

**Annual Review 2013**

# **Slovak Republic - Labour Relations and Social Dialogue**

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## **Executive Summary**

2013 as already 2012 can be characterized as a period of profound structural societal, economic and legislative change. It was the result not only of the persisting global economic crisis but also of the outcome of parliamentary elections won by social democrats under Prime Minister Robert Fico who managed to form a single-party government. Immediately Robert Fico started to implement a political programme focused on three main areas.

The flat income tax of 19 % was replaced with a progressive tax rate. While maintaining 19 % income tax for natural persons with monthly income up to € 3,311 higher incomes will be taxed with the so called “millionaire’s tax” of 25 %. The income tax of legal entities has been increased to 23 %.

The second area included essential changes in the pension and health insurance systems. In the pension system, the so called second pillar which combines population’s pension-build-up with savings was weakened and the first pay-as-you-go pillar was strengthened. In the health insurance system, centralization into a single health insurance institution and the replacement of the current commercial principle in the system of mandatory health insurance are envisaged.

The most important change, however, is the significant amendment to Labour Code and act on state active labour market measures, which intends to enhance the protection of worker’s rights and strengthen the social dialogue and the competences of employee representatives.

However, the outlined efforts of Prime Minister Róbert Fico are significantly affected by the overall unfavourable social situation in Slovak society. The low income level increased the number of people threatened by poverty to 1.6 million. High unemployment rate of 14 % with a high share of young people, missing reforms in education and jurisdiction and decay of working conditions especially among teachers, nurses and civil servants triggered protest and strike readiness and generates social and political pressure on Robert Fico. In addition Fico is committed to reduce public finance deficit below 3 % of gross domestic product (GDP) in order to avoid the EU-fine of 0.2 % of GDP (about € 140 million).

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## 1. Socio-economic developments

Economic growth performance gradually slowed down during 2012. **The gross domestic product (GDP)** recorded a 2.0 % year-on-year increase at constant prices. The pace of year-on-year growth slackened by 1.2 %. GDP rose to € 71.5 billion at current prices which is 3.4 % more than in 2011. Gross domestic product per capita at current prices amounted to 69 % of the EU average. Year-on-year gross domestic product growth was mostly affected by the actual increase in foreign demand by 8.6 %, imports of goods and services grew by 2.8 %. Domestic demand decreased by 2.9 % due to a drop in gross capital formation by 10.3 % (gross fixed capital formation fell by 3.7 %). The volume of final household consumption also decreased, consumption of general government and of non-profit institutions serving households dropped by 0.6 % respectively. In terms of production, it was the added value growth in the manufacturing sector (by 13.4 %) which contributed the most to GDP formation. In 2012, year-on-year gross production grew by 2.4 %, intermediate consumption by 1.8 % and the value added by 3.2 %. The volume of net taxes on products decreased by 9.2 %. In 2012, the growth of export performance of Slovak economy also continued to such an extent that the value of the share of exports of goods and services in Slovakia was still more than the double of the level achieved in the EU-27 (the ratio of exports to GDP was 40.1 % in the EU-27 in 2007 and it was 44.9 % in 2012). In 2012, the share of exports of goods and services in gross domestic product exceeded 95 %. The volume of foreign direct investment in Slovakia was € 60,331 thousand. Slovak public debt level was as high as 55 % of GDP in mid-2013. Public debt of Slovakia consists mainly of issued government securities which share in the gross domestic product was 48.7 %. In nominal terms, Slovak public debt in the period covered amounted to almost € 39.4 billion. Slovak shadow economy as percentage of GDP is estimated at 15 % (however, there are no official data).

