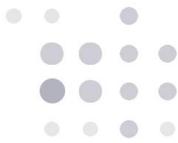


2016

# Annual Review of Labour Relations and Social Dialogue Slovakia

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February 2017

- GDP data show that the Slovak Republic is currently enjoying relatively dynamic growth as the annual GDP growth rate almost exceeded the level of 4 per cent recently and it is estimated that it will exceed this level in the upcoming years.
- A decline in foreign direct investments (FDI) was observed; moreover, most FDI are directed to Bratislava, further increasing regional disparities.
- The balance of payments of the Slovak Republic is in black figures and instead of inflation a slight level of deflation was recorded.
- Real wages have grown and the outlook for the future also anticipates increasing wages. However, in comparison to the average EU level, the average wages in Slovakia are still low. The minimum wage has been increased, first to the level of €405 in 2016 and then to €435 in 2017.
- Employment is growing significantly and unemployment is declining, which has been positively reflected in the smaller number of citizens endangered by poverty. In terms of income inequality, the income of the Slovak population is relatively equal in comparison to the OECD benchmark. The situation is less favourable when looking at the gender pay gap, where the situation remains unchanged: wages of women are approximately 77 percent of those of men.
- The most significant event in the political scene, the parliamentary elections in March 2016, resulted in the victory of the ruling Smer party. However, Smer had to put together a coalition ranging widely across the political spectrum.
- The teachers' strike was the most significant event in terms of industrial relations; however, for the moment the teachers have failed to achieve their collective bargaining objectives.
- The Confederation of Trade Unions (KOZ) held its 8<sup>th</sup> Congress and re-elected Jozef Kollár as President.
- A new, large employers' association, the Association of Industrial Unions, will join tripartite social dialogue.



## Content

- Socio-economic developments
- State policies and legislation
- Industrial relations
- Tripartite social dialogue
- Forecasts

Annex - Information about:

- Collective bargaining, social dialogue, social security, education & vocational training, employment, wages
- Trade unions and employer organizations



## 1. SOCIO-ECONOMIC DEVELOPMENTS

From Q3 2015 to Q2 2016, Slovakia recorded a continuous year-on-year increase in GDP. However, the actual pace of this growth was volatile: in Q3 2015 it was a year-on-year increase of 3.7 per cent and in Q4 2015, the increase reached 4.3 per cent, which can be considered as very dynamic growth. In the following quarters, the GDP growth slowed down a little, while remaining at relatively favourable levels. In Q1 2016, the year-on-year increase was 3.4 per cent and in Q2 2016 it reached 3.6 per cent. Seasonally adjusted GDP grew during the monitored period. In Q3 2016 it reached €19,755.63 million and at the end of the monitored period in Q2 2016 it reached €20,236.45 million. Gross domestic product in current prices in 2015 reached €78,685.61 million, corresponding to an increase of €2,739.25 million from 2014.

Information on FDI (foreign direct investment) is published by the National Bank of Slovakia. FDI brings capital to the country and is tightly linked to new technology and creation of new jobs. The Slovak economy and its growth to a great degree are dependent on the influx of FDI: it is exactly the arrival of new investors and the volume of FDI that are an indicator of the success and attractiveness of the economy in connection to its future positive development. The Slovak Republic enjoys some comparative advantages, such as geographic location, relatively cheap and skilled labour, known for its high level of productivity, membership in the EU and the euro zone as well as political stability. Data on the volume of FDI is published by the National Bank of Slovakia with a certain time lag therefore the most recent information is from 2014 when the annual FDI volume amounted to €40.969 million, with Bratislava attracting most of this capital. Compared year-on-year to 2013, the FDI volume fell by €1.102 million.

The balance of payments of the Slovak Republic had a surplus of €153.5 million in Q2 2016. This represented a change against the previous quarter when the situation was quite the opposite. The balance of the capital account represented €1,074.7 million. The financial account saw a significant change between the above quarters as liabilities dominated in the first of these quarters and then assets taking over in the second (by

€1,942.5 million). Also in 2016, the state budget was in deficit and as of 31 October 2016, expenditures exceeded revenues by €1,839.06 million.

The Slovak Republic has been experiencing deflation since 2014, with annual deflation of 0.3 per cent in 2015 and 0.4 per cent in 2016.

