refined work practices and policies has been implemented. This has allowed the Corporation to reduce total water produced over previous years. An impressive average Infrastructural Leakage Index (ILI) value of 1.87 was attained in 2022. This translates to an average value of 380 cubic metres per hour of leakage, compared to an average of 407 cubic metres per hour of leakage registered during 2014, which was then considered a record year. For one to have a better perspective of this accomplishment, leakage in 1995 was 4,000 cubic metre per hour with a corresponding ILI of 20. The WSC is looked upon as a “Best Practice” example of leakage control by other water companies.

Non-revenue water (NRW) is now being aggressively tackled as losses do not only come about from leakages, but also misuse, meter under registration, and billing anomalies. Over the last 6 years, over 10% gains were registered in NRW, and the intention is to further gain another 5% by end 2024.

It should be noted that the above refers to the potable distribution network. As described previously, today, a New water network is being upgraded and the same water loss management strategy will be applied to minimise water losses.

Pricing and social element of water supply service

The Maltese Government determines all water tariffs based primarily on water operational costs but keeping in mind political, social, and environmental factors. This accounts the the relative complexity of water pricing in Malta. Previously, the priority was maintaining stable tariffs to facilitate household water consumption. However, with the introduction of the Maltese River Basin Management Plan in 2010, a pronounced shift has been made towards promoting sustainable water usage. Therefore, a 'rising block' tariff system was adopted where higher consumption results in higher rates. Interestingly, non-residential users receive reduced tariffs for excessive usage.

However, the private abstraction of groundwater, especially for agriculture, remained then largely unregulated. This shortcoming has been partially tackled as most of these boreholes are now being

metered providing invaluable groundwater abstraction data. High water stress and compliance with the E.U. Water Framework Directive (2000/60/E.C.) influenced water pricing policy. The Directive aimed to catalyze sustainable water management in the E.U. and its member states, and it affected water pricing policy in Malta, transposed into national legislation through the Water Policy Framework Regulations (S.L. 549.100).

This legislation is closely linked to other E.U. directives, such as the Environmental Quality Standards Directive (Directive 208/105/E.C.), which establishes environmental quality standards for priority substances and certain pollutants to achieve good surface water chemical status.

Additionally, the Water Framework Directive was complemented by adopting Directive 2008/56/E.C., which established a framework for community action in marine environmental policy.

Addressing concerns about agricultural water abstraction and ensuring pricing reflecting environmental impacts are essential. Despite progress, challenges persist in balancing water management's social, political, and environmental needs.

In 2016, a national water supply and metering fee scheme was introduced to promote sustainability following the 2nd Water Catchment Management Plan or River Basin Management Plan (RBMP). This plan, updated every six years to comply with the E.U.

Water Framework Directive, mandates a holistic approach to managing water resources within a river basin or water catchment area.

Malta's water catchment district covers the entire territory, including water bodies like groundwater, inland surface water, and coastal waters. Due to its size, Malta is considered as a single water catchment district covered by one comprehensive Water Catchment Management Plan.

The plan outlines the state of all water bodies within the area, sets environmental goals, and details the measures to achieve those objectives. A vital aspect of the plan is ensuring stakeholder engagement throughout its development, involving active participation and consultation.

Malta has prepared and is implementing its 3rd River Basin Management Plan, which will lead Malta to 2027. Whilst, Malta's 2nd River Basin Management Plan (2nd RBMP) addressed environmental objectives set by the Water Framework Directive and included a program of measures to manage significant water issues, ensuring alignment with WFD objectives for the water sector by 2021, the 3rd RBMP aims to assess the status of both the inland and coastal waters in the Maltese Islands and it identifies the necessary measures to be taken to achieve good conditions in these water bodies. The 3rd RMP plays a pivotal role in safeguarding Malta's water resources and promoting sustainable water management practices.

Economic performance of the companies

The Water Services Corporation (WSC) has recently announced a national investment plan worth €310 million to be executed over the next decade. 41% of the funding will come from the EU. This plan aims to improve Malta's water supply and quality and align it with economic objectives. The comprehensive strategy aims to tackle issues such as water scarcity, climate change, and drainage management from 2023-2033. The plan will establish a framework for investing in water production, distribution, and wastewater treatment to meet growing demand. The Cabinet has approved Various projects, including network regeneration, reservoir renovation, and reverse osmosis plant upgrades. The goals of this investment plan include increasing water production and harmonizing water quality standards. They are also addressing taste issues in some areas and planning to mix reservoir water sources. The plan, backed by €126 million in EU funds, aligns Malta with European water management standards, and promotes a circular economy. The WSC's achievements in 2023 include reduced non-revenue water, improved network efficiency, and record water production, demonstrating its pivotal role in sustainability.

The Twin Transition Of The Water Supply Sector

The twin transition in Malta's water sector refers to the simultaneous challenges and opportunities associated with climate change adaptation and sustainable development. As an island nation facing

increasing water scarcity and environmental pressures, Malta must navigate a complex transition towards more resilient and environmentally sustainable water management practices.

One aspect of the twin transition involves adapting to the impacts of climate change on water resources. Malta is particularly vulnerable to changes in precipitation patterns, rising temperatures, and more frequent droughts, which can exacerbate water scarcity and affect water quality. To address these challenges, Waterservices is investing in climate-resilient infrastructure, such as desalination plants and wastewater treatment facilities, to ensure reliable access to clean water despite changing climatic conditions. Additionally, efforts are underway to promote water conservation and efficiency measures to reduce overall demand and minimize the impact of water scarcity on communities and ecosystems.

At the same time, Waterservices is transitioning towards more sustainable water management practices that prioritize environmental protection and resource efficiency. This involves shifting away from traditional approaches that rely heavily on groundwater extraction and towards a more diversified water supply portfolio that includes desalination, wastewater reuse, and rainwater harvesting. By investing in alternative water sources and promoting sustainable consumption patterns, Waterservices aims to reduce its reliance on finite resources and minimize the environmental impact of water extraction and consumption.

Central to the twin transition in the water sector is the need for integrated and holistic water management approaches considering the interconnectedness of water, energy, and food systems. Malta is increasingly adopting a link approach to water management, which recognizes the interdependencies between different sectors and seeks to optimize resource use. This involves coordinating policies and investments across sectors to ensure that water, energy, and food security are addressed in a mutually reinforcing manner, maximizing synergies and minimizing conflicts.

Furthermore, the twin transition in the water sector presents innovation and economic development opportunities. Waterservices is investing in research and development initiatives to promote the adoption of water-saving technologies, improve water efficiency, and develop new water treatment and reuse technologies. By fostering a culture of innovation and entrepreneurship, the company aims to position itself as a leader in sustainable water management practices and create new economic opportunities in water technology, renewable energy, and environmental services.

The twin transition in the water sector in Malta represents a multifaceted challenge that requires coordinated action and innovative solutions. By simultaneously addressing the impacts of climate change and advancing sustainable development goals, Waterservices can build a more resilient and environmentally sustainable water future for generations to come.

Social dialogue (SD) in the sectors

Legislative framework of social dialogue at national and sectoral level

Social dialogue is a cornerstone of Maltese society that creates harmony and progress. A robust legislative framework underpins this dialogue at both national and sectoral levels, providing a structured platform for stakeholders to engage in meaningful discourse, negotiate agreements, and shape policies that drive socio-economic development. This essay delves into the legislative landscape of social dialogue in Malta, examining its key components, mechanisms, and significance in promoting inclusive governance.

National Level Framework

The Maltese legislative framework for social dialogue at the national level rests on the principles enshrined in the Constitution, statutes, and various legal instruments. Central to this framework is the Malta Council for Economic and Social Development (MCESD), established by the Malta Council for Economic and Social Development Act of 2001. The MCESD serves as the principal forum for tripartite dialogue involving representatives from the government, employers, and trade unions.

The MCESD facilitates consensus-building on matters of national importance, including economic policy, labour relations, social welfare, and sustainable development. Its composition reflects the

tripartite nature of social dialogue, ensuring balanced representation and inclusive decision-making. Through regular meetings, consultations, and working groups, the MCESD fosters cooperation, builds trust, and collaboratively addresses emerging challenges.

In addition to the MCESD, Malta's legislative framework encompasses laws governing industrial relations, employment, and social security. These laws provide the legal basis for collective bargaining, dispute resolution, and the protection of workers' rights, further reinforcing social dialogue mechanisms at the national level. The Employment and Industrial Relations Act and the Industrial Relations Act delineate the rights and obligations of employers, employees, and their respective organizations, promoting fair labour practices and constructive labour-management relations.

Collective Bargaining Dynamics in Malta

In Malta, the landscape of collective bargaining reflects a nuanced interplay between the private and public sectors, characterized by divergent approaches and outcomes. While collective bargaining predominantly occurs at the company level within the private sector, contrasting dynamics emerge within the public sector, where negotiations often entail broader implications across multiple workplaces.

Within the private sector, company-level agreements serve as the primary mechanism for negotiating terms and conditions of

employment. This decentralized approach allows for flexibility and customization, as agreements are tailored to individual companies' specific needs and circumstances. These agreements encompass the entire workforce, irrespective of union membership, ensuring inclusivity and fairness in applying negotiated terms.

Statistics suggest a significant proportion of workers in Malta benefit from collective bargaining agreements, with estimates ranging from 50% to 61%, slightly surpassing union density estimates of 34% to 45%. This discrepancy underscores the reach and impact of collective bargaining beyond union membership, highlighting its relevance in shaping working conditions and promoting social dialogue.

In contrast, the public sector operates under a different paradigm, where negotiations often transcend individual workplaces to encompass common conditions across various government entities. While sector-wide agreements provide a framework for harmonizing terms of employment, the absence of industry-wide agreements limits the extension of coverage to sectors outside the public domain.

A key feature of Malta's collective bargaining framework is the requirement for all agreements to be registered with the Department of Industrial and Employment Relations. This regulatory oversight ensures transparency, compliance, and accountability, safeguarding the interests of both employers and employees. Moreover, the registration process serves as a mechanism for monitoring trends,

assessing compliance with legal standards, and facilitating dispute resolution when conflicts arise.

Significantly, the impact of collective bargaining extends beyond current employees, as former workers also benefit from the terms outlined in newly signed agreements. Salary increases negotiated through collective bargaining agreements are reflected in pension adjustments, ensuring that retirees receive fair and equitable benefits commensurate with prevailing wage trends.

Significance and Challenges:

The legislative framework of social dialogue in Malta holds significant implications for governance, economic stability, and social cohesion. By providing avenues for inclusive decision-making and constructive engagement, social dialogue enhances the legitimacy of policies, fosters ownership among stakeholders, and builds resilience against socio-economic tensions. Moreover, it contributes to Malta's reputation as a progressive democracy committed to dialogue, consensus, and participatory governance.

However, the effectiveness of social dialogue depends on several factors, including the commitment of stakeholders, the quality of institutional mechanisms, and the socio-economic context. Challenges such as divergent interests, power imbalances, and changing labour market dynamics can impede the smooth functioning of dialogue processes and undermine the attainment of shared goals. Therefore,

continuous efforts to strengthen the legislative framework, promote transparency, and build stakeholder trust are essential to sustaining the momentum of social dialogue in Malta.

In conclusion, Malta's legislative framework of social dialogue embodies a commitment to democratic governance, economic prosperity, and social justice. Through institutions such as the MCESD and sectoral committees, stakeholders collaborate to shape policies, resolve conflicts, and advance the common good. As Malta navigates the complexities of a rapidly changing world, the enduring principles of social dialogue serve as guiding beacons, illuminating pathways toward a more inclusive, equitable, and sustainable future.

Institutional structure of the social dialogue

Malta's approach to industrial relations has changed a lot since joining the European Union in 2004. At first, it followed the confrontational style of the UK but then shifted towards the cooperative European model.

After World War II, trade unions and the right to strike became official, allowing employers and employees to bargain at the business level. While national bargaining was rare overall, laws protected the rights of both sides, and the government stepped in to mediate disputes.

Formal talks involving the government, employers, and unions began in 1955, but a proper process wasn't established until 1990. They

agreed on adjusting wages based on the cost of living, giving social partners a say in the process.

Creating the Malta Council for Economic and Social Development in 2001 was a big step in providing a legal framework for these discussions. The Employment and Industrial Relations Act of 2002 established the Employment Relations Board, which institutionalised dialogue.

Social partners also have roles in institutions like the Occupational Health and Safety Authority. They help shape policy in places like Jobsplus, though they do not officially represent their organisations. Various government working groups and boards also provide opportunities for engagement.

Trade Unions

Malta has a strong presence of trade unions in its labour market, with around 40% of the workforce being unionized. The General Workers Union (GWU) is the largest, representing about half of all unionized employees. It has a diverse structure covering various manufacturing sectors. The Union Haddiema Maghqudin (UHM), affiliated with the Confederation of Malta Trade Unions (CMTU), is another significant union that advocates for employees across industries and sectors. The Forum Unions Maltin (FOR.U.M.) advocates for professional employees, including engineers. Alongside these unions, Malta's leading employers' associations are the Malta Chamber of SMEs and

the Malta's Employers' Association (MEA). Malta has a tripartite social dialogue facilitated by institutions like the Malta Council of Economic and Social Development (MCESD) and the Employment Relations Board (ERB), which address socio-economic concerns and standard employment conditions.

The Employment Relations Board (ERB)

The Employment Relations Board (ERB), established by law under the Industrial Relations Act 2002, is crucial in maintaining harmonious relations between employers and employees.

Comprising representatives from employers and trade unions, the ERB acts as a forum for resolving conflicts through mediation and conciliation. Its primary objective is to promote fairness, equity, and stability in the workplace, fostering a conducive environment for economic growth and social progress.

Moreover, the ERB plays an active role in formulating labour relations policies and regulations, drawing upon its expertise to provide recommendations to the government. By collaborating with stakeholders and conducting research, the ERB contributes to developing a robust legal framework that safeguards the interests of workers and employers alike.

Furthermore, the ERB provides guidance and assistance to employers and employees on employment law matters, helping prevent disputes and promote compliance with statutory requirements.

The Malta Council for Economic and Social Development (MCESD)

The Malta Council for Economic and Social Development (MCESD) is the primary institution that fosters and promotes this essential dialogue addressing issues of national significance. Established by law in 2001, the MCESD has continuously endeavoured to refine Social and Civil Dialogue in Malta. Recent legislative updates have broadened its scope and inclusivity, aligning more closely with European models. The MCESD's structure ensures broad representation, with specialized committees extending its reach to regions like Gozo. It comprises representatives from Government, Trade Unions, and Employers' Organisations and aims to provide informed recommendations to the Maltese Government on socio-economic matters.

Over time, the MCESD's operations have evolved, focusing on enhancing the quality of discussions and expanding the breadth of topics through specialized committees and working groups. The Government actively engages with the Council, leveraging its insights on matters with wide-ranging impacts. Malta's accession to the European Union has enriched its international perspective.

The MCESD has played a crucial role in fostering understanding among stakeholders, contributing to industrial peace, and facilitating the implementation of initiatives such as the Employment and Industrial Relations Act. Its contributions span from pre-budget

discussions to drafting policy frameworks, solidifying its position as a vital advisory body.

Recognizing the MCESD's pivotal role in local policymaking, the Maltese Government remains committed to enhancing Social Dialogue. With EU membership acting as a catalyst for further development, the potential for future achievements in Malta's Social Dialogue is vast. The MCESD embodies Malta's commitment to inclusive governance and cooperative decision-making. By providing a platform for frank discussions and policy analysis, it catalyses progress, advancing Social Dialogue in Malta for the benefit of all.

Subject Of Social Dialogue

Social Pacts

Social Pacts in Malta represent a significant aspect of the country's governance structure. They serve as agreements between the government, employers, and trade unions to address critical socio-economic challenges and promote inclusive development. These pacts are formalized agreements that outline specific policy measures and commitments to achieve common objectives, such as economic growth, social justice, and job creation.

One of the key functions of social pacts in Malta is to promote economic stability and growth. These agreements aim to create a conducive environment for investment, entrepreneurship, and job creation by bringing together government, employers, and trade

unions. Through measures such as wage restraint, fiscal consolidation, and structural reforms, social pacts help to ensure macroeconomic stability and promote confidence in the economy, laying the foundation for sustainable growth and development. Among the notable successes of such collaboration are the various social pacts that have positively impacted Maltese society.

1999 Cost Of Living Adjustment Mechanism Social Pact.

The 1999 Cost of Living Adjustment (COLA) mechanism agreement was a pivotal development in safeguarding the purchasing power of Maltese workers. This agreement aimed to ensure that salaries kept pace with inflation, thereby maintaining the standard of living. Through COLA, wage adjustments were tied to changes in the Consumer Price Index (CPI), reflecting fluctuations in the cost of essential goods and services. By implementing this mechanism, Malta sought to mitigate the impact of inflation on workers' real wages, fostering economic stability and equitable growth.

2017 Increase of Minimum Wage Social Pact.

In 1974, Malta introduced its first national minimum wage, setting a standard for the lowest legal pay. Over the years, adjustments to the minimum wage were solely based on the cost-of-living adjustment, as advised in the budget speech. In 2017, the Labour government introduced incremental increases to the minimum wage, the first since its introduction. Workers who remained with the same employer for

one year received a €3 rise in pay. In 2018, those with the same employer for two years got another €3 increase.

2020 to 2022 COVID-19 Pandemic Social pacts

During the COVID-19 pandemic from 2020 to 2022, Malta witnessed the emergence of social pacts to mitigate the crisis's socioeconomic impact. These agreements brought together government, employers, trade unions, and civil society to address pressing issues such as healthcare provision, economic support measures, and employment protection. The pacts facilitated stakeholder collaboration and dialogue, enabling swift and coordinated responses to the evolving situation. Measures included:

- Financial assistance for affected businesses and individuals.
- Support for healthcare infrastructure.
- Measures to safeguard employment and workers' rights.

While challenges persisted, such as disparities in access to resources and the strain on healthcare systems, the social pacts played a crucial role in fostering solidarity and resilience within Maltese society during this challenging period.

2024 Increase of Minimum Wage Social Pact.

In 2024, a crucial social pact was signed to raise the minimum wage, marking the second agreement in seven years. Involving the government, employers, and trade unions, it aimed to tackle ongoing

income disparities and uplift workers' living standards. The pact outlined gradual raises in the minimum wage over a set period alongside measures to help businesses adapt to increased labour costs. Its primary aim was to ensure fairer pay, foster social unity, and support sustainable growth in Malta, ultimately aiming for improved economic stability.

2024 Cost Of Living Social pact

The Cost-of-Living Stability Pact is an essential agreement to maintain stable prices and control inflation, contributing to economic stability. Over 560 establishments participate, offering food products at stable prices, with government support ensuring price stability. In the upcoming months, consumers can access 450 essential food items at stable prices. The Government will assess the situation in the Budget 2024 and continue its supportive measures. This pact promotes economic growth, boosts consumer confidence, and preserves citizens' purchasing power.

External And Internal Factors That May Develop Or Inhibit Social Dialogue

In the Maltese context, a small yet culturally diverse island nation in the Mediterranean, social dialogue is influenced by many external and internal factors.

External Factors:

Historical Legacy: Malta's history, characterized by waves of colonization and foreign rule, has left an indelible mark on its societal fabric. While historical legacies can serve as a foundation for shared identity and solidarity, they can also breed mistrust and division, hindering effective social dialogue. For instance, the legacy of colonialism may evoke resentment or inferiority among certain segments of the population, impeding constructive dialogue.

Economic Interdependence: Malta's economy is deeply interconnected with global markets, mainly through its reliance on sectors such as tourism, finance, and manufacturing. Economic interdependence exposes the nation to external shocks and influences, which can either stimulate or disrupt social dialogue. Economic downturns, for example, may exacerbate social tensions and impede dialogue as stakeholders prioritize immediate concerns over long-term collaboration.

European Integration: As a member of the European Union (EU), Malta is part of a supranational framework that shapes its policies and governance structures. EU directives and regulations often influence social dialogue by setting common standards and facilitating cross-border cooperation. However, divergent interests within the EU can also create tensions and impede consensus-building, particularly on migration and labour mobility.

Globalization: Globalization has intensified the flow of ideas, information, and people across borders, exposing Malta to diverse perspectives and influences. While globalization can enrich social dialogue by broadening the range of voices and solutions, it also introduces challenges such as cultural clashes and identity politics. The influx of migrants, for instance, has sparked debates about multiculturalism and integration, testing the resilience of social dialogue in Malta.

Internal Factors:

Political Landscape: Malta's political landscape, characterized by a two-party system dominated by the Labour Party and the Nationalist Party, shapes the dynamics of social dialogue. Political polarization can polarize public discourse and inhibit cooperation between different stakeholders. Moreover, perceptions of political bias or favouritism may undermine the credibility of dialogue initiatives, reducing their effectiveness.

Civil Society Engagement: Civil society's vibrancy plays a crucial role in driving social dialogue and holding policymakers accountable. In Malta, civil society organizations (CSOs) have emerged as key actors in advocating for social justice, environmental sustainability, and human rights. However, CSOs' capacity to influence policy decisions varies, depending on factors such as funding, expertise, and access to decision-makers.

Media Landscape: The media serves as a conduit for public discourse and opinion formation, shaping the contours of social dialogue. In Malta, the media landscape is characterized by a mix of state-owned, private, and partisan outlets, which may propagate divergent narratives and agendas. Biased or sensationalistic reporting can fuel polarization and undermine trust in the media as a facilitator of constructive dialogue.

Cultural Diversity: Malta's cultural diversity, stemming from its historical interactions with different civilizations, enriches its social fabric but challenges consensus-building. Cultural differences in values, norms, and communication styles can complicate dialogue processes and impede mutual understanding. Effective dialogue initiatives must, therefore, be sensitive to cultural nuances and promote inclusivity.

Fostering social dialogue in Malta requires a nuanced understanding of the interplay between external and internal factors. While globalization and European integration offer opportunities for collaboration and mutual learning, they pose challenges such as economic volatility and cultural clashes. Similarly, internal dynamics such as political polarization and media bias can facilitate or hinder constructive dialogue. By addressing these factors holistically and promoting a culture of respect, empathy, and transparency, Malta can cultivate a more robust and inclusive framework for social dialogue,

laying the groundwork for sustainable development and social cohesion.

Protests And Social Tensions In The Sector

Since 2020, Malta has experienced a notable absence of major industrial upheaval, reflecting a period of relative stability and cooperation within its industries. This calmness may stem from several key factors contributing to a harmonious labour environment on the island.

Firstly, the Maltese government has prioritized fostering positive relationships between employers and employees through various legislative measures and initiatives to promote fair labour practices and resolve disputes amicably. By providing a conducive legal framework and support mechanisms for labour negotiations, the government has helped to mitigate potential conflicts before they escalate into full-scale upheavals.

Additionally, Malta's economy has remained resilient despite global uncertainties, buoyed by its diverse economic sectors such as tourism, manufacturing, and financial services. A stable economic outlook has likely reduced the pressure on workers and employers, lessening the likelihood of industrial unrest driven by economic hardship or job insecurity.

Furthermore, Malta's strong tradition of social dialogue and collaboration between trade unions, employers' associations, and

government representatives has played a pivotal role in maintaining industrial peace. Regular consultations and negotiations allow stakeholders to address concerns proactively, preventing issues from festering and erupting into significant disputes.

Moreover, Malta's small and close-knit community foster a sense of interconnectedness and mutual dependency among its citizens, including those in the labour force. This social cohesion can promote solidarity and a shared interest in maintaining stability and prosperity, discouraging actions that could disrupt the island's socio-economic fabric.

Despite the absence of major industrial upheaval, it's essential to recognize that challenges and grievances still exist within Malta's labour landscape. Continued efforts to address issues such as wage inequality, precarious employment, and workplace safety will be crucial for sustaining the climate of harmony and ensuring a fair and equitable environment for all workers. By nurturing a culture of collaboration, respect, and inclusivity, Malta can build upon its legacy of industrial peace and promote sustainable growth and development in the years ahead.

Future Perspectives

Social dialogue in Malta's water and sanitation sector still faces several challenges despite having only one Government-owned corporation in the industry. As a small island nation with unique geographical and

demographic characteristics, Malta encounters specific hurdles in ensuring meaningful social dialogue in this crucial sector. Despite efforts to promote collaboration among stakeholders, various factors may hinder the process, affecting the quality of decision-making and implementation. Below are the main challenges to the effectiveness of social dialogue in the water and sanitation sector in Malta:

1. One significant challenge is the need for more stakeholders to be represented in social dialogue processes. The inclusion of local communities, environmental organizations, and marginalized groups is crucial as their perspectives and needs are integral to the comprehensive understanding of the sector. This lack of inclusivity may improve the comprehensiveness of dialogue outcomes.
2. The fragmentation of responsibilities among government agencies and authorities complicates social dialogue efforts. In Malta, various entities are involved in water resource management, sanitation, environmental protection, and infrastructure development. Coordinating these entities to engage in constructive dialogue requires significant effort and may result in overlapping mandates and conflicting interests.
3. Limited access to information regarding decision-making processes, resource allocation, and project planning undermines accountability. It can lead to suspicions of favouritism or corruption. With transparent mechanisms,

stakeholders may feel included in crucial discussions, leading to satisfaction and disengagement.

4. The effects of climate change, which include rising sea levels, changing precipitation patterns, and a higher frequency of extreme weather events, present significant obstacles to Malta's water resource management and sanitation infrastructure. Discussions on social issues should consider strategies for climate adaptation and mitigation, as well as measures to combat environmental degradation and pollution. Balancing competing interests, such as economic growth and ecological preservation, necessitates careful stakeholder negotiation and agreement.
5. Advancements in water and sanitation technologies offer exciting opportunities for improving efficiency, sustainability, and service delivery. The integration of these innovations into existing systems, through collaboration among policymakers, utility providers, technology developers, and end-users, can lead to transformative changes. Social dialogue must adapt to incorporate discussions on emerging technologies, regulatory frameworks, and investment priorities to ensure their effective implementation and equitable distribution of benefits.
6. Political dynamics and power imbalances can influence the effectiveness of social dialogue in the water and sanitation sector. The dominance of certain stakeholders, political interference, and short-term electoral cycles may prioritize

narrow interests over long-term sustainability and public welfare. Building consensus and fostering a conducive environment for dialogue requires addressing power asymmetries and promoting inclusive decision-making processes.

In conclusion, effective social dialogue in Malta's water and sanitation sector faces several challenges stemming from limited stakeholder representation, fragmented responsibilities, lack of transparency, socioeconomic disparities, climate change, technological advancements, and political dynamics. Overcoming these challenges requires concerted efforts to foster inclusivity, transparency, and collaboration among stakeholders, ensuring sustainable and equitable water and sanitation management for present and future generations.

Good And Bad Practices From The Collective Agreements In The Sector

Malta's single government-owned corporation in the water sector offers distinct advantages in fostering social dialogue and efficient management. With a centralized entity, decision-making becomes streamlined, allowing for better coordination in addressing societal needs and concerns. This unity minimizes bureaucratic hurdles, ensuring a more responsive approach to public feedback and grievances.

Moreover, a government-owned company typically operates with a broader social mandate beyond profit, prioritizing equitable access to clean water for all citizens. This focus on social responsibility encourages transparency and accountability in service provision, enhancing public trust and engagement.

Additionally, having a singular entity overseeing the water sector enables comprehensive planning and investment strategies. Resources can be allocated more effectively to modernize infrastructure, improve water quality, and implement sustainable practices, all while considering the input of various stakeholders through participatory mechanisms.

Ultimately, Malta's centralized approach fosters a more inclusive and participatory social dialogue, leading to better outcomes for citizens and the environment.

Good Practices:

Comprehensive Benefits Package: The Water Services collective agreement encompasses a comprehensive benefits package, including health and life insurance, a welfare fund, special allowances for doing a specific job, and other perks. In the context of the water services corporation, where employees may encounter occupational hazards, access to healthcare coverage is crucial.

Job Security: Job security provisions are vital in creating a positive work environment. They provide stability amidst the industry's

fluctuating dynamics. These provisions empower you to contribute your best efforts by alleviating the fear of arbitrary dismissal and fostering a work environment where you feel valued and secure.

Training and Development Opportunities: The water services corporation equips its workforce with the skills and knowledge necessary to adapt to evolving technologies and industry trends by offering training and development opportunities. Moreover, such initiatives empower employees to enhance their capabilities, fostering a culture of continuous learning and growth within the organisation.

Transparent Grievance Procedures: Effective grievance procedures outlined in collective agreements provide employees with avenues to address concerns and disputes in a transparent and timely manner. By establishing clear channels for communication and resolution, these procedures help prevent conflicts from escalating and facilitate the swift resolution of issues. As a result, employees feel heard and valued, contributing to a positive organisational culture built on trust and mutual respect.

Bad Practices:

Conclusions And Recommendations For Effective Social Dialogue

Effective social dialogue between decentralised and sectoral agreements promotes cooperation, addresses labour issues and ensures good workplace practices.

It's vital to understand the unique roles of decentralised and sectoral agreements. Understanding how decentralized and sectoral agreements work together helps stakeholders benefit from both approaches, promoting comprehensive solutions and a deeper understanding of the labour landscape.

Secondly, encouraging mutual understanding and trust among stakeholders is very important. Transparent communication channels and platforms for dialogue are not just tools; they are the lifelines that facilitate the exchange of ideas and concerns, fostering consensus-building and conflict resolution. Investing in capacity-building initiatives to enhance negotiation skills and promote inclusivity is not just a suggestion; it's necessary to ensure meaningful participation from all parties.

Thirdly, aligning decentralised and sectoral agreements with broader social and economic objectives is a game-changer. Integrating principles of sustainability, social justice, and gender equality into collective bargaining agendas not only promotes fair and equitable

outcomes for workers and communities but also has the potential to reshape the very fabric of labour relations.

These can be realised by:

Establishing formal mechanisms for dialogue: Creating joint committees or councils comprising representatives from decentralised and sectoral levels fosters continuous communication and collaboration.

Promoting flexibility and adaptability: Recognising the dynamic nature of labour markets and industries, agreements should be flexible enough to accommodate changing circumstances while upholding core principles.

Encouraging multi-stakeholder engagement: Involving government agencies, trade unions, employers' associations, and civil society organisations ensures diverse perspectives are considered, leading to more robust and inclusive agreements.

Investing in research and data analysis: Utilising data and trends analysis enables stakeholders to make informed decisions and anticipate future challenges, enhancing the relevance and impact of agreements.

By implementing these recommendations and embracing a collaborative approach, stakeholders can create an effective social dialogue between decentralised and sectoral agreements, ultimately contributing to more resilient, equitable, and sustainable workplaces and societies.

