

Annual Review 2012

Slovak Republic - Labour Relations and Social Dialogue

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Executive Summary

In 2011 – 2012, developments in the field of economy and law were significantly influenced by reforms implemented by the then right-wing coalition government led by Prime Minister Iveta Radičová and early elections which brought into power a different government led by a new Prime Minister – Róbert Fico. In economy, several measures have been implemented in accordance with the planned financial consolidation of state budget with regard to the ongoing economic crisis. People's standard of living has deteriorated due to increasing tax burden and declining real wages. Changes in industrial relations legislation with effect from 1 September 2011 which reduced the level of employee protection in legislation have also contributed to the overall deterioration of their situation. Generally, it may be concluded that most of the measures implemented were targeted to backing business environment with the aim of creating new jobs and higher labour law flexibility, often without any due regard to potential practical consequences for employees.

During 2011, growing mistrust between the government in power, employee representatives and civil society induced by the implementation of unpopular measures, as well as several political scandals indicating intertwined politics and business for the sake of acquiring economic benefits particularly from public contracts, could be observed. The fall of Iveta Radičová's government and the results of the early 2012 elections marked by a significant victory of the center-left party Smer-SD led by former Prime Minister Róbert Fico account for the return to social democracy values of civil society. Upon assuming the office, the new government of Prime Minister Róbert Fico has immediately started with the implementation of promised changes in all areas, first of all in industrial relations legislation. An amended Labour Code which removes the existing disparity between the legal status of the employer and the employee has been adopted, the establishment of a unitary health insurance system is proposed. The entire effort of the new government led by Róbert Fico is characterized by the endeavour to comply with a maximum of 3 % budget deficit in line with the Maastricht criteria in 2013.

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1. Socio-economic developments

In 2011, real gross domestic product (GDP) increased by 3.3 % in the Slovak Republic, which equals a drop by 0.9 percentage points compared with 2010.² Though, the performance of Slovak economy grew last year, its growth dynamism slackened. In 2011, despite growth slowdown, the performance of the economy as a whole achieved and even exceeded by 2.4 % the pre-2008 economic crisis level. In the first quarter of 2012, GDP grew by 3 % and in the second quarter, only by 2.7 %. Thus, in 2011, GDP per capita reached the level of EUR 12.69 thousand (73 % of the EU average). The trend of economy performance dynamism slowdown also continued in the first two quarters of 2012. Due to the in-progress consolidation of public finances and continued decline of household consumption, the most significant driver of the growth in 2011 was foreign demand. To a certain extent, growth of investments (5.7 %) also played a role. In 2011, industrial production growth achieved 6.9 % and compared with other sectors of economy it profited the most from foreign demand. The largest share of this increase is to be ascribed to the automotive industry, which recorded a 17.3 % year-on-year increase. Mechanical engineering with a year-on-year growth by 20.8 % also accounted for a large share of national industry growth. Compared to the same period in 2011, the IPI grew by 12.6 % in the past period of 2012; in industrial manufacturing it increased by 15.4 %. Production in electricity, gas supply dropped by 2.3 %; in mining and extraction by 8.1 %.

At the beginning of 2011, the year-on-year growth of imports and exports was around 30 %. However, the overall growth declined during the whole year, and in case of imports it even dropped to zero. The surplus of foreign imports achieved its largest ever volume of EUR 2.5 billion mainly due to the downturn in capital goods imports. In 2011, the amount of foreign investments reached the level of EUR 517 million; the implementation of individual projects created directly 4,354 jobs.³ In

² Statistical Office of the SR

³ Slovak Investment and Trade Development Agency (Annual Report 2011)

the eight calendar months of 2012, the total exports of goods increased by 10.7 % to EUR 40,543.2 million and the total imports by 5.7 % to EUR 38,402.5 million compared to same period of last year. The foreign trade balance recorded a surplus of EUR 2,140.6 million (by EUR 1,849.4 million higher than in the same period previous year period).

One of the greatest positive achievements in 2011 was the mentioned fiscal consolidation which reduced public finance deficit from 7.7 % in 2010 to 4.6 % in 2011. However, due to netting out public administration liabilities to hospitals and railway companies which were generated in 2008, 2009 and 2010 the public debt will be higher than the original estimate of 4.6 %.⁴ In 2011, the Slovak Republic saw low growth of nominal wages by an average of 2.2 %; an increase in real wages was absent due to a high inflation rate. According to the MoF the average value of nominal wage in 2012 shall reach EUR 832, which corresponds an average monthly wage growth by EUR 27.6. In 2013, real wage should increase by 0.4 %. From 2014, real wage should grow by 2.4 % per year in average.

The minimum wage is currently EUR 327, its increase to EUR 337.70 has now been approved.