At the same time, constant wage growth has been recorded in the Slovak Republic: in Q1 2016 the average nominal monthly wage was €867 and in Q2 2016 it grew to €901. The minimum wage was increased from €380 in 2015 to €405 in 2016 and it is expected to increase further in 2017.

Falling unemployment is also a positive piece of news: after a long period of stagnation, unemployment fell below 10 per cent of the economically active population and in Q2 2016 stood at 9.6 per cent. This is also related to growth in employment, which stood at 64.9 per cent in Q2 2016. Based on the EU SILK data, the number of inhabitants under the poverty level has been falling since 2012. In 2012 there were 715,578 people with incomes under 60 per cent of median income and in 2014 this fell to 659,333 people.

For the Gini coefficient, the Slovak Republic was at 8<sup>th</sup> position among OECD countries, thus belonging among the countries with the smallest income differences. The value of the coefficient according to OECD was at 0.269. However, based on the calculations performed by TRIXIMA Bratislava, the Gini coefficient is 0.331.

## 2. STATE POLICIES

Major political changes took place in the Slovak Republic in 2016. The most important change, the parliamentary elections (elections to the Slovak National Council), were held on 5 March 2016. The government changed as the single-party rule of Smer party was replaced by a wide-ranging left-right coalition. No similar coalition of such a wide range of parties with such antagonistic representatives had ever been formed in Slovakia. The centre to centre-right leader from Siet' (Network), whose electoral results sharply fell against the polling rates before the elections) joined forces with Smer-SD (Direction-Social Democratic), the strongest left-leaning party as well as two other political parties, both based on a nationalistic principle: SNS (the Slovak



National Party) which formerly was labelled as a far-right party and MOST-HÍD, a party claiming to represent the Hungarian minority and whose chairman is the most significant, long-standing representative of Hungarians in Slovakia. The unexpectedly high electoral results of Ľudová strana – Naše Slovensko (People's Party – Our Slovakia), which has endorsed extreme right-wing values and supports Slovakia's exit from the EU came as a surprise. The party is typical for its anti-Romani rhetoric and is often labelled as extreme right. Its success was dominant in the areas of Slovakia that have faced problems with the marginalised, hard-to-adapt Roma communities and the related crime, which is an indicator of the previous governments having neglected the problem, thus letting the situation to escalate. The elections results of SAS (Freedom and Solidarity) put them in the position of the leading opposition party. SAS can be labelled as liberal and Eurosceptic.

In terms of major changes, reforms and new directions in policies, two programming documents should be mentioned. The first is the actual Government Manifesto for 2016 – 2020 and the second is the document from the Ministry of Finance from April 2016 titled National Plan of Reforms of the Slovak Republic 2016. The objective of the Government Manifesto for 2016 – 2020 is to further deepen social, economic and societal cohesion. From the economic perspective, the objective is to create another 100 000 jobs and reduce the unemployment to under 10 per cent. Also, a balanced state budget is to be achieved by 2020 and budgetary discipline should be further strengthened. Equally, the government promised to maintain social dialogue and tripartite relations and to secure social guarantees for all residents. Simultaneously, the government stated its support for policies aimed at reducing social and regional disparities. The government stated it would prepare an economic policy strategy and further declared the importance of developing the principles and the culture of the new level of relationships in manufacturing and production also known as INDUSTRY 4.0. To this end, the already adopted RIS3 Strategy of Research and Innovation for smart

specialisation will serve as the key points of departure.

The National Plan of Reforms of the Slovak Republic 2016 describes the structural measures that the Slovak government is planning to adopt after the plan is adopted, particularly in the next 2 years. A gradual reduction of the public administration deficit is planned until achieving the mid-term budgetary objective (MTO) in 2019. The system of assessing the efficiency of public spending is a new tool for achieving a balanced budget as well as to achieve higher value for money spent.

The corporate income tax will be reduced to 21 per cent and the institute of tax licenses (in which companies pay a fee even if they have no profits) will be terminated in 2018. Changes in the educational system will focus on increasing the attractiveness of becoming a teacher by raising the teachers' wages; the capacities of kindergartens will be increased. The reform of the public administration will result in simplified provision of state services to the citizens. Approximately 30 one-stop-shop state administration client-service centres will be opened, serving the citizens as points of contact with local and specialised state administration services. The National Plan of Reforms is based on specific recommendations by the EU Council, particularly from the Commission Staff Working Document (2016) No. 93 from 26 February 2016: Country Report 2016 – Slovak Republic.