4.2. External "Summary report on the challenges of social dialogue at European level by country" based on a preliminary SWOT analysis by participating countries

1. Introduction

Social dialogue is defined by the International Labour Organisation² as all forms of negotiation, consultation or simply the exchange of information between representatives of governments, employers and workers on issues of common concern. The question of the quality and effectiveness of social dialogue has been debated for decades, involving stakeholders such as trade unions, employers and the state, as well as institutional bodies concerned with regulating industrial relations, improving labour productivity and working conditions.

Over the years, different methodological approaches have been explored to achieve a unified set of measurable indicators. However, no single criterion for measuring the effectiveness of social cooperation in the process of social dialogue has yet been adopted, either at national or European level.

In the framework of the project ProSDinWater, the planned research activities, including the national reports summarising an analysis of the strengths and weaknesses of the social dialogue (Task 1.3.), aim to compare information obtained from legitimate representatives participating in the social dialogue and from workers in the sector. This comparison is intended to verify the most appropriate effectiveness indicator based on comparability, which

² The International Labour Organisation (ILO) *Social dialogue and tripartism* <https://www.ilo.org/topics/social-dialogue-and-tripartism> (accessed on 24 July 2024)

will serve as a basis for strengthening and improving social dialogue in the future, especially in a constantly changing global environment.

The SWOT analysis of social dialogue in the water sector in the four countries covered by this project, namely Bulgaria, Italy, Malta and Northern Macedonia, aims to outline the strengths, weaknesses, threats and potential opportunities for the effectiveness of social dialogue.

2. Methodology

SWOT analysis assesses internal and external factors, as well as current and future potential of organizations and processes³. It is designed to facilitate a realistic, fact-based, data-driven look at the strengths and weaknesses of an organization, initiatives, or within its industry. The organization needs to keep the analysis accurate by avoiding pre-conceived beliefs or gray areas and instead focusing on real contexts.

The methodology for the preparation of the report includes a preliminary review of the existing experience, a desk research of the existing literature, normative sources, analysis of documents and results of the social dialogue between the social partners conducted so far, as well as on the basis of the long experience of the experts involved in the project, all of them part of the legitimate representatives in the social dialogue in the water supply sector. Relevant research approaches and techniques have been applied, resulting in the empirical information sought. Data collection and analysis are structured around the following variables: Regulatory

Base, Human Resources, Financial situation, Wages, Technologies, Information Issues and Security, Social Dialogue and Cooperation and Specific issues related to the Water supply Industry - such as climate change impact; water scarcity and conservation; infrasturcture modernization, etc.

The conclusions and recommendations based on the analyses are both relevant to the individual countries included in the project and focus on the most important common elements of the thematic areas thus identified.

The collection of the information in the fiur counties was done between February and May 2024, following a common analytical framework and structure, developed by the external experts (See it in an Annexe).

3. SWOT analysis results

The SWOT analysis results have been summarized first by country in the tables below and in a comparative perspective in the second part of section 4.

BULGARIA (FCIW PODKREPA)	
Strengths	Weaknesses
- Laws and regulations in line with EU directives - Often combined/shared state and municipal ownership of water companies in the country,	- The state still plays an important role in the functioning of water services. - The governance of the sector is too complex

BULGARIA (FCIW PODKREPA)

allowing for mutual control - Existence of a diverse institutional network with many actors such as - o In 2015, the SEWRC was renamed the Energy and Water Regulatory Commission (EWRC), which is an independent specialised state body that regulates two sectors - energy and water supply - and plays a very important role in the control and management of these sectors, ensuring fairness and transparency in the relationship between energy and water suppliers and consumers. - o Water Supply and Sewerage	and divided between many institutions. - Complicated institutional framework and political representation in the bodies/companies involved. - Still existing challenges related to the achievement of the objectives of the regulator (EWRC). - The Strategy for the development of the sector for the period 2014-2023 completely lacks a separate part dedicated to human resources and human resources potential is not included among the objectives and priorities. - There is no regulatory framework to ensure the long-term sustainability of the management of water
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BULGARIA (FCIW PODKREPA)

Associations have been established as legal entities under the Water Act to manage the ownership of assets jointly owned by municipalities and the state (established in 2009). ○ "Bulgarian WSS Holding" EAD with authorised capital of BGN 1 billion (established 2020) ○ voluntary association of water and sewerage operators in the Union of Water Operators in Bulgaria, which unites 42 water and sewerage operators out of a total of 44. - The price of the water service is calculated following a complex	and wastewater operators and to guarantee the availability of skills and expertise. - At the level of the companies (operators), there are many challenges: Quantitative staff shortages in a number of key institutions; staff turnover; unfavourable qualitative and structural characteristics of the staff; poor inter-institutional coordination, especially in the strategic management of the water sector. - A large number of water and wastewater companies in Bulgaria do not cover their operating costs. - Many operators have a revenue efficiency
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BULGARIA (FCIW PODKREPA)

procedure and depends on its elements realised for the user - supply, disposal and purification. - In the structure of costs, the largest share of total costs for the water supply sector is spent on personnel costs - 40.1% (including remuneration and social security costs), followed by material costs (24.6%) and external services (15.2%). - Established legal and regulatory framework for social dialogue based on EU law and national legislation. - Special positioning of the Union of Water Operators in Bulgaria, whose main objective is to support the implementation of the state policy on water supply, sewerage, drinking water and waste water treatment, as well as to participate in negotiations with the representative	ratio (the ratio of operating costs to operating revenues) above 1.00, and too few companies have an efficiency ratio below 0.90, which makes it difficult for them to use their own funds for investment. - The average level of water losses in Bulgarian water and wastewater companies is 30 per cent of the average level of non-revenue water (NW), which includes both commercial (assumed) losses and physical (actual) losses. - Companies (operators) in general lack the financial resources to invest in the modernisation of the infrastructure. - Low remuneration of employees in the sector (1614 BGN for
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BULGARIA (FCIW PODKREPA)

organisations of workers and employees.

the WSS industry compared to an average national level of 2173 BGN) in 2023.

- Existing technical challenges such as:
 - Aging water supply networks for surface water sources,
 - Anthropogenic pollution and background contamination for underground water sources.
 - Most of the water supply facilities in operation (water intakes, water supply network, pumps, hydrophores, water meters, etc.) were put

BULGARIA (FCIW PODKREPA)

	into operation before 1980 and are made of materials (mainly eternite and steel pipes) whose service life has expired. - The deterioration in the quality of surface water and groundwater bodies is mainly due to the insufficient number and capacity of wastewater treatment plants (WWTPs). - Outdated equipment PWTP built and in operation (46% of the population is connected to PWTP) have outdated equipment and urgently need reconstruction and modernization.
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BULGARIA (FCIW PODKREPA)

- Low coverage of sewerage installations: The percentage of construction of the sewerage network is relatively low (61%).
- Existence of uneven hydraulic pressure (high or low) in separate areas of the water supply network.
- The information security in terms of the situation (both in quantitative and qualitative terms), events and monitoring is too low for the preparation of full analyses of the infrastructure in the water sector and for making relevant management decisions.
- In Bulgaria there is no formally structured

BULGARIA (FCIW PODKREPA)

	Branch Council for the water supply and sewerage sector. In fact, the social dialogue in the water supply and sewerage sector is carried out only in terms of negotiations for branch Collective Labour Agreement (CLA), as well as on separate joint initiatives of the social partners - participation in public discussions the adoption by EWRC of five-year business plans and the related annual prices of the water supply and sewerage service, the organization of annual controversial games for the industry (spartaciads), participation in various expert councils related to the
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BULGARIA (FCIW PODKREPA)

	adoption of legislative changes concerning the water supply and sewerage industry, development and implementation of individual project proposals.
Opportunities	Threats
- Regulation in line with the EU Directive on the quality of drinking water and the expected quality of waste water (Directive 91/271/EEC on urban waste water treatment). - The improvement of the regulatory framework can be achieved through the creation of a dedicated separate water and sewerage regulator, seen by social partners as a new simplified regulatory mechanism that does not hinder the normal operation of water companies and does not restrict collective	- Unstable political context leading to frequent ministerial changes and subsequent changes in the management of the publicly owned operators. - Political influence on appointments (managerial and otherwise) in state-owned enterprises and regulators, which directly affects the functioning of the water sector. - Lack of consideration of human resource development in the

BULGARIA (FCIW PODKREPA)

bargaining through restrictions. - Sustainable transformation of the sector while investing in upgrading and retraining of the workforce, - Updating the knowledge and skills of the of the workforce. - Improve the capacity of human resources in relation to the annual growth of average wages, with an objective to reach at least 4-5% above the average wage growth in the country in the coming years. - Improve the skills of the workforce in the sector, both in terms of directly related skills and in terms of the development of digital literacy. - The principle of cost recovery should be fully integrated into the requirements for calculating the final cost	sector in all strategic documents. - Human resources are seen as a number and a cost, rather than the value-adding factor of production that they actually are. - Overemphasis on numerical control in the search for economic efficiency - Poor financial viability and inefficiency prevent water companies from financing and implementing major investment programmes needed to meet compliance requirements and required long-term service levels. - Significant price increases are inevitable in the short and medium term. - Although the long-term projections to
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BULGARIA (FCIW PODKREPA)

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| <p>of water paid by the consumers.</p> <ul style="list-style-type: none"> - Investment in the replacement of old and depreciated equipment such as pumping units, excavators, trucks, etc. owned and operated by water and wastewater operators. - A - never-ending - reform process in the sector (over the last 20 years in Bulgaria important reforms have been carried out in the water supply and sewerage industry), which also inspires good experiments, namely the establishment of the shared (between local authorities and state) ownership of the water operations in some of the districts (obasti) . - Improving the capacity of the organisational structure through the formalisation of social dialogue not only at | <p>2035 do not show a general trend of scarcity of natural surface and groundwater resources in the country, there are observed variations in different regions.</p> <ul style="list-style-type: none"> - Environmentally incompatible land use and industrial activity. - High pressure due to large distances between reservoirs and supply areas; direct connections (water supply) to high pressure transit pipelines; lack of pressure reducing valves; oversized pumping stations, hydrophores or water supply network. - Low pressure due to smaller diameters or oversized networks serving many users, resulting in high |
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BULGARIA (FCIW PODKREPA)

bilateral level between the nationally representative trade unions in the sector and the Union of Water Supply and Sewerage Operators, but also in relation to the main social partner for the sector - the state - vis-à-vis the line ministries and the Energy and Water Regulatory Commission.

pressure losses, especially in suburban residential areas; construction close to the reservoirs, which cannot provide the necessary static head due to lack of displacement; numerous leaks in the water supply network.

- With regard to information and safety issues, the information available is scattered among a large number of institutions and commercial companies, and in many cases is unsystematised and not updated.
- The lack of investment in human resources in the sector is turning it into a limiting factor that can hamper the plans for sustainable development of the

BULGARIA (FCIW PODKREPA)	
	sector and the reforms undertaken in it. - Uneven distribution of water resources throughout the country - Variations in the quality of drinking water supplied in some regions.

ITALY (FEMCA CISL)	
Strengths	Weaknesses
- Digitisation of water network management systems to ensure more widespread and secure control of pipelines; - Increasing attention to the sector by industrial players with the know-how and investment capacity to improve the quality of networks and services for industry, agriculture and citizens; - In areas where the law has been fully implemented,	- Fragmented management of the integrated water service due to the incomplete implementation of Italian Law no. 36 of 5 January 1994, known as the "Galli Law", which provides for the definition of "Ambiti Territoriali Ottimali" (Optimal Territorial Ambitions - ATO) in order to allow for an adequate size of the management units, to overcome the

ITALY (FEMCA CISL)

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| <p>there are large companies able to guarantee a high return on investment in infrastructure and services;</p> <ul style="list-style-type: none">- Average level of social dialogue with employers in the sector;- Tariffs for water services are lower than the world average. | <p>fragmentation of local management and to achieve economies of scale with a collection area capable of generating revenues to cover management costs and the necessary investments, thus repaying the capital invested;</p> <ul style="list-style-type: none">- Low investment in the maintenance of water infrastructure, with water leakage of around 40%, which has also led to Italy being subject to infringement proceedings by the European Union;- Lower investment in the sector than the European average;- Between 6% and 15% of citizens live in areas exposed to severe drought. This situation is particularly worrying because it affects the availability of water resources, which are essential for daily needs |
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ITALY (FEMCA CISL)	
	and for agricultural and industrial activities. The decrease in water resources is mainly attributed to the effects of climate change. The main causes include reduced precipitation, increased evaporation from water bodies and transpiration from vegetation, all of which are consequences of rising temperatures; - Ineffective communication: Italy is one of the European countries with the highest consumption of bottled water, as consumers consider it more controlled. On the contrary, in Italy 85% of water sources are underground: groundwater is always better than surface water because it is less exposed to atmospheric or external contamination.
Opportunities	Threats

ITALY (FEMCA CISL)

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| <ul style="list-style-type: none"> - Italy's water sector allows for concessions to third parties, mixed public-private partnerships and fully public management, providing flexibility and potential for improved efficiency in the future. - The tariff system regulated by ARERA ensures fair cost recovery and incentivises investment in maintenance, digitalisation and infrastructure development. - Italy possess a high quality groundwater. With 85% of water sources located underground, Italy benefits from high-quality water that is less prone to contamination and in line with European standards. - Water tariffs in major cities such as Milan and Rome are lower than the global average, making water affordable while maintaining quality. | <ul style="list-style-type: none"> - The sector suffers from significant fragmentation, with over 1,200 managing entities, leading to inefficiencies and delayed infrastructure projects. - Poor infrastructure results in an average water loss of 41.8%, with higher losses in southern regions, indicating the need for significant infrastructure improvements. - Despite high quality tap water, Italian citizens prefer bottled water, making Italy the third largest consumer in Europe, which could undermine investment in public water infrastructure. - Over the next five years, concessions for services covering 14 million people will |
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ITALY (FEMCA CISL)

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| <ul style="list-style-type: none">- The sector employs around 15,000 workers with a high unionisation rate (60%), providing strong worker representation and stability.- Comprehensive welfare programmes, including supplementary pension funds and integrated healthcare, increase employee satisfaction and productivity.- There are opportunities to address the significant delays in upgrading wastewater collection and treatment facilities through better management and investment. | <p>expire, creating the risk of service disruptions and management challenges.</p> <ul style="list-style-type: none">- The employers' association is not fully open to social dialogue, which may hinder effective industrial relations and the implementation of beneficial initiatives.- Financial constraints may limit the ability to invest in necessary resources for water management and social dialogue, especially during economic downturns.- Frequent changes in national and EU regulations can affect the implementation of existing plans, requiring constant adaptation and resource allocation. |
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NORTH MACEDONIA (SUTKOZ)

Strengths	Weaknesses
- There are natural potential reserves of underground water as a basic resource for water supply in North Macedonia. - Laws and regulations are in line with EU directives. The Law on Water regulates the basic principles and rules for the management of water resources and incorporates EU directives in the field of water resources management. - Existence of a law on the pricing of water services, which establishes a financially self-sustaining system of water services that ensures a high standard of service at an affordable price, in line with the objectives of the National Water Strategy of the Republic of North Macedonia. - Institutional positioning - Existence of the Economic and Social Council, a	- Some rural areas still use biologically and chemically untreated water. - Waste water treatment is a key aspect for the ecosystem, as only 22.5% of municipalities have waste water treatment infrastructure - treatment stations. - Low average salary in the sector, making it unattractive to young professionals - In addition to the fact that we have a normative and institutional framework that supports social dialogue as ESS, we have weaknesses in the area of collective bargaining, and it is a process that depends on several factors - The Collective Agreement for Municipal Activities of the Republic of North

NORTH MACEDONIA (SUTKOZ)

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| <p>tripartite body established by the Government of the Republic of North Macedonia, in which the social partners also participate (the Employers' Organisation of Macedonia (OEM), the Trade Union of Macedonia (SSM)), which has proved to be an important body for promoting social dialogue between the main stakeholders.</p> <ul style="list-style-type: none"> - A signed collective agreement for municipal activities in the Republic of North Macedonia, concluded at the sectoral level in accordance with the National Classification of Activities. The collective agreement was concluded between the Union of Workers from the Catering, Tourism, Municipal Housing, Craft and Protective Associations of Macedonia - SUTKOZ (affiliated to the Union of | <p>Macedonia has been signed by the social partners, but there is still a need for its renewal and alignment with the General Collective Agreement for the Public Sector signed on 20.07.2023</p> <ul style="list-style-type: none"> - A high percentage of water losses, which directly affects the financial situation of public enterprises providing water services. |
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NORTH MACEDONIA (SUTKOZ)

Trade Unions of Macedonia) and the Association of Employers in Public Enterprises (affiliated to OEM).	
Opportunities	Threats
- Emphasis on achieving 'good status' of all waters through an integrated river basin approach, improving water quality and quantity management in order to achieve integrated water management: - Promoting long-term sustainable use of water resources, aiming at continuous improvement and protection of water ecosystems. - Plans for extensive infrastructure development to better manage surface and groundwater, including the preparation of comprehensive river basin management plans.	- Financial constraints could hinder the ability to invest in necessary resources for water management and social dialogue initiatives, especially during economic downturns. - Increased stress on water resources due to climate change will complicate efforts to maintain effective water management and social dialogue. - Potential changes in national or EU regulations on water management and labour practices could affect the implementation of existing plans and initiatives.

NORTH MACEDONIA (SUTKOZ)

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| <ul style="list-style-type: none">- Alignment with national and EU regulations, promoting environmental protection and sustainable water resources management.- Enhanced training programmes and technical assistance through ADKOM's training centre to improve the capacity of municipal enterprises, promoting knowledge sharing and technical skills.- Continued commitment to collective bargaining to regulate workers' rights, ensure legal protection and improve working conditions. | <ul style="list-style-type: none">- Advances in technology could lead to job displacement, posing challenges for labour relations and requiring effective retraining programmes.- Ongoing privatisation efforts could threaten the material and social position of workers, highlighting the need for active social dialogue to mitigate negative impacts.- Monopoly control and reliance on single entities for water supply can make the system vulnerable to operational failures, leading to potential water shortages or contamination. |
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MALTA (GWU)	
Strengths	Weaknesses
- Promoting social dialogue in the water production sector is critical for fostering teamwork, addressing issues, and creating mutual benefits for workers and employers. - Social dialogue enhances communication channels between workers and management, leading to better teamwork and collaboration. This is crucial in a technically demanding industry like water production, where coordination can improve efficiency and reduce operational errors. - Effective communication and collaboration are vital for creating a positive workplace	- Malta, one of the smallest and most densely populated countries in the world, faces significant water scarcity due to its geographical location and climate. - The Mediterranean climate, characterised by low rainfall and high temperatures, exacerbates natural water scarcity and is highly dependent on climate change. - The dominance of only one water services provider can cause also weaknesses. The Waterservices Corporation as the the only water utility in Malta benefits from its monopolistic market position, which ensures stable revenues but is an obstacle to the development of

environment, improving working conditions, and ensuring sustainable development.

- Enhanced Problem-Solving Regular dialogue helps in promptly identifying and addressing issues, reducing downtime and improving overall operational efficiency. It fosters a culture of proactive problem-solving and continuous improvement.
- Helping context in terms that Historical water management practices, such as prehistoric rock-cut tanks and Roman villa cisterns, highlight the long-standing importance of water conservation in the region.
- The fact that there is the only one provider of water services guarantees that their advanced water

competitive market in the sector.

- Some employees and management may resist changes in communication practices, which may hinder the implementation of social dialogue initiatives. Overcoming ingrained habits and scepticism can be a challenge.

treatment technologies provide high-quality service. - The strong government support enhances operational security of water services.	
Opportunities	Threats
- Differences in cultural backgrounds among workers can pose challenges that effective communication and understanding. Misinterpretations and misunderstandings may arise, complicating efforts to foster a unified social dialogue. - Implementing and maintaining social dialogue processes require significant time and resources. This can strain the organization's budget and operational focus, especially in a sector with tight margins and high operational costs.	- Monopoly control over water resources can lead to higher prices, reduced service quality, and a lack of innovation. Without competition, the company may lack incentives to promptly improve infrastructure or address customer concerns. Additionally, reliance on a single entity makes the water supply vulnerable to operational failures, potentially leading to water shortages or contamination. - Ineffective or poorly managed dialogue can escalate conflicts, negatively impacting workplace harmony and

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| <ul style="list-style-type: none"> - Introducing new dialogue mechanisms might initially disrupt regular operations as employees and management adapt to new practices. This transition period can be marked by confusion and reduced productivity. - Organizations like the Water Services Corporation (WSC) have decades of expertise and a skilled workforce. Leveraging this experience can enhance the effectiveness of social dialogue initiatives, ensuring they are well-informed and practical - Open communication encourages the adoption of sustainable practices, essential for managing water resources efficiently, especially in a water scarce region like Malta. It supports environmental stewardship and long-term resource management. | <p>productivity. It is essential to ensure that dialogue mechanisms are well-designed and managed.</p> <ul style="list-style-type: none"> - Financial constraints might limit the organization's ability to invest in necessary resources for promoting and maintaining social dialogue. Economic downturns can exacerbate this issue, leading to cutbacks in dialogue initiatives. - Changes in national or EU regulations regarding water management and labor practices might affect the implementation of social dialogue initiatives. Keeping abreast of regulatory developments is crucial. - The increasing impacts of climate change on water resources can create additional stress, complicating efforts to maintain effective social |
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	dialogue. Adaptation and resilience strategies need to be integrated into dialogue processes. - While technology can enhance water production, it might also displace workers. This creates new challenges for social dialogue and labor relations, necessitating careful management and retraining programmes.
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After the presentation of the situation in the individual countries, the table below summarises the common issues observed.

Comparative analysis	
Strengths	Weaknesses
- In all the countries covered by the study, legislation and related regulations are in line with currently adopted EU directives.	- The structure and institutional organisation of the water sector varies widely between the countries compared, with a variety of institutions (state, municipal and

Comparative analysis

- | | |
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| <ul style="list-style-type: none"> - The alignment with EU directives ensures that water management practices meet high standards of quality and safety. - Strong regulatory frameworks are in place, often enforced by government bodies/institutions that regulate and supervise the sector. - The existence of trade unions and developed collective bargaining practices lead to the conclusion of collective agreements that promote workers' rights and social dialogue. - The institutional structures such as tripartite councils involving sectoral union federations and employers' organisations help to negotiate better conditions for workers. | <p>private) in some places and a single company monopoly in others (water monopolies can lead to higher prices, poor service and little innovation, with the risk of water shortages or contamination due to operational failures). This can be a challenge in establishing common practices in the area of social dialogue, and especially in attempts to measure and quantify it.</p> <ul style="list-style-type: none"> - The governance of water services is often fragmented, leading to inefficiencies and poor coordination. - The political influences and the complex institutional framework make effective management difficult. - Many water utilities struggle to cover operating costs, leading |
|--|--|

Comparative analysis

- | | |
|---|---|
| <ul style="list-style-type: none">- Advanced water treatment technologies and systems that ensure quality service delivery.- Integrated water management systems and digitisation efforts to improve operational efficiency and monitoring.- Natural reserves of groundwater as an important resource for water supply.- High quality groundwater sources in some regions, ensuring a reliable and clean water supply. | <p>to poor financial viability.</p> <ul style="list-style-type: none">- Low investment in infrastructure maintenance and modernisation due to financial inefficiencies- Aging infrastructure, including water supply networks and treatment plants, leading to high water losses and inefficiencies.- Lack of modern equipment and the need for significant investment in technology upgrades.- Low remuneration and lack of investment in the workforce, making the sector unattractive to young professionals.- Insufficient focus on human resource development and training in strategic plans. |
|---|---|

Comparative analysis	
Opportunities	Threats
- Possibilities for improving the regulatory framework (both at European and national levels) to better support water management and social dialogue. - Potential for the creation of independent regulatory bodies to streamline and simplify regulation. - Investments to replace obsolete equipment and modernise infrastructure can significantly improve efficiency and service quality. - Digitalisation of water network management systems for better control and monitoring. - Strengthening social dialogue mechanisms can improve labour relations and operational efficiency.	- Poorly managed dialogue can exacerbate social conflicts, damaging workplace harmony and productivity. Effective dialogue mechanisms are essential, but not always easy to be implemented. - Financial constraints can limit investment in social dialogue resources, especially during economic downturns, leading to cutbacks and austerity policy. - National or EU regulatory changes in water management and labour practices can affect social dialogue initiatives and require awareness about the new developments in order to allow social partners to formulate adequate and relevant mitigation measures.

Comparative analysis	
- Training and capacity building programmes to improve the skills and knowledge of the workforce. - Integrated water management approaches to improve water quality and quantity. - Promoting sustainable water use practices to ensure the long-term availability of resources.	- Climate change puts pressure on water resources, complicating social dialogue. Integrating adaptation and resilience strategies is essential. - Technology can increase water production, but can also displace workers, creating challenges for industrial relations that require careful management and retraining.

4. Country-specific conclusions and recommendations

Based on the SWOT analyses of the water supply and sanitation sectors in Bulgaria, Italy, Northern Macedonia and Malta, country-specific recommendations are presented, tailored to the specific policy and action area⁴:

⁴ The following conclusions do not claim to be exhaustive. They are formulated on the basis of an analysis of the national reports submitted by the project partners and focus only on the key priorities of the activity.

4.1. Bulgaria

1. Regulatory framework

Rationalise and simplify the regulatory framework to reduce complexity and improve co-ordination between the various institutions involved. Establish a dedicated (separate) water and wastewater regulator to improve regulatory efficiency and focus.

2. Human resources

Develop and implement a comprehensive human resources strategy focusing on staff development, including continuous training and capacity building programmes. Improve remuneration to attract and retain qualified staff.

3. Financial position

Improve the financial viability of water utilities by reviewing tariff structures to fully integrate cost recovery principles. Seek additional sources of financing, including public-private partnerships, to finance necessary infrastructure investments.

4. Technologies

Prioritise investment in the modernisation and upgrading of water supply networks and treatment plants. Implement advanced technologies for monitoring and efficient management of water resources to reduce losses and improve service quality.

5. Social dialogue and cooperation

Formalise and strengthen the framework for social dialogue through the establishment of a water and sanitation sector council. Enhance cooperation between social partners,

including the state, to ensure sustainable development of the sector.

4.2. Italy

1. Governance fragmentation

Complete the implementation of the Galli Law to consolidate governance units into Optimal Territorial Ambits (ATO), thereby reducing fragmentation and achieving economies of scale.

2. Infrastructure investment

Increase investment in infrastructure maintenance and upgrading to address high water leakage rates and comply with EU regulations. Encourage public-private partnerships to leverage industrial expertise and financial resources.

3. Adaptation to climate change

Develop and implement strategies to mitigate the impacts of climate change on water resources, including measures to increase water savings and efficiency in both urban and rural areas.

4. Public awareness and communication

Improve public communication efforts to build confidence in the quality of tap water and reduce dependence on bottled water. Educate the public on the benefits of using tap water to promote sustainable consumption practices.

5. Social dialogue

Promote a more inclusive social dialogue by involving employers' organisations more actively. Improve industrial relations and implement initiatives to improve working conditions and job security in the sector.

4.3. North Macedonia

1. Water quality and treatment

Expand and upgrade wastewater treatment infrastructure to ensure that all municipalities have access to adequate treatment facilities. Address the issue of biologically and chemically untested water in rural areas to protect public health.

2. Financial sustainability

Ensure the financial sustainability of water services by reviewing pricing models to reflect actual costs and promote cost recovery. Explore opportunities for external funding and investment to support infrastructure development.

3. Human Resources

Increase the attractiveness of the sector to young professionals by improving wage levels and career development opportunities. Implement comprehensive training programmes to build a skilled workforce capable of managing modern water systems.

4. Social dialogue and collective bargaining

Renew the collective agreement for municipal activities and bring it into line with national standards. Strengthen the role of the Economic and Social Council to facilitate effective social dialogue and collective bargaining.

5. Technological Upgrading

Invest in modern technologies to reduce water losses and improve operational efficiency. Develop integrated water

management systems to better manage surface and groundwater resources.

4.4. Malta

1. Managing water scarcity

Implement comprehensive water conservation strategies to address the challenges of water scarcity. Promote sustainable practices such as rainwater harvesting and the use of non-conventional water resources (e.g. desalination).

2. Monopoly and competition

While maintaining the benefits of a single supplier, introduce measures to ensure accountability and prevent complacency. Consider benchmarking performance against international standards and best practice to encourage continuous improvement.

3. Improve social dialogue

Promote a culture of ongoing social dialogue by overcoming resistance to change and providing the necessary resources. Implement structured dialogue mechanisms to ensure effective communication and cooperation between management and employees.

4. Adaptation to climate change

Develop and integrate climate change adaptation strategies into water resource management plans. Increase resilience to climate impacts through infrastructure improvements and sustainable resource management practices.

5. Technological innovation

Leverage the expertise and experience of the Water Services Corporation to implement cutting-edge technologies. Focus on innovations that increase efficiency, reduce operating costs and improve service quality.

5. Final Transversal Conclusions and Recommendations

Based on the SWOT analyses developed for Bulgaria, Italy, North Macedonia and Malta, the common conclusions according to each of the topics discussed (initially including variants) allowed us to make the following common recommendations:

5.1. Compliance and improvement

Transversal conclusions:

Complexity and fragmentation: Regulatory frameworks in all four countries show signs of complexity and fragmentation, leading to inefficiencies.

Need for streamlining: There is a need to streamline and simplify the regulatory base to improve coordination and efficiency.

Compliance with EU directives: Ensuring continued alignment with EU directives is essential in all countries.

Overall recommendation:

Ensure continued alignment with EU directives and improve the regulatory framework to increase transparency, efficiency and accountability in the water sector.

5.2. Technologies and investment in infrastructure

Transversal conclusions:

Technological modernisation: Upgrading and modernisation of technologies in water supply and sanitation systems is a common need.

Reduction of water losses: Implementing advanced technologies to reduce water losses and improve efficiency is a common priority.

Monitoring and management: Improving monitoring and management systems through technological including digital innovation is essential.

Common recommendation:

Prioritise investment in the modernisation and upgrading of water supply and wastewater treatment infrastructure to address current deficiencies and prepare for future challenges.

5.3. Human Resources Development

Transversal Conclusions:

- **Skill Shortages:** All four countries face challenges related to the shortage of skilled professionals in the water and sewerage sectors.
- **Training and Capacity Building:** There is a common need for comprehensive training programs

and capacity-building initiatives to develop a skilled workforce.