In 2011, longer-term positive results achieved in industry were reflected, in particular, in employment numbers. The average year-on-year growth reached a level of 1.5 %. At the same time, growing employment numbers had an impact on the decline of the unemployment rate. In 2011, the unemployment rate was at the level of 13.5 %. The beginning of 2012 witnessed a significant unemployment rise to as much as 14 % (1 Q) with a stabilisation at 13.6 % in the second quarter. However, the phenomenon of high youth unemployment at the level of 33.3 % continues; its eradication should be addressed by creating EU funds subsidised jobs (approx. EUR 70 million). Inflation grew from 1.0 % in 2010 to 3.9 % in 2011. Last year headline inflation showed a clear

⁴ Slovak Economy in 2011 (Annual Report 2011), Tatra Banka (RBI)

upward trend – it increased from 3.0 % in January 2011 to 4.4 % in December 2011, however, it reached its maximum (4.6 %) reached in November 2011. The rise in headline inflation was primarily a consequence of rising regulated prices.⁵ In 2012, the anticipated growth of year-on-year inflation in Slovakia is 3.7 % and 3.1 % in 2013. The Ministry of Finance expects a stabilisation of inflation at the level of 2 % somewhere around 2014 to 2015.

By May 2011, the Slovak Republic had 5,397,036 inhabitants with permanent residence in the country at the decisive moment of the census. The identified 0.33 per cent population increment in the 2001-2011 period is the lowest one in the history of census in Slovakia. Compared with the census a decade ago, Slovakia experienced further decline of population in pre-productive age (0 – 14 years). The share of population in productive age (15 – 64 years) increased from 68.9 % in 2001 to 72 % in 2011 just as the share of inhabitants in the post-productive age (65+) from 11.4 % in 2001 to 12.7 % in 2011. Since the 2001 census, the level of education of the inhabitants of the Slovak Republic has significantly improved. While in 2001 the share of persons with tertiary education (the sum of inhabitants with completed bachelor, master, PhD education) in the total population with permanent residence in the Slovak Republic was 7.8 % (423,324), ten years later, in 2011, it was already as much as 13.8 % (747,968).

According to the latest results of the EU SILC 2011, 13.0 % of Slovak population (700,000 persons) was at risk of poverty which, compared with the previous year, translates into an increase of risk-of-poverty rate by 1 %. Households with two adults and with three or more dependent children were particularly exposed to the risk of poverty. Almost a third of them (32.6 %) was at risk of poverty. Single parent households with at least one dependent child, i.e. incomplete households (26.4 %) were another risk group.

2. State policies

The political situation in Slovakia during 2011 could be described as particularly turbulent. The fall of Prime Minister Iveta Radičová's government

at the end of 2011 as well as re-occurring problems with the approval of the European Financial Stability Facility contributed to the overall confused situation. The European Financial Stability Facility was the hurdle causing the fall of the government of the Slovak Republic when one of the smaller liberal parties (SaS) refused to vote in its favour in the National Council of the Slovak Government. On 11 October 2011 after failing to gain support for the European Financial Stability Facility, the government also lost the vote of confidence which Prime Minister Radičová combined with it. The government fell after 15 months in office. After a few days, the European Financial Stability Facility was endorsed by other right-wing parties with the support of the social democratic party SMER-SD, which conditioned their consent with soon early elections. The date of elections was set to 10 March 2012. The

SMER-SD won the early elections with a significant gain when winning more than 40 % of

votes and 83 parliamentary seats in the 150-member Slovak parliament. This result made it possible to form a government out of members of this one political party without any coalition partner.

Immediately after the fall of Prime Minister Radičová's government, an election campaign started and several political affairs (GORILA, SASANKA) and secret information from the intelligence environment indicating a close-knit between political and business circles came to the surface. Both aforementioned cases demonstrated significant lack of transparency in public procurement procedures, in which entities agreed in advance were usually awarded the contracts, and various corrupt practices used in the privatization procedures of state enterprises under previous governments. The right-wing political orientation of the coalition government led by Iveta Radičová also made itself felt in the planned reforms of the tax and welfare systems in compliance with the aforementioned financial consolidation. The first measure in the new reform was to be the introduction of the so-called employee's super-gross wage and a change in the system of duties and taxes abolishing employer's social security and health insurance contributions. The whole employer's payroll levies obligation was to be transferred to the employee and taken into account in the calculation of

⁵ Statistical Office of the SR

his/her contributions on the basis of a gross wage (the act on income from paid employment). Under the new scheme, only employees were to pay contributions from super-gross wage. The plan was to introduce a single rate of social insurance contribution of 19 % of the super-gross wage. The fall of the government stopped every planned reform with the exception of amendments to the Labour Code with effect from 1 September 2011.