In terms of labour market policies, Act No. 5/2004 Coll. on the Employment Services has been amended. The most important change concerns the allowance supporting labour mobility. It extends the possibility for provision of this allowance also if the beneficiary obtains temporary residence in a different place of work; the allowance may be provided for the duration of 6 months or 12 months if the employee is a disadvantaged job applicant. The amendment also sets out the amount of the allowance, reaching maximum 80 per cent of the total rent, to a maximum of €250 per month during the first 6 months and a maximum of €125 during the following 6 months.

### 3. INDUSTRIAL RELATIONS

One of the most resonating events in the Slovak Republic in 2016 was the teachers' strike for a wage increase. After the initial support in the first half-year 2016, the strike failed to obtain the decisive support of the major trade union federations (neither the Confederation of Trade Unions nor the Trade Union of Educational and Scientific Workers in Slovakia), which claimed that they regarded collective bargaining as the most efficient instrument to achieve wage increases. However, this was not successfully realised until this day. The strike had several stages and started before the parliamentary elections, which raised suspicions that it could, in fact, be a politically-motivated action. However, the initiative continued its activity following the elections and published a summary of its activities in October. The key positive outcome was raising a nationwide debate. Also, pressure was applied to the unions, which later incorporated the comments of the initiative to the document titled Declaration of the Trade Unions of Educational and Scientific Workers in Slovakia and Partnering Representations active in the Educational System to Support Increasing the Quality of Conditions and the Level of Education and Science in the Slovak Republic.

The most important parts of the declaration include a provision for funding improvement in the quality of education and science so that the percentage of GDP dedicated to education is comparable to the developed EU economies by the end of the current election period, i.e. at least 6 per cent in the 4-year election period. Financing of education should be established with a minimum annual increase of 0.5 per cent of GDP year-on-year. Funding of public universities from public funds should be increased annually by €60 million (besides the social support for students and wage increase). The wage tariffs of teaching employees and professional employees classified into the respective wage and employee categories should be increased by 25 per cent as of 1 January 2017, and in the following years, the wages should increase by 10 per cent annually so that the wage of a new university teacher (a fellow lecturer) is at least 1.7 times the average wage in the economy. So far, these requirements have not been

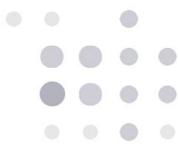
implemented within the collective bargaining agreement.

Important collective bargaining agreements have been implemented in several sectors. In the transport sector, a branch level collective bargaining agreement was concluded for the years 2016-2017 between the Association of Coach Transport and the KOVO Trade Union. In the construction industry, amendment No. 4 was adopted to the branch-level collective bargaining agreement for the years 2012-2018 between the Integrated Union of Slovakia and the Association of Construction Entrepreneurs of Slovakia. In the electronic industry, a branch-level collective bargaining agreement was signed for the years 2016-2017 between the KOVO Trade Union and the Association of Electronics Industry of Slovakia. An important agreement valid for the next year is also the branch-level collective bargaining agreement concluded between the KOVO Trade Union and the Association of Residential Housing Economy in Slovakia for the years 2016-2017. This information indicates that OZ KOVO was one of the most active trade unions.

In April 2016, the Constitutional Court revoked the possibility to extend branch collective agreements to all companies in the sector, a legal provision which was granted in the revised Labour Law from 2014. Employers had filed a complaint against this process, claiming that the extension of collective agreements was allegedly violating human rights.

The Confederation of Trade Unions of the Slovak Republic (KOZ) organised a great number of international events in the second half of the year, some of them related to the Slovak Presidency of the Council of the European Union. For example, in November a meeting of top representatives of trade unions from the V4 countries (Hungary, Poland, the Czech Republic and Slovakia) was held in Bratislava, attended also by the Secretary General of the European Trade Union Confederation. The key topics included the European Pillar on Social Rights (EPSR) and the revision of the Posting Workers Directive. KOZ also hosted a meeting of the European Economic and Social Committee (EESC).