The year-on-year **inflation rate** was in average 3.6 % in 2012, which means that it decreased by 0.3 % compared to the previous year. The year-on-year consumer price growth in each quarter of

2012 but the third one was gradually slowing down. The average inflation measured according to the harmonized index of consumer prices reached 3.7 % in 2012. The situation in the **labour market** again slightly deteriorated after an improvement in 2011. After a decline in 2009 and 2010, the overall **employment** maintained its growth, though not as strong as in 2011, its year-on-year growth was 0.6 % to 2,329.0 thousand persons. Growth slowdown can mainly be attributed to a slightly lower year-on-year increase in the number of employees by 1.2 % (1.6 % in 2011) to 1,968.9 thousand; in terms of sectors, the growth in transport and warehousing, industry and manufacturing and real estate activities as well as a decrease in the wholesale and retail trade, public administration and social security had an impact on the development of employment. The employment rate year-on-year declined by 0.1 % year-on-year to 65.0 %. In Slovakia, approx. 1.6 million inhabitants, which is some 21 % of the population (the poverty threshold is an income of € 346), are at risk of poverty. After last year's drop, the **unemployment** has again been on rise. The number of unemployed increased by 3.5 % to 377.5 thousand persons year-on-year in average over 2012. The unemployment rate grew by 0.4 % to 14.0 %. The increase in unemployment in 2012 was accompanied by a slight decrease in vacancy offers. Their number decreased by 0.7 % year-on-year to 14,072 in average per year. Out of the total number of workers in the Slovak Republic, 120.7 thousand persons **worked abroad** in 2012. The number of persons working abroad grew year-on-year by 5.5 thousand or by 4.8 %, which resulted in an increase of their share in the total employment in the SR by 0.2 % to 5.2 %. The average number of **economically active persons** in the Slovak Republic increased year-on-year by 26.5 thousand persons or by 1.0 % to 2,706.5 thousand persons in 2012, while the growth in the number of economically active women was more intense (1.3 % or 15 thousand persons) than the growth in the number of economically active men (by 0.8 % or 11.5 thousand persons). **The average nominal monthly wage** of an employee in economy increased in average by 2.4 % year-on-year to € 805 in 2012. However, after considering the development of consumer

prices, real wages fell by 1.2 %. In 2013, the minimum wage amounted to € 337.70; its level has been adjusted to € 352 for 2014. By 31 December 2012, the Slovak Republic had **5,410,836 inhabitants**. The **share of women** in the total population accounted for **51.3 %** (as in 2011). Due to a significant drop in the birth rate the natural population growth decreased to 3,098 persons in 2012, which is a decrease by 5,812 persons compared to 2011. Due to migration the Slovak Republic gained 3,416 persons; 5,419 persons immigrated and 2,003 persons emigrated. Year-on-year migration increase was 450 persons. The identified **0.33 per cent population increase is the lowest one in the history of census in Slovakia**. The last census of 2011 recorded a **significant change in the population's level of education**. While the share of population with completed tertiary education in the total population with permanent residence was 7.8 % (423,324) in Slovakia in 2001, this figure was already 13.8 % (747,968) in 2011.

## 2. State policies

In contrast to situation beginning with the establishment of the independent Slovak Republic, its current political condition is characterized by a high level of stability. The results of the 2012 parliamentary elections guarantee the government of Prime Minister Robert Fico sufficient support in the National Council where the SMER – SD party has a majority of 83 votes out of 150 members of Parliament. Given the results of parliamentary elections the dominant part of government's manifesto builds on the political programme of the SMER – SD party. Numerous legislative changes which significantly affected in particular the business environment, labour market, social policy and the revenue side of the state budget with many social impacts are typical of Prime Minister Robert Fico's government. In the field of economic and fiscal policy, the increase of excise duties (eg. on tobacco products), the introduction of several new administrative fees (e.g. at car registration), capping of cash payments (above € 5,000 only by bank transfer), modifications to tax return forms and filing and the like can be considered the most important changes in addition to the above described tax rate increase for natural and legal persons. The planned consolidation of public finances is also based on the introduction of a spe-

cial levy on business activities in regulated sectors. The special levy is set at monthly 0.363 % of the profit above € 3 million. The expected revenues are € 25 million in 2013 and even € 100 million in 2014. Fundamental changes were introduced through an amendment to the Labour Code and other labour laws in the labour market.

Main Labour Code amendments were:

- Reintroduction of concurrence of the period of notice and severance pay- provided that the employee worked at least two years, and
- Increase of the amount of severance pay for employees graded according to the duration of their employment.
- Restrictions on the use of successive fixed-term employment contracts by employers:
  - the maximum fixed-term employment has been shortened from three years to two years and
  - the employer may conclude such a work contract only two consecutive times (originally three times).