In the course of 2011, industrial relations legislation was subject to several essential amendments as a consequence of the adopted amendment to the Labour Code with effect from 1 September 2011. This amendment to the Labour Code deteriorated labour law protection of employees and/or employee representatives. Its main objective was to strengthen the flexibility of individual labour law institutes. The most important changes within the individual labour relations include mainly the abolition of the concurrence of severance payment and notice period (when making use of the notice period the entitlement to severance payment shall extinct), more possibilities for concluding employment contracts for a fixed term (the possibility to conclude for a period of max 3 years, during which period it can be renewed max 3 times), extension of the probation period from 3 months to 6 months for employees in managerial positions (a collective agreement makes it possible to extend rank and file employee's probation period from 3 months to 6 months and in case of managerial staff from 6 to 9 months), more overtime hours for managers – up to 550 hours (the current max amount of 400 overtime hours is maintained for rank and file), the introduction of a new definition of night work (the period of night work was shortened – employees lost wage benefit for 1 hour of work within a shift) or softer conditions for mass layoffs by employers were accepted.⁶ New labour law institutes like the flexi-account and job sharing were introduced in compliance with the flexibility requirement.

Taking office by the new Róbert Fico led government brought about a diametric turn in the system of industrial relations that has been currently ap-

proved by the National Council of the Slovak Republic with effect from 1 January 2013. The new version of the Labour Code accommodates the concerns of employees and equally enhances the rights of employee representatives. Employment contracts for a fix term have been restricted, participation in decision-making concerning labour input standards has been introduced, possibilities for and amount of severance payment have been enlarged, and the like.

A collective bargaining bill which should introduce an extended scope of higher level collective agreements (sectoral collective agreements) without consent by concerned employers with effect from 1 March 2013 is currently in the legislative pipeline.

3. Industrial Relations

Legislation governing industrial relations has also been significantly amended. These changes have immediately had an impact not only on the status but also the activities of trade unions. Already before the adoption of the Labour Code with effect from 1 September 2011, the former government led by Prime Minister Radičová announced publicly that in their view the powers of trade unions, in particular, are too broad and in some areas, superfluous. Subsequently, employee representatives were divested of their competences in the field of employee protection upon termination of employment (the original legislation assumed discussion by employee representative of employee's employment termination in case of notice or immediate termination). The legislator allowed deterioration of working conditions through collective agreements (extension of probation period, an increase of the volume of ordered overtime), limitation of higher level collective agreements scope enlargement. Trade unions lost certain powers to works councils which are in direct competition with trade unions at enterprise level. For example, works councils obtained the possibility of concluding agreements regulating the working conditions of employees within the scope of the collective agreement with the employer provided there is no trade union organisation operating in the enterprise. Trade unions are also obliged to demonstrate at least a 30 % representativeness in the enterprise if they want to represent all employees.

⁶ BARANCOVÁ, H. – OLŠOVSKÁ, A.: Pracovné právo v Slovenskej republike. Alphen aan den Rijn: Kluwer law international, 2011, 200 p., ISBN 978 – 90 – 411 – 3615 – 2.

Subsequently, the deterioration of employee representatives status resulted in various protests attempting to point out the obvious shift of the Slovak government to employers associations and favouring of their interests. At the same time, the trade unions, however, failed to exert and intensify sufficient pressure on the government to force them to abandon some of the envisaged measures mainly due to the high level of passivity of some sectoral trade unions and low capacity to mobilize trade union members.

The new government led by Róbert Fico has given the trade union organisations the bulk of powers back also on the basis of an agreement signed with the unions. Not only several discriminatory provisions in the Labour Code were deleted but the co-decision rights of employee representatives have also been significantly extended. The Labour Code has also ensured more time for the work of employee representatives in individual enterprises (the number of employer's employees multiplied by 15 minutes, unless agreed otherwise).

4. Youth unemployment

Youth unemployment is one of the weightiest problems in the Slovak labour market. Statistical data confirm that unemployment among young people aged 15 to 24 amounted to 33.7 % in the first quarter of 2012. The share of persons aged 25 to 34 in the overall unemployment is even as high as 31.7 %. The roots of high youth unemployment consist mainly in the primary inadequate nature of the tertiary education system which, in recent years, has focused predominantly on humanities (sociology, political science, economy, law) and these graduates do not meet the requirements of the labour market (employers)

who need mainly labour with technical skills. Similarly, the secondary education system has shrunk due to the gradual disappearance of classical secondary technical schools and vocational

schools in favour of secondary comprehensive schools. Lack of work experience and insufficient active labour market measures (graduate work experience) cause the paradox of existing vacancies and the lack of skilled and experienced job-seekers. Currently, the EU funded so called Youth Action Programme which should create about 14,000 jobs for young people is under preparation. The employer would receive support in the form of wage compensation for such an employee (12 or 9 months) combined with the commitment to sustain this job for another 6 months.