Most likely, the most significant event for the trade unions was the 8<sup>th</sup> convention of the Confederation of Trade Unions (KOZ). Jozef



Kollár was re-elected as President and a new Vice-President, Monika Uhlerová, was the first woman elected to this position. The programme for 2016-2020 is based on five primary pillars: a welfare state; employment; transparent trade union policy; social dialogue; and solidarity and unity of trade unions at the international level. The convention delegates adopted a resolution of the 8<sup>th</sup> Convention of KOZ that emphasised the organisation's role in protecting the rights and position of workers and promoting approximation to European standards across all areas of society. The congress was also attended by representatives of the Slovak government, namely Prime Minister Robert Fico, Labour Minister Ján Richter and Minister of Finance Peter Kažimír. The President of the Federation of Employers' Associations of the Slovak Republic, Tomáš Malatinský, the President of the National Union of Employers, Miroslav Kiraľvarga, and the Vice-Chairman of the Association of Cities and Municipalities of Slovakia, Ľubomír Lőrincz, also attended. Prime Minister Fico promised at the congress to increase minimum wages.

The unions also communicated with the Catholic Church, which resulted in a joint declaration by Monsignor Stanislav Zvolenský, President of the Conference of Bishops, and KOZ President Kollár that stated that both parties regard as important "the need to strive for achieving greater justice and solidarity in the society. All employees deserve dignified treatment and a fair wage for their work. Equally, they need to be given the opportunity to spend more time with their loved ones. Although we do realise the importance of economic growth for the wealth of the society, we also wish to state that money is not a measure of everything. Life filled with human relationships cannot be substituted".

Employers' representatives in Slovakia can be divided into two types. The first are large organisations that represent their members in tripartite dialogue, which include the Federation of Employers' Associations of the Slovak Republic (abbreviated as AZZZ) and the National Union of Employers (abbreviated as RÚZ) and the relatively newly-established Association of Industrial Unions that has shown great willingness to participate in tripartite dialogue. However, the latter must first comply with the relatively strict criteria that

are required for entry into tripartite dialogue, such as a membership base of organisations with at least 100,000 employees. There are also a large number of employers' organisations that are oriented primarily on specific industries; they are quite numerous but there is no public central register of these bodies. Moreover, so-called professional associations exist in Slovakia. They are independent, not-for-profit associations or organisations of specific professions. Their main objective is to track, monitor and represent shared professional and economic interests of their members. They are, however, more or less independent associations and Slovak legislation does not define any specific rights for them; therefore these associations can operate only as lobbying organisations. As lobbying is not formally regulated, exact figures on the number of these lobbying organisations and lobbyist are not known.

#### 4. TRIPARTITE SOCIAL DIALOGUE

In 2016, four official tripartite negotiations took place in the Economic and Social Council of the Slovak Republic and one unofficial negotiation was held in relation to the Government's Manifesto. This unofficial negotiation in relation to the manifesto was held first and all parties appreciated its transparency, as all tripartite members could participate in the process. Key points were identified where tripartite dialog could occur. The points included the provision of dignified working conditions, application of social dialogue, increasing the minimum wage, support for application of collective bargaining and the change of the system of remuneration of employees performing the work in the public interest. The first official negotiation in June dealt with gender wage equality, violence against women in the workplace and evaluation of the strategy for occupational health and safety in the Slovak Republic until 2020. At the meeting, working conditions of older employees were also discussed as well as sustainability of the social security system.

An important tripartite dialogue took place in August 2016, where the discussion concerned the new draft of the Act on Civil Service as well as the draft that amends and supplements Act No. 581/2004 Coll. on Health Insurance Companies, Supervision of Healthcare and changes and supplements of some other acts,



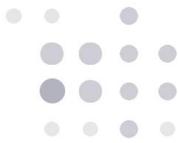
as amended as well as the draft amendment to Act No. 235/2012 Coll. on the special levy of business in regulated industries as amended that adjusted the levy rates from 0.00363 to 0.00726. Simultaneously, negotiation took place on the level of the minimum wage for 2017, with trade unions proposing €442 and the government €435. In September, negotiation took place dealing with a draft act changing and supplementing Act No. 39/2015 Coll. on Insurance and Amendments and Supplements to Certain Other Laws as amended related to the special levy of 8 per cent on the received payments of premiums to insurance companies for non-life insurance. Also, important negotiations took place in relation to the so-called nursery act, which sets out to improve the work-life balance. Finally, during the October negotiations, the minimum wage of €435 was approved for 2017, which represents 52 per cent of the net average wage in Slovakia. The draft public administration budget for the years 2016 to 2018 was also discussed with the Confederation of Trade Unions suggesting that a balanced budget would be counterproductive in the context of the country's current deflation.