Other changes of the labour laws:

- the possibility of extending the trial period by three months;
- a new definition of wage employment in order to avoid the circumvention of labour laws through contractual relations based on civil or commercial law,
- strengthening of the position of employee representatives of the trade union organizations:
  - more working time available for the exercise of trade union activities,
  - employer's obligation to discuss the termination of an employment contract with notice or immediately,
  - strengthening of various competences in the field of working time scheduling,
  - the possibility of negotiating certain employee benefits in a collective agreement.
- Amendment to the law concerning active labour market measures, which has strengthened the competence of state inspection authorities and employee representatives over temporary work agencies.

All these measures had significant impact on the labour market. In Slovakia, e.g. agency work represents an essential distortion of the labour market, where a part of employee wage is pro-

vided in the form of meal tickets, labour laws are circumvented through commercial contracts and the like.

The pension system also experienced significant changes:

- From 2016/2017, the retirement age shall be extended and linked to the median life expectancy.
- The amendment to the law also changed the terms and conditions in the second saving pillar of the pension system.
  - The reduction of contributions from current 9 % to 4 % of gross wage (from September 2012 to the end of 2016),
  - the possibility for savers to pay extra 2 % of their net income, can be included among the most important changes.

It is expected that in future the Labour Code will be reopened in order to tighten the conditions for agency work and to implement other labour market measures for job-creation for the risk group of the long-term unemployed.

### 3. Industrial Relations

From the perspective of employee representatives the other legislative changes in labour relations can be identified as positive. Outlined changes in the strengthening of competences of trade unions have also been accompanied by changes in the law on collective bargaining. Objectively, however, it can be stated that the communication between the Government of the Slovak Republic and the social partners, especially trade unions, has improved and the Slovak Government has undertaken a strong commitment to further strengthening the tripartite social dialogue. The expected amendment to the law on collective bargaining shall also reintroduce the possibility of extending the higher collective agreements to employers who are not members of the employers association concluding the higher collective agreement and without the consent of the employer.

However, the overall development of sectoral collective bargaining is not positive. A gradual decline of representativeness of trade unions as well as of employer associations is observed. The reason behind the latter is an ongoing degradation of the employer associations by non members: On

the background of a newly passed law which targets to broaden collective agreements (dealt between unions and employer associations) to all companies of a branch (irrespective of their membership in employer associations) non member employers (who did not have to respect the results of a collective agreement until now and could pay e.g. lower wages) have an interest in weak collective agreements and weak employer associations.

Gradually, the importance of collective bargaining is moved to the enterprise level, where the employers act as the stronger entity when compared with the sectoral level. The trend of founding the so-called “yellow” trade unions by employers is increasing especially in companies where traditional trade unions already exist and the creation of direct competition with the support of the employer is damaging the overall image of trade unions in the company.

At the same time, however, an opposite trend of fusions of individual trade unions and labour organizations in order to improve their power to push their interests can be observed. E.g. KOVO has merged with a transport union, services and housing management and an independent union operating in the steel industry. Similarly several trade unions from the chemical and energy sector merged with the result of a new energy-chemical trade union. In addition numerous memoranda of mutual cooperation are signed which should result in further organisational consolidation.

In 2012, 18 higher collective agreements and 5 supplements to the higher collective agreements were registered at the Ministry of Labour, Social Affairs and Family. Compared with the previous year, the overall number of concluded higher collective agreements (HCA) and supplements to HCA dropped. This was either due to the fact that contracting parties concluded their HCA for a longer period of time or no agreement was concluded due to lack of interest or due to obstruction by the partners.