5. Forecasts

The predictability of the future political and economic development is very low as it mainly depends on the potential deepening of the economic crisis in Europe. Among economic indicators, unemployment is expected to further rise to around 14 % and inflation even to 3.5 % in 2012. In one of their recent macroeconomic forecasts, the Ministry of Finance increased their estimate of GDP growth in 2012 to an average of 2.5 %. The forecast also includes consolidation measures aimed at achieving public finance deficit below 3 % of GDP in line with the Maastricht criteria. Wages should grow slower; however, expected wage increase should be in 2012 higher than in 2011 due to wage growth in the health care sector and inflation growth in 2011. Further deterioration of the business environment is expected in 2013 as a result of entry into force of several adopted changes in the Labour Code, employers social levies obligations or rising of the 19 % corporate income tax to 23 %.

In the area of collective bargaining, the year 2012 should become a turning point as it is the time when significant higher level collective agreements mainly in the manufacturing sector (mechanical engineering, metallurgy, electrical engineering) are to be concluded.

2. Annex of data

Structure of the economy

	2007	2008	2009	2010	2011	1.Q.2012	2.Q.2012
Enterprises total	101 574	119 933	127 409	143 001	153 881	160 450	162 127
Public sector	688	653	670	680	651	678	676
Private sector	100 886	119 280	126 739	142 321	153 230	159 772	161 451
% of total enterprises							
A Agriculture, forestry and fishing	4.4	3.9	3.81	3.53	3.38	3.30	3.28
B Mining and quarrying	0.1	0.1	0.12	0.12	0.11	0.11	0.11
C Manufacturing	11.8	11.0	9.63	9.15	8.80	8.64	8.57
D Electricity, gas, steam and air conditioning supply	0.3	0.3	0.26	0.27	0.29	0.29	0.29
E Water supply; sewerage, waste management and remediation activities	n.a.	n.a.	0.47	0.45	0.45	0.44	0.44
F Construction	7.2	7.3	7.65	8.01	8.12	8.22	8.25
G Wholesale and retail trade; repair of motor vehicles, motorcycles	35.9	34.1	32.89	31.47	30.39	30.07	29.93
H Transportation and storage	3.9	4.1	3.45	3.55	3.67	3.73	3.72
I Accommodation and food service activities	3.5	3.5	3.48	3.51	3.54	3.52	3.52
J Information and communication	0.0	0.0	4.28	4.53	4.65	4.73	4.73
K Financial and insurance activities	0.7	0.7	0.65	0.61	0.59	0.57	0.57
L Real estate activities	26.0	28.6	6.13	6.28	6.32	6.27	6.26
M Professional, scientific and technical activities	n.a.	n.a.	14.76	15.55	16.14	16.34	16.44
N Administrative and support service activities	n.a.	n.a.	6.45	6.82	7.28	7.49	7.57
O Public administration and defence; compulsory social security	0.0010	0.0017	0.0039	0.0035	0.0026	0.0025	0.0025
P Education	0.7	0.8	0.86	0.92	0.98	0.98	0.99
Q Human health and social work activities	3.0	3.0	3.21	3.19	3.22	3.17	3.20
R Arts, entertainment and recreation	n.a.	n.a.	1.08	1.14	1.16	1.17	1.17
S Other service activities	2.2	2.3	0.80	0.88	0.92	0.96	0.96

Source: ND (Statistical Office of the SR)

2.1 Collective Bargaining System

In the Slovak Republic, collective bargaining is conducted at the national – sectoral and enterprise levels. The consequence is that higher level collective agreements for specific sectors according to the statistical classification of economic activities (SK NACE) and enterprise collective agreements are concluded. A higher level collective agreement is binding for employers who are

members of the association which concluded this agreement with the higher trade union body. In the meaning of the law governing collective bargaining, a collective agreement may be extended to other employers subject to prescribed conditions. An enterprise collective agreement is binding only for a specific company (employer) where it was concluded. The law distinguishes between

force and effect of collective agreements. A collective agreement comes in force on the day of its signing by contracting parties provided all the prescribed requirements are met. The effect of a collective agreement is the agreed period during which its content will be implemented. Collective agreements usually provide for more favourable working conditions than those stipulated in the labour law standards; the amendment to the Labour Code with effect from 1 September 2011 also permitted the possibility of their softening (e.g. the extension of the probation period). Collective bargaining is exclusively within the remit of trade unions. Today, the collective bargaining

2.2 System of tripartite social dialogue

The tripartite social dialogue is in place in Slovakia since 1990. The tripartite social dialogue in its current form functions only at the national level in the form of the so-called Economic and Social Council of the Slovak Republic since 2007 (Act No. 103/2007 on tripartite consultations). The Economic and Social Council of the Slovak Republic is a consultation and negotiating body of the government and the social partners at national level. The Council has 21 members out of which 7 are nominated by the government, 7 by employers associations and 7 by employee representatives (trade union associations). The Council negotiates opinions and recommendations on the economic and social development and employment development, concludes agreements in the field of economic and social development and development of employment, negotiates opinions and recommendations on the state budget, negotiates opinions on drafts of generally binding regulations concerning vital interests of employees and employers, particularly economic, social, work and

system suffers from the breakdown of individual employers associations and the subsequent impossibility of collective bargaining, inadequate legislation governing collective agreements scope enlargement conditional on the consent by both parties, rejection of collective bargaining by obliged entities and/or the reduction of the content of collective bargaining only to wage bargaining.