## 5. FORECASTS

GDP is estimated to grow in the upcoming period, with 3.5 per cent year-on-year growth estimated for 2017, 3.9 per cent in 2018, and as much as 4.4 per cent in 2019. Export of goods and services should increase as well with the year-on-year growth of 5.5 per cent in 2016 accelerating to 5.8 per cent in 2017 with even more pronounced growth to 7.3 per cent anticipated in 2018 and 7.7 per cent in 2019. At the same time, imports should grow as well, with the year-on-year increase rising from 4.2 per cent in 2016 to 6.3 per cent in 2019.

In terms of the minimum wage that will increase to €435 in 2017 it should be noted that there will be various levels of minimum wage depending on the degree of work difficulty. There will be six degrees of work difficulty and a coefficient will be applied to multiply the minimum wage between 1 and 2 with intervals of 0.2.

According to INFOSTAT, employment in Q1 2017 should grow by 2.1 per cent, unemployment should decline to 9 per cent and inflation should be at 0.1 per cent.



## ANNEX OF DATA

- **Collective bargaining system**

Collective bargaining in Slovakia is governed by Act No. 2/1991 Coll. on Collective Bargaining as amended. However, collective bargaining is also incorporated in the Constitution of the Slovak Republic, specifically in Article 37. The act quite precisely defines all relevant terms and procedures. It defines collective bargaining as “an instrument of supporting the efficient social dialogue and achieving of social peace based on the bipartite principle”. The objective of this bargaining is to conclude a collective agreement. The act specifies two types of collective bargaining agreements based on their level. The first level comprises enterprise-based agreements concluded between a single employer and a single or several trade unions. The second level represents branch-level collective bargaining agreements between an association of employers and trade unions, which are negotiated for any specific industry as a whole. Branch-level collective bargaining agreements specify the working conditions, including items such as wage levels, paid vacation, social funds, working time, the scope of time-off, severance and redundancy payments as well as other working conditions. A branch-level collective bargaining agreement establishes the minimum standards that an employer in that industry, covered by the collective agreement, is obliged to provide above the standards specified in the Labour Code. Benefits exceeding the branch-level collective bargaining agreement can be negotiated at the enterprise level and these benefits may be incorporated in an enterprise-level collective bargaining agreement.

In April 2016, the Constitutional Court annulled the possibility for the Minister of Labour to extend branch collective agreements to all companies in the particular sector, a legal provision that was included in the revised Labour Code from 2014.

- **The system of tripartite social dialogue**

The tripartite social system in the Slovak Republic is governed by Act No. 103/2007 Coll. on Tripartite Consultations at the National Level and on Amendments and Supplements to Certain Laws (the Tripartite Act). This tripartite system was established only in the 1990s as this form of social dialogue did not exist during the socialist era and started as voluntary social dialogue between the government, employers and the trade unions. The Economic and Social Council of the Slovak Republic serves as the negotiation platform and consultancy body of the government and the two other partners; it was established by the Tripartite Act and comprises 21 members. The act further defines the respective authorised representatives: the government, representative employers' associations (must associate several industries or span at least across five Slovak regions and employ at least 100,000 employees) and the representative trade unions (from various industries with at least 100,000 union members). The purpose of the Tripartite Act is to “support an efficient nationwide social dialogue between the state, employers and employees by way of their representatives as a democratic tool for achieving economic and social development, growth in employment and provision of social peace”. The authorised representatives of tripartite dialogue can enter the process of drafting legislation by way of intradepartmental amendment procedures in relation to labour, social and employment policy legislation. The authorised representatives of tripartite dialogue can also influence issues such as income, cost of labour and the systems of social security, sickness and health insurance. The authorised tripartite representatives can also actively comment on any legislation related to taxes on wages, development of educational system and professional training of employees.

- **Social security system**

Slovak law requires all employees to have social security coverage that includes health insurance, retirement security and unemployment insurance.