- **Attracting Young Professionals:** Improving the attractiveness of the sector to young professionals is a shared priority.

Overall Recommendation:

- Invest in workforce development through comprehensive training programmes, improved remuneration, and better career development opportunities to attract and retain skilled professionals.

5.4. Financial situation

Trasversal Conclusions:

- **Financial Sustainability Issues:** Financial sustainability is a concern across all four countries, with the need for better cost recovery mechanisms.
- **Investment Needs:** Significant investment is required to modernize infrastructure and ensure long-term viability of water services.
- **Funding Sources:** Exploring diverse funding sources, including public-private partnerships, is crucial for financial stability.

No specific common recommendation. The issues should be treated according to the national context.

5.5. Wages and labour costs

Transversal conclusions:

- **Low Remuneration:** Low remuneration levels is a common issue, affecting the ability to attract and retain skilled professionals.
- **Improving Compensation:** There is a need to improve salary levels and offer competitive compensation packages to enhance workforce stability and motivation.

No specific overall recommendation. The issues should be addressed according to the national context.

5.6. Information Issues and Security

Transversal Conclusions:

- **Data Management:** Effective data management and information systems are necessary to support decision-making and operational efficiency.
- **Cybersecurity Concerns:** Addressing cybersecurity concerns to protect sensitive data and ensure the integrity of water supply systems is important.
- **Transparency and Communication:** Improving transparency and communication with the public regarding water quality and service issues is crucial.

No specific common recommendation. The issues should be handled according to the national context.

5.7. Sustainable Practices

Transversal Conclusions:

- **Climate Change Impact:** The water sector in all four countries is increasingly impacted by climate change, necessitating adaptation strategies.
- **Water Scarcity and Conservation: Threatening** water scarcity (although in some countries it is only at regional level) and the need for conservation measures are common challenges.
- **Infrastructure Modernization:** Ongoing infrastructure modernization is required to meet current and future demands.

Overall recommendation:

- Promote sustainable water management practices, including conservation, efficient use, and the protection of water resources to ensure long-term sustainability and resilience to climate change impacts.

5.8. Social Dialogue and Cooperation

Transversal Conclusions:

- **Strengthening Social Dialogue:** Strengthening social dialogue and cooperation between stakeholders, including government agencies, employers and trade unions, is essential for the development of the sector.
- **Formalizing Cooperation:** There is a need to formalize and strengthen cooperation frameworks to ensure effective communication and collaboration.
- **Inclusive Participation:** Ensuring inclusive participation of all stakeholders in decision-making processes is important for addressing sector challenges and achieving sustainable outcomes.

Overall Recommendation:

- Strengthen social dialogue mechanisms to ensure inclusive participation of all stakeholders, including government bodies, employers, and unions, to foster a collaborative approach to sector challenges.

By addressing these common conclusions, each country can work towards improving the efficiency, sustainability, and resilience of their water supply and sewerage sectors.

4.3. External report based on socio-empirical research on participating countries: “*Summary report on key indicators of the workforce in the water sector*”

1. Introduction

This socio-empirical study was conducted within the framework of project 101102352 ProSDinWater: Promoting and Strengthening Social Dialogue in the Water Sector through Innovative Approaches. The aim of the study is to define key indicators of the workforce in the water sector, which will then serve to support a more effective and evidence-based social dialogue in the four countries participating in the project, namely Bulgaria, Italy, Malta, and North Macedonia. For the purposes of the study, "social dialogue" refers to negotiations conducted by social partners (i.e., employers' organizations and workers' organizations) to protect the interests of their members.

2. Methodology

The methodology includes a quantitative survey conducted among managers, employees, and representatives of workers and staff (trade union representatives or members of workers' councils) from the water sector in the four countries participating in the project: Bulgaria, Italy, Malta, and North Macedonia. The survey was carried out during the period January – February 2025, using the Survey Monkey platform.

The questionnaire (see the survey form in the appendix) covers topics related to collective bargaining, institutional mechanisms for conflict resolution, working conditions, factors influencing workforce quality as key indicators, and engagement in social dialogue. The collected data enables a comparative analysis and the identification of good practices and areas with potential for improvement, for which appropriate recommendations are proposed at company and sectoral levels, and, where relevant, for individual countries participating in the project. The survey data were processed using SPSS⁵.

3. Results

The results of the study are presented in the following sections, following the structure of the questionnaire.

⁵ We would like to thank Bagryan Malamin, who processed the collected information.

3.1. Assessment of social dialogue at sectoral level

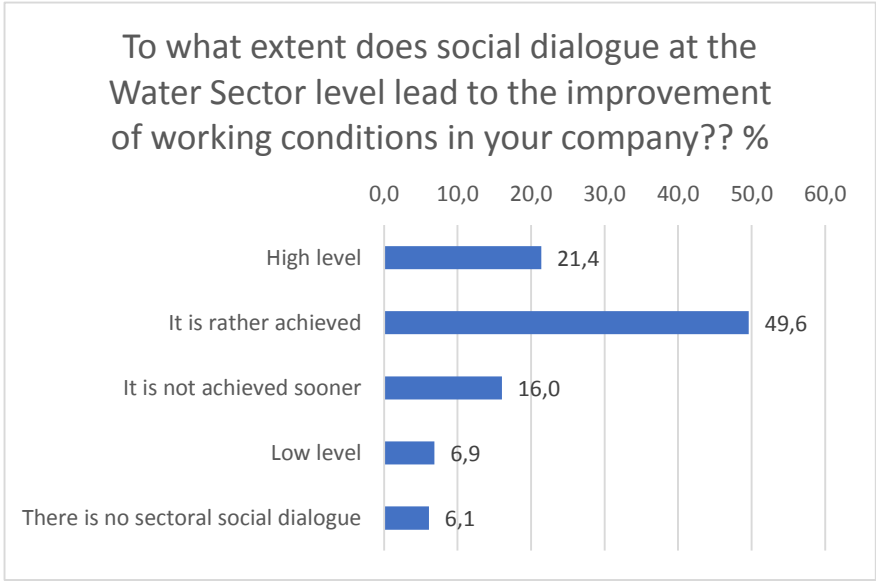
The study presents data and analysis regarding the impact of sectoral social dialogue on working conditions in each of the countries covered by the research. The report includes the distribution of responses from participants in Bulgaria, Italy, Malta, and North Macedonia, as well as a chart showing the percentage breakdown of answers for each country. A summarized comparative analysis of the data from the four project countries is also provided. Respondents in Bulgaria, Italy, Malta, and North Macedonia were asked the question: "To what extent does social dialogue at the Water Sector level contribute to the improvement of working conditions in your company?"

Bulgaria

In Bulgaria, sectoral social dialogue in the water sector is perceived as effective in the majority of cases. However, there is also a significant group—nearly one-quarter of respondents—that questions its impact or states that such dialogue is entirely absent when it comes to improving working conditions. The distribution of responses is shown in the chart below.⁶:

⁶ A total of 131 valid answers were given for Bulgaria in the survey: Missing: 1 out of a total of 132 respondents. For questions where this distribution in the number of respondents is different, this is explicitly noted in the report..

Figure 1

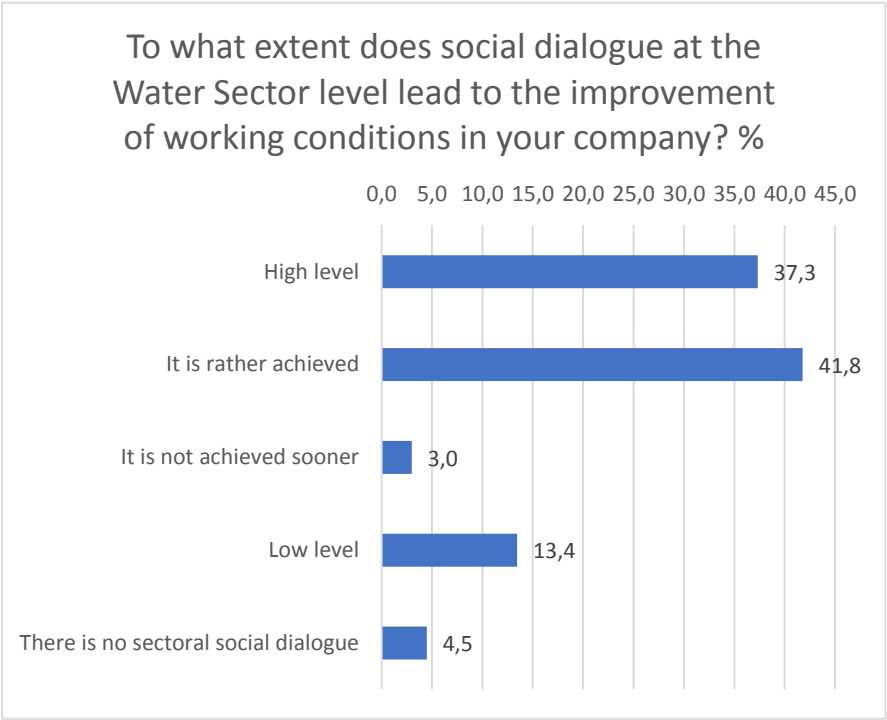


A positive assessment of social dialogue (respondents answering “To a high extent” and “Somewhat achieved”) was given by a total of 71% of respondents. This indicates that a significant portion of those surveyed perceive sectoral-level social dialogue as contributing to the improvement of working conditions. A negative assessment (respondents answering “Rather not achieved” and “To a low extent”) was expressed by 22.9% of respondents, which is not negligible and may indicate issues with the implementation or perception of dialogue in some companies. Only 6.1% of respondents stated that there is no sectoral social dialogue at all, which can be interpreted as a concerning signal of the absence of a structured dialogue process in certain organizations or regions.

Italy

In Italy, a total of 67 valid responses were received to the question on the extent to which social dialogue in the water sector contributes to improving working conditions in companies. Nearly four out of five participants (79.1%) believe that social dialogue in the sector has a positive impact on improving working conditions.

Figure 2



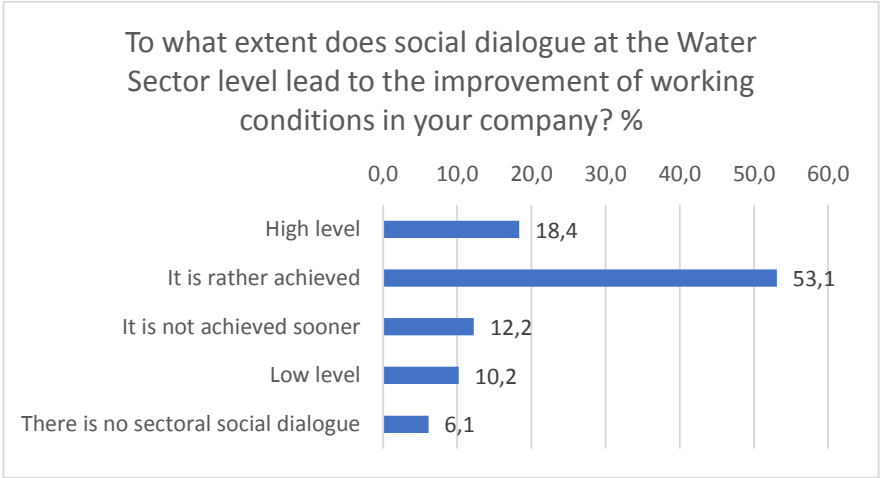
A somewhat neutral or negative assessment was expressed by a total of 20.9% of respondents. This means that one-fifth of participants either do not see any effect or report a complete absence of social dialogue. Therefore, social dialogue in the water sector in Italy is generally

perceived as effective when it comes to working conditions at the sectoral level, with the largest share of respondents stating that it is “somewhat achieved” or present to a “high extent.” A relatively small portion of participants perceive a lack or low level of social dialogue, which may signal a need for improvement in certain companies or regions. As a cumulative result, up to 79.1% of participants perceive the dialogue as having a positive effect.

Malta

The results of the study for Malta show that 71.4% of respondents believe that sectoral-level social dialogue in the water sector contributes to the improvement of working conditions—53.1% assess the effect as “somewhat achieved,” while 18.4% consider it to be to a “high extent.”

Figure 3

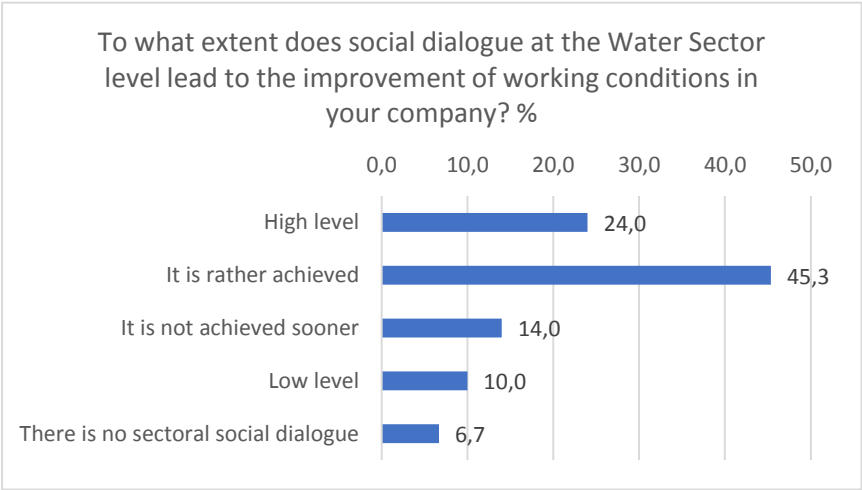


At the same time, nearly one-quarter of participants (22.4%) expressed skepticism regarding its effectiveness—12.2% stated that the effect is “rather not achieved,” 10.2% rated it as “to a low extent,” and 6.1% reported the absence of sectoral social dialogue.

North Macedonia

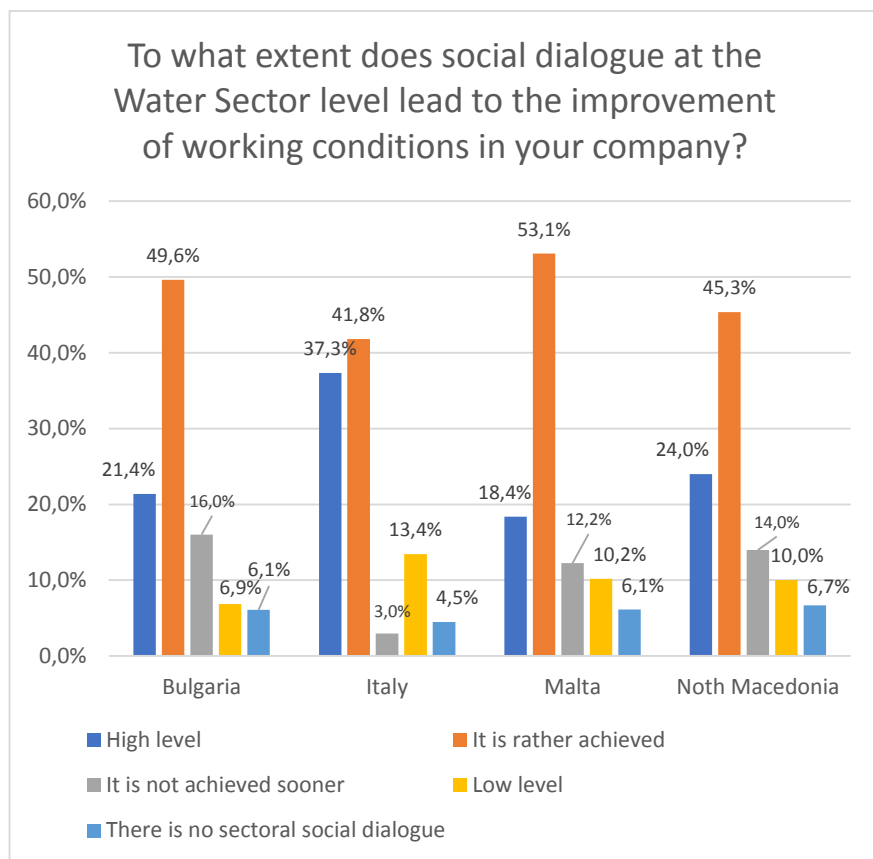
The survey results indicate that 69.3% of respondents believe that social dialogue at the water sector level contributes to the improvement of working conditions—45.3% assessed it as “somewhat achieved,” while 24.0% rated it as “to a high extent.” At the same time, 30.7% of participants expressed reservations or did not observe a positive effect, with 14.0% reporting that improvement is “rather not achieved,” 10.0% stating that the effect is “to a low extent,” and 6.7% indicating that sectoral social dialogue is absent. These results demonstrate a predominantly positive perception, but also reveal significant differences in the effectiveness of dialogue across different companies and contexts.

Figure 4



The summarized data on the impact and effectiveness of the sectoral social dialogue on working conditions in companies in the individual countries included in the project are visible in the following figure:

Figure 5



The aggregated data on the impact and effectiveness of sectoral social dialogue on working conditions in companies across the countries included in the project reveal the following characteristics and national specificities. Bulgaria demonstrates moderate confidence in the effectiveness of sectoral dialogue. The share of positive assessments is high (over 70%), but the proportion of critical opinions is also significant. Italy is the country with the highest level of confidence in sectoral social dialogue. The proportion of “high extent” responses is

nearly twice that observed in Bulgaria, indicating a well-institutionalized and functioning sectoral mechanism. Malta shows the highest share of respondents selecting the response “somewhat achieved” in terms of effectiveness. It can be said that the data for Malta are more closely aligned with those recorded in Bulgaria. In North Macedonia, the study registers a situation similar to that in Bulgaria and Malta—that is, the majority of respondents perceive positive effects, but generally do not rate them as “high.” In this country, a considerable proportion of respondents express skepticism.

A summary of respondents’ assessments of the impact and effectiveness of sectoral-level social dialogue on working conditions in companies is also presented schematically in the following table:

Table 1 the impact and effectiveness of social dialogue at sectoral level on working conditions in companies

Country	Cumulative (%) positive impact	High level (%)	Negative impact (%)	Without dialogue (%)
Italy	79,1%	37,3%	16,4%	4,5%
Malta	71,5%	18,4%	22,4%	6,1%
Bulgaria	71,0%	21,4%	22,9%	6,1%
North Macedonia	69,3%	24,0%	24,0%	6,7%

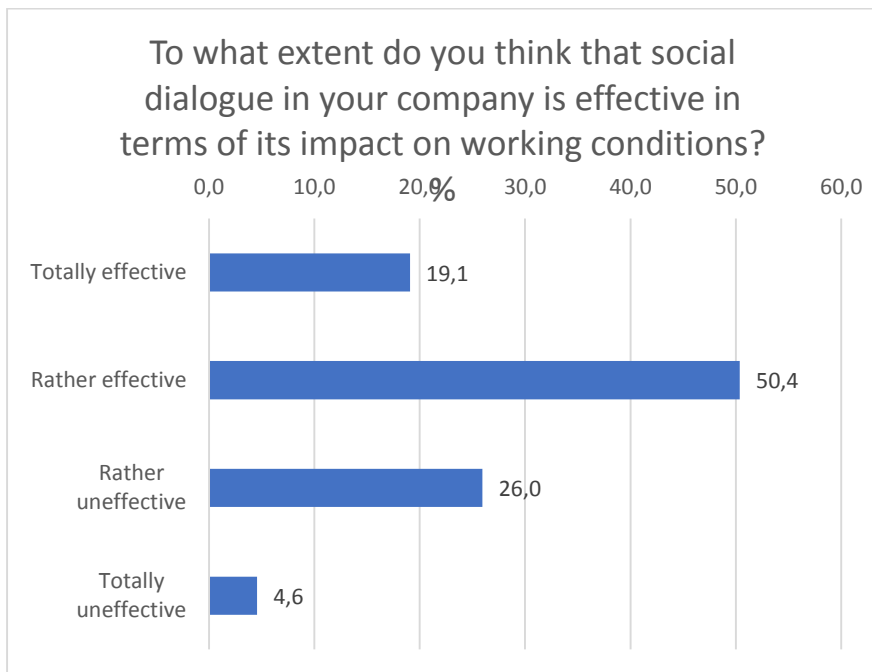
3.2. Effectiveness of social dialogue at company level

This section examines the results of the assessment of internal company-level social dialogue, with a focus on its impact on working conditions and the perceived effectiveness among employees. By analyzing workers' opinions, the study explores the extent to which existing mechanisms for social dialogue—both formal and informal—contribute to actual improvements in the working environment. Based on the aggregated results, key conclusions are drawn regarding the effectiveness of social dialogue within the company context, as well as specific opportunities for its enhancement and sustainable development. To this end, respondents were asked the question: *“To what extent do you consider social dialogue in your company to be effective in terms of its impact on working conditions?”*

Bulgaria

In Bulgaria, a total of 69.5% of respondents consider social dialogue in their company to be effective to varying degrees (combining the responses “Fully effective” and “Rather effective”). This suggests that in nearly 7 out of 10 companies, social dialogue is perceived as a tool that has a tangible positive impact on working conditions—including wages, safety, working hours, and more.

Figure 6



When it comes to the specific company level, 30.6% of respondents consider social dialogue to be ineffective (cumulatively: “Rather ineffective” – 26%, and “Completely ineffective” – 4.6%). This is not a negligible share and signals that in nearly one-third of companies, social dialogue exists but does not achieve significant results—or at least is perceived that way by employees. A more in-depth statistical analysis could be of interest, aiming to explore the correlation between negative assessments at the water sector level and those at the company level.

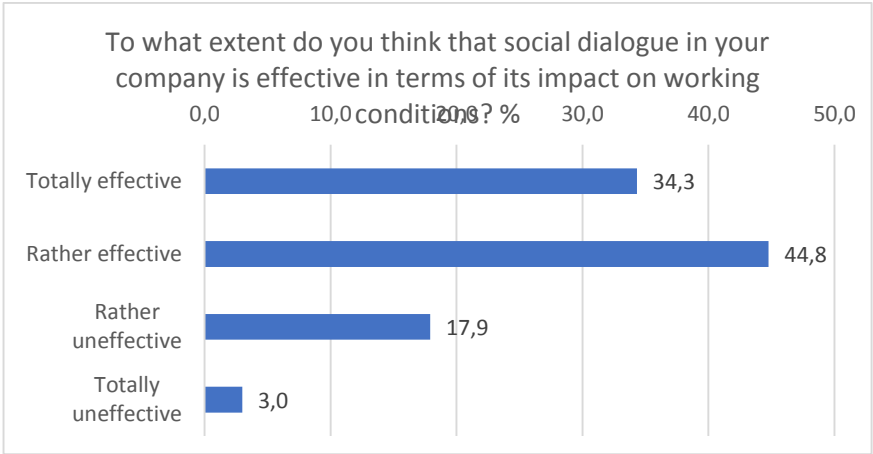
Most respondents perceive company-level social dialogue as rather effective, but not fully effective, which indicates that there is room for improvement, especially regarding its tangible impact on working conditions. Around one-third of the respondents express skepticism, which may point to:

- A formal but non-functioning dialogue
- Lack of real employee participation
- Insufficient communication between management and employee representatives

Italy

The report further presents an analysis of the assessments given by respondents regarding the effectiveness of social dialogue at the company level, viewed through the lens of its impact on working conditions in Italy. The data are based on responses from 67 participants and reflect perceptions of the extent to which social dialogue contributes to real improvements in the working environment.

Figure 7



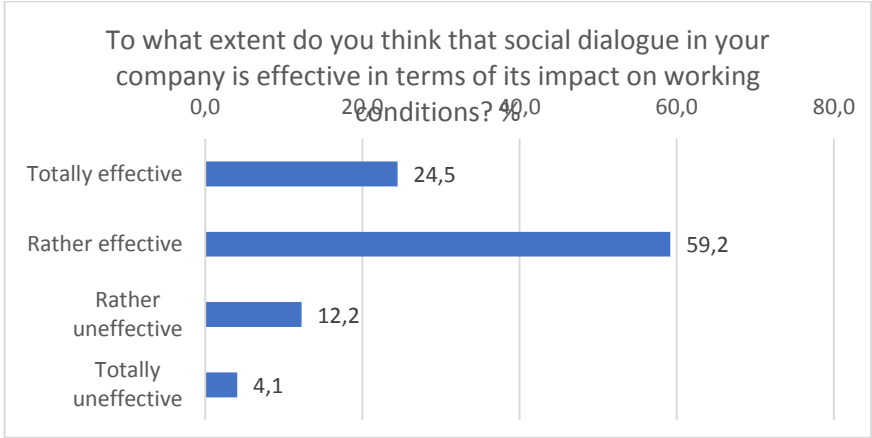
The analysis of responses shows that 44.8% of participants rate social dialogue as “rather effective,” while 34.3% consider it “fully effective.” Therefore, a total of 79.1% of respondents express a

positive assessment of the effectiveness of social dialogue within their company, indicating its role as a tool for improving working conditions. At the same time, 17.9% believe that social dialogue is “rather ineffective,” and 3.0% rate it as “completely ineffective.” Thus, one in five employees (20.9%) questions the effectiveness or actual impact of the existing dialogue. The data reflect a broadly positive perception, suggesting that established and functioning mechanisms for social dialogue exist in a significant proportion of companies. However, the share of respondents reporting ineffectiveness is not negligible, signaling the need for additional efforts in certain organizations. The difference between the responses “rather effective” and “fully effective” also deserves attention, as it indicates untapped potential for improving the quality and impact of social dialogue.

Malta

According to the results, 83.7% of respondents from Malta perceive social dialogue in their company as effective: 59.2% describe it as “rather effective,” and 24.5% as “fully effective.” At the same time, 16.3% of participants question the impact of social dialogue on working conditions—12.2% believe it is “rather ineffective,” and 4.1% rate it as “completely ineffective.”

Figure 8

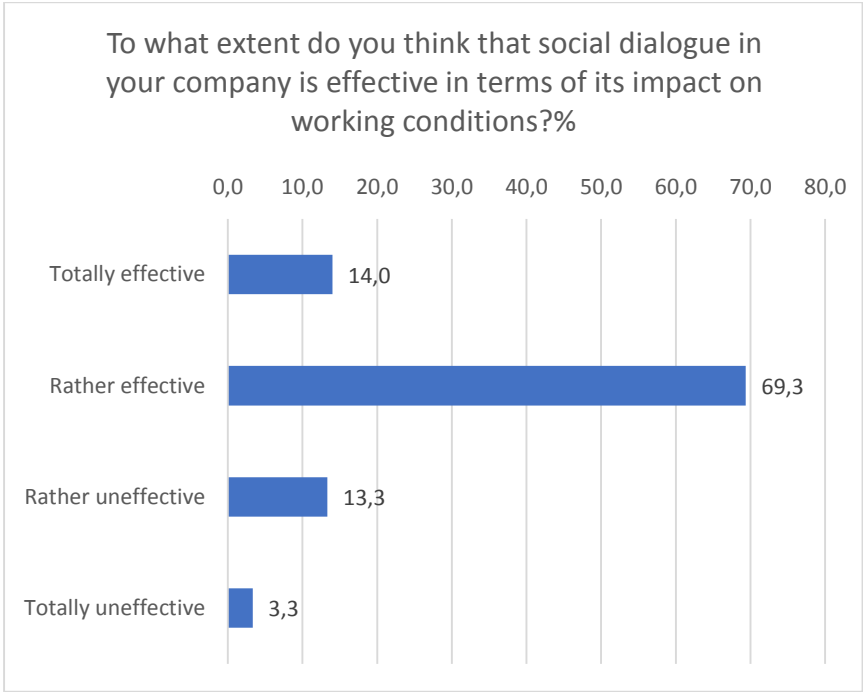


Although dominated by positive assessments, the distribution shows that dialogue is often perceived as partially effective, rather than as a fully result-oriented process.

North Macedonia

The data indicate that 83.3% of respondents consider social dialogue in their company to be effective to some extent—69.3% rate it as “rather effective,” and 14.0% as “fully effective.” At the same time, 16.6% of participants provide a critical assessment—13.3% perceive it as “rather ineffective,” and 3.3% as “*completely ineffective*.”

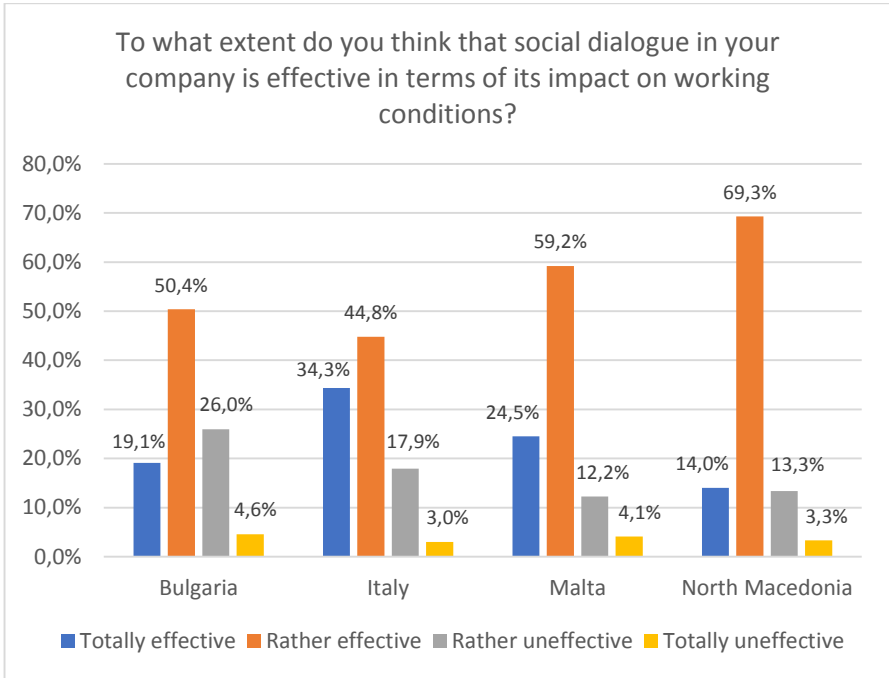
Figure 9



These results indicate the presence of established forms of social dialogue, but also reveal potential for improvement regarding its impact and perceived effectiveness.

Figure 10 presents comparative data on the impact and effectiveness of social dialogue at the company level on working conditions in the individual countries.

Figure 10



In Bulgaria, social dialogue at the company level is perceived as partially effective—one-third of respondents find it ineffective, as shown in the figure above. This may reflect weak union participation or low institutional support within companies. In Italy, the study registers high confidence in the effectiveness of social dialogue in companies. The Italian industrial relations system likely encourages active internal company dialogue and well-structured channels for employee representation. In Malta, the highest share of responses indicating “rather effective” social dialogue at the company level was recorded, suggesting a stable but moderately positive perception. In North Macedonia, the largest proportion of respondents believe that

social dialogue is “rather effective.” This indicates a positive but not strongly convinced perception—social dialogue is seen as working, but with room for development.