Collective bargaining and its results are not centrally administrated in the Slovak Republic. The total number of concluded enterprise collective agreements is not available; limited information is only available for higher level collective agreements.

wage conditions, terms of employment and conditions for doing business, supports all forms of collective bargaining.

In 2011, the tripartite social dialogue was affected by repeated disputes between the government and trade unions, which culminated with trade union representatives leaving the tripartite meeting. The reason for this action were the negotiations on the amendment to the law on health and safety at work approved by the tripartite on the basis of a consent by all social partners and the government of the Slovak Republic. After that the government, however, changed the law to the detriment of employees after lobbying by some employers associations and they tabled an amended version to the National Council. After the new government led by Róbert Fico came in office, the situation in the tripartite social dialogue has improved.

2.3 Social security systems

Insurance risks	2007	2008	2009	2010	2011
Health insurance (number of insured persons, in relation to the LF = employed + unemployed persons)	97.7	94.7	90.4	91.7	80.5
Covered by sickness insurance (number of insured persons, in relation to the LF = employed + unemployed persons)	79.8	80.9	73.6	74.7	72.9
Covered by pension security (number of insured persons, in relation to the LF = employed + unemployed persons)	84.8	80.9	73.6	74.7	74.8
Covered by disability insurance (number of insured persons, in relation to the LF = employed + unemployed persons)	79.8	74.5	68.5	69.6	72.3
Covered by unemployment insurance (number of insured persons, in relation to the LF = employed + unemployed persons)	79.8	74.5	68.5	69.6	68.3
2 - pillar suppl. pension saving	34.2	34.0	34.6	35.0	33.6

Source: ND (Statistical Office of the SR)

Level of coverage of labour force /LF/ per types of insurance risks /in%/

Average monthly level of pensions (in Eur)						
	2007	2008	2009	2010	2011	30.6.2012
Old-age	294.93	313.05	339.73	352.54	362.08	375.03
Early pension	311.96	327.62	350.61	367.05	357.63	373.85
Invalidity	219.78	232.39	249.43	254.79	255.63	262.58
Widow's	184.03	194.52	209.75	217.08	222	229.11
Widower's	131.08	144.06	157.86	165.35	169.67	175.45
Orphan's	107.61	114.19	122.58	125.28	125.88	127.29

Source: ND (Statistical Office of the SR)

Average monthly level of pensions by gender (in Eur)						
	2007	2008	2009	2010	2011	30.6.2012
Old-age pension total	294.93	313.05	339.73	352.54	362.08	375.03
men	330.88	352.65	384.52	400.63	411.55	426.89
women	268.24	283.54	305.15	315.4	321.99	333.03
Early pension total	311.96	311.96	350.61	367.05	357.63	373.85
men	328.06	344.29	373.9	387.48	377.54	390.9
women	269.7	280.82	302.91	309.53	304.18	315.7
Invalidity pension total	219.78	232.39	249.43	254.79	255.63	262.58
men	236.34	251.01	270.32	278.8	278.84	286.78
women	199.03	209.89	224.84	228.95	228.67	234.52

Source: ND (Statistical Office of the SR)

2.4 Educational and Vocational Training

The current state of education and vocational training in the Slovak Republic is considered inadequate from the perspective of employers. The school system fails to satisfy labour market requirements, secondary and tertiary schools are mostly offering studies in humanities. Consequently, the employability of these graduates is very low. Technical and natural science studies are cancelled due to low interest among applicants, ineffective educational process, inappropriate material and technical facilities. Active labour market measures in the form of various retraining courses are often only formal, people are repeatedly re-skilled in professions for which there is no demand (manicurists to become hairdressers and vice versa).

The amendment to the law on vocational education which should focus on promotion of natural science and technical studies at the expense of

humanities as well as a new project in the form of the National Occupational Classification System can become elements of positive change. The National Occupational Classification System is a national unified information system describing the standard labour market requirements on particular jobs, specifying the requirements for professional skills and practical experience necessary for the performance of specific occupations.

Representatives of employees, employers and state authorities participate in the project. The output of the project will be a register of occupations composed of national standards of occupations describing employers requirements for a qualified job performance. In the subsequent step, study programmes and other educational/training activities should also be modified according to the results obtained.