- **Vocational education and training**

The system of vocational education and training in Slovakia is falling behind when in the provision of skills necessary to maintain employment. Cooperation between employers and the educational system relating to conditions and needs of the labour market is also insufficient. The discrepancy between the offered and required skills in the labour market causes competitiveness issues. There are several points in this respect that could improve the quality of vocational education and training and also help to tackle the youth unemployment challenge. These should mainly involve development of top-level vocational education and training to increase the quality of professional skills, support of practical education, including quality internships, and apprenticeship education and

dual education models that assist in the transition from the educational process to the labour market. These should also be related to support of public-private partnerships aimed at providing suitable curricula and skills. At the moment, the highest demand is for skilled labour in technology and research and this trend is expected to continue in the future, resulting in the need for skills in science, technology, ICT and mathematics. It is necessary to invest in initial and further vocational education and training, which serves as the basis for innovation, growth and competitiveness. It is also important to manage the dual education system, which has proved to be successful, particularly in neighbouring Austria. The system of dual education is among the legislative innovations specified in Act No. 61/2015 Coll. on Vocational Education and Training.

- **Employment rate**

Employment rate (%)	2013	2014	2015	2016 Q2 *
	59.9	61.0	62.7	64.9

Source: Statistical Office of the Slovak Republic.

\* The most recent data

- **Unemployment rate**

Unemployment rate by age groups	2013	2014	2015	2016 Q2 *
Overall, all age groups	14.2	13.2	11.5	9.6
15 - 19 years	62.6	56.0	53.2	35.7
20 - 24 years	30.8	27.1	23.9	19.3
25 - 29 years	18.6	16.1	12.2	11.5

Source: Statistical Office of the Slovak Republic.

\* The most recent data

- **Average monthly salary**

Average monthly salary (€)	2013	2014	2015	2016 Q2 *
	824	858	883	901

Source: Statistical Office of the Slovak Republic.

\* The most recent data

- **Gender pay gap**

In the recent past, the gender pay gap remained roughly at the same level in the Slovak Republic (oscillating between 77 per cent and 78 per cent). No clear development

trend can be identified. In 2013 wages of women employees accounted for 77.6 per cent of the wages of men and one year later it went down to 77.0 per cent. In 2015 the ratio increased to 77.7 per cent, followed by a slight decline to 77.6 per cent in Q2 2016.

- **Monthly minimum wage**

Monthly minimum wage (€)	2013	2014	2015	2016
	338	352	380	405

Source: Ministry of Labour, Social Affairs and Family of the Slovak Republic

- **Current weekly working hours**

In terms of weekly working hours based on the agreements between employees and employers, average weekly working time has not substantially changed. In 2013 and 2014 the average was 37.52 hours per week, falling slightly to 37.48 hours per week in Q3 2016. In

full-time employment, the weekly working hours are stable, oscillating closely around 38.37 hours per week. The most significant changes were in part-time employment agreements where an increase in average weekly hours from 25.68 to 27.15 hours was recorded in 2015.

- **Normal work/ atypical work**

Normal work/ atypical work	2013	2014	2015	2016 Q3 *
Full-time	92.8%	92.5%	91.6%	91.9%
Part-time	7.2%	7.5%	8.4%	8.1%

Source: TREXIMA Bratislava

\* The most recent data

- **Migration**

Migration	2012	2013	2014	2015 *
	5,419	5,149	5,357	6,997

Source: Statistical Office of the Slovak Republic.

\* The most recent data

- **Human Development Index**

HDI	2011	2012	2013	2014 *
Index	0.832	0.836	0.839	0.844
Ranking	36	36	36	35

Source: United Nations Development Programme

\* The most recent data

- **Gini coefficient**

Gini coefficient	2013	2014	2015	2016 Q2 *
	0.329	0.331	0.328	0.327

Source: TREXIMA Bratislava

\* The most recent data

- **Collective agreement coverage**

Collective agreement coverage	2013	2014	2015	2016 Q3 *
Private sector	50.1%	49.7%	50.1%	49.0%
Public sector	88.0%	87.2%	87.1%	49.0%

Source: TREXIMA Bratislava

\* The most recent data

- **Ongoing important collective bargaining agreements**

In 2016, important collective bargaining took place for the branch-level agreement with employers who are subject to Act No. 553/2003 Coll. on the Remuneration of Certain Employees Performing Work in the Public Interest as well as the branch-level agreement for public service employees for 2017. The negotiations were held between 29 September and 23 November 2016, when the final agreement was reached that increased wages from 0.9 per cent to 4 per cent while maintaining the same benefits as in the agreements for 2016. Based on the memorandum of agreement, every employee between September and December 2017 will be paid a wage increase amounting to 2 per cent based on their functional wage. The same increase was agreed in the memorandum for 2018.