It can be summarized that Italy has the highest confidence in strong social dialogue within companies. Malta and North Macedonia show high levels of satisfaction, but with a predominant moderation. In Bulgaria, respondents’ assessments are the most critical compared to the other countries—although most respondents rate social dialogue in companies as effective, one-third of respondents are dissatisfied.

The following table presents a comparison of (cumulative) positive assessments of social dialogue and its effectiveness on working conditions at both the company and sectoral levels by country.

Table 2. Comparison of the social dialogue by levels and countries

Country	Company level (%)	Sectoral level (%)
Bulgaria	69.5	71.0
Italy	79.1	79.1
Malta	83.7	71.5
North Macedonia	83.3	69.3

In conclusion, it can be said that in Bulgaria, respondents' assessments vary, with more emphasis placed on the impact of sectoral social dialogue on working conditions within companies. It is rated as more effective. In Italy, there is no difference in assessments, with the value of the positive evaluation of the impact of sectoral dialogue on

working conditions remaining the highest in this country (79.1%). In Malta and North Macedonia, the highest positive assessments of company-level social dialogue are registered—83.7% and 83.3%, respectively. These summarized data indicate that the exchange of knowledge and best practices among the countries participating in the project should continue.

3.3. Analysis of the social dialogue indicators

The following analysis concerns the indicators of social dialogue and the respondents' assessment of how prevalent or not they are within companies. Among the indicators, the research team and project team identified the following:

- Collective labor agreement
- Intensity of participation
- Scope of collective bargaining
- Labor standards and conditions
- Mechanisms for conflict resolution
- Other (if applicable).

Respondents in the four countries were confronted with the question: "To what extent do you believe the following indicators of social dialogue are effectively implemented within your company?" The

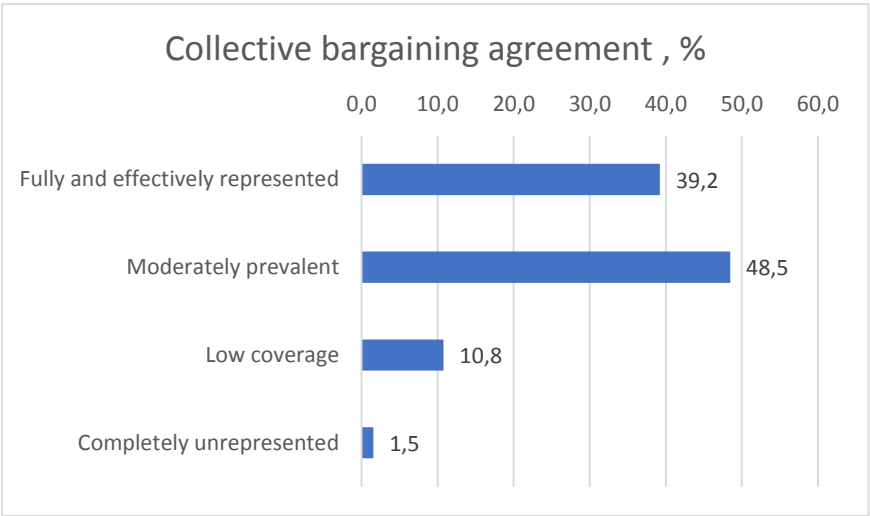
analysis is specific to the company level in each of the four countries involved in the project.

3.3.1. Collective bargaining agreement (CBA)

Bulgaria

In Bulgaria, almost 88% of respondents believe that the collective labor agreement is at least moderately prevalent.

Figure 11

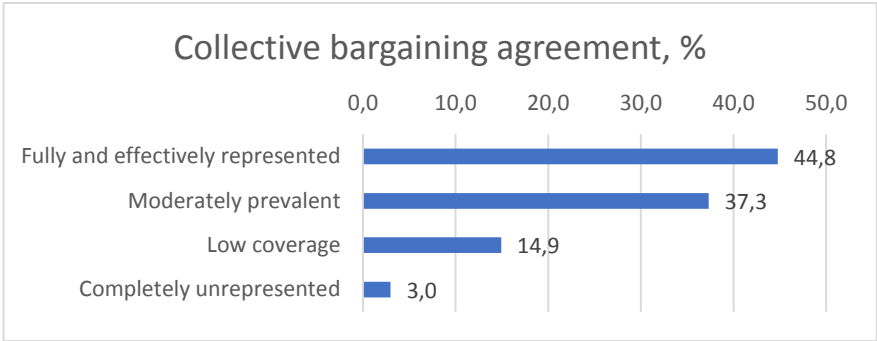


Only 1.5% report that such a contract is completely absent. This is a positive signal that the tool is widely applied and perceived as part of social dialogue.

Italy

The results show that the collective labor agreement (CLA) is widely implemented in companies, with 44.8% of respondents stating that it is fully and effectively implemented, and 37.3% rating it as moderately implemented. Therefore, 82.1% of participants view the presence of the CLA as an effectively functioning mechanism, albeit with varying degrees of effectiveness. On the other hand, 17.9% of respondents report a weak (14.9%) or completely absent (3.0%) collective agreement, which signals a lack of institutional regulation or formalization in some companies.

Figure 12

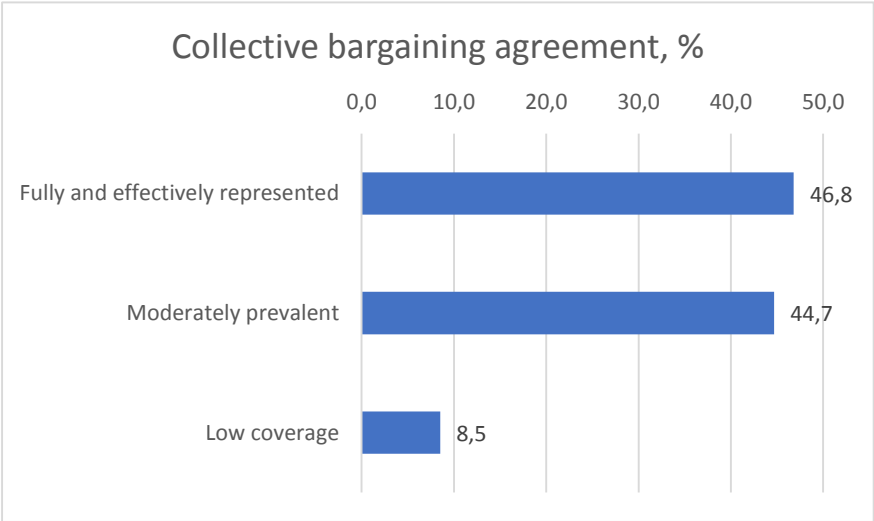


The data indicate that collective bargaining is widely practiced, with nearly half of respondents perceiving it as fully effective. At the same time, there is a need to strengthen its content and implementation in those organizations where agreements are only partially effective or entirely absent.

Malta

According to the results obtained, the collective labor agreement is perceived as an effectively implemented indicator of social dialogue in a significant portion of companies: 46.8% of respondents describe it as fully and effectively implemented, while 44.7% assess it as moderately implemented. This means that over 91% of participants perceive this indicator as present and functioning to some degree. Only 8.5% indicate that it is *weakly implemented*.

Figure 13

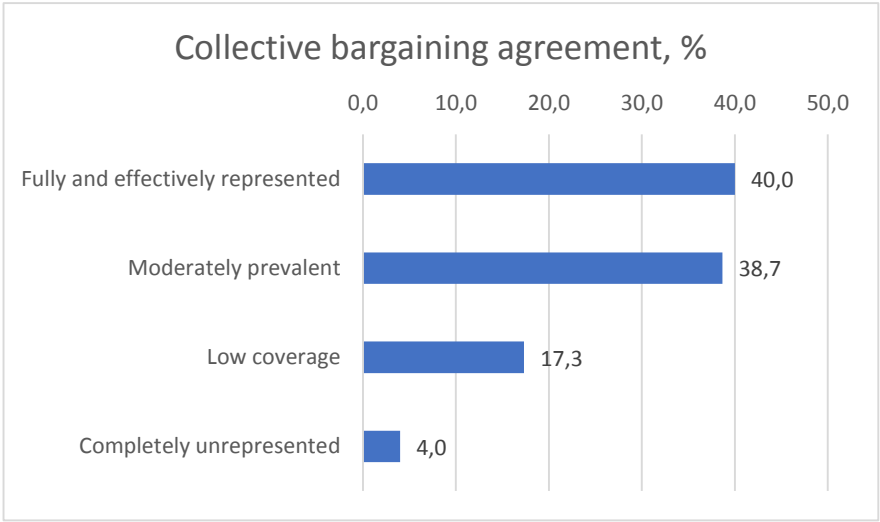


Collective bargaining is clearly recognized as a structural element of social dialogue within companies. The data indicate a high degree of institutionalization, with the main challenge being to enhance the effectiveness and actual implementation of the existing agreements.

North Macedonia

The data show that the collective labor agreement is a widely recognized and applied mechanism within the framework of social dialogue; 40.0% of respondents describe it as fully and effectively implemented, while 38.7% consider it moderately implemented. In total, 78.7% of participants perceive the CLA as present in company practice, albeit with varying degrees of institutional and practical implementation. At the same time, 17.3% report that the collective agreement is weakly implemented, and 4.0% say it is *completely absent*, indicating gaps in some organizations.

Figure 14



Collective bargaining is a key element of social dialogue that is present in most companies but is not always implemented in a fully effective form. The relatively high share of moderately and weakly implemented agreements highlights the need to strengthen the

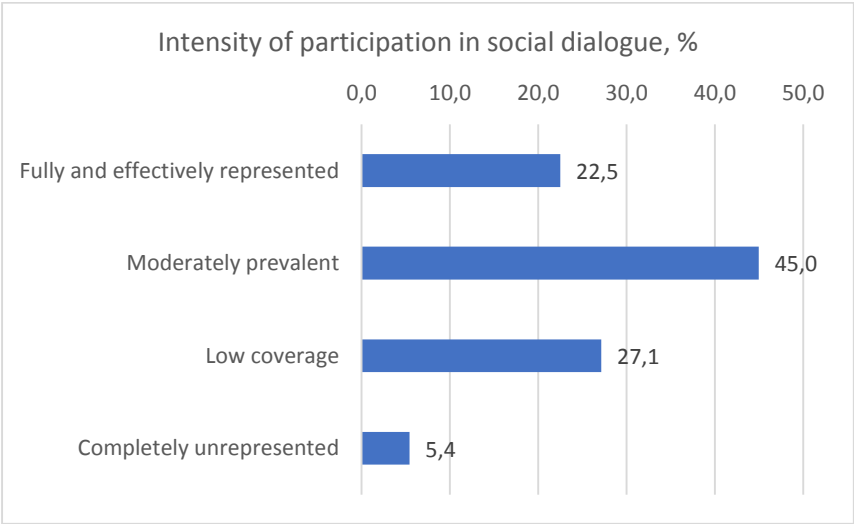
practical application and content of collective labor agreements, especially in organizations where they are formal or underutilized instruments.

3.3.2. The intensity of participation in social dialogue (frequency and duration of consultations)

Bulgaria

Data on the intensity of participation in social dialogue (frequency and duration of consultations) in Bulgaria are shown in the following Graph.

Figure 15



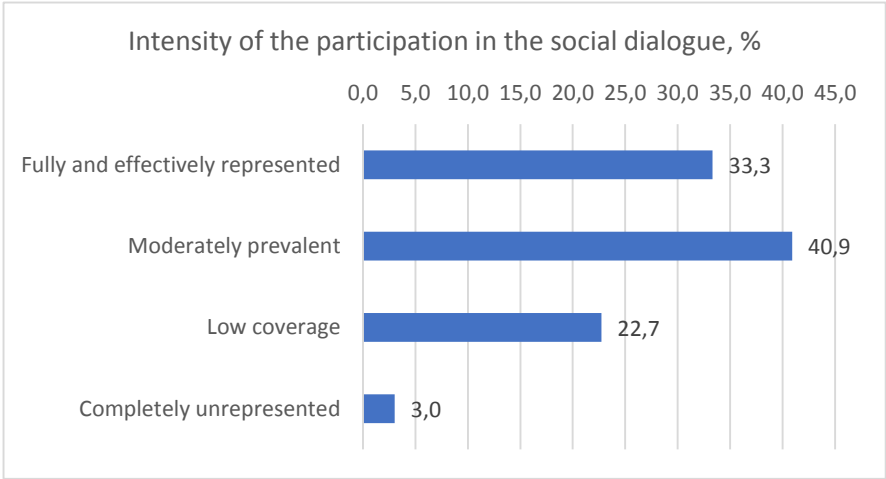
The data show that in **Bulgaria**, only 22.5% believe that participation is fully and effectively implemented. 45% state that it is moderately implemented, meaning that 67.5% find the intensity of participation in

social dialogue to be at least moderately present. Combined with nearly one-third of responses indicating “weak” or “completely absent” participation, this suggests insufficient engagement and depth in the dialogue. Efforts are needed to enhance actual employee involvement and the frequency of consultations.

Italy

Respondents’ assessments of the intensity of participation in social dialogue indicate that, in a significant portion of companies, participation is at a good level. For example, 33.3% report that social dialogue is fully and effectively implemented, while 40.9% consider it moderately implemented. A total of 74.2% of participants indicate at least a satisfactory level of participation. On the other hand, 22.7% rate the intensity as weakly implemented, and 3.0% report a complete absence of participation.

Figure 16



The data indicate that mechanisms for participation in social dialogue exist in most organizations, but in one-quarter of the cases, participation

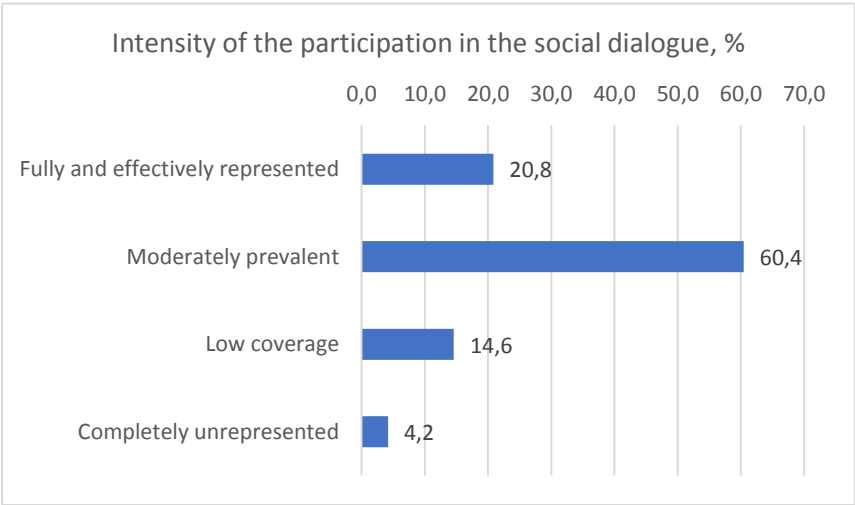
remains limited or formal. This highlights the need for more active employee involvement and the creation of genuine opportunities to express opinions and influence decisions related to labor relations.

Malta

Respondents’ assessments regarding the intensity of participation in social dialogue show that in most companies, this aspect is at least partially present: 20.8% of participants rate participation as fully and effectively implemented, and 60.4% as moderately implemented. In total, 81.3% of respondents perceive participation in social dialogue as present in organizational practice, albeit with varying levels of engagement.

On the other hand, 18.8% of respondents consider it weakly implemented (14.6%) or completely absent (4.2%), indicating limited engagement or a lack of real participation opportunities in some companies.

Figure 17



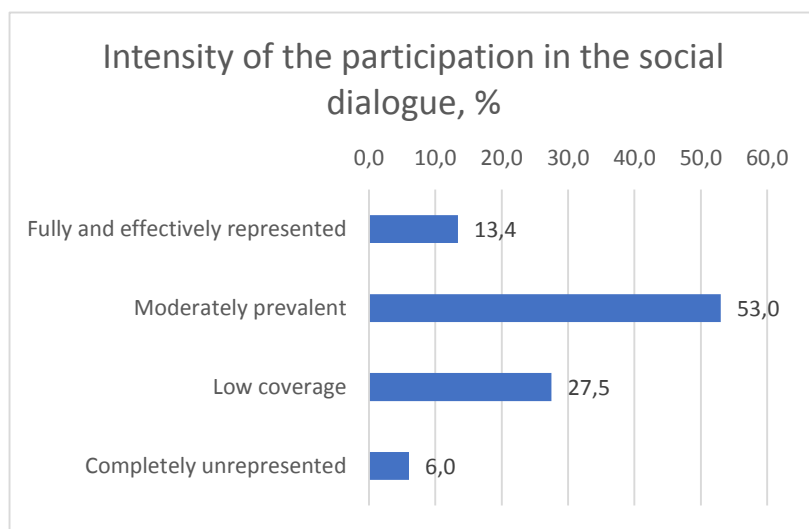
Although employee participation in social dialogue is institutionally recognized in the majority of organizations, the predominance of a

"moderate" level and the relatively low share of "fully effective" participation emphasize the need to increase engagement and the real influence of workers in processes related to labor relations.

North Macedonia

Participant assessments regarding the intensity of involvement in social dialogue indicate that while it is present in most companies, active and effective employee participation remains limited. Only 13.4% describe participation as fully and effectively implemented, while 53.0% consider it moderately implemented—together comprising 66.4% of respondents who perceive some level of engagement. On the other hand, 33.5% of respondents state that participation is weakly implemented (27.5%) or completely absent (6.0%).

Figure 18



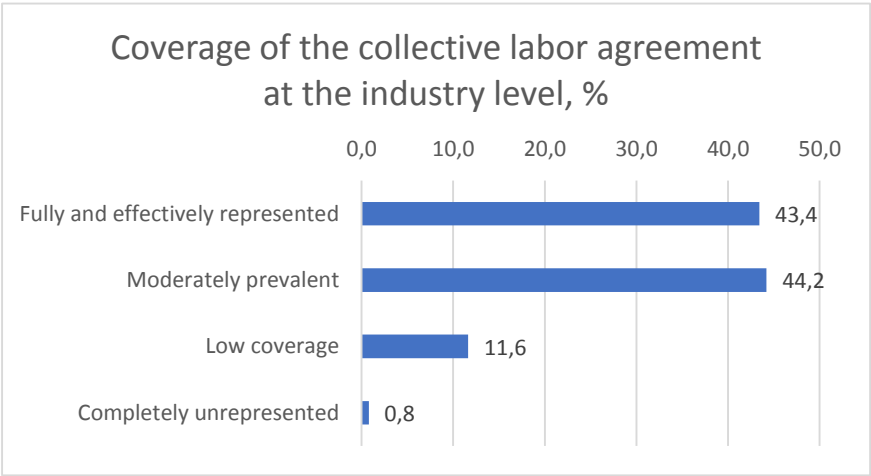
Although the participation in the social dialogue is institutionally recognizable, active employee involvement is rather limited and unsustainable. The data highlights the need to strengthen real opportunities for participation, as well as to raise awareness and motivation of employees to engage in social partnership processes.

3. 3.3. Level of the collective labor agreement (CLA) at the industry level

Bulgaria

Data on the scope of CLA at the industry level in Bulgaria are shown in the following graph:

Figure 19



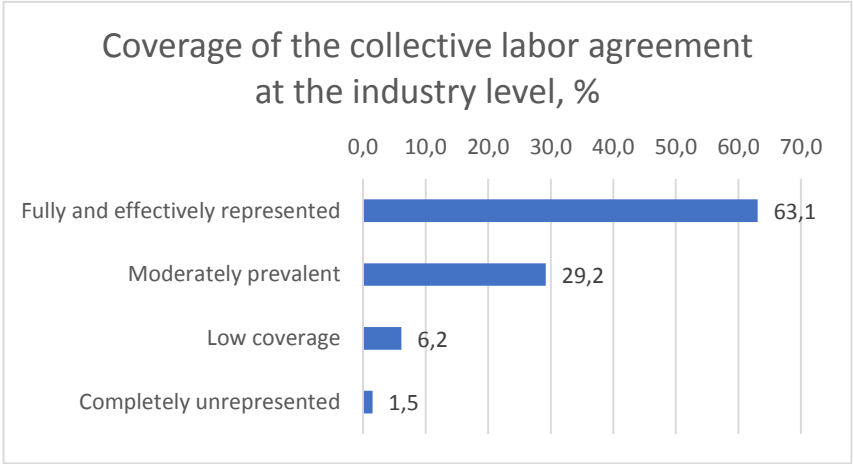
Regarding the scope of the collective labor agreement, 87.6% of respondents rated it as at least moderately effective. This indicates a high degree of formal regulation of labor relations at the sectoral

level. The near absence of complete non-coverage—reported by less than one percent of respondents—confirms the significance of collective agreements as a tool of social dialogue.

Italy

The data shows a high degree of coverage by sectoral collective labor agreements in the surveyed organizations. 63.1% of respondents stated that the sectoral collective agreement is fully and effectively implemented. Another 29.2% described it as moderately implemented, resulting in over 92% of respondents giving a positive evaluation. Only a relatively small proportion indicated that the agreement is weakly implemented (6.2%) or not implemented at all (1.5%).

Figure 20



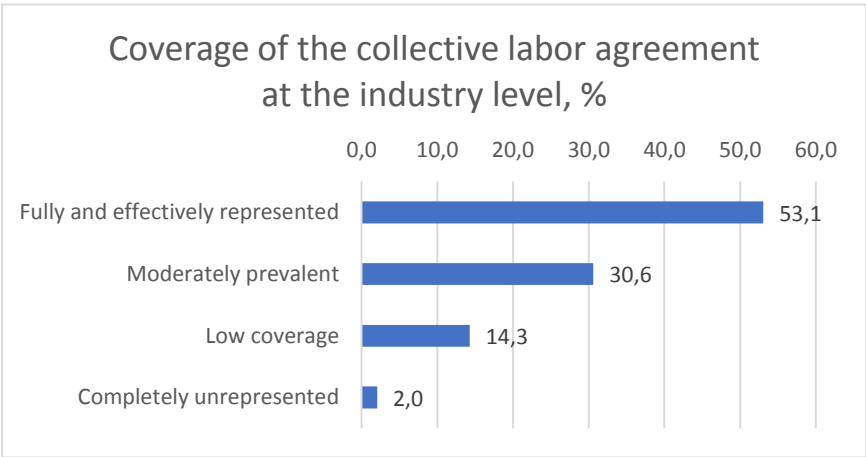
Sectoral-level collective bargaining is widely practiced and functional, according to the majority of respondents. The high level of effectiveness suggests a well-established degree of institutionalization and coordination between the social partners. At

the same time, the presence of even a small share of organizations with weak coverage by collective labor agreements signals a need for continued support from sectoral structures—particularly for smaller or less represented companies.

Malta

The results indicate that the sectoral collective labor agreement is broadly implemented in the observed organizations. 53.1% of participants rated this indicator as fully and effectively implemented, while 30.6% described it as moderately implemented—resulting in a total of 83.7% positive evaluations regarding its presence and functioning. A relatively small but notable portion of respondents assessed the agreement’s coverage as weak (14.3%) or entirely absent (2.0%), totaling over 16%.

Figure 21



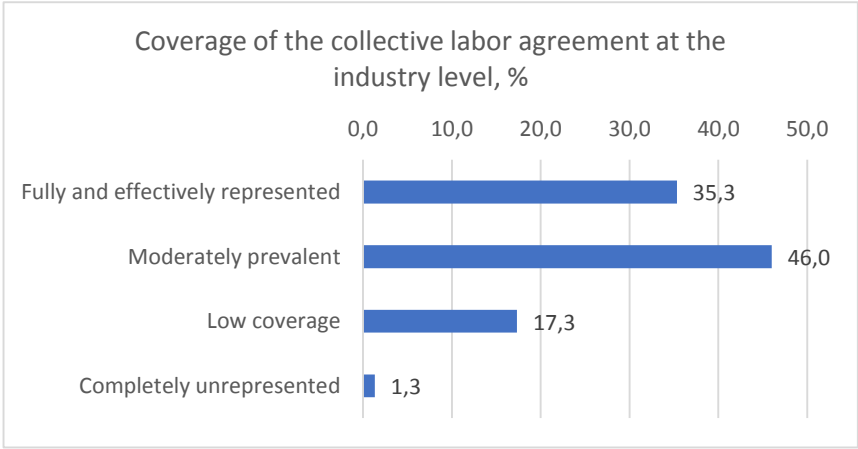
The data indicate that in most cases, sectoral collective bargaining is well established and recognized as a key component of social

dialogue. However, the presence of instances with low or absent effectiveness highlights the need for consistent practical implementation and broader coverage—especially in regions where this has not yet been fully achieved.

North Macedonia

The data show that sectoral collective bargaining is present in a significant portion of the surveyed organizations: 35.3% of participants believe this indicator is fully and effectively implemented, while 46.0% consider it moderately implemented. Cumulatively, 81.3% of respondents provided a positive evaluation, indicating broad adoption and structural stability of sectoral collective labor agreements. At the same time, 18.6% reported either weak implementation (17.3%) or a complete absence (1.3%), underscoring that there are organizations where collective agreements are either only partially applied or entirely lacking.

Figure 22



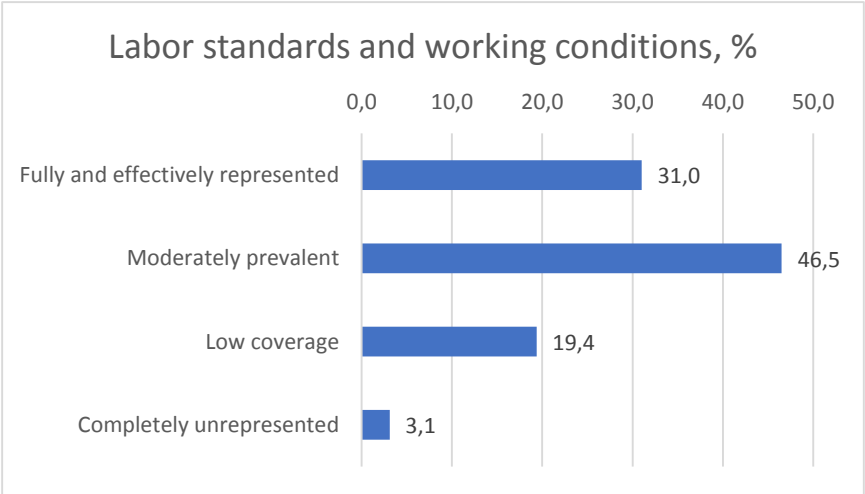
Although the results indicate a relatively high degree of coverage by sectoral collective labor agreements, the fact that only one-third of respondents consider them to be fully and effectively implemented reveals potential for improving their practical application and impact. Efforts should be directed both toward enhancing their effectiveness and expanding their scope—especially among companies where coverage is currently limited.

3.3.4. Labor Standards and Working Conditions (Impact on Wages, Working Hours, Safety, etc.)

Bulgaria

In Bulgaria, approximately three-quarters of respondents (77.5%) assess the application of labor standards as moderate or full, which is a positive sign. However, around 22.5% report that these standards are weakly applied or entirely absent, indicating disparities between companies or inconsistency in the implementation of labor standard.

Figure 23

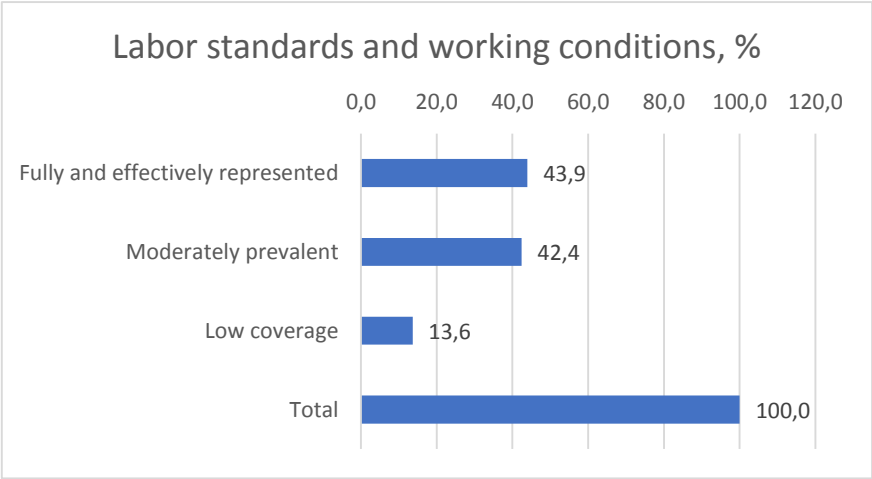


In the case of Bulgaria, collective labor agreements (at both company and sectoral levels) are relatively well established and function effectively. Most respondents report moderate to high effectiveness in regulating key labor parameters. However, the study identifies the intensity of participation in social dialogue as a remaining weakness—nearly one-third of responses indicate a lack of employer engagement. Some companies still show weak or absent labor standards, which may be linked to organizational or managerial shortcomings.

Italy

The evaluation of the indicator "labor standards and working conditions" shows a high level of implementation across most organizations. 43.9% of respondents believe this component is fully and effectively in place, while 42.4% describe it as moderately implemented. In total, 86.4% of participants provide a positive assessment of the applicability and effectiveness of labor standards within the company context. A relatively small share (13.6%) report weak implementation, which nonetheless highlights a need for improvement in certain firms or sector.

Figure 24

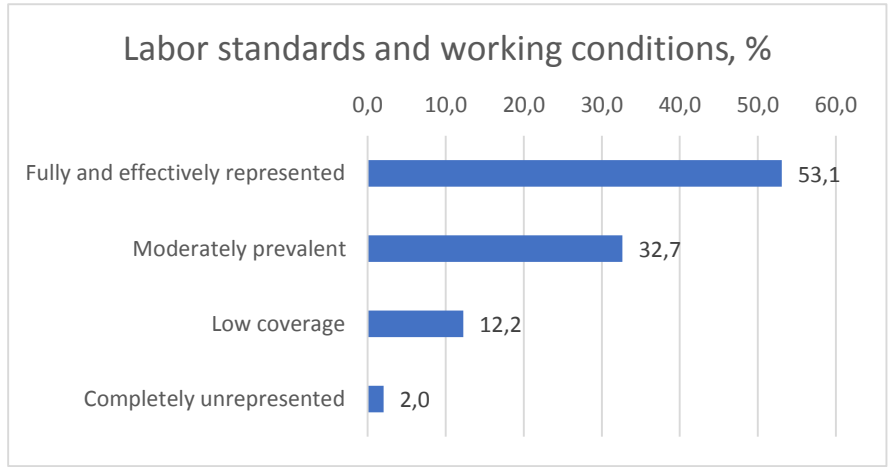


Labor standards and working conditions are widely implemented and functional in the majority of the organizations observed. The data reflect a strong institutional foundation, while also indicating potential for further consolidation in cases where practices remain limited or underdeveloped.