2.5 Employment rate (1/2 page) (ES)

Employment coefficients (in %)							
	2007	2008	2009	2010	2011	1Q 2012	2Q 2012
For the population aged 15 years and over							
Total	52.3	53.7	51.8	50.5	51.1	50.8	51.1
Men	61.1	62.6	60.4	58.2	59.1	58.9	59.1
Women	44.2	45.4	43.8	43.4	43.6	43.3	43.5
For the population aged 15 – 64							
Total	60.7	62.3	60.2	58.8	59.5	59.6	59.8
Men	68.4	70	67.6	65.2	66.3	66.4	66.7
Women	53	54.6	52.8	52.3	52.7	52.7	52.9
For the population aged 20 – 64							
Total	67.2	68.8	66.4	64.6	65.1	64.9	65.2
Men	76	77.4	74.6	71.9	72.7	72.5	72.8
Women	58.7	60.3	58.2	57.4	57.6	57.4	57.6

Source: Eurostat

2.6 Unemployment rate

Unemployment coefficients (in %)

Calculated on the basis:	2007	2008	2009	2010	2011	1Q 2012	2Q 2012
Population aged 15 years and above	11.1	9.5	12	14.4	13.5	14.1	13.6
Population aged 15-64	11.2	9.5	12.1	14.4	13.6	14.1	13.7
Registered with the employment offices	7.99	7.65	11.44	12.48	13.16	13.69	13.34
Youth unemployment rate among young people aged 15-24	20.6	19.3	27.3	33.6	33.2	33.7	31.7

Source: ND (Statistical Office of the SR)

2.7 Net average monthly salaries

	2007	2008	2009	2010	2011	1.Q. 2012	2.Q. 2012
Total - Net average monthly salaries	562.17	592.81	635.17	659	665	676	676
Men - Net average monthly salaries	637.89	667.33	717.41	742	747	765	762
Women - Net average monthly salaries	480.35	512.18	544.16	568	575	583	585
Average gross monthly salary – total and in the economic sectors (in EUR)	668.72	723.0	744.5	769.0	786.0	770	793.0
Median gross wages - total	561.54	609.04	629.62	651	670	690	690

Source: ND (Statistical Office of the SR), Trexima - statistics

2.8 Gender pay gap

According to data gathered by the European Commission, the difference in remuneration between men and women in the Slovak Republic is approximately about 20.7 %. National statistics usually give an even higher gap of 25 % in average. Statistics are distorted in particular due the fact that the quantity for comparison is the average earnings of men in these cases. The difference would even be greater if the criterion was to be changed to the average earnings of women. The reasons for women's lower remuneration include mainly less women holding senior mana-

gerial positions; lower status of occupations in which women prevail; interrupted career or part-time work. National surveys indicate that women even ask lower salaries in job interviews due to their lower self-esteem. The difference between the salaries of men and women in senior managerial positions is 31.3 % and in commerce and services it is 39.6 %. The difference in remuneration for the same work existing in practice is formally disguised as differing job descriptions, differentiated specification of variable wage component and the like.

Average monthly salary per gender (in EUR) and in relation (in %)

	2007	2008	2009	2010	2011
Men	820.8	873.6	913.1	941.0	966.0
Women	609.0	664.0	682.0	709.0	732.0
Relation w/m	74.2	76.0	74.7	75.3	75.8

Source: Statistical Office of the SR (GENDER EQUALITY 2011)

2.9 Net monthly minimum wage (1/4 page) (ND)

Monthly minimum wage in the country (in EUR)	2007	2008	2009	2010	2011	2012	2013
Total	268.87	268.87	295.50	307.70	317.00	327.20	337.70

Source: ND (Statistical Office of the SR)

2.10 Actual weekly working hours

Average number of actually worked hours, weekly for one employed person /in hours/	2007	2008	2009	2010	2011	1.Q. 2012	2.Q. 2012
Total	41.1	41.0	40.8	40.5	40.7	40.6	40.8
Men	42.2	42.0	41.5	41.3	41.5	41.2	41.5
Men	39.6	39.6	39.3	38.9	38.9	38.9	39

Source: ND (Statistical Office of the SR) Eurostat - for the years 2007, 2008

2.11 Normal work / atypical work

Relative share of employed persons (in %)	2007	2008	2009	2010	2011	1Q 2012	2Q 2012
By the length of the working time:							
Full time	97.4	97.3	96.4	96.0	95.8	95.4	95.4
Part time	2.6	2.7	3.6	3.9	4.1	4.6	4.5
By type of working activity:							
Permanent job	94.9	95.3	95.6	94.2	93.4	93.02	92.96
Temporary job	5.1	4.7	4.4	5.8	6.6	6.98	7.04
Atypical work:							
Self-employed whose job had the form of dependent work of employee (so-called false self-employed).	n.a.	n.a.	n.a.	4.76	5.32	5.13	5.00
Employed registered at public employment office as unemployed	n.a.	n.a.	1.12	2.07	2.58	2.60	2.52

Source: ND (Statistical Office of the SR)