### 4. Youth unemployment

As in previous years, youth unemployment remains a serious problem of the labour market in Slovakia. **The unemployment rate of young people** aged 15 – 24 years increased year-on-year by 0.6 pp (percentage points) to 34.0 %. The unemployment rate of young men (35.0 %) increased by 1.8 pp year-on-year. On the other

hand, the unemployment rate for young women (32.5 %) decreased by 1.3 pp year-on-year. Similarly to last year, active labour market measures usually focused on the creation of supported jobs for the selected category of unemployed persons under 29 years of age. The aim is to create at least 62,000 jobs with earmarked funds coming mainly from the European Union budget. The support is provided in form of a state contribution for a specified period of time while the contribution may be maximum € 457 (the contribution covers the minimum wage of an employee including contribution obligations). Young unemployed persons not older than 29 years, registered with the responsible labour office at least 3 months are eligible for the support. The employer has to maintain the working place for a minimum period of 12 months (with governmental for 6 months) or 18 months (support for 9 months). The success of such measures is, however, still uncertain. Though the project is not completed yet, it is already possible to conclude that the employers are not interested in hiring people under such conditions. Employers criticize that these young people lack of experience and competences and very often their education does not meet employer's requirements. The government is implementing additional measures to support the creation of jobs for young people: adjustment of curriculums at secondary schools and in institutions of higher education with an emphasis on dual education. First projects prepared by secondary technical schools and companies operating in mechanical engineering, metallurgical and wood-processing industries are emerging.

## 5. Forecasts

In 2013, the expected deficit is 2.98 % of gross domestic product. Fiscal policy in Slovakia wants to consolidate the deficit on 2.83% in 2014. In subsequent years, a gradual deficit reduction to 2.57 % of gross domestic product in 2015 and to 1.5 % a year later is envisaged.

In 2013, economic growth will probably slow down, the pace of real GDP year-on-year change will, however, remain significantly above zero in the annual average. Although the drop of real GDP cannot be excluded, still, it could rather be a short-term phenomenon (not lasting all year round). A pace of economic growth close to the 3 % threshold is expected as early as 2014. During this outlook, the inflation rate will be significantly lower than in the previous year. The reason is the absence of significant adjustments in regulated prices or indirect taxes as well as weak domestic demand. It is likely that the unemployment rate will slightly grow in 2013 while in 2014 it could experience an unimpressive drop. The Ministry of Finance is preparing new measures in the field of taxation which are related to the positive development in public finance. A reduction of the tax rate on corporate income tax from 23 to 22 % is considered; on the other hand, an introduction of a license for companies is envisaged. This license fee should also be paid by companies that show minimum or no profit. This is demanded on the background that many companies intentionally do not report a positive business result to avoid paying taxes.

## 2. Annex of data

### Structure of economy

	2009	2010	2011	2012	2013 1Q	2013 2Q
<b>Enterprises total</b>	<b>593</b>	<b>607</b>	<b>612</b>	<b>610</b>	<b>614</b>	<b>621</b>
<b>Enterprises total</b>	<b>219</b>	<b>397</b>	<b>412</b>	<b>381</b>	<b>722</b>	<b>995</b>
Public sector	8,070	8,377	8,294	8,303	8,192	8,203
	564	575	578	574	576	583
Private sector	811	890	794	211	545	417
Enterprises under foreign control	20,338	23,130	25,324	27,867	29,985	30,375
<i>proportion of total Enterprises</i>						
A – Agriculture, forestry and fishing	4.39%	4.24%	4.20%	4.17%	4.10%	4.23%
B – Mining and quarrying	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
C – Manufacturing	12.83%	12.42%	12.09%	11.69%	11.42%	11.31%
D – Electricity, gas, steam and air conditioning supply	0.06%	0.07%	0.08%	0.08%	0.09%	0.09%
E – Water supply, sewerage, waste management and remediation activities	0.24%	0.22%	0.21%	0.21%	0.22%	0.21%
F – Construction	16.58%	16.45%	16.18%	15.53%	15.04%	15.19%
G – Wholesale and retail trade, repair of motor vehicles, motorcycles	25.46%	24.76%	24.22%	23.74%	23.69%	23.49%
H – Transportation and storage	3.18%	3.26%	3.35%	3.43%	3.49%	3.50%
I – Accommodation and food service activities	3.32%	3.30%	3.26%	3.23%	3.28%	3.27%
J – Information and communication	2.60%	2.74%	2.84%	2.97%	3.03%	3.04%
K – Financial and insurance activities	1.76%	1.75%	1.80%	1.99%	2.02%	2.04%
L – Real estate activities	3.28%	3.42%	3.54%	3.66%	3.75%	3.73%
M – Professional, scientific and technical activities	9.91%	10.44%	10.80%	11.21%	11.42%	11.41%
N – Administrative and support service activities	3.04%	3.34%	3.57%	3.83%	4.12%	4.16%
O – Public administration and defence, , compulsory social security	0.58%	0.56%	0.55%	0.56%	0.54%	0.53%
P – Education	1.55%	1.57%	1.58%	1.62%	1.65%	1.65%
Q – Human health and social work activities	2.17%	2.16%	2.14%	2.18%	2.19%	2.18%
R – Arts, entertainment and recreation	2.26%	2.31%	2.37%	2.44%	2.47%	2.46%
S – Other service activities	6.76%	6.95%	7.17%	7.43%	7.47%	7.49%