Malta

The results show that labor standards and working conditions are well established in the observed organizations: 53.1% of respondents indicated that this indicator is fully and effectively implemented, while 32.7% described it as moderately implemented. In total, 85.8% of participants assess labor standards as structurally present and operational within the organizational context. At the same time, 14.2% report that these standards are weakly implemented (12.2%) or entirely absent (2.0%), suggesting that in some cases there are gaps in the application of established standards.

Figure 25



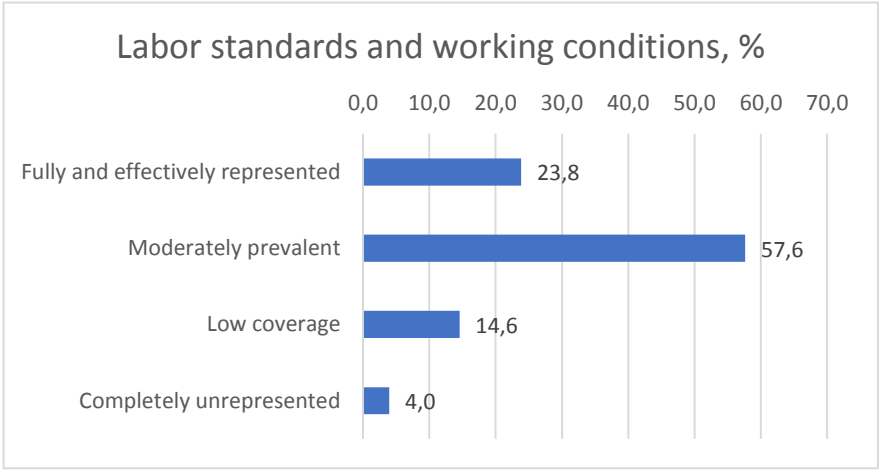
Although the results indicate a high level of effectiveness and institutional presence of labor standards, the limited implementation

in some companies highlights the need to further strengthen good practices and promote their broader dissemination and sustainable application.

North Macedonia

Respondents' assessments indicate that the indicator "labor standards and working conditions" is widely present in companies, albeit with varying degrees of effectiveness: 23.8% of participants consider it fully and effectively implemented, while 57.6% describe it as moderately implemented. In total, 81.5% of respondents perceive the presence of labor standards as structurally established, though often not fully developed or sustained. At the same time, 18.6% of respondents report that the indicator is weakly implemented (14.6%) or completely absent (4.0%).

Figure 26



The data indicate that while labor standards and working conditions are a core element of social dialogue in most organizations, the actual

depth and effectiveness of their implementation vary. The predominance of responses indicating “moderate” implementation suggests a need to build upon existing practices in order to achieve higher levels of security, fairness, and employee satisfaction.

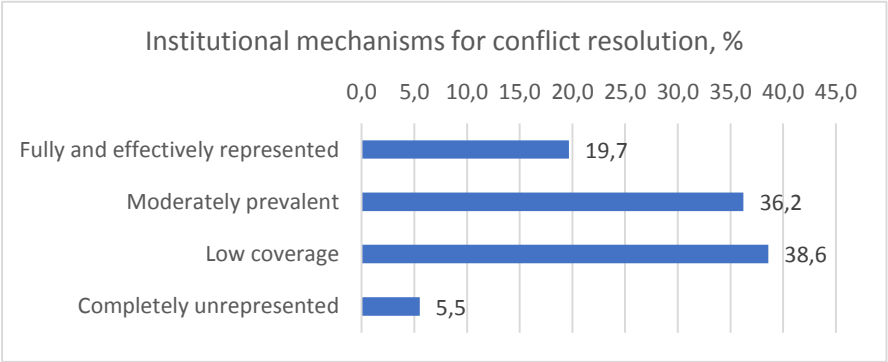
3.3.5. Institutional Mechanisms for Conflict Resolution

This section examines the extent to which institutionalized mechanisms for resolving labor disputes—such as arbitration committees and social dialogue councils—are present and utilized within companies across four countries: Bulgaria, Italy, Malta, and North Macedonia. The analysis focuses on respondents’ perceptions of the effectiveness of these mechanisms, as well as on identified good practices or the absence thereof in the different national contexts.

Bulgaria

This analysis explores the extent to which indicators of social dialogue, including institutionalized mechanisms for conflict resolution, are present in Bulgarian companies. The data are based on responses from 127 participants, with 5 respondents not providing a valid answer. The main results are illustrated in the following chart.

Figure 27



Only 19.7% of respondents indicate that indicators of social dialogue are "fully and effectively implemented" within their company. A further 36.2% describe their presence as "moderate," suggesting partial but likely inconsistent application. The largest share—38.6%—report that

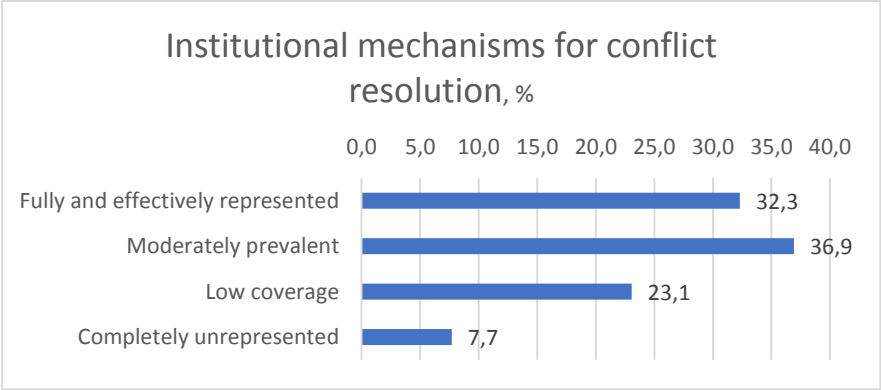
these indicators are "weakly implemented," while another 5.5% state that they are "entirely absent." Thus, nearly half (44.1%) of participants report a low or nonexistent institutional foundation for social dialogue and conflict resolution. The data suggest that institutional mechanisms for social dialogue are either underdeveloped or inconsistently applied in a significant proportion of companies. Although one-third of participants report moderate presence, only one-fifth perceive the mechanisms as effectively established and operational. The absence or weak presence of such indicators limits the ability to resolve labor disputes in a timely and constructive manner, potentially leading to escalating tensions or formal conflicts.

Italy

The survey results show that institutionalized mechanisms for conflict resolution—such as arbitration committees or social dialogue councils—are at least partially present in a significant number of organizations: 32.3% of respondents consider them to be fully and effectively implemented; 36.9% describe them as moderately implemented. In total, 69.2% of participants recognize the existence of such mechanisms, indicating a relatively broad implementation, though not necessarily with full effectiveness. On the other hand, 30.8% report that the mechanisms are weakly implemented (23.1%)

or completely absent (7.7%)—a substantial share, underscoring the lack of structured approaches to conflict resolution in some companies.

Figure 28



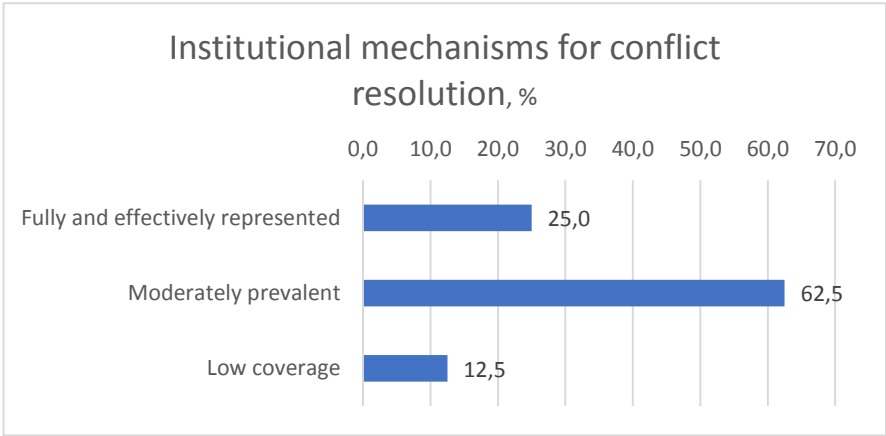
Although the majority of companies have some form of institutionalized approach to conflict resolution, only one-third of participants assess it as fully effective. This highlights the need to strengthen, formalize, and activate the existing mechanisms in order to better manage labor relations and prevent escalating social conflicts.

Malta

The results indicate that institutionalized mechanisms for conflict resolution (e.g., arbitration committees, dialogue councils) are at least moderately established in most of the surveyed companies: 25.0% of respondents rate them as fully and effectively implemented, while 62.5% consider them moderately implemented. In total, 87.5% of participants acknowledge the presence of such mechanisms, albeit not always in a fully developed form. A relatively small but noteworthy share (12.5%) report that these mechanisms are weakly implemented,

which may suggest practical shortcomings or a formal existence without real functionality in certain organization.

Figure 29



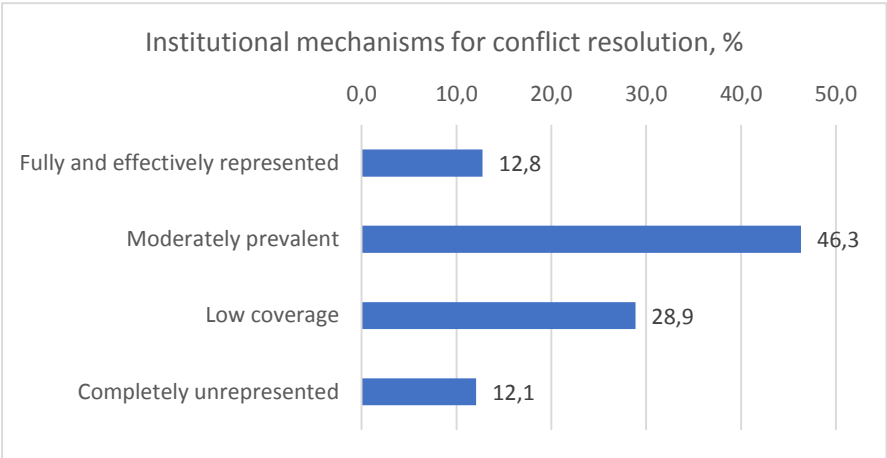
Although institutional mechanisms for conflict resolution are practically implemented in most companies, their effectiveness in real-world environments remains a challenge. The data point to the need for clearer procedures, the development of mediation capacity, and more active implementation of existing frameworks so that these mechanisms fulfill their role not only formally but also with practical results.

North Macedonia

The data indicate that institutionalized conflict resolution mechanisms—such as councils, committees, and mediation procedures—are unevenly present in different companies. For example, only 12.8% of participants define them as fully and effectively implemented, while 46.3% evaluate them as moderately implemented, which is the most common response. At the same time, 41% of respondents report poorly implemented (28.9%) or completely absent (12.1%) mechanisms. This represents a

very high proportion of companies in which these mechanisms are either poorly functioning or do not exist as a structured practice.

Figure 30



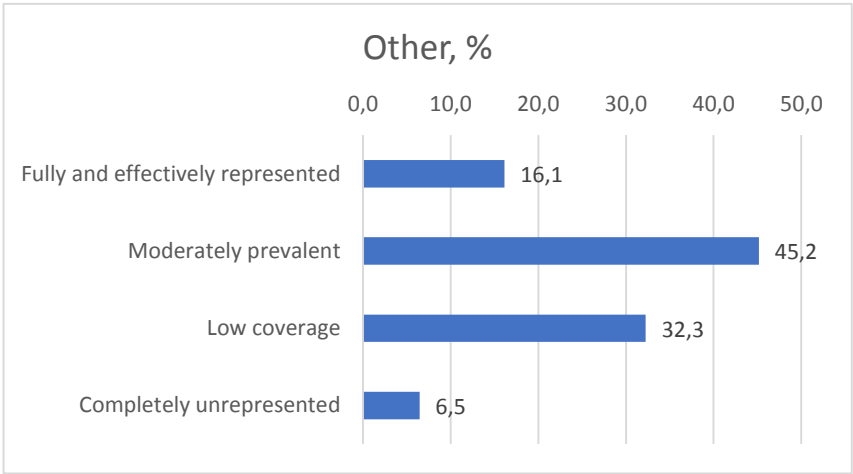
Although most organizations have at least partially developed conflict resolution mechanisms, their actual effectiveness and systemic presence in the country are generally limited. This creates a risk of escalating tensions and/or a lack of timely and transparent resolution of labor disputes. Targeted support is needed for the development and institutionalization of such mechanisms, especially in those companies where they are either absent or merely formal. It can be said that the establishment of institutional mechanisms for resolving social and trade union conflicts in North Macedonia is part of the broader process of institutional building in the post-socialist period, the shortcomings of which are now becoming particularly visible in all transformation processes.

3.3.6. Other (Informal Mechanisms) Indicators for Social Dialogue

Bulgaria

The table reflects the extent of implementation of the so-called "other" indicators for social dialogue within the company, which do not fall into the main categories, such as informal communication channels, internal participation policies, feedback mechanisms, etc. The data is valid for 62 respondents, with 70 participants not providing an answer to this variable (53% missing). Only 16.1% of respondents believe that these indicators are "*fully and effectively implemented*." The largest group of respondents – 45.2% – rate them as "*moderately implemented*." 32.3% state that they are "*poorly implemented*," and 6.5% indicate that they are *completely absent*.

Figure 31



Therefore, nearly 39% of participants perceive the "other" indicators as weakly or not at all present, while just over 60% report at least moderate presence. The positive perception is limited – although nearly half of the respondents report moderate implementation, the fully effective presence of these indicators remains restricted to a small portion of companies. The high share of missing responses (53%) may be interpreted as an indication of low awareness regarding the existence or importance of such indicators among the respondents. The data suggests that "other" forms of social dialogue (beyond formal mechanisms) are less developed, less institutionalized, or less recognizable..

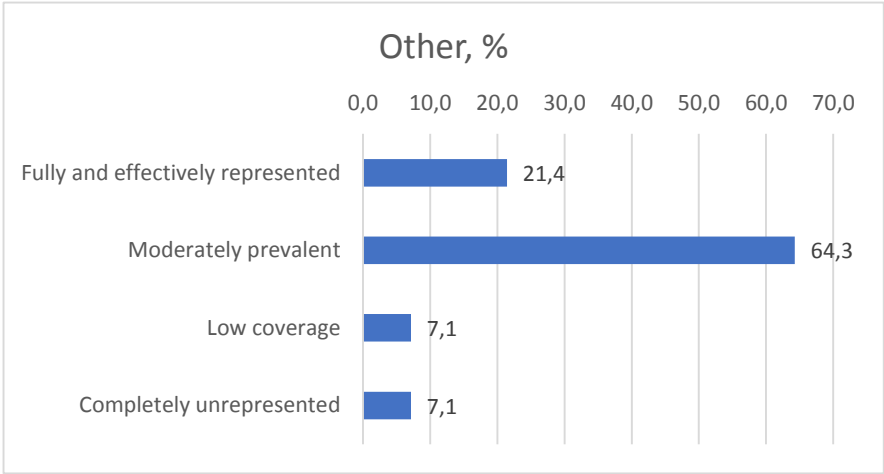
Italy

No respondents provided answers.

Malta

The chart below presents an assessment of additional ("other") indicators for social dialogue at the company level – beyond the main mechanisms, such as informal communication channels, internal participation practices, feedback platforms, etc. Of the 49 participants, only 28 provided valid responses. Of these, 21.4% consider these indicators to be fully and *effectively implemented*, while 64.3% rate them as *moderately implemented*. Overall, 85.7% of respondents report at least moderate presence of additional elements of social dialogue. Meanwhile, 14.2% state that these indicators are *weakly present* or *completely absent*.

Figure 32



A high share of missing responses (42.9%) is also noticeable, which may indicate a lack of clarity, poor recognition, or low awareness regarding these mechanisms. Therefore, additional indicators for social dialogue are partially present but often remain unrecognized or insufficiently institutionalized. This highlights the need for better communication and formalization of informal or supplementary mechanisms, which can also play a key role in engagement and trust within organizational dialogue.

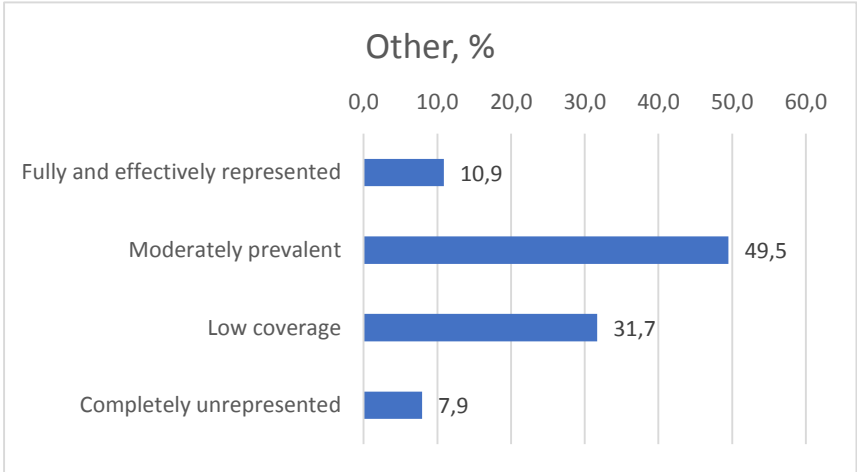
North Macedonia

The data from the chart below present the evaluation of additional ("other") indicators for social dialogue in the company context, which do not fall within the main elements (e.g., informal practices, internal company initiatives, feedback channels, etc.). Only 10.9% of participants consider them to be *fully and effectively implemented*, while 49.5% rate them as *moderately implemented*. Overall, nearly

60% of respondents perceive these indicators as at least partially present.

At the same time, 39.6% state that they are weakly implemented (31.7%) or completely absent (7.9%). Special attention should be paid to the high proportion of missing responses (33.1%), which may indicate: a lack of clarity among respondents regarding the existence of such indicators; limited application of alternative forms of social dialogue; or low institutionalization of "other" practices in companies.

Figure 33



The results highlight that while "other" indicators for social dialogue are present in some organizations, they often remain unstructured, poorly recognized, or formally unrealized as a practice. Better communication and visibility of complementary mechanisms are needed, as well as the promotion of innovative and informal forms of participation and dialogue.

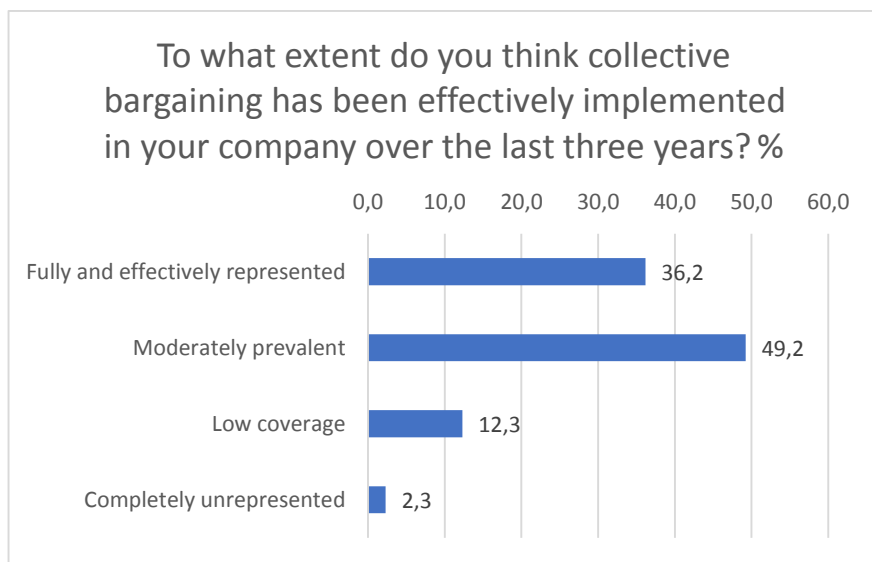
3.4. Collective Bargaining within the Company

This section presents the respondents' assessment of the effectiveness of collective bargaining within the company over the past three years.

Bulgaria

In Bulgaria, nearly 85.4% of respondents believe that collective bargaining within the company has been at least moderately implemented over the past three years⁷. This is a strong indicator that collective bargaining is perceived as a stable and effective tool for regulating labor relations.

Figure 34



12.3% of the respondents rate collective bargaining as weakly implemented. An additional 2.3% state that it is completely absent.

⁷ Total valid responses: 130. Missing: 2. Total respondents: 132

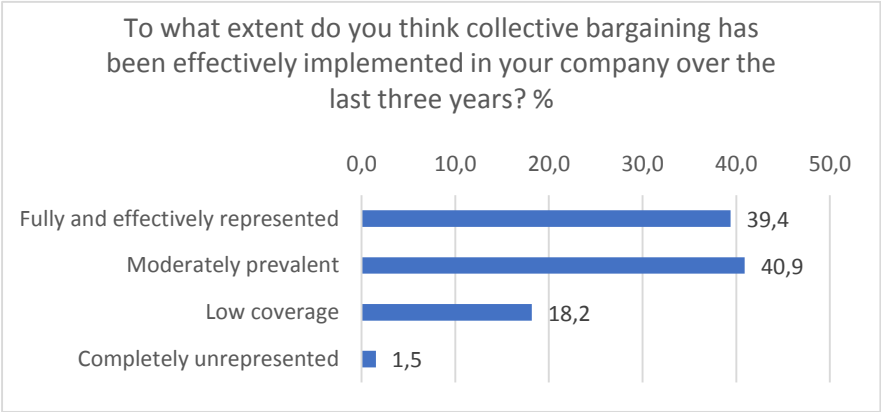
Although small, this share indicates that in some companies, there is still no real practice of collective bargaining.

Overall, the study confirms that in Bulgaria, collective bargaining is perceived as a stable and relatively effective mechanism, especially when compared to other indicators of social dialogue. The challenge lies in expanding and deepening this process in those organizations where it is partially implemented or merely formal. Best practices from companies with high effectiveness in collective bargaining can be shared and implemented in weaker sectors.

Italy

The results show that collective bargaining within companies in Italy is perceived as *predominantly effective*: 39.4% of respondents define it as *fully and effectively implemented*, while 40.9% rate it as *moderately implemented*. Overall, 80.3% of participants believe that collective bargaining has played at least a satisfactory role over the past three years. On the other hand, 18.2% indicate that it is *weakly implemented*, and 1.5% say it is *completely absent*, which suggests gaps or limited implementation in some organization

Figure 35

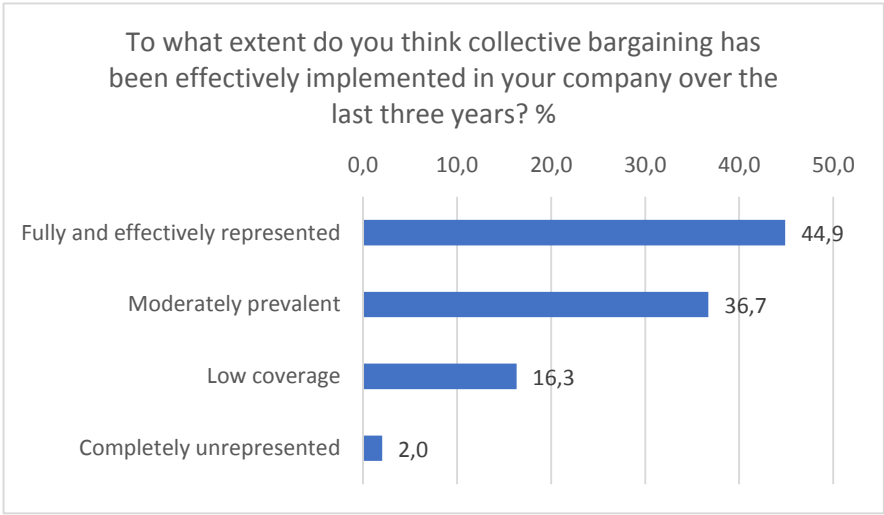


Collective bargaining is recognized by respondents as an important and genuinely functioning element of social dialogue in most companies. However, the significant share of "moderate" assessments and the presence of weak implementation suggest that there is potential for improvement in Italy, particularly regarding the application of agreements and the expansion of their content and scope.

Mazma

The results indicate that collective bargaining within companies over the past three years has been predominantly positively perceived by the participants in the study: 44.9% of respondents define it as *fully and effectively implemented*, while 36.7% rate it as *moderately implemented*. Overall, 81.6% of participants consider collective bargaining to be a functioning mechanism within the organization. At the same time, 16.3% view it as *weakly implemented*, and 2.0% as *completely absent*, indicating that for some employers, this tool remains limited or merely formal.

Figure 36

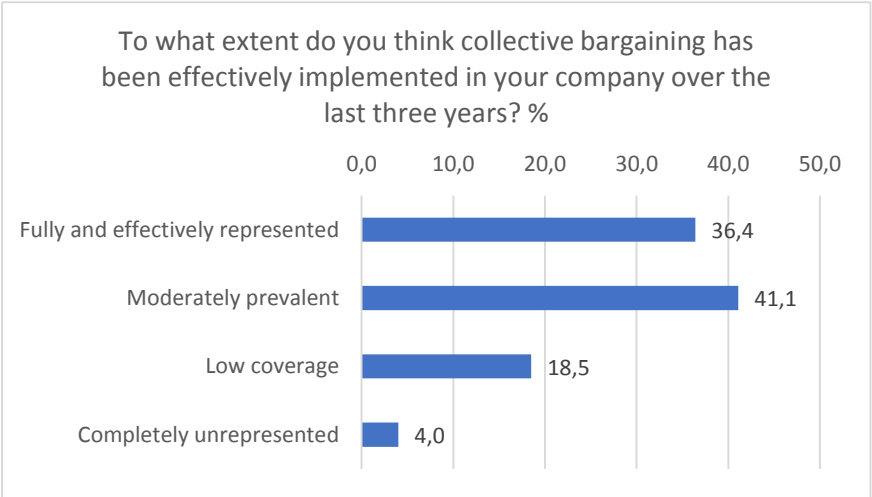


Collective bargaining is a core element of social dialogue and, in most cases, is applied effectively. Nevertheless, the share of responses indicating weak or absent implementation highlights the need for broader application and better integration of collective agreements into the management of labor relations, especially in companies with underdeveloped mechanisms..

North Macedonia

The data show that collective bargaining has been widely implemented in the surveyed companies over the past three years: 36.4% of respondents rate it as *fully and effectively implemented*, and 41.1% as *moderately implemented*. In total, 77.5% of participants report at least a satisfactory level of presence and effectiveness of collective bargaining. At the same time, 18.5% describe it as *weakly implemented*, and 4.0% as *completely absent*, signaling that in nearly one in four organizations, collective bargaining mechanisms are either underdeveloped or insufficiently active.

Figure 37



Collective bargaining is an institutionalized practice in most organizations in North Macedonia. However, a significant share of respondents indicate that it does not reach the desired level of effectiveness. The need to strengthen the actual content and implementation of collective agreements remains relevant, especially in organizations where this instrument is weakly or only formally applied.

3.5. Institutionalized Mechanisms for Conflict Resolution

This study examines the extent and effectiveness of institutionalized mechanisms for conflict resolution within companies – including arbitration committees, social dialogue councils, and other forms of structured mediation. The data presented below were collected from respondents in four countries: Bulgaria, Italy, Malta, and North Macedonia. The aim is to identify national specificities and highlight examples of good practice, analyzed from a comparative perspective.

Table 3 below shows that a total of 62.6% of respondents assess institutional conflict resolution mechanisms as at least moderately effective. Meanwhile, 37.5% indicate that there are issues with either the representativeness or functioning of these mechanisms.

Table 3

To what extent do you think that institutionalized mechanisms (e.g. arbitration committees, social dialogue councils, etc.) for conflict resolution are effectively implemented in your company? * Country:	
% within	
Country	

		Country				Total
		Bulgaria	Italy	Malta	North Macedonia	
To what extent do you think that institutionalized mechanisms (e.g. arbitration committees, social dialogue councils, etc.) for conflict resolution are effectively implemented in your company?	Fully and effectively represented	16,3%	17,9%	24,5%	16,0%	17,5%
	Moderately prevalent	42,6%	43,3%	55,1%	44,7%	45,1%
	Low coverage	32,6%	31,3%	18,4%	29,3%	29,4%
	Completely unrepresented	8,5%	7,5%	2,0%	10,0%	8,1%
Total		100,0%	100,0%	100,0%	100,0%	100,0%

The **comparative analysis by country** yields the following results:

In **Bulgaria**, 42.6% of respondents consider institutional mechanisms for conflict resolution to be moderately implemented, 16.3% view them as fully implemented, while 32.6% rate them as weakly implemented. An additional 8.5% report that such mechanisms are entirely absent. This reflects a relatively lower level of effectiveness and institutional stability in Bulgaria—particularly due to the high proportion of "weakly implemented" responses—especially when compared to **Malta**.

In **Italy**, the distribution is nearly identical to Bulgaria: 43.3% assess institutional mechanisms as moderately implemented, 17.9% as fully

implemented, with just over 31% indicating weak implementation and 7.5% reporting complete absence of such mechanisms.

Malta demonstrates the highest proportion of positive assessments: 24.5% of respondents state that mechanisms are fully implemented and 55.1% consider them moderately implemented. Only 2% report a complete absence of institutional mechanisms. This suggests that Malta has the most positively perceived institutional framework for conflict resolution among the countries surveyed.

In **North Macedonia**, results are also relatively positive: 44.7% of respondents rate institutional mechanisms as moderately implemented, while only 16% consider them fully implemented. Notably, the country records the highest share of “completely absent” responses—10%—which may indicate that while systems are in place, they are perceived as formal but lacking practical effectiveness or accessibility.

Conclusion:

Institutional mechanisms for social dialogue and conflict resolution are generally present across the countries surveyed, but are not always perceived as effective. Malta stands out as a positive example, whereas Bulgaria and North Macedonia receive a greater share of critical assessments. This may signal the presence of mechanisms that are more formal than functional, insufficient real access for employees, and/or a lack of awareness or transparency regarding procedures.