2.12 Migration flows 2008-2012

Number of persons	2008			2009			2010			2011			1Q '12	2Q '12
	t	m	w	t	m	w	t	m	w	t	m	w	t	t
Settled in the country	8765	6006	2759	6346	3970	2376	5272	3247	2025	4829	3013	1816	786	763
Deported from the country	1705	689	1016	1979	953	1026	1889	844	1045	1863	751	1112	379	529
Mechanical Increase	7060	5317	1743	4367	3017	1350	3383	2403	980	2966	2262	704	407	234

Sources: ND (Statistical Office of the SR), Regdat

2.13 Human Development Index (HDI) (1/8 page) (UN)

Slovakia	2007	2008	2009	2010	2011
HDI	0.825	0.831	0.829	0.832	0.834
Ranking (from 187 countries)					35
HEALTH-Index					0.875
Life expectancy at birth (years)					75.4
EDUCATION-Index					0.875
Mean years of schooling of adults over 25 (years)					11
INCOME-Index					0.759
GDP per capita in PPP \$					19,202

Source: Human Development Report

2.14 Gini-coefficient on Income and on Assets (if any) (1/8 page) (ES)

Gini-coefficient	2007	2008	2009	2010	2011
Slovakia	24.5	23.7	24.8	25.9	25.7
EU-27	30.6	30.8	30.4	30.5	n.a.
Ranking (SR in EU-27)	5	6	4	3	n.a.

Source: Eurostat

2.15 Collective agreement coverage

Number of higher level collective agreements and their amendments in force

	Number of HLCA	Number of amendments	Total
2000	29	43	72
2001	27	39	66
2002	35	26	61
2003	13	42	55
2004	17	29	46
2005	21	21	55
2006	18	19	42
2007	37	-	37
2008	37	-	37
2011	15	10	25

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

With a view to the declining number of higher level collective agreements or enterprise collective agreement concluded it is necessary to note that enterprise collective agreements do not apply only to unionized employees but to all employees in the given enterprise. In practice, the trade union organization represents all employees, which

proportionally enhances the importance of collective bargaining legitimacy. In the case of higher level collective agreements, the aforementioned scope enlargement is permitted, otherwise the higher level collective agreement only applies to employers associations that have signed it and to their members.

2.16 Ongoing important collective bargaining agreements

During 2011, several important higher level collective agreements were concluded, e.g. in sectors like mechanical engineering, metallurgy and energy and chemical industries. The bargaining process focused mainly on wages, the implementation of various measures preceding layoffs or higher protection of employees short before they reach retirement age. Despite the recent conclusion of sectoral collective agreements, the adoption of the new Labour Code significantly strengthening the status of employee representatives and pessimistic outlook for economy trigger their revision, particularly by trade unions, and new proposals are being submitted to employers association. Trade unions will attempt to have the force of new collective agreements set to 1 January 2013. Incorporation of several forms of preferential treatment concerning the activities of trade

unions (e.g. the volume of allocated working time, material backup for employee representatives), introduction of restrictions applicable to ordering employee overtime by the employer and longer annual leave for employees performing hazardous work is proposed with respect to collective agreements mainly in manufacturing industries. Reduction of tariff wages and limitation of various allowances applicable to employees in the public sector (fireman, police officers) are under consideration. Therefore, collective bargaining focuses mostly on maintaining the current wage scheme without any other specific requirements. To support collective bargaining, several protests, in particular by workers in health care, education and justice, are, therefore, being prepared.

2.17 Trade union density

Determining the rate of trade unions density in the Slovak Republic is a difficult task mainly with view to the fact that the membership of individual trade unions or of the trade union confederation is not publicly available. As a consequence, data from national and international sources differ. According to ETUI, the trade unions density is around 17 %; national sources indicate lower membership in

the range of 10 to 12 % of the total number of employees. Unlike employers associations, members of trade unions are fragmented in relatively many trade unions, which generally copy individual economic and social areas. In addition, not all trade unions are members of the top organizations – the Confederation of Trade Unions.

2.18 Employer's organizations density

To specify employers organisation density is even more difficult. Employers create various associations in individual economic sectors and it is no exception that one employer is a member of several employers associations or that smaller associations become members of larger employers associations at the same time. However, the current trend observed in recent years is the split of employers associations into smaller associations with their own interests often grouped around a

major foreign company and its subcontractors. Employers are not interested to join employers associations as these conclude sectoral collective agreements often guaranteeing employees more favourable working conditions and, under the current legal framework, applicable only to the signatories of the collective agreement. Expected changes in the enlarged scope of sectoral collective agreements without a consent by the concerned employer shall remove the problem outline