Thus far, the negotiation on increasing the wages of teaching and professional employees between the Minister of Education and the schools' trade unions (abbreviated OZPŠaV in Slovak) has not been completed. The schools' trade unions had initiated the negotiation with the minister but failed to reach an agreement. This is the reason why the president of OZPŠaV did not sign the collective bargaining agreement for 2017. The key negotiator for the union was Anton Szalay who evaluated the overall negotiation process with the following statement: "Collective bargaining negotiations weren't any easier this year than in previous years. Again, the negotiators managed to reach consensus and agreement. All the provisions of the collective bargaining agreements, except for the wage tariffs, apply to all 350,000 employees."

The Confederation of Trade Unions of the Slovak Republic (KOZ) publishes the implemented branch-level collective bargaining agreements on its website. The following agreements have been implemented in 2016: branch-level collective bargaining agreement in the public service for 2016, branch-level collective bargaining agreement for employers who are subject to Act No. 553/2003 Coll. on the Remuneration of Certain Employees Performing Work in the Public Interest for 2016

- **Trade unions density**

Thanks to the annual report on working conditions and costs of corporate social policies<sup>1</sup>, which covers companies with over 50 employees, we are able to take a more detailed look on the share of unionised employees. Entities in the private sector where some form of trade unions are active employed roughly 51.5 per cent of all employees in 2015. This share changed only marginally during the monitored period and registered a slightly growing trend as the share was 50.9 per cent in 2013. In the public sector, the density was rather volatile: in 2013, the share of employees working in public sector organisations with trade unions accounted for 88.6 per cent, in 2014 this was reported as 90.6 per cent but in 2015 the share fell to 87.3 per cent.

<sup>1</sup> ISPP (MPSVR SR) 6-01 - Ročný výkaz o pracovných podmienkach a nákladoch na podnikovú sociálnu politiku.

- **Employer's organizations density**

At the moment, two important employers' associations operate in the Slovak Republic: the National Union of Employers (in Slovak Republikova únia zamestnávateľov (RÚZ)) and the Association of Employers' Federations of the Slovak Republic (in Slovak Asociácia zamestnávateľských zväzov a združení Slovenskej republiky (AZZZ)). Most recently, a third employer' association is also seeking to participate in tripartite negotiations: the Association of Industrial Unions<sup>2</sup> (Asociácia priemyselných zväzov). However, there are no available statistics on the share of employees working for companies that are members of these employers' associations.

- **Workplace representation**

Representation of employees is conducted at several levels which are all based on the Act No. 311/2001 Coll., the Labour Code. The lowest level in the context of the Slovak Republic is the employee trustee. The Labour Code specifies that an employee trustee can be appointed in an organisation that employs "less than 50 employees but at least three employees", while his/her rights and duties are equal to those of a Works Council. The employer has the duty to enable election of

members of a Works Council (the second form of representation) if requested in writing by at least 10 per cent of employees. There are three members of the Works Council in organisations employing 50 to 100 employees and another member is specified for every additional 100 employees up to 500. Between 501 and 1,000 employees another Works Council member is specified and for 1001 and more employees, yet another member is allowed. For each additional 1,000 employees another Works Council member is to be added. The Labour Code precisely defines the rights of the Works Council to negotiate certain very precisely-defined requirements as well as the right to receive information and engage in monitoring activity. The third type of representation is trade unions, which constitute a certain type of civic association as provided for in a specific regulation. A trade union is obliged to inform the employer in writing about the initiation of its activity and to provide the employer with a list of members of the union. The employer is required to allow operation of the trade union in the workplace. Trade unions are at the highest level as only a trade union gives the employees the right to collective bargaining and it is only a trade union that can conclude a collective bargaining agreement with the employer.