3.6.Intensity of Participation in the Social Dialogue

The study evaluates perceptions of the intensity of participation in social dialogue, with a particular focus on the frequency and duration

of consultations within companies. Respondents from Bulgaria, Italy, Malta, and North Macedonia provided information on how regularly social dialogue takes place, enabling a comparative analysis across the countries.

Table 4

To what extent do you think that the intensity of participation in social dialogue (frequency and duration of consultations) is effectively represented in your company? * Country Crosstabulation						
% within Country		Country				
		Bulgaria	Italy	Malta	North Macedonia	Total
To what extent do you think that the intensity of participation in social dialogue (frequency and duration of consultations) is effectively represented in your company?	Fully and effectively represented	17,4%	27,3%	22,9%	14,1%	18,5%
	Moderately prevalent	47,0%	42,4%	58,3%	51,0%	49,1%
	Low coverage	31,1%	25,8%	16,7%	27,5%	27,1%
	Completely unrepresented	4,5%	4,5%	2,1%	7,4%	5,3%
Total		100,0%	100,0%	100,0%	100,0%	100,0%

The results presented in the table indicate that nearly two-thirds (67.6%) of respondents believe that the intensity of participation is at least moderately established, yet only 18.5% assess it as fully effective. More than one-third (32.4%) state that the intensity is weakly or entirely absent, which is a serious indication of a lack of engagement or structured consultation processes.

The comparative country-level analysis is based on the following data: In Bulgaria, 47% assess the intensity of social dialogue as moderate, while only 17.4% consider it fully effective. A significant proportion—31.1%—characterize it as weakly established, indicating that although some level of participation exists, the intensity of dialogue in Bulgaria is limited and inconsistent. In Italy, the study reports the highest share of respondents (27.3%) rating it as fully effective. Combined with 42.4% who view it as moderate, this suggests a positive culture of participation, i.e., Italian companies appear to maintain a stable and active consultation practice. In Malta, the study reports the highest percentage of respondents indicating “moderately established” (58.3%). The share of those identifying it as “fully effective” is also relatively high—22.9%. Malta also registers the lowest percentage of “completely absent” responses—just 2.1%, confirming that Malta demonstrates the most favorable outcomes in terms of consultation intensity. For North Macedonia, the study records the lowest share of “fully effective” responses—14.1%, with 51% selecting “moderate,” but also the highest share of “completely absent”—7.4%. This suggests the presence of structural issues and weaknesses in conducting effective consultations.

In conclusion, the results show that Malta and Italy lead in terms of perceived intensity and effectiveness of dialogue. Bulgaria and North Macedonia demonstrate lower effectiveness, with a significant share of participants indicating that consultations are weakly established or entirely lacking. The consistently high share of “moderately established” responses across all countries suggests that the intensity

of social dialogue is often limited, inconsistent, or formal rather than active and meaningful.

3.7. Thematic Scope of Collective Bargaining

The current analysis examines the effectiveness of social dialogue within companies, focusing on the thematic scope of collective labour bargaining. The emphasis is placed on the extent to which various topics—such as remuneration, additional leave, working conditions, training opportunities, and trade union activity—are genuinely included in the negotiation process between employers and workers’ representatives.

Table 5

To what extent do you think that social dialogue is effective in terms of the thematic scope (pay, additional leave, working conditions, training, union activity, etc.) of collective bargaining in your company? * Country						
Crosstabulation		Country				
% within Country		Bulgaria	Italy	Malta	North Macedonia	Total
To what extent do you think that social dialogue is effective in terms of the thematic	Totally effective	19,8%	35,8%	40,8%	22,5%	26,1%
	Rather effective	48,1%	44,8%	38,8%	49,0%	46,7%

scope (pay, additional leave, working conditions, training, union activity, etc.) of collective bargaining in your company?	Rather ineffective	26,0%	17,9%	14,3%	25,8%	23,1%
	Totally ineffective	6,1%	1,5%	6,1%	2,6%	4,0%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%

The data show that a total of 72.8% of respondents consider social dialogue on thematic issues to be at least somewhat effective, but only about one-quarter (26.1%) describe it as fully effective. Nearly one-quarter (27.1%) of respondents believe that the thematic scope is rather or completely ineffective, indicating significant variation between companies and countries.

The comparative country-level analysis within the project is based on the following data: Bulgaria records the lowest share of “fully effective” responses—only 19.8%. A high proportion—26.0%—consider it “rather ineffective,” and 6.1% say it is “completely ineffective,” resulting in a total of 32.1% negative assessments. The findings suggest that in Bulgaria, the content-related effectiveness of social dialogue is perceived as the lowest, which may indicate the presence of institutionalized but thematically limited dialogue, as well as a lack of real (effective and meaningful from the respondents’ point of view) agreements on key issues such as pay, training, and trade union activity.

In Italy, 35.8% of respondents state that social dialogue is fully effective, while 44.8% say it is rather effective—amounting to 80.6% positive responses, with only 1.5% rating it as “completely ineffective.” Thus, Italy stands out with a highly perceived effectiveness of social dialogue in terms of content.

In Malta, the highest share of “fully effective” responses is recorded—40.8%. Nearly 80% of respondents evaluate the thematic scope as effective, indicating that Malta, according to the survey, demonstrates a well-developed and substantive collective bargaining process with a broad thematic reach.

In North Macedonia, relatively high levels of “rather effective” responses are recorded—49.0%, but only 22.5% rate it as fully effective. For 25.8% of respondents, the scope is “rather ineffective,” and 2.6% state that the thematic coverage of social dialogue is “completely ineffective,” bringing the total share of critical responses to 28.4%. Clearly, the existing social dialogue is perceived as lacking depth and genuine comprehensiveness in terms of topics and issues discussed.

In conclusion, the study shows that Italy and Malta lead in terms of perceived effectiveness of social dialogue regarding thematic scope. North Macedonia reports good levels of “rather effective,” but low levels of “fully effective” responses. Bulgaria lags behind, with the

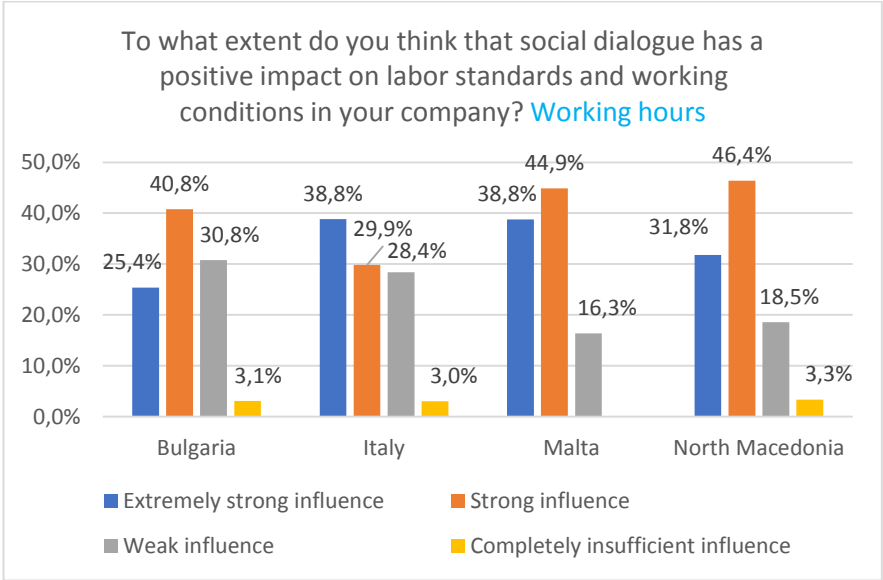
highest shares of “rather” and “completely ineffective” responses—indicating a limited range of topics addressed in collective bargaining.

3.8.Impact of Social Dialogue on Working Conditions

As part of the study, it was important to assess how respondents perceive the impact of social dialogue on key components of the working conditions in the company where they are employed. To this end, several core components of working conditions were defined, and respondents were asked to share their views.

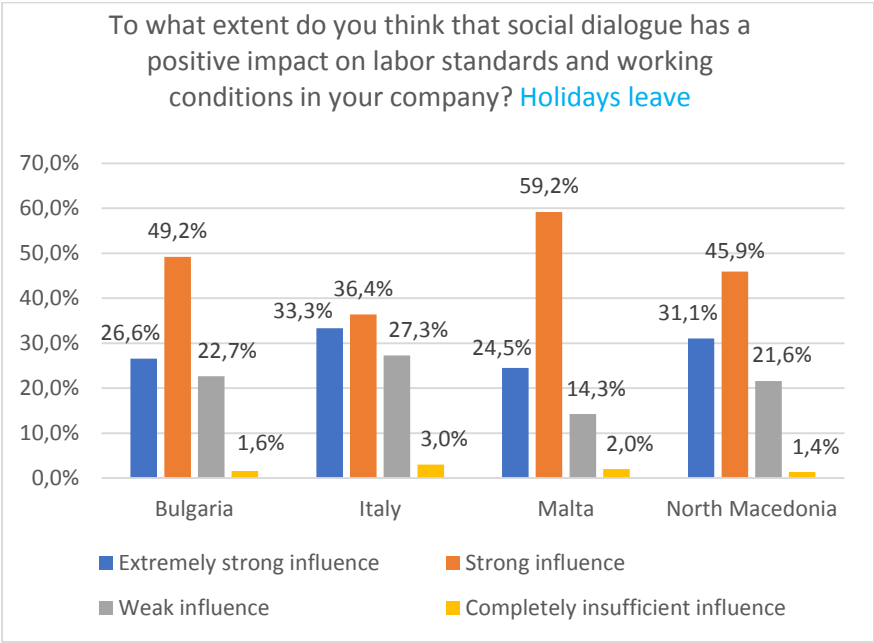
Regarding working time, the strongest impact of social dialogue is observed in Malta. On the other hand, in nearly one-third of companies in Bulgaria, social dialogue is perceived to have little or no influence at all.

Figure 38



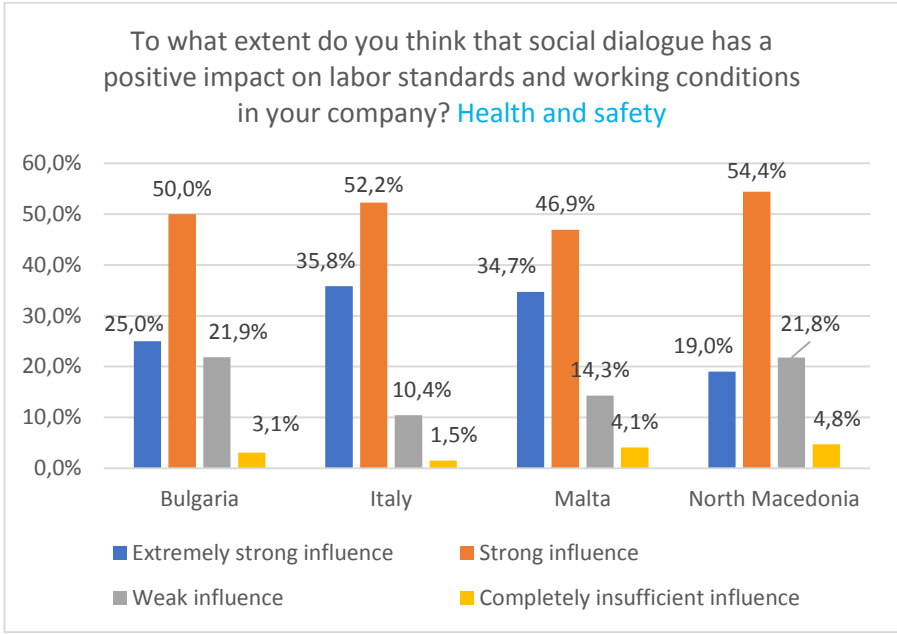
With regard to leave entitlements, social dialogue again exerts a particularly strong influence in Italy, followed by North Macedonia, Bulgaria, and Malta. Notably, nearly 60% of respondents in Malta rate the impact of social dialogue on this element as strong. Overall, the situation in the sector can be described as highly positive, as in over 70% of companies across the four countries, social dialogue leads to stable outcomes.

Figure 39



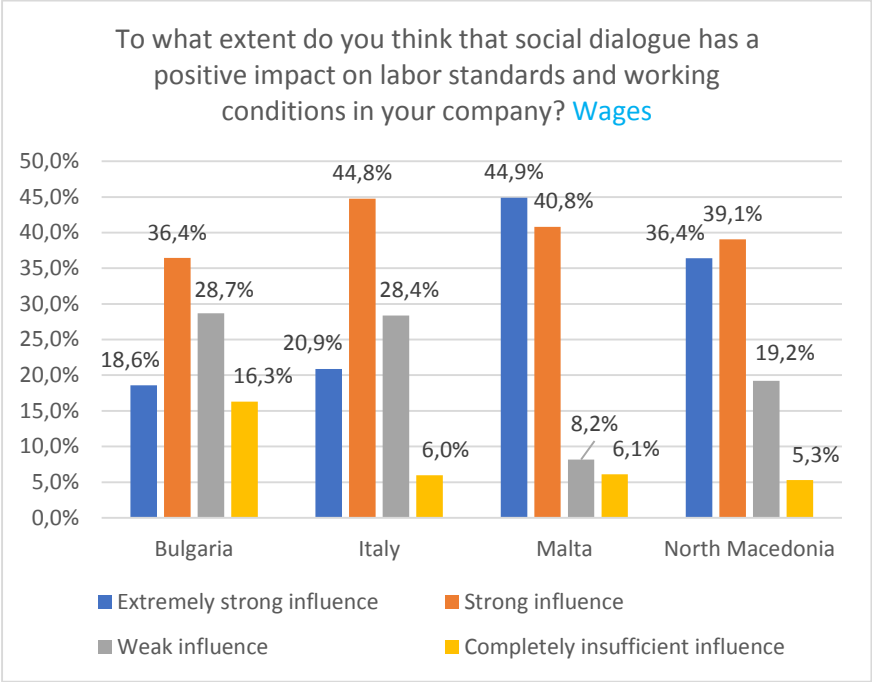
Health and safety at work are key issues in the field of social dialogue. However, the situation is clearly more favorable in Italy and Malta—both older EU Member States—compared to Bulgaria and North Macedonia. It is evident that social partners in the latter two countries need to address this challenge with greater urgency.

Figure 40



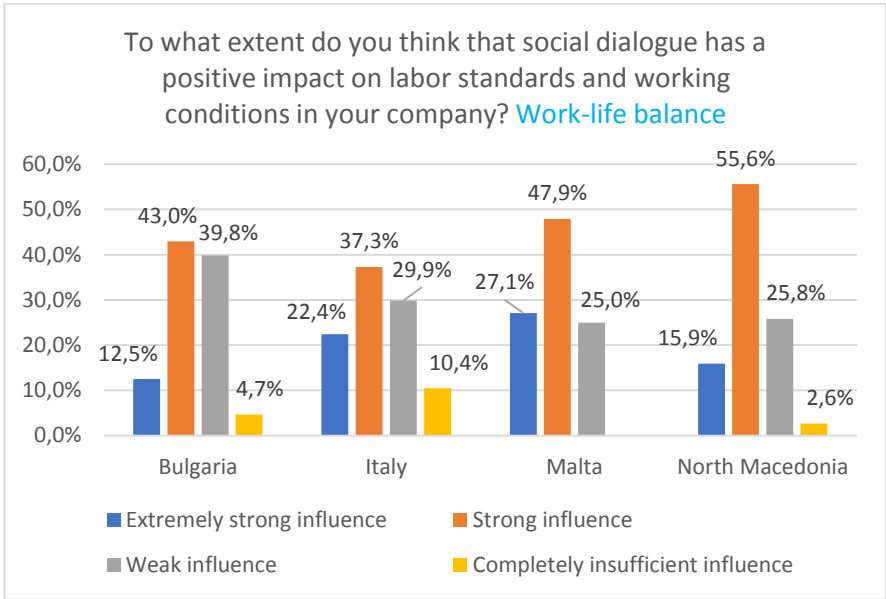
With respect to wage determination, significant differences can be observed among the four countries studied. In Malta, the impact of social dialogue is strongest—85.7% of respondents report that it has a strong or very strong influence. In North Macedonia, the total share is 75.5%. On the other hand, in Bulgaria, in 45% of the companies surveyed, social dialogue has little or no impact on wage setting.

Figure 41



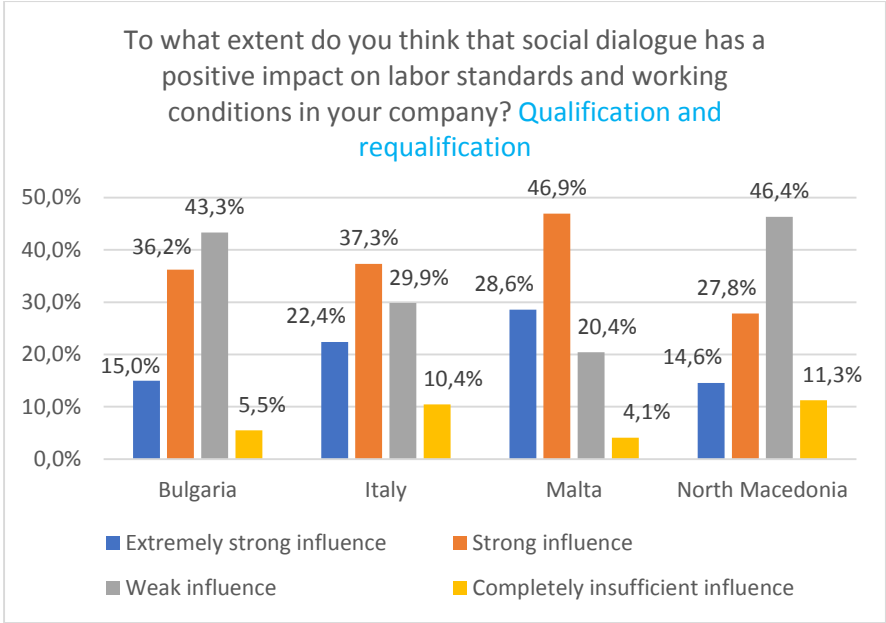
The data on the influence of social dialogue on the work–life balance also show significant disparities between the countries examined. Once again, the situation in Malta is the most favorable, with 75% of respondents rating the influence as strong or very strong. On the other hand, it would be worth exploring to what extent this topic is addressed in the social dialogue agendas of countries where its impact is more limited.

Figure 42



It has long been acknowledged in the literature that training and skills development are topics of shared interest for both employers and trade unions. The results of the study confirm that social dialogue serves as an important tool for regulating these practices. However, even in this area, we can observe that in Bulgaria and North Macedonia, the influence of social dialogue is more limited—at least in a significant segment of the companies surveyed.

Figure 43



In this context, it was also important to assess the extent of worker representation in the surveyed companies. As shown in the table below, the water sector is highly unionized in all four countries.

Table 6

In your company, what percentage of employees are union members?

		Country				Total
		Bulgaria	Italy	Malta	North Macedonia	
In your company, what percentage of employees are union members?	0			2.1%	1.4%	0.8%

	10				0.7%	0.3%
	20	1.5%	4.6%	2.1%	0.7%	1.8%
	30	3.8%	10.8%	2.1%		3.3%
	40	3.1%	15.4%	2.1%	3.4%	5.1%
	50	16.0%	9.2%	10.4%	13.5%	13.3%
	60	1.5%	18.5%	4.2%	7.4%	6.9%
	70	6.9%	20.0%	10.4%	6.1%	9.2%
	80	14.5%	15.4%	18.8%	24.3%	18.9%
	90	29.8%	4.6%	29.2%	29.1%	25.3%
	100	22.9%	1.5%	18.8%	13.5%	15.3%
Total		100.0%	100.0%	100.0%	100.0%	100.0%

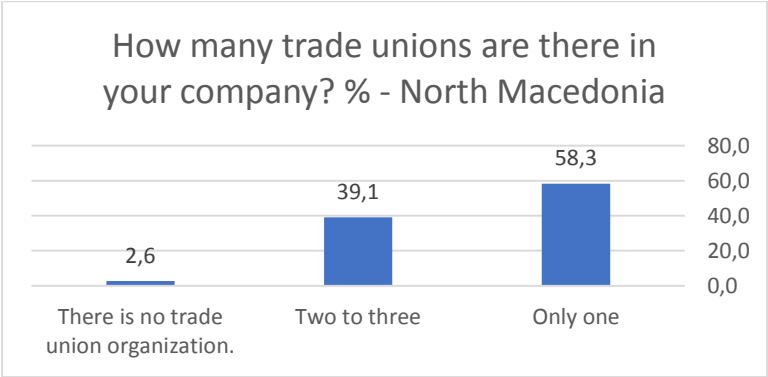
In the graphs below, you can see that in Bulgaria, in 95.4% of cases, there are two or three trade union sections in the enterprise, and in only 4.6% - only one.

Figure 44



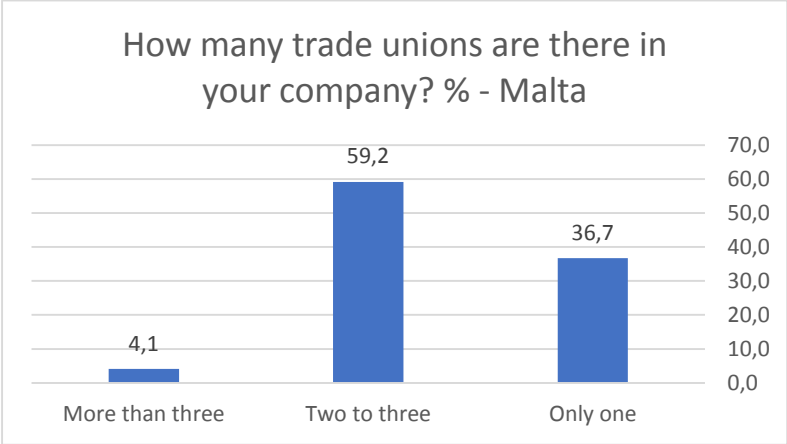
On the other hand, in North Macedonia, it is more common for enterprises to have only one trade union organization.

Figure 45



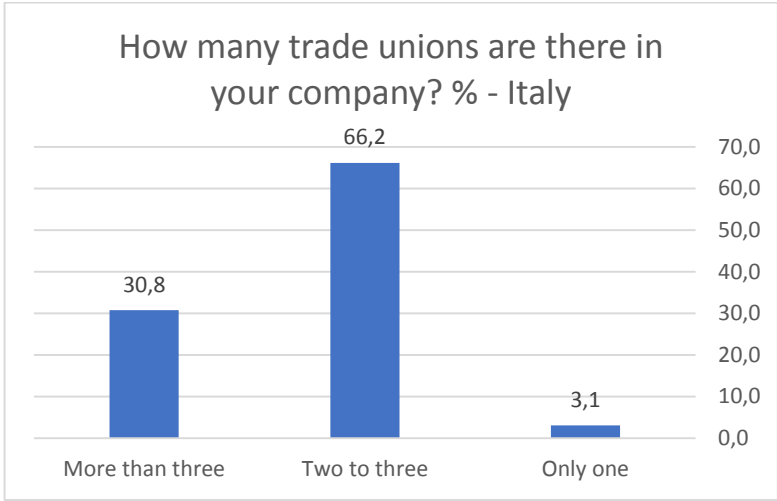
In Malta, similar to the situation in Bulgaria, two or three trade union sections operate in 59.2% of the cases.

Figure 45



In Italy, enterprises with two or three trade union sections also prevail. However, a notable aspect is that 30.8% of respondents come from companies with more than three union sections, which indicates not only pluralism but even a certain degree of fragmentation.

Figure 46



Within the framework of collective bargaining and social dialogue, the way in which wages are determined is of great importance. The figures presented below show that public authorities play a certain role in determining wages in the companies where the respondents work. For example, in Malta, this is even the leading mechanism, as indicated by 38.8% of respondents.

Figure 47

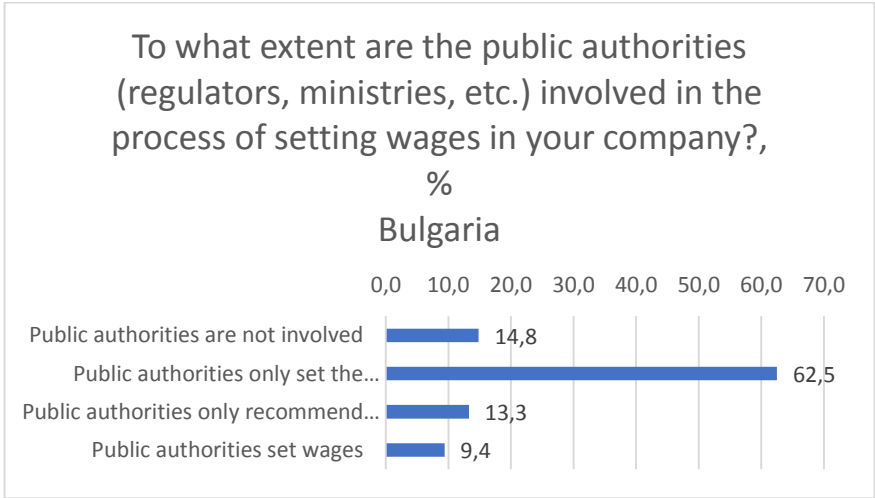


Figure 48



Figure 49

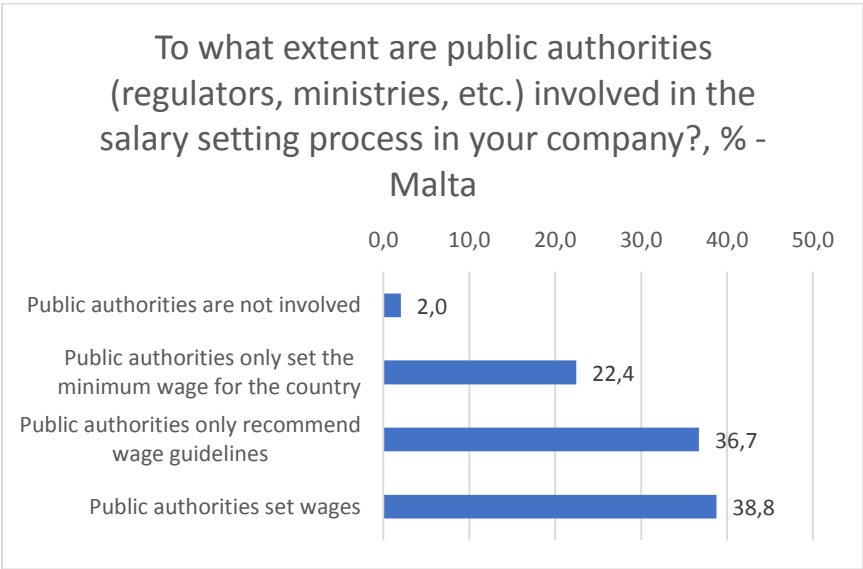
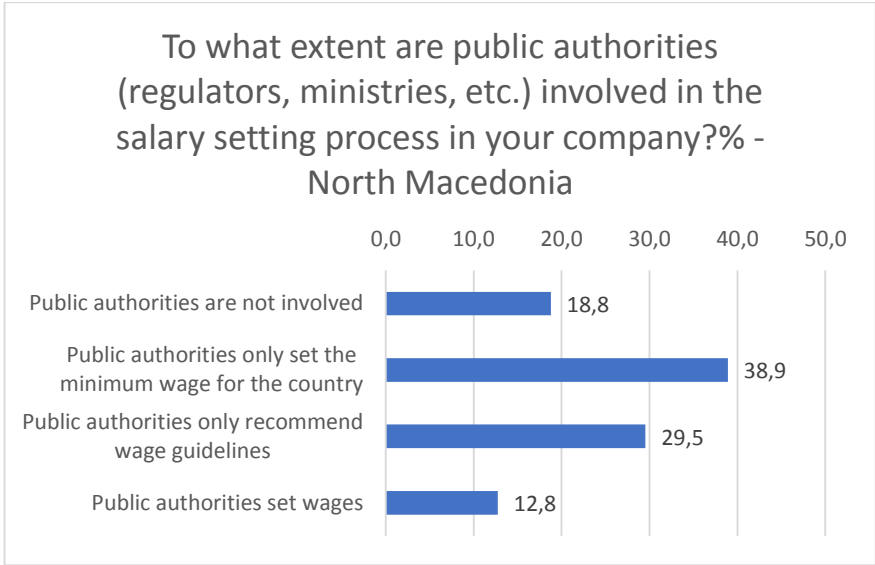
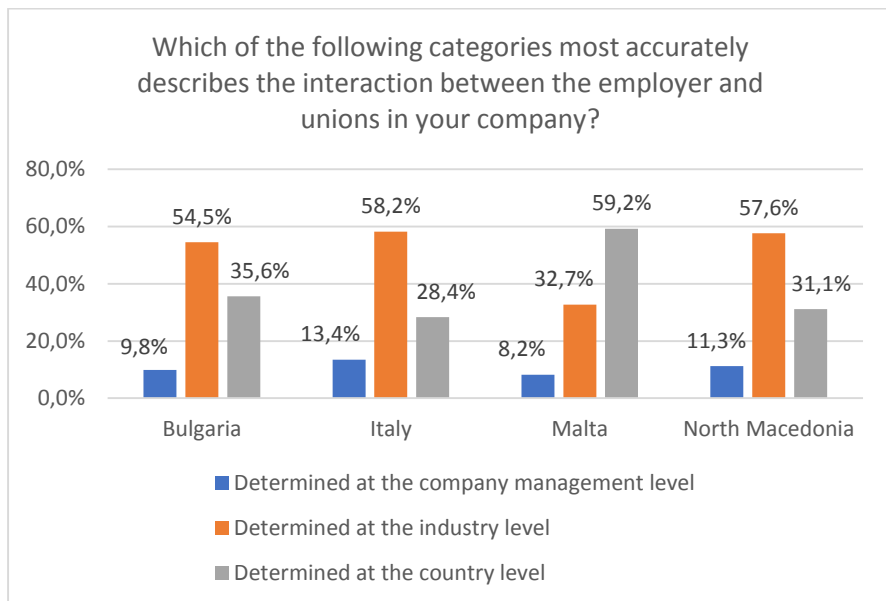


Figure 50



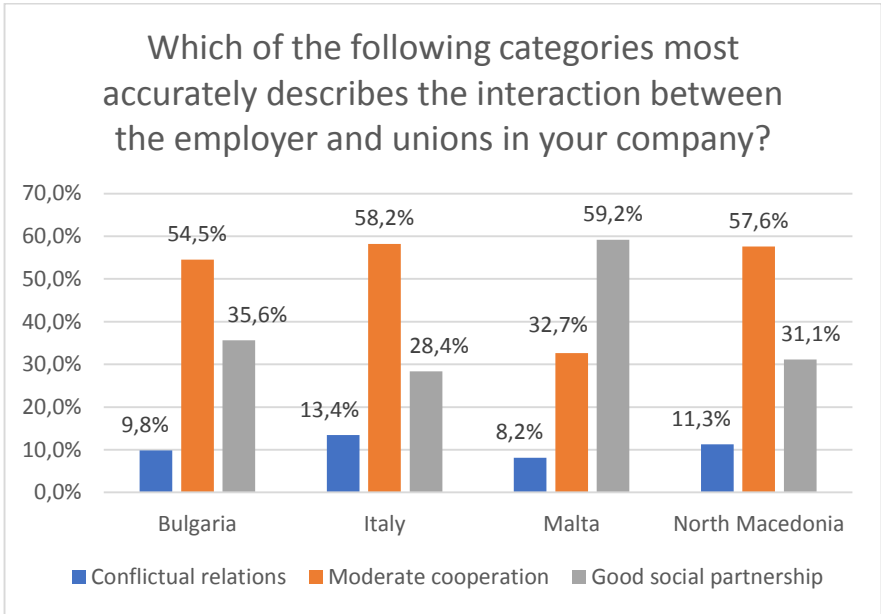
In the water sector, wage determination varies, as it is possible for the state or regulators to directly or indirectly influence wage formation. Ultimately, the results show that in all four countries, wages are most commonly determined at the company level, although the percentages range from 73.8% in North Macedonia to 38.8% in Italy. Sectoral level bargaining also plays a role, especially in Bulgaria (26.2%) and Italy (23.9%). Lastly, in both Italy and Malta, the state plays a significant role in wage determination—reported by 37.3% and 26.5% of companies respectively.