Source: Statistical Office of the Slovak Republic.

### 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 the agreement with the higher trade union body. By 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. Collective bargaining is exclusively within the remit of trade unions. Today, the collective bargaining system suffers from the breakdown of individual employers' associations and the subsequent impossibility of collective bargaining, 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

## **2.2 System of tripartite social dialogue**

In Slovakia since 1990 tripartite social dialogue is in place. In its current form it functions only at the national level as 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

total number of concluded enterprise collective agreements is not available; limited information is only available for higher level collective agreements.

concerning vital interests of employees and employers, particularly economic, social, work and wage conditions, terms of employment and conditions for doing business, supports all forms of collective bargaining.

After Prime Minister Robert Fico's government took office the Solidarity and Development Council of the Slovak Republic was established which presents an alternative form of the multilateral social dialogue. Compared to the Economic and Social Council of the Slovak Republic, the Solidarity and Development Council is a wider platform for discussing and searching for an agreement between the representatives of the Government of the Slovak Republic, on the one hand, and the representatives of social partners including other entities playing an important role in society (e.g. churches, professional bodies and professional associations), on the other hand.

## 2.3 Social security systems

### Social security system

	Type of insurance	2007	2008	2009	2010	2011	2012	2013
	labour force – total (LF)	2,649,200	2,691,200	2,690,000	2,706,500	2,680,000	2,706,500	2,707,800
number of insured persons	health care insurance - total persons	5,296,631	5,285,215	5,271,277	5,260,654	5,237,830	5,220,972	n/a
	health care insurance - employed persons	2,294,801	2,295,827	2,130,039	2,115,460	1,882,932	1,814,553	2,058,966
	social insurance - employed persons	n/a	n/a	n/a	n/a	1,705,557	1,676,408	1,741,895
	social insurance - self-employed persons	n/a	n/a	n/a	n/a	249,448	245,800	235,363
	social insurance – employers	n/a	n/a	n/a	n/a	157,535	159,965	158,477
	supplementary pension insurance	804,186	823,849	814,710	808,425	785,839	779,701	
relation to	health care employed/labour force	86.62%	85.31%	79.18%	78.16%	70.26%	67.04%	n/a
	social insurance (employed + self)/LF	0.00%	0.00%	0.00%	0.00%	72.95%	71.02%	73.02%
	supplementary pension insurance/LF	30.36%	31.10%	30.75%	30.52%	29.66%	29.43%	n/a

Source: Statistical Office of the Slovak Republic and Social Insurance Office.

### Average monthly level of pensions in EUR

Average monthly level of pensions in EUR	2007	2008	2009	2010	2011	2012	2013-09
Old-age	294.9	313.1	339.7	352.5	362.1	375.9	390.2
Early pension	312.0	327.6	350.6	367.1	357.6	374.5	384.2
Invalidity	219.8	232.4	249.4	254.8	255.6	260.9	265.2
Widow's	184.0	194.5	209.8	217.1	222.0	229.7	237.5
Widower's	131.1	144.1	157.9	165.4	169.7	175.9	183.8
Orphan's	107.6	114.2	122.6	125.3	125.9	128.2	128.1

Source: Statistical Office of the Slovak Republic.