2.19 Workplace representation

The Labour Code enumerates the forms of employee representation at workplace. Trade union

organisation, work council, employee steward and employee representative for health and safety at

work are exclusively considered representatives. The most common form of employee representation at workplace is a trade union. A trade union organisation is established as a civic association on the basis of the association law and it only informs the employer of the beginning of its activity in the enterprise. A trade union being a civil association is only subject to the principle of keeping records by the Ministry for the Interior and it has its own legal personality. On the other hand, a works council is established in case of an employer who employs at least 50 workers, on the basis of the Labour Code. In the case of an employer employing less than 50 and at least 3 employees an employee steward can operate. The rights and duties of an employee stewards are identical with those of a works council. Several simultaneous forms of representation at workplace are permitted. The amendment to the Labour Code with effect from 1 September 2011 re-

defined the division of competences among various forms of employee representation at workplace. When a trade union and works council exist in an enterprise at the same time, the trade union has the right to collective bargaining, checking compliance with the obligations arising from collective agreements, inspections and to information; the works council has the right to co-decision, consultation, information and inspection. The currently approved amendment to the Labour Code reinstates the original wording of the legislation and deletes the possibility of an agreement between the works council and the employer on the working conditions of employees within the scope of a collective agreement and strengthens the status of trade unions to the prejudice of works councils.

2.20 Trade union mapping

In Slovakia, no publicly available central register of trade unions exists, some unions are not members of the Confederation of Trade Unions.

Trade union mapping	in National Language		In English
Name of TU Federation/ Confederation/Trade Union	Konfederácia odborových zväzov Slovenskej republiky		Confederation of Trade Unions of the Slovak republic
Founding Year	1990		
Sector/Branch	All sectors		
Cycle of Congresses/ Last Congress	Every 4 years, Last Congress -- November 2012		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	Name	Function	Homepage
	Jozef Kollár	President	www.kozsr.sk
	Dr. Slavomír Manga	Vicepresident	www.kozsr.sk
Number of Members (please comment on the official number applying a sensitive approach)	Approx. 300 000 members. Membership figures are not publicly available data.		
Cooperation in national committees	The Economic and Social Council of the Slovak republic – a tripartite body, the Solidarity and Progress Council – a consultative body		
Memberships	Regional Umbrella Associations		Global Umbrella Associations
	ETUC		ITUC ILO

Trade union mapping	in National Language	in English	
Name of TU Federation/ Confederation/Trade Union	Odborový zväz KOVO	Metalworker´s federation	
Founding Year	1993		
Sector/Branch	Machine engineering, metallurgy, electrical industry, part of bus transport and public administration		
Cycle of Congresses/ Last Congress	Every 4 years, last congress – 15 – 16 May 2009		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	Name	Function	Homepage
	Emil Machyna	President	www.ozkovo.sk
	Anton Mifka	Vice-president	www.ozkovo.sk
Number of Members (please comment on the official number applying a sensitive approach)	Number of members of the Labour Union OZ KOVO is not officially available.		
Cooperation in national committees	OZ KOVO representatives are members of the Confederation representation in national committees.		
Memberships	Regional Umbrella Associations	Global Umbrella Associations	
	IndustriAll European Trade Union (EMF), V5	IMF	
	EPSU, Vienna Memorandum	IndustriAll Global Union, PSI	

2.21 Employer Association Mapping

In the Slovak Republic no central register of employers associations exist. Some employers associations associate employers in concrete sectors, they can be members of larger employers´ associations (for example for the purpose of negotiat-

ing within the Economic and Social Council of Slovak Republic). These associations are the largest ones, and also most representative, they associate most employers´ organisation in a particular sector.

Employer Association Mapping	in National Language	in English	
Name of the association	Republiková únia zamestnávateľov	The National Union of Employers	
Founding Year	2004		
Sector/Branch	All sectors		
Cycle of Congresses/ Last Congress	Every year, last congress – 25 May 2012		
Important Functionaries (Chairman, President, Director, etc.)	Name	Function	Homepage
	Marián Jusko	President	www.ruzsr.sk
	Jaroslav Holeček	Vicepresident	www.ruzsr.sk
	Jozef Špirko	Vicepresident	www.ruzsr.sk
Number of Members	25 employers´ organisations and 18 individual members		
Cooperation in national committees	The Economic and Social Council of the Slovak republic, the Solidarity and Progress Council		
Memberships	Regional Umbrella Associations	Global Umbrella Associations	
	BussinesEurope, PSLO Network	IOE	
	ECOSOC	BIAC (OECD)	

Employer Association Mapping	in National Language		in English
Name of the association	Asociácia zamestnávateľských zväzov a združení Slovenskej republiky		Federation of Employers' Associations of the Slovak Republic
Founding Year	1991		
Sector/Branch	All sectors		
Cycle of Congresses/ Last Congress	Every year, last congress – 14 April 2011		
Important Functionaries (Chairman, President, Director, etc.)	Name	Function	Homepage
	Rastislav Machunka	President	www.azzz.sk
	Pavel Kravec	Vicepresident	www.azzz.sk
	Roman Karlubík	Vicepresident	www.azzz.sk
Number of Members	21 employers' associations		
Cooperation in national committees	The Economic and Social Council of the Slovak republic, the Solidarity and Progress Council		
Memberships	Regional Umbrella Associations		Global Umbrella Associations
			IOE
			ICIE