Figure 51



Finally, in our analysis, it is important not only to assess the strength of trade union sections within companies, but also to examine the relationship between the representatives of the workers and the representatives of the employers. As shown below, conflictual relations are characteristic of only a very small portion of companies in the sector. On the other hand, only in Malta do the majority of respondents indicate that there is good social partnership in the companies where they work. In the other three countries, the highest share of responses point to so-called moderate cooperation.

Figure 52



3.9. Factors influencing the quality of the workforce and which should be included in the subject of social dialogue

The labour force is a concept that encompasses the community of working individuals, the labour they provide, and their capacity to produce goods and services within a company, industry, region, or country. From an economic perspective, the labour force is also referred to as the economically active population of a country—those who are both willing and able to maintain an independent source of income. According to the International Labour Organization (ILO) [Labour Force Statistics \(LFS, STLFS, RURBAN databases\) - ILOSTAT](#) the labour force is the percentage of the working-age population, comprising the total number of employed and unemployed persons..

This indicator is "variable," as national legislation defines different age ranges for “working age” across countries. Per ILO methodology, this category includes individuals aged 10 to 72. In Bulgaria, as of 2025, the working-age labour force includes persons aged 16 to 62 years and 4 months for women, and up to 64 years and 8 months for men. Persons under the age of 16 may be employed only after a thorough medical examination and a medical assessment confirming that the work will not harm their health or hinder their physical and mental development. Employment under the age of 16 also requires explicit approval from the Labour Inspectorate for each individual case.

In North Macedonia, the labour force includes economically active persons aged 18 to 62 for women and 64 for men. In Malta, individuals are allowed to enter the labour market after completing school at the age of 16. Anyone born after 1962 can retire after completing 41 years of social contributions, with the retirement age potentially extended from 61 to 65, bringing an additional 29% increase in the pension. The retirement age for those born after 1962 can also be adjusted based on the year of birth and upon 30 years of contributions to social security.

In Italy, the minimum age for employment is 16, following completion of compulsory education. Individuals under 16 may engage in specific light tasks with permission from the Territorial Labour Inspectorate. Those over 16 may enter into employment contracts independently. (Italian Law No. 977 of 17 October 1967 on "Protection of Child and Youth Employment," amended following the transposition of European legislation through Legislative Decree No. 345 of 4 August 1999 and Decree No. 262 of 18 August 2000).

Employment from age 15 is permitted only under an alternating school-work arrangement. As of 1 January 2025, the statutory retirement age in Italy is 67 for both women and men, valid until the end of 2026. It is linked to life expectancy, and according to ISTAT (the Italian Statistical Institute), if a significant increase in life expectancy is recorded, the retirement age may be further raised. Various forms of early retirement are available—for example, at age 62 with 41 years of service—for specific worker categories. For self-employed individuals, retirement age may vary depending on the relevant professional association or social insurance fund. Despite having one of the highest retirement ages in the European Union, it is possible in Italy to qualify for a pension at 57 through the Household Workers' Pension Fund, even in the absence of prior contributions.

The labour force participation rate—i.e., the percentage of the working-age population involved in the labour market, either employed or actively seeking work—measures the supply of labour relative to the working-age population.

The purpose of Question 14 ("Please rank the factors influencing the quality of the labour force in order of importance, from 1 to 8, with 1 being the most important") is to identify the degree of influence various environmental factors have on labour force development. This aims to highlight those factors of greatest importance to workers in the specific sector. Identifying key indicators—both at the national level and collectively across the four countries—seeks to address the gap between the required and the available human capital. Understanding the key factors influencing the labour force in the water supply and sanitation (WSS) sector will help

enhance the effectiveness of social partnership and improve working conditions through collective bargaining.

The total number of respondents is 387 (100%) as follows by country: Bulgaria 128, North Macedonia 149, Malta 47 and Italy 63 people.

Table 7

№	Indicators / countries	Bul- garia 128	North Mace- donia 149	Malta 48	Italy 67	Total 392	100 %	
1.	Cost of labor – wages	100%	100%	100%	92,50 %	387	98,7 2%	1
2.	Labor turnover	80,47 %	97,32%	81,30 %	92,50 %	349	89,0 3%	7
3.	Labor condition s	96,88 %	98,66%	95,80 %	64,20 %	360	91,8 3%	4
4.	Develop ment of informati on technolog y and AI	67,97 %	95,97%	77,10 %	59,70 %	307	78,3 1%	13
5.	Education level	87,50 %	94,63%	79,20 %	91,00 %	352	89,7 9%	6
6.	Health care and	89,84 %	96,64%	87,50 %	92,50 %	363	92,6 0%	3

	preventio n							
7.	Age of persons	79,69 %	96,64%	64,60 %	92,50 %	339	86,4 8%	9
8.	Profe- ssional expe- rience	89,84 %	96,64%	79,20 %	67,20 %	342	87,2 4%	8
9.	Labor rights and personal motiva- tion	88,28 %	97,32%	89,60 %	94,00 %	364	92,8 5%	2
10.	Discrimin ation in the work- place	70,31 %	95,97%	83,30 %	58,20 %	312	79,6 0%	12
11.	Programs for impro- ving profe- ssional qualify- cations	77,34 %	95,97%	79,20 %	86,60 %	338	86,2 2%	10
12.	Organi- zation of working hours	85,16 %	95,97%	89,60 %	91,00 %	356	90,8 1%	5
13.	Social benefits	90,63 %	95,97%	70,80 %	58,20 %	332	84,7 0%	11

	outside of the CLA							
14.	Climate change	62,50 %	94,63%	62,50 %	59,70 %	291	74,2 3%	14
15.	Other	36,72 %	59,06%	27,10 %	4,50 %	151	38,5 0	15

The results from the respondents' answers show that among the selected indicators—factors for the quality of the labour force with the highest degree—over 90% indicated the following: remuneration (99%), work culture and personal motivation (93%), healthcare and prevention (93%), working conditions (92%), work time organization (91%), level of education (90%), labour turnover (90%).

Next, with an influence level over 80%, respondents pointed to: professional experience (87%), age of individuals (87%), programs for improving professional qualifications (86%), social benefits beyond collective bargaining (85%).

Workplace discrimination (80%), development of information technologies and AI (78%), climate change (74%), other factors not mentioned in the survey question (39%).

Of interest for future research are the potential factors identified by respondents as “Other,” as approximately 39% of those surveyed listed possible indicators not included in the present study, such as: level of corruption, legislative framework, labour market, national mentality, access to information, transport connectivity, and others.

4. Conclusions and Recommendations

In this section, we present country-specific recommendations, as well as general recommendations to the social partners participating in the project.

4.1. Recommendations regarding sectoral social dialogue

Bulgaria

- A future study could and should conduct a more in-depth analysis of which types of companies, regions, or organizational levels the dialogue is not perceived as effective—in order to improve practices and its scope.

Italy

- Consolidation of good practices and their dissemination among trade union members and workers in the sector: Identify and document practices in those companies where social dialogue is perceived as leading to improvement (a total of 53 companies). These practices should be used as references for others, including through intra-sector meetings or working groups.
- Targeted support for companies with poorly developed dialogue. A follow-up targeted study should be conducted in these companies (or similar ones in profile), to establish whether there are objective difficulties in conducting dialogue (e.g. lack of representation) or whether it is a matter of communication culture problems.
- Addressing the borderline case “Rather not achieved” (3%). Although only 2 cases (i.e., two of the companies in the study), they indicate a transitional or hesitant situation, which requires attention. In this case, the introduction of an early warning

mechanism in case of weakening social dialogue could be envisaged—e.g., an internal feedback form or a short monthly employee survey.

- Improving the quality, not only the presence of dialogue. Since there is a difference between “achieved” (41.8%) and “high degree” (37.3%)—this suggests that the dialogue is often not fully effective, even though it is formally present. In such cases, efforts should focus not only on the presence of dialogue, but on enhancing its content and effectiveness—with specific goals, regularity, and measurable outcomes.

Malta

- Strengthening the effectiveness and visibility of existing social dialogue through improved communication and company participation in sectoral structures.
- Identifying and supporting good practices from those companies where the dialogue has been assessed as particularly successful, with the aim of their dissemination.
- Targeted support for companies with low ratings or without social dialogue, by providing expert assistance, training, or participation in experience-sharing networks.

North Macedonia

- Support for strengthening sectoral dialogue: efforts of social partners at the sectoral level should be intensified and coordinated to increase their impact on working conditions through specific initiatives, training, and collective

agreements.

- Targeted measures for companies with a low or missing level of social dialogue: where a low degree of effectiveness or lack of dialogue is reported (26.7% of respondents), more active support is needed—through the exchange of good practices, expert assistance, and inclusion in inter-company or sectoral platforms.
- Upgrading from “rather effective” to “high degree”: the difference between the prevailing response “rather achieved” and the more confident “high degree” indicates the need for additional effort to increase the effectiveness and sustainability of social dialogue in the sector.

4.2. Social Dialogue at Company Level

The following **recommendations** can be made based on the survey data regarding company-level social dialogue:

Bulgaria

- It is recommended to conduct a more in-depth analysis (e.g. through interviews or focus groups) to understand what makes social dialogue effective in some companies and ineffective in others.
- Efforts are needed to increase real effectiveness through:
 - a. Worker participation in decision-making
 - b. Monitoring the outcomes of social agreements
 - c. Greater transparency and feedback

Italy

- **Support for good practices**

Document and promote successful forms of social dialogue in companies where it is perceived as fully effective, with the goal of adapting and applying them in other organizations.

- **Further study of critical cases**

Analyze in greater depth the factors that led to negative evaluations, especially in the 20.9% of cases where dialogue is considered ineffective. This would help identify systemic weaknesses and organizational barriers.

- **Increasing effectiveness in transitional cases**

Targeted efforts should be made to shift from “rather effective” to “fully effective” dialogue by improving transparency, accountability, and employee participation in decision-making processes related to working conditions.

Malta

- **Upgrading effectiveness;** Efforts should be made to move from “rather effective” to “fully effective” social dialogue through:

- o clearer mechanisms for tracking outcomes,
- o involving more employees in the process,
- o improved feedback after dialogue actions.

- o **Targeted support for low-effectiveness cases**

– For the 16.3% of respondents who report ineffectiveness, it is necessary to identify the reasons (e.g. formalization without substance, lack of real participation) through additional qualitative

research (interviews, focus groups) and to propose tailored interventions.

North Macedonia

- Upgrading dialogue from “rather” to “fully effective”

Efforts are needed to move towards more structured and measurable forms of social dialogue through:

- o regular monitoring of results,
- o engaging a wider circle of employees,
- o formalizing participation and feedback channels.

2. Targeted interventions in cases of established ineffectiveness – In companies where social dialogue is perceived as ineffective (16.6%), an internal diagnosis is recommended, along with the introduction of appropriate corrective measures, including training for participants and mediation if needed.

4.3. Recommendations Regarding Social Dialogue Indicators

On institutional conflict resolution mechanisms in North Macedonia

- **Establishing and consolidating institutional mechanisms for dialogue**

It is necessary to introduce formal procedures for social partnership, such as internal labour issue committees, mediation structures, or clearly defined stages for dispute resolution.

- **Upgrading existing but underdeveloped practices**

In companies where indicators are “moderately” or “weakly” present (74.8% of respondents), efforts should focus on:

- o improving regulation and procedural transparency;
- o training responsible personnel;
- o encouraging respondent participation in social dialogue structures.

• **Special support for organizations lacking mechanisms**

For companies where indicators are entirely absent (5.5%), targeted support is necessary through:

- o methodological guidance;
- o access to good practices from other organizations;
- o opportunities for external mediation in case of conflict.

On the application of other (informal and non-listed) social dialogue indicators in Bulgaria

- **Increasing the visibility and awareness of additional participation channels**
 - It is important to promote existing informal and internal mechanisms that complement formal social dialogue—e.g. internal surveys, feedback platforms, informal meetings between employees and management.
- **Formalizing good practices**
 - Where “other” indicators function successfully, the possibility of institutionalizing them through internal rules, manuals, or procedures should be considered to ensure their sustainability.
- **Reducing informational asymmetry**
 - The high percentage of missing responses suggests that many employees may not be aware of existing opportunities for participation. It is recommended to conduct information

campaigns aimed at raising visibility and understanding of all social dialogue channels.

In countries with a higher share of negative assessments (e.g. Bulgaria and North Macedonia), the following measures are needed:

- • Promote the role of social councils and arbitration bodies by emphasizing the impact of their work (make them more attractive);
- Increasing trust and awareness regarding labour conflict resolution procedures;
- Good practices (e.g. from Malta) can be used as a model for institutional strengthening and training of social partners.

4.4. Recommendations Regarding the Intensity of Dialogue

- In countries with weaker evaluations (especially Bulgaria and North Macedonia):
 - o Establish clear procedures and schedules for consultations;
 - o Ensure participation of employees from all levels in social dialogue;
 - o Invest in training for managers and trade union representatives to improve communication and process effectiveness.

4.5. Recommendations Regarding the Scope of Social Dialogue

- For Bulgaria and North Macedonia:

- o Expand the scope of social dialogue—including new topics such as flexible employment, digitalization, work–life balance.
- o Ensure an active role for trade unions and worker representatives in raising important social issues.
- o Support from state and sectoral institutions for deeper content in collective agreements.
- Share good practices from Italy and Malta—e.g. through training, transnational projects, joint forums for social dialogue.

4.6. Recommendations Regarding Collective Bargaining Agreements (CBAs)

- Conduct training and information campaigns about the role and benefits of collective bargaining, targeting both company management and trade unions.
- Regular monitoring of the content and implementation of collective agreements.
- Support companies with limited or missing processes through institutional assistance (e.g. from sectoral social dialogue councils)

4.7. General Recommendations:

- • Strengthen intra-company culture of participation through more frequent and genuinely meaningful consultations.
- Support and training for trade union and employer representatives on the effective implementation of labour standards and institutional mechanisms for social dialogue.
- Monitor companies with low ratings of social dialogue indicators to identify barriers to implementation.

- Develop social dialogue and collective bargaining in areas that are currently underrepresented.

Appendix 1 Questionnaire

QUESTIONNAIRE

This socio-empirical study is conducted within the framework of project 101102352 ProSDinWater: Promoting and Strengthening Social Dialogue in the Water Sector through Innovative Approaches. The aim of the study is to identify key indicators of the workforce in the water sector, which will then support the development of a more effective and evidence-based social dialogue in the four participating countries: Bulgaria, Italy, Malta, and North Macedonia.

For the purposes of this study, "social dialogue" refers to negotiations conducted by the social partners (i.e., employers' organizations and workers' organizations) in order to protect the interests of their members.

The questionnaire is completely anonymous and does not collect any personal data. It consists of 21 main questions. If you require any assistance, please contact us at:

The survey will be active for completion online until January 31 at <http://.....>

Thank you for completing the questionnaire, for your responsiveness and cooperation!

Question 1. To what extent does social dialogue at the Water Sector level contribute to the improvement of working conditions in your company?

1 = High degree	2 = It is rather achieved	3 = Rather not achieved	4 = Low degree	5=There is no sectoral social dialogue

Question 2. To what extent do you believe that social dialogue in your company is effective in terms of its impact on working conditions?

1= Fully effective	2 Rather effective	3-Rather not effective	4 Fully ineffective.

Question 3. To what extent do you believe the following indicators of social dialogue are effectively represented in your company?

Please rate the degree of representation for each indicator on a scale from 1 to 4, where: 1 = Fully and effectively represented; 2 = Moderately represented; 3 = Weakly represented; 4 = Not represented at all

Social dialogue indicators	1	2	3	4
1. Collective Labour Agreement				
2. Intensity of participation in social dialogue (frequency and duration of consultations)				
3. Coverage of the collective labour agreement at sectoral level (percentage of workers covered by collective agreements)				
4. Labour standards and working conditions (impact on wages, working hours, health and safety, paid leave, and gender equality)				
5. Institutional mechanisms for conflict resolution (e.g., arbitration committees, social cooperation councils)				
6. Other				

Question 4. To what extent do you believe that collective bargaining has been effectively represented in your company over the past three years?

Please rate the effectiveness on a scale from 1 to 4, where: 1 = Fully and effectively represented; 2 = Moderately represented; 3 = Weakly represented; 4 = Not represented at all;

1 = Fully and effectively represented	2 = Moderately represented	3 = Weakly represented	4 = Not represented at all

Question 5. To what extent do you believe that institutionalized mechanisms (e.g., arbitration committees, social dialogue councils, etc.) for conflict resolution are effectively represented in your company?

Please rate the degree of representation on a scale from 1 to 4, where: 1 = Fully and effectively represented; 2 = Moderately represented; 3 = Weakly represented; 4 = Not represented at all;

1 = Напълно и ефективно застъпено	2 = Moderately represented	3 = Weakly represented	4 = Not represented at all

Question 6. To what extent do you believe that the intensity of participation in social dialogue (frequency and duration of consultations) is effectively represented in your company?

Please rate the degree of representation on a scale from 1 to 4, where: 1 = Fully and effectively represented; 2 = Moderately represented; 3 = Weakly represented; 4 = Not represented at all;

1 = Fully and effectively represented	2 = Moderately represented	3 = Weakly represented	4 = Not represented at all

Question 7. To what extent do you believe that social dialogue is effective in terms of the thematic scope (e.g., remuneration, additional leave, working conditions, training, trade union activities, etc.) of collective bargaining in your company?

Please rate on a scale from 1 to 4, where: 1 = Fully effective; 2 = Rather effective; 3 = Rather ineffective; 4 = Completely ineffective;

1 = Fully effective	2 = Rather effective	3 = Rather not effective	4 = Completely ineffective

Question 8. To what extent do you believe that social dialogue has a positive impact on labor standards and working conditions in your company?

Please rate on a scale from 1 to 4, where: 1 = Extremely strong impact; 2 = Strong impact; 3 = Weak impact; 4 = Insufficient impact;

	Working hours	Holiday leave	Health and safety	Wage	Work-life balance	Qualification and prequalification
1 = Extremely strong impact						
2 = Strong impact						
3 = Weak impact						
4 = Completely insufficient impact						

Question 9. In your company, what percentage of employees are members of trade unions?

Below 10%	Between 10% and 30%	Between 30% and 50%	Between 50% and 70%	Above 70%

Question 10. How many trade union organizations exist in your company?

Only one	Two to three	More than three	There is no trade union

Question 11. To what extent do public authorities (e.g., regulators, ministries, etc.) participate in the process of setting wages in your company?

- Public authorities do not participate
- Public authorities only set the national minimum wage
- Public authorities only provide wage guidelines
- Public authorities set the wages

Question 12. Who determines the level of remuneration in your company?

- Determined at the company management level
- Determined at the sectoral level
- Determined at the national level

Question 13. Which of the following categories best describes the interaction between the employer and trade unions in your company?

- Conflictual relations
- Moderate cooperation
- Good social partnership

Question 14. Please rank the factors influencing the quality of the workforce, which should be included in the scope of social dialogue, in order of importance (from 1 to 8, where 1 is the most important):?

Factors influencing the quality of the workforce	
Labour cost (remuneration)	
Labour turnover	
Working conditions	
Development of information technologies and artificial intelligence	
Level of education	
Healthcare and preventive care	
Age of individuals	
Professional experience	
Labour rights and personal motivation	
Workplace discrimination	
Professional qualification improvement programmes	
Work time organization	
Social benefits outside the collective labour agreement	
Climate change	
Other	

Question 15. Company size

Please mark only one answer with an "X"

		X
Up to 50 employees		
From 50 to 249		
More than 250		

Question 16. Type of company ownership

Please mark only one answer with an "X"

		X
Predominantly state-owned		

Predominantly municipal-owned	
Predominantly privately-owned	

Question 17. Location of the company

Please mark only one answer with an "X"

X

Capital city	
Regional center	
Municipal center	
Small town	
Village	

Question 18. In what capacity do you represent the company or the employees in this company?

I am a representative of the employer	
I am a worker/employee who is a member of a trade union	
I am a worker/employee who is not a member of a trade union	
I am a representative of the workers and employees for information and consultation	

Question 19. What is your gender?

Please mark only one answer with an "X" *Моля,*

Male	
Female	

Question 20. What is your age?

Please mark only one answer with an "X"

18-30	
31-40	

41-50	
51-60	
above 61	

Question 21. What is your highest completed level of education?

Please mark only one answer with an “X”

X

Primary education or lower	
Secondary education	
Higher education – Professional Bachelor / Bachelor’s degree	
Higher education – Master’s degree	
Doctorate (PhD)	

Thank you for your time!

Appendix 2 — Tables

Question 15

Company size up to 50 employees

North Macedonia	33	22%
Malta	3	6%
Bulgaria	2	2%
Italy	0	0%

Company size from 50 to 249 employees

1. Italy	34	51%
2. North Macedonia	35	23%
3. Malta	9	19%
4. Bulgaria	21	16%

Company size 250 employees and above

Bulgaria	109	83%
Malta	74	35%
North Macedonia	83	55%
Italy	33	49%

According to the data related to company size and number of employees, the highest percentage of respondents from small enterprises are from North Macedonia — 33 respondents, which corresponds to 22% of those surveyed, while the lowest percentage is in Italy — 0%.

For medium-sized enterprises, the trend is reversed, with the highest percentage of respondents from Italy (34 respondents), equivalent to 51%, and the lowest number in Bulgaria — 21 respondents, or 16% of the total.

In large enterprises with over 250 employees, the opposite situation is observed, with Bulgaria taking the lead with a total of 109 respondents, corresponding to 83%, and the lowest number in Italy — 33 respondents, equivalent to 49%.

Question 16. Form of company ownership

State	Municipality	Private
1.Malta 85%/ 40	1.North Macedonia 77%/ 115	1.Italy 30%/ 20
2.Bulgaria 69%/ 90	2.Italy 32%/ 21	2.Bulgaria 21%
3.Italy 38%/ 25	3.Bulgaria 11%/14	3. North Maced
4.North Macedonia14% 21	4.Malta 9%/ 4	4.Malta 6%/ 3

Malta has the largest share of predominantly state-owned companies (85%), North Macedonia has predominantly municipal ownership, and Italy has predominantly private ownership. In Bulgaria, company ownership in the sector is mixed, as confirmed by the fragmentation of responses.

Question 17. Location of the company

Ran k	Capital city	Regional center	Municipal center	Small town	Village
1	North Macedoni a 47%	Bulgaria 66%	North Macedoni a 34%	North Macedoni a 11%	Malta 13%
2	Bulgaria 26%	Malta 62%	Italy 33%	Italy 6%	North Macedoni a 3%
3	Malta 21%	Italy 48%	Bulgaria 6%	Malta 4%	Italy 2%
4	Italy 11%	North Macedoni a 5%	Malta 0%	Bulgaria 2%	Bulgaria 0%

Question 18. In what role do you represent the company or its employees?

Representativ e of:	Employers	Trade Union Member	Non-union Worker	Information and Consultatio n
	1 Malta 17%	1. Bulgaria 84%	1. Malta 6%	1. Italy 19%
	2. North Macedoni a 16%	2. North Macedoni a 79%	2. Bulgaria 3%	2. Bulgaria 4%
	3. Bulgaria 9%	3. Italy 78%	3. North Macedoni a 3%	3. Malta 4%
	4. Italy 1 %	4. Malta 72%	4. Italy 1 %	4. North Macedonia 3 %

Question 19. What is your gender identity?

Country	Male	Female
	1. Malta 83%	1. North Macedonia 54%
	2. Italy 76%	2. Bulgaria 53%
	3. Bulgaria 47%	3. Italy 24%
	4. North Macedonia 46%	4. Malta 17%

Question 20: How old are you?

18-30	31-40	41-50	51-60	
1.North Macedonia 5%	1.North Macedonia 30%	1.Italy 39%	1.Bulgaria 37%	1.
2.Malta 4%	2.Italy 20%	2.Bulgaria 33%	2.Malta 37%	2.
3.Bulgaria 3%	3.Bulgaria 17%	3. North Macedonia 30%	3. Italy 33%	3.
4.Italy 0%	4.Malta 15%	4.Malta 28%	4. North Macedonia 32%	4. M

Question 21 What is your highest level of education?

Primary or lower	Secondary	Higher Bachelor's	Higher Master's	Doctorate
1.Malta 2%	1.Italy 45%	1.North Macedonia 47%	1. Bulgaria 52%	1.Bulgaria 1%
2.Italy 1%	2.Malta 38%	2.Italy 33%	2.Malta 28%	2.North Macedonia 1%
3. Bulgaria 0%	3.North Macedonia 32%	3.Malta 32%	3.North Macedonia 20%	3.Italy 1%

4. North Macedonia 0%	4.Bulgaria 29%	4.Bulgaria 18%	4. Malta 19%	4.Malta 1%
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Table 8 Comparison of Individual Indicators by Country

№1	Labor Cost – Payment 38	99%
1.	Bulgaria 128	100%
2.	North Macedonia 149	100%
3.	Malta 48	100%
4.	Italy 62	93%

№2	Workforce Turnover 349	89%
1.	North Macedonia 145	97%
2.	Italy 62	93%
3.	Malta 39	81%
4.	Bulgaria 103	80%

№3	Working Conditions 360	92%
1.	North Macedonia 147	99%
2.	Bulgaria 124	97%
3.	Malta 46	96%
4.	Italy 43	64%

№4	Development of IT and AI 307	78%
1.	North Macedonia 143	96%
2.	Malta 37	77%
3.	Bulgaria 87	68%
4.	Italy 40	60%

№5	Education Level 352	90%
1.	North Macedonia 141	95%
2.	Italy 61	91%
3.	Bulgaria 112	88%
4.	Malta 38	79%

№6	Healthcare and Prevention 363	93%
1.	North Macedonia 144	97%
2.	Italy 62	93%
3.	Bulgaria 115	90%
4.	Malta 42	88%

№7	Age of Individuals 339	86%
1.	North Macedonia 144	97%
2.	Italy 62	93%

3.	Bulgaria 102	80%
4.	Malta 31	65%

№8	Professional Experience 342	87%
1.	North Macedonia 144	97%
2.	Bulgaria 115	90%
3.	Malta 38	79%
4.	Italy 45	67%

№9	Трудови права и лична мотивация 364	93%
1.	North Macedonia 145	97%
2.	Italy 63	94%
3.	Malta 43	90%
4.	Bulgaria 113	88%

№10	Labor Rights and Personal Motivation 312	80%
1.	North Macedonia 143	96%
2.	Malta 40	83%
3.	Bulgaria 90	70%
4.	Italy 39	58%

№11	Programs for Improving Professional Qualification 338	86%
1.	North Macedonia 143	96%
2.	Italy 58	87%
3.	Malta 38	79%
4.	Bulgaria 99	77%

№12	Work Time Organization 356	91%
1.	North Macedonia 143	96%
2.	Italy 61	91%
3.	Malta 43	90%
4.	Bulgaria 109	86%

№13	Social Benefits Outside of Collective Labor Agreement 332	85%
1.	North Macedonia 143	96%
2.	Bulgaria 116	91%
3.	Malta 34	71%
4.	Italy 39	58%

№14	Climate change 291	74%
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1.	North Macedonia 141	95%
2.1.	Bulgaria 80	63%
2.2.	Malta 30	63%
4.	Italy 40	60%

№15	Other 151	39%
1.	North Macedonia 88	59%
2.	Bulgaria 47	37%
3.	Malta 13	27%
4.	Italy 3	5%

4.4. Summary Report Based on a Joint Analysis of the Participating Countries: *Mechanisms for Measuring the Quality of Social Dialogue as a Tool for Improving Dialogue in the Water Supply and Sewerage Sector – Standards for the Quality of Social Dialogue and Key Performance Indicators.*

This report summarizes the results of the national pilot applications – summarizing national reports regarding the perception of the innovative mechanism for increasing the effectiveness of social dialogue (SD) in the water sector. Within the implementation of Work Package 3 (WP3), content related to the standards for the quality of

social dialogue was prepared. The partners were asked to assess the level through a template with efficiency criteria, and all participants completed the table by e-mail (February 2025), prior to the workshop in Sofia.

During the workshop *‘Key Factors and Key Indicators’* in Sofia (March 2025), this information was verified through presentations on the state of social dialogue in each partner country, a group activity *‘Improving the State of Social Dialogue’* (Table 1), identification of key factors and performance indicators (marking the 5 strongest and 5 weakest points), followed by discussions and outlining of the main problems. The specifics of the system of industrial relations and the particularities of social dialogue in the project countries were noted in the minutes after the meeting.

I. QUALITY STANDARDS OF SOCIAL DIALOGUE

- 1. Please evaluate the social dialogue (SD) in the water sector in your country according to the scale and criteria indicated above (from 1 to 5), and fill in the table with the appropriate information.
- 2. Please propose key performance indicators (objectively measurable indicators) that could be applied as a tool for social partnership in the process of social dialogue.