- **Trade unions**

<b>National Trade Union Confederation Mapping</b>	in Slovak	in English
Name of the association	Konfederácia odborových zväzov Slovenskej republiky - KOZ SR	The Confederation of Trade Unions of the Slovak Republic (CTU SR)
Founding Year	1990	
Number of Affiliates	16 manufacturing trade unions and 10 non-manufacturing trade unions	
International Memberships		European Trade Union Confederation International Trade Union Confederation Trade Union Advisory Committee to the OECD

<sup>2</sup> Despite the word 'unions' in their name it is an employer' association

- **Trade Union Federations by branches**

At the national level, all the trade unions are associated in the Confederation of Trade Unions of the Slovak Republic (KOZ SR).

Name of the union		The number of organizations	International affiliations
in Slovak	in English		
Odborový zväz prac. baní, geológie a naftového priem.	Trade Union of Workers in Mines, Geology and Oil Industry	14	n/a
Odborový zväz KOVO	Trade Union METAL	280	IndustriAll Europe, EPSU, PSI
Energeticko-Chemický odborový zväz	Energy and Chemical Industry Trade Unions	69	IndustriALL Europe, EPSU, IndustriALL Global Union
Integrovaný odborový zväz	Integrated Trade Union	82	IndustriAll Europe, EFBWW
Združenie odborárov energetiky SR	The Association of Energy Industry Trade Unionists	4	n/a
Slovenský odborový zväz sklárskeho priemyslu	Slovak Trade Union of Glass Industry	7	n/a
Slovenský odborový zväz verejnej správy a kultúry	Slovak Trade Union of Public Administration and Culture	7	EUROFEDOP
Odborový zväz prac. peňažníctva a poisťovníctva	Trade Union of Workers in Financial and Insurance Industry	16	n/a
Slovenský odborový zväz zamestnancov obrany	Slovak Trade Union of Defence Employees	3	n/a
Odborový zväz prac. poľnohospodárstva na Slovensku	Trade Union of Agricultural Workers in Slovakia	30	EFFAT
Odborový zväz DREVO, LESY, VODA	Trade Union Wood, Forestry, Water	81	EPSU, PSI
Odborový zväz potravinárov SR	Trade Union of Food Industry of the Slovak Republic	32	EFFAT, IUF
Slovenský odborový zväz pracovníkov polygrafie	Slovak Trade Union of Print Workers	3	n/a
Odborový zväz prac. obchodu a cestovného ruchu	Trade Union of Workers in Trade and Tourism	32	UNI EUROPE, UNI, EFFAT, IUF
Slovenský odborový zväz zdravotníctva a sociálnych služieb	Slovak Trade Union of Health and Social Services	54	EUROFEDOP
Odborový zväz prac. školstva a vedy na Slovensku	Trade Union of Employees in Education and Science in Slovakia	13	ETUCE
Plynárenský odborový zväz	Gas Industry Trade Union	4	n/a
Odborové združenie železničiarov	Railway Employees Trade Union Association	12	ETF, USIC
Slovenský odborový zväz pôšt a telekomunikácií	Slovak Trade Unions of Posts and Telecommunications	3	EUROFEDOP
Nezávislý odborový zväz	Independent Trade Unions Association	28	n/a

Source: TREXIMA Bratislava, websites of trade unions

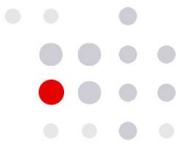


• **Employers' Organisations**

<b>Employer Association Mapping</b>	in Slovak	in English
Name of the association	Republiková únia zamestnávateľov (RÚZ)	National Union of Employers
Founding Year	2004	
Number of Members	23 employers' organizations and 18 individual members	
International Memberships	Business Europe, PSLO Network	IOE
	ECOSOC	BIAC (OECD)

<b>Employer Association Mapping</b>	in Slovak	in English
Name of the association	Asociácia zamestnávateľských zväzov a združení Slovenskej republiky (AZZZ)	Federation of Employers' Associations of the Slovak Republic
Founding Year	1991	
Number of Members	21 employers' associations	
International Memberships	ICIE	ICIE

<b>Employer Association Mapping</b>	In Slovak	in English
Name of the association	Asociácia priemyselných zväzov	Association of Industrial Unions
Founding Year	2014	
Number of Members	6 employers' associations	



## About the Author

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