1. BULGARIA – FCIW PODKREPA

Table 1.1

QUALITY STANDARDS OF SOCIAL DIALOGUE					
№		Effectively applied	Partly applied	Weakly applied	Not applied
1.	Legislation regulating the SD in the country		X		
2.	There is legitimate representation of the parties in the SD		X		
3.	There are formally structured councils for bilateral/tripartite partnership in the sector		X		
4.	There is collective bargaining based on sectoral councils for bilateral/tripartite cooperation	X			
5.	Main issues that are legally included in the scope of the SD		X		

6.	Other criteria - please specify				
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1. Legislation Regulating Social Dialogue in the Country

The legal framework of social dialogue in Bulgaria is contained in the provision of Article 2 of the Labour Code (LC):

"The State regulates labour and directly related relations, social security relations, and issues of living standards after consultations and dialogue with workers, employees, employers, and their organizations, in a spirit of cooperation, mutual concessions, and respect for the interests of each of the parties."

The legal framework of social dialogue in the form of tripartite cooperation is regulated in Article 3 of the Labour Code, in the Ordinance on the procedure for establishing compliance with the representativeness criteria of workers' and employees' organizations and employers' organizations, as well as in the Rules on the structure and activities of the councils for tripartite cooperation and other internal acts or agreements.

Bipartite cooperation under Article 2a of the Labour Code stipulates that the State encourages social dialogue between trade unions and employers' organizations on issues of social dialogue. Representative organizations of workers/employees and of employers at the national

level strive to develop social dialogue and cooperation by contributing to the building of mutual trust, respect for interests, promotion of collective bargaining, raising workers' and employees' awareness, motivating active participation in the work process, and developing and strengthening corporate social responsibility.

2. Existing Legitimate Representation of the Parties in Social Dialogue

Legitimate representatives in social partnership are:

- Federation “*Construction, Industry and Water Supply*” – “*Podkrepa*”;
- National Branch Trade Union “*Water Supply*” at CITUB;
- Union of Water Supply and Sewerage Operators in the Republic of Bulgaria.

3. Existing Formally Structured Councils for Bipartite/Tripartite Partnership in the Sector

At branch level in the *Water Supply and Sewerage* sector, there is no formally established Council for Social Cooperation. Dialogue exists between the social partners at bipartite level – on issues related to collective bargaining, sports activities for workers, and social assistance in cases of lack of health care, occupational accidents, or death. The meetings are not fixed or regulated in time, but depend on

the occurrence of a specific situation requiring discussion between the partners.

In Bulgaria, there is sporadic practice of introducing such Rules/Regulations for the functioning of councils for social cooperation, and the opinion of the parties who have formalized such rules is that their observance improves communication, mutual trust between the parties, and benefits for the workers. (For example, such good practices exist in the Federation PK Services “*Podkrepa*” and as part of the Collective Labour Agreement of the Road Infrastructure Agency.)

4. Existing Collective Bargaining Based on Branch Councils for Tripartite Cooperation

At branch level in the *Water Supply and Sewerage* sector, there is no formally established Council for Social Cooperation. Dialogue between the social partners is conducted at bipartite level – concerning collective bargaining, social activities, and assistance in cases of lack of health care, occupational accidents, or death. The meetings are not regulated in terms of time and frequency, but are convened when the need arises. In the country there are isolated cases of introducing internal rules for the functioning of such councils, and the results show that formalization improves communication, trust, and benefits for workers (e.g., in the Federation TUKSIT “*Podkrepa*” and the Road Infrastructure Agency).

5. Main Issues Legally Included in the Scope of Social Dialogue

The main issues falling within the scope of social dialogue under Bulgarian legislation are:

Art. 2. (New – SG No. 25/2001, in force from 31.03.2001)
"The State regulates labour and directly related relations, social security relations, and issues of living standards after consultations and dialogue with workers, employees, employers, and their organizations, in a spirit of cooperation, mutual concessions, and respect for the interests of each of the parties."

6.	Other	Criteria
Other possible criteria for effectiveness/quality standards of social dialogue may include:		

- degree of trade union density;
- number of collective labour agreements at enterprise level;
- number of meetings between the social partners;
- number of collective labour disputes;
- number of court cases related to labour disputes in the sector.

2.	ITALY	–	FEMCA	CISL
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Table 1.2.

QUALITY STANDARDS OF SOCIAL DIALOGUE					
№		Effectively applied	Partly applied	Weakly applied	Not applied
1.	Legislation regulating the SD in the country	• National Law No. 300/1970 “Workers’ Statute” • Consolidated text on representation (10 January 2014, signed by Cgil, Cisl, Uil, and Confindustria) • National Collective Labour Agreement for the Water Sector (renewed every 3 years) •			
2.	There is legitimate representation of the parties in the SD	Approximately 75% of companies in the sector have trade union representation.			

3.	There are formally structured councils for bilateral/tripartite partnership in the sector		National Bipartite Bodies on Issues of Equal Opportunities and Gender Policies, Health, Safety, Environment, and Sectoral Dynamics		
4.	There is collective bargaining based on sectoral councils for bilateral/tripartite cooperation	Approximately 75% of companies have collective bargaining at enterprise level (bonuses and internal regulations improving the provisions of the National Collective Labour Agreement).			
5.	Main issues that are legally included in	The National Collective Labour Agreement sets the rules for the	Protocols on Industrial		

	the scope of the SD	individual employment relationship (from hiring to termination/dismissal of the employee), as well as all issues related to collective rights, such as leave, sick leave, unpaid leave, salaries, additional remuneration, health, safety, vocational training, and labour relations. For the water sector, the agreement has been unified since 2002.	Relations Providing for Enhanced Participation of Trade Union Organizations		
6.	Other criteria - please specify				It is necessary to reduce the fragmentation of companies across the territory in order to ensure that they consolidate into industria

					l structures capable of making investments, providing quality services, and engaging in social dialogue at sectoral level.
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In Italy, there are three levels of interaction:

- **With the government (score 3):** this interaction is carried out by the confederation (in our case CISL) with the competent ministry and at regional level for the protection of ecosystems and the environment. FEMCA provides its political and technical input in the sector;
- **With employers' organizations (score 3):** the interaction requires improvement;

- **With companies providing water services (score 4):** good and frequent industrial relations.

Some indicators that could be included in the assessment of the quality of social dialogue in the sector:

- Increased participation of workers in enterprise-level bargaining;
- Preparation of studies and documents by bipartite bodies (representatives of companies and workers together) on issues relevant to work in the sector.

3. NORTH MACEDONIA – ORM and SUTKOZ

Table 1.3.

QUALITY STANDARDS OF SOCIAL DIALOGUE					
№		Effectively applied	Partly applied	Weakly applied	Not applied
1.	Legislation Regulating Social Dialogue in the Country Law on Labour Relations: • Chapter IX: Collective Agreements	X			

	(Articles 203–235) • Chapter XX: Strike (Articles 236–245) • Chapter XI: Economic and Social Council (Articles 246–247)				
2.	Съществуващо легитимно представителство на страните в СД Existing Legitimate Representation of the Parties in Social Dialogue At tripartite level in the Economic and Social Council, in accordance with Article 211 of the Law on Labour Relations, the representative organizations are the Organization of Employers of		X		

	Macedonia (OEM) and the Federation of Trade Unions of Macedonia (SSM). At bipartite level, in accordance with Article 212 of the same law, the representative trade union organization is SUTKOZ. On the employers' side, there is no representative organization.				
3.	Existing Formally Structured Councils for Bipartite/Tripartite Partnership in the Sector At bipartite, i.e. branch level, there are no sectoral councils. At employer level, the social partners interact through informal meetings between the trade union representative and the employer.		X		
4.	Existing Collective Bargaining Based		X		

	on Branch Councils for Tripartite Cooperation In the past 5 years, 35 collective agreements have been concluded at employer level in the water sector.				
5.	Main Issues Legally Included in the Scope of Social Dialogue Article 206 of the Law on Labour Relations regulates: the conclusion, content, and termination of employment contracts, as well as other issues related to labour relations.	X			

1. Legislation Regulating Social Dialogue in the Country

Indicator 1.1: Percentage of compliance of national legislation with international standards on social dialogue (compliance check with ILO conventions).

Indicator 1.2: Number of amendments to the Labour Relations Act adopted in the last 5 years.

Indicator 1.3: Number of trainings conducted with stakeholders and social partners (employers and trade unions).

2. Existing Legitimate Representation of the Parties in Social Dialogue

Indicator 2.1: Percentage of trade unions and employers' organizations that are registered and recognized as representative under the applicable legislation.

Indicator 2.2: Number of collective labour agreements signed at bipartite and tripartite level with the participation of legitimate representatives.

Indicator 2.3: Percentage of workers and employers satisfied with the participation of their representative organizations in social dialogue.

3. Existing Formally Structured Councils for Bipartite/Tripartite Partnership in the Sector

Indicator 3.1: Number of established and functioning tripartite and bipartite councils at sectoral level.

Indicator 3.2: Percentage of sectors in which there are formalized councils for social dialogue and mechanisms for communication between employers and trade unions.

Indicator 3.3: Percentage of issues resolved through these councils at sectoral level.

4. Existing Collective Bargaining Based on Industrial Councils for Bipartite/Tripartite Cooperation

Indicator 4.1: Number of councils and collective labour agreements signed at sectoral/branch level.

Indicator 4.2: Percentage of workers covered by collective labour agreements in the given branch or sector.

Indicator 4.3: Number of industrial councils that have signed agreements to improve working conditions, including safety and labour rights.

5. Main Issues Legally Included in the Scope of Social Dialogue

Indicator 5.1: Percentage of labour disputes resolved through formal mechanisms of social dialogue (tripartite council, bipartite agreement).

Indicator 5.2: Number of collective agreements covering all legal issues such as remuneration, working conditions, safety, and workers' rights.

4.MAJITA - GWU

Table 1.4.

	QUALITY STANDARDS OF SOCIAL DIALOGUE				
Nº		Effectivly applied	Partly applied	Weakly applied	Not applied
1.	Legislation regulating the SD in the country	Yes			

2.	There is legitimate representation of the parties in the SD	Yes			
3.	There are formally structured councils for bilateral/tri-partite partnership in the sector	Yes			
4.	There is collective bargaining based on sectoral councils for bilateral/tri-partite cooperation	Yes			
5.	Main issues that are legally included in the scope of the SD	Yes			
6.	Other criteria - please specify				

1. Legislation Regulating Social Dialogue in Malta

The legislation that regulates social dialogue in Malta is primarily the *Employment and Industrial Relations Act (EIRA)* (Chapter 452 of the Laws of Malta). This act establishes the framework for industrial relations, collective bargaining, and the recognition of trade unions. In addition, social dialogue in Malta is carried out through the *Malta Council for Economic and Social Development (MCESD)*, which is governed by the *Malta Council for Economic and Social Development Act* (Chapter 431 of the Laws of Malta). This council provides a platform for discussions between government, employers, and workers' representatives.

2. Existing Legitimate Representation of the Parties in Social Dialogue

Within social dialogue in Malta, the legitimate representatives of the main stakeholders include trade unions, employers' organizations, and government representatives. These actors participate in structured discussions, mainly through the MCESD and other industrial relations bodies.

3. Institutions and Forms of Social Dialogue

In Malta, social dialogue takes place mainly through national tripartite institutions, such as the MCESD, which brings together representatives of the government, employers, and trade unions to discuss socio-economic issues. The *General Workers' Union (GWU)*

and the *Water Services Corporation (WSC)* have engaged in bipartite social dialogue for negotiating and concluding collective agreements aimed at improving working conditions for WSC employees.

4. Collective Agreements

- **2021:** In February 2021, GWU and WSC signed a four-year collective agreement covering about 87% of the corporation's employees. The agreement focused on enhancing job stability, strengthening the remuneration structure, and introducing measures to support work–life balance. Special attention was given to mental health support by providing employees with the opportunity to consult professionals during working hours.
- **2024:** In January 2024, the *Government and Public Entities Section* of GWU finalized a collective agreement with the *Energy and Water Agency*. This agreement provides for financial benefits, job restructuring, and flexible working hours, reflecting the agency's commitment to recognizing and rewarding the contribution of its employees.

5. Main Issues Covered by Social Dialogue in Malta

Social dialogue in Malta covers a wide range of legally recognized issues addressed through joint discussions between employers, trade unions, and government bodies. The main topics include:

- **Working conditions:** negotiations on wages, working hours, and various types of leave (e.g., maternity, paternity, and annual leave). Collective agreements often regulate these aspects to ensure fair and equal treatment of workers.
- **Occupational health and safety:** ensuring a safe working environment is a key element of social dialogue. Discussions focus on the implementation and enforcement of occupational health and safety rules to protect employees from workplace risks.
- **Equal opportunities and non-discrimination:** social dialogue addresses workplace equality with the aim of eliminating discrimination based on gender, race, disability, or other factors. This also includes promoting equal pay and opportunities for all employees.
- **Social security and pensions:** discussions cover issues related to social security systems, including pensions and other social benefits, to ensure adequate protection of workers during and after their careers.
- **Training and development:** improving workers' skills and competences through training programmes is also a priority, aimed at increasing employability and adaptability to the changing labour market.

6. Key Performance Indicators (KPI) for Enhancing Social Dialogue in Malta

The introduction of KPIs can improve the effectiveness of social dialogue in Malta by providing measurable criteria for social partnership. Suitable KPIs include:

- **Coverage rate of collective agreements:** measures the percentage of employees covered by collective agreements, reflecting the extent of negotiated working conditions.
- **Trade union density:** the proportion of workers who are union members, indicating the strength and representativeness of trade unions in the workforce.
- **Frequency of tripartite consultations:** regular meetings between government, employers, and trade unions demonstrate active participation in policy discussions.
- **Implementation rate of agreements:** the share of negotiated agreements that have been translated into policy or practice, showing the effectiveness of social dialogue outcomes.
- **Effectiveness of dispute resolution:** evaluates the time taken and success rate in resolving industrial disputes, reflecting the resilience of conflict resolution mechanisms.

The monitoring of these key performance indicators provides valuable information on the state of social dialogue in Malta and supports the continuous improvement of labor relations.

QUALITY STANDARDS OF SOCIAL DIALOGUE					
N		Effectively applied	Partly applied	Weakly applied	Not applied
1	Legislation regulating the SD in the country	Italy North Macedonia Malta	Bulgaria		
2	There is legitimate representation of the parties in the SD	Italy Malta	Bulgaria North Macedonia		
3	There are formally structured councils for bilateral/tri partite partnership in the sector	Malta	Bulgaria Italy North Macedonia		
4	There is collective bargaining based on sectoral councils for bilateral/tri	Bulgaria Italy Malta	North Macedonia		

	partite cooperation				
5	Main issues that are legally included in the scope of the SD	Italy North Macedonia Malta	Bulgaria		
6	Other criteria - please specify				

II. GROUP ACTIVITIES – Two-day workshop “Key Factors and Key Indicators” in Sofia /March 2025/

During a two-day workshop in Bulgaria, held between 20–21 March 2025, the partners conducted a detailed discussion on whether councils for social cooperation exist in their respective countries, the topics discussed within such councils, and whether these are included in the internal rules of procedure.

North

Macedonia

The team from North Macedonia presented detailed information on the subject, noting that the country has established successful social partnership in the water supply sector with 35 collective labor agreements at enterprise level. Active negotiations are currently underway. At sectoral level, there is a Branch Collective Labor Agreement which, since 2023, also covers municipal enterprises. The trade union density of the workforce is between 14%–15%. The water services regulator determines the price range in agreement

with the municipalities.
Water losses and theft exceed 60%.
Social dialogue is regulated by the Labor Law.
An interesting fact regarding the collective labor agreements is that all of them include a clause granting the right to strike. However, the rules set out in the agreements are not always applied in practice. In practice, a tripartite dialogue exists between: SUTKOZ (a nationally representative trade union), employers in the water sector (although none exist at the national level), and the State.

Malta

Social dialogue is conducted between two parties – the State and the trade unions. The country has two water-related entities – a service provider and a regulator. The small territory of the country is an advantage, as all stakeholders are in direct contact and personally acquainted.

There is a Steering Committee for Water Services, which performs a function similar to that of a council for social cooperation. However, all issues are resolved through direct communication. There is one state-owned enterprise employing 1,000 people. The relations between the social partners are very close, which enables swift decision-making. Social dialogue is carried out mainly through personal communication and strong partnerships. The form of social dialogue is tripartite. Trade union density is approximately 10% – with 50,000 unionized

members in the GWU out of a population of 500,000. A collective labor agreement, valid since 2021 for a four-year period, is in place. An interesting clause in the agreement relates to the issue of discrimination.

Since 1974, a statutory minimum wage has existed in the country. As of 2025, it amounts to EUR 961, to which subsidies for water, electricity, and other services are added. The pension system is based on a formula providing two-thirds of the last wage earned.

Italy

Since 1970, Italy has had a law regulating trade union relations. Since 2014, 30 collective labor agreements have been concluded at national level in the water supply sector. Trade union coverage stands at 75%. Italy does not have a council for social cooperation, and therefore the rules governing relations between social partners are laid down in collective labor agreements. These agreements also include a provision concerning labor productivity. There is no statutory minimum wage in the country – instead, it is determined through sectoral collective agreements. Trade unionism in Italy enjoys high coverage. Negotiations on minimum wages through these agreements provide significant advantages to trade unions. In Italy, there are 1,200 water supply enterprises, 83% of which are served by one main company and by municipal enterprises.

The collective labor agreement covers the entire workforce in the sector, regardless of whether or not they are unionized. A noteworthy new provision in the agreement relates to artificial intelligence and its regulation.

Approximately 35,000 people are employed in the water supply sector. Water losses amount to around 40%. The sector is fragmented and faces serious problems in wastewater treatment, particularly in Central and Southern Italy. Around EUR 500 million are invested annually. The regulator determines the service prices, which in turn leads to a reduction in investment.

Bulgaria

In Bulgaria, around 91% of the workforce in the water sector is unionized.

There is successful social partnership, realized in the water sector through a bilateral social dialogue. Trade unions and the employers' organization (the Union of Water Supply and Sewerage Operators) participate in this process.

The collective labor agreement is drafted by the trade unions and, once signed by all parties, has a validity period of two years. The democratic changes in Eastern Europe in the late 1980s and early 1990s led to the establishment of more than one trade union. This enabled individuals to unionize by choice rather than obligation. Water losses range between 60% and 80%, depending on the enterprise, mainly due to outdated infrastructure.

An interesting clause in the collective labor agreement concerns social, domestic, and cultural services for workers. These improve the quality of life of employees and increase job satisfaction, which in turn leads to improved work processes and higher labor productivity. The role of the Executive Agency “General Labour Inspectorate” in Bulgaria was discussed, as well as whether similar institutions exist in the partner countries. For example, such an institution exists in North Macedonia. In Malta, however, this role is covered by the collective labor agreement, with arbitration or the courts being used when necessary.

A group working activity was conducted. All partner countries were divided into national teams with the task of identifying, within each team, the Top 5 factors for effective and successful social dialogue. The results of the activity are as follows:

Bulgaria

- Regulatory framework – knowledge of legislation and preparation of positions
- Legitimate representativeness
- Communication skills – respectful and trust-based interaction between partners
- Economic situation – objective data on possible demands during negotiations, defining the acceptable maximum and minimum

- Dialogue capacity – ability to reach compromise

Malta

- Mutual respect and trust – between the partners and between them and the employees
- Continuous and clear communication
- Strong representativeness
- Commitment
- Stable legal framework – rules for conduct and conclusion of agreements

Italy

- Representativeness of social partners
- Competence of the parties – achieved through training
- Inclusive approach towards all participants in social dialogue
- Dialogue capacity
- Thematic meetings and dispute resolution

North Macedonia

- Legislative system
- Representativeness of social partners
- Increase in the satisfaction rate with social dialogue

- Higher level of understanding
- Industrial revolution
- Legal framework

The signing of a memorandum between trade unions and employers' organizations in the partner countries was identified as another important step during the event. The purpose of the document is to enhance the effectiveness of social dialogue as well as workforce efficiency. FSIW "Podkrepa" assumed responsibility for drafting the memorandum and its project version, which was reviewed during the subsequent meeting of the Steering Committee. The signing of the document was planned and carried out at the fourth meeting of the Steering Committee in Skopje, North Macedonia.

5. Practical stage - Memorandum of Social Partnership

Based on the results obtained regarding the effectiveness of social dialogue and the regulation of the workforce in the "Water Supply and Sewerage" sector, the project partners adopted an innovative approach compared to the previous practice of industrial relations, taking as the basis for future social dialogue and collective bargaining negotiations the integrated guidelines set forth in the signed memorandum.

**MEMORANDUM OF SOCIAL PARTNERSHIP
INTEGRATION OF KEY RESULTS AS
GUIDELINES IN THE SOCIAL PARTNERS'
PROGRAM 2025-2027**

**Agenda of Social partnership in Water
services sector 2005-2027**

We
**Federation “Construction, Industry and Water Supply”-
“Podkrepa”, as the lead,
and
Trade Union of Workers in Catering, Tourism, Communal and
Housing Services, Handicrafts, and Protective Societies of the
Republic of North Macedonia, FEMCA CISL Federation of
Energy, Fashion, Chemistry and Related Workers, Italy, GWU
General Workers' Union of Malta, Union of Water Supply and
Sewerage Operators in the Republic of Bulgaria
OEM Organization of Employers of Macedonia,**

Hereinafter referred to as the "Parties",
As part of the implementation of the project *Promoting and
Strengthening Social Dialogue in Water Services through Innovative
Approaches"/ ProSDinWater-101102352-GAP-101102352*, efforts are
being united with the aim of improving the process of workforce
regulation through social dialogue in the context of global challenges

and developing new approaches that adapt social dialogue to the evolving needs of the workforce.

Today 2025,

1. We believe that effective social dialogue and social partnership are among the key factors for sustainable industrial relations with high added value.
2. We acknowledge the need to find high-quality and balanced solutions in the process of collective bargaining and agreements, while also upholding the interests of the legitimate representatives engaged in social dialogue within the water supply and sanitation sector.
3. We consider that the quality of employment in the water supply and sanitation sector determines the quality of these services. Therefore, we focused on the needs of the workforce in the sector by conducting socio-empirical research within the framework of project 101102352 ProSDinWater: Promoting and Strengthening Social Dialogue in the Water Sector through Innovative Approaches. The aim of the study was to identify key workforce indicators in the water sector, which can subsequently be used to conduct a more effective and evidence-based social dialogue in the four countries participating in the project, namely Bulgaria, Italy, Malta, and North Macedonia.
4. Motivated by a shared commitment to improving the working environment and creating opportunities for the development of human resources in this sector—so vital to societal well-being—we conducted an in-depth analysis of the sector's functioning in the four countries through a SWOT analysis and a comprehensive report.

We defined criteria for quality performance—STANDARDS for social dialogue—and held a feedback seminar and discussion on integrating these standards into the social partnership agenda within the industry.

5. Based on the results of the project activities, an Agreement was reached to integrate the key outcomes as guidelines into the future social partnership programme for the next two years (2025–2027), as well as into negotiations for future collective labour agreements.
6. We commit to maintaining cooperation between the project partners for two years following the conclusion of the project. This cooperation will relate to the monitoring and traceability of policies based on a data-driven methodology, a human-centered approach, and an innovation-oriented approach—as a means of enhancing the management capacity of the partners.
7. The project partners will sustain the exchange of information, ideas, good practices, and data related to the implementation of the social dialogue guidelines and workforce development at least once per year.
8. The partners commit to promoting the outcomes of the project activities through media and public events as examples of good practice.
9. Each partner will incorporate, within their Annual Programme for Social Dialogue and Social Partnership Activities, the topics identified during the project as having the greatest impact—**attached to this document for each country**.

This document is signed in six copies, one for each party.

**Federation “Construction, Industry and Water Supply”-
“Podkrepa”**

.....

**Trade Union of Workers in Catering, Tourism,
Communal and Housing Services, Handicrafts and
Protective Enterprises of the Republic of North
Macedonia**

.....

**Federation of Energy, Fashion, Chemistry and Related
Workers, Italy**

.....

General Workers' Union of Malta

.....

**Union of Water Supply and Sewerage Operators in the
Republic of Bulgaria**

.....

Organization of Employers of Macedonia

.....

1.BULGARIA

5 KEY FACTORS FOR IMPROVING SOCIAL DIALOGUE IN THE WATER SUPPLY AND SANITATION SECTOR	5 KEY FACTORS FOR IMPROVING THE WORKFORCE IN THE WATER SUPPLY AND SANITATION SECTOR
1. Legal framework	1. Labor cost (wages) 100%
2. Representativeness	2. Working conditions 97%
3. Communication skills	3. Social benefits outside of the CLA 91%
4. Economic environment – adequate data	4. Health care and prevention and professional experience 90%
5. Negotiation skills and dialogic abilities	5. Labor rights and personal motivation 88%

2. NORTH MACEDONIA

5 KEY FACTORS FOR IMPROVING SOCIAL DIALOGUE IN THE WATER SUPPLY AND SANITATION SECTOR	5 KEY FACTORS FOR IMPROVING THE WORKFORCE IN THE WATER SUPPLY AND SANITATION SECTOR
1. Legal framework	1. Labor cost (wages) 100%
2. Representativeness	2. Working conditions 97%
3. Communication skills	3. Social benefits outside of the CLA 91%
4. Economic environment – adequate data	4. Health care and prevention and professional experience 90%
5. Negotiation skills and dialogic abilities	5. Labor rights and personal motivation 88%

3. MALTA

5 KEY FACTORS FOR IMPROVING SOCIAL DIALOGUE IN THE WATER SUPPLY AND SANITATION SECTOR	5 KEY FACTORS FOR IMPROVING THE WORKFORCE IN THE WATER SUPPLY AND SANITATION SECTOR
1. Mutual respect and trust between social partners	1. Labor cost (wages) 100%
2. Continuous communication	2. Working conditions 94%
3. Strong representation	3. Labor rights and personal motivation, work time organization, healthcare and prevention 87%
4. Responsibility and commitment to agreements	4. Workplace discrimination 81%
5. Strong legal framework	5. Workforce turnover 79%

4. ITALY

5 KEY FACTORS FOR IMPROVING SOCIAL DIALOGUE IN THE WATER SUPPLY AND SANITATION SECTOR	5 KEY FACTORS FOR IMPROVING THE WORKFORCE IN THE WATER SUPPLY AND SANITATION SECTOR
1. Representativeness of social partners	1. Labor rights and personal motivation 96%
2. Competence of the parties	2. Labor cost (wages), healthcare and prevention 94%
3. Approach to all participants in social dialogue	3. Workforce turnover, age, work time organization 93%
4. Dialogic skills	4. Level of education 91%
5. Thematic meetings and discussion	5. Programs for improving professional qualifications 88%

6. Conclusions and recommendations - guidelines

Based on the data provided by the participating countries, we can summarize that the common global factors influencing the effectiveness of social dialogue and social cooperation in the “Water Supply and Sewerage” sector are:

- **Geopolitical instability** – wars, crises, reshaping of international relations.
- **Consequences of the COVID-19 pandemic** – economic and social collapse, shortage of resources, deepening inequalities.
- **Energy and climate crisis** – new environmental requirements imposed by the EU and the UN (Green Transition Directives).
- **Digitalization and demographic changes** – pressure for digital transition and challenges related to an ageing population.

Key factors for Bulgaria are:

- Political instability and frequent changes of government – affecting policy sustainability and reform capacity.
- Insufficient institutional and human resource capacity – high staff turnover, lack of young professionals, weak digital potential.

- Absence of a sectoral council for social dialogue – dialogue remains limited to bipartite negotiations.
- High trade union density (91%), but absence of a mechanism for effective influence on wages.
- Regulatory pressure for optimization – often leading to staff reductions.
- Low remuneration – the sector lags behind the national and EU average.
- Difficulties with investment and modernization – weak financial sustainability of water supply and sewerage operators.

Key factors for Italy are:

- Decentralized structure of the water sector – significant regional disparities.
- Strong traditions in tripartite social dialogue – historically more resilient institutions for negotiations.
- Active implementation of green policies – earlier adoption of standards for environmental sustainability and social responsibility.
- Strong representation of trade unions and employers' organizations – more effective collective bargaining.

- Regional disparities in the capacity and effectiveness of social dialogue.

Key factors for Malta are:

- Limited size of the sector and small market – providing greater flexibility but also stronger dependence on state policy.
- High level of digitalization in administration, though unevenly integrated into public services.
- Strong presence of the state as both employer and regulator – reduced autonomy for social partners.
- Challenges with the integration of migrant workers – introducing new social dimensions to the dialogue.
- Increasing environmental requirements – particularly regarding the protection of scarce water resources.

Key Factors for North Macedonia

- **EU accession process** – drive towards harmonization of legislation and standards.
- **Underdeveloped social dialogue** – historical constraints and lower institutional maturity.
- **Insufficient experience in tripartite cooperation** – need for training and capacity building.

- **Financing problems and outdated infrastructure** – hinder the negotiation of sustainable solutions.
 - **Demographic challenges** – shrinking and ageing population.
-

Common Key Challenges Across the Four Countries

1. **Insufficient institutional capacity** (particularly in Bulgaria and North Macedonia).
2. **Low wages and shortage of qualified personnel.**
3. **Weak digitalization** (more pronounced in Bulgaria and North Macedonia).
4. **High investment needs** for ecological and technological reforms.
5. **Regulatory pressure and volatile political environment.**

CONCLUSIONS

The common challenges in the participating countries in the project concern the fragmented governance of the “Water Supply and Sewerage” sector; the need to increase investments, with particular emphasis on raising labour incomes of employees in the sector; capacity-building of social dialogue through improvement of the regulatory framework and debate based on objective and measurable information; improvement of the working environment in order to strengthen staffing

and the resulting trade union density; improvement of compliance with the European legislative framework.

To a high degree, the integration of a new approach, based on measurable indicators, will improve the main directions for capacity-building outlined in the report of the European Foundation for the Improvement of Living and Working Conditions “Capacity building for effective social dialogue in the European Union”:

1. Strengthening the capacity of human resources;
2. Strengthening the capacity of the organisational structures of social dialogue;
3. Improvement of the regulatory framework.

The achievement of consensus among the social partners regarding the understanding of the definition of indicators for the effectiveness of social dialogue and their consolidation in a Memorandum of Cooperation shows that the social partners embrace the idea of measurability of the effectiveness of social dialogue as a direction for capacity-building of social cooperation in line with the socio-economic dynamics and the technological challenges facing the workforce.

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