### Average monthly level of pensions in EUR

Type of pension	31.12.2007	31.12.2008	31.12.2009	31.12.2010	31.12.2011	31.12.2012	31.10.2013
Old-age pension	294.93	313.05	339.73	352.54	362.08	375.89	390.37
Early pension	311.96	327.62	350.61	367.05	357.63	374.51	384.36
Invalidity pension	219.78	232.39	249.43	254.79	255.63	260.90	264.85

Source: Social Insurance Office.

## 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.

A new element in the effort to reform the system of vocational education is a national project which aims at targeted identification by employers of the needs of the labour market down to the level of individual professions and qualifications. Based on these expressed requirements specific training programmes and consultancy centres will be developed.

Age	2007	2008	2009	2010	2011	2012	2013-2Q
-24	20.1	18.8	27.3	33.6	33.4	34.0	32.3
Aged 15-64	11.0	9.6	12.1	14.4	13.6	14.0	14.0
Aged 25-49	10.1	8.9	10.9	12.9	12.3	12.7	12.7
Registered by the employment offices	8.4	7.7	11.4	12.5	13.2	13.6	14.0

Source: Statistical Office of the Slovak Republic.

## 2.7 Gross and net average monthly salaries

### Gross and net monthly salary

Indicator	2007	2008	2009	2010	2011	2012	2013-1Q	2013-2Q
Gross average monthly salary – total	668.72	723.03	744.50	769.00	786.00	805.00	789.00	818.00
Gross median monthly salary – total	561.54	609.04	629.62	651.00	670.00	690.13	711.21	709.03
Nett average monthly salary – total	562.17	592.81	635.17	659.00	665.00	678.25	683.00	691.00
Nett average monthly salary – men	637.89	667.33	717.41	742.00	747.00	764.75	759.00	771.00
Nett average monthly salary – women	480.35	512.18	544.16	568.00	575.00	587.00	604.00	607.00

Source: Statistical Office of the Slovak Republic and Trexima.

## 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 by gender

Gender	2007	2008	2009	2010	2011	2012
Men	820.80	873.60	913.08	941.00	966.00	1003.00
Women	609.00	664.21	681.86	709.00	732.00	761.00
Relation Men/Women	74.20%	76.03%	74.68%	75.35%	75.78%	75.87%

Source: Statistical Office of the Slovak Republic.

## 2.9 Monthly minimum wage

### Minimum monthly salary

Indicator	2007	2008	2009	2010	2011	2012	2013	2014
Minimum monthly salary (EUR)	268.87	268.87	295.50	307.70	317.00	327.20	337.70	352.00
Relation to average monthly salary (%)	40.21	37.19	39.69	40.01	40.33	40.65	-	-

Source: Statistical Office of the Slovak Republic.

## 2.10 Actual weekly working hours

### Average number of usual weekly worked hours in main job by sex

Gender	2007	2008	2009	2010	2011	2012	2013-2Q
Men	42.2	42.0	41.7	41.5	41.6	41.7	41.7
Women	39.6	39.6	39.6	39.4	39.3	39.6	39.4
Total	41.1	41.0	40.8	40.6	40.6	40.8	40.7

Source: Eurostat and own calculations.

## 2.11 Normal work / atypical work

### Share of employed persons

Indicator	2007	2008	2009	2010	2011	2012	2013Q2
by type of working activity							
Employees	86.69%	86.5%	84.31%	84.02%	84.07%	84.54%	84.48%
Self-employees	12.88%	13.77%	15.67%	15.97%	15.94%	15.46%	15.53%
by length of working time							
Full-time	97.28%	97.16%	96.02%	95.58%	95.28%	95.49%	94.62%
Part-time	2.72%	2.84%	3.98%	4.42%	4.71%	4.50%	5.36%

Source: Statistical Office of the Slovak Republic.

## 2.12 Migration flows 2007-2012

### Migration per persons

Indicator	2007			2008			2009			2010			2011			2012		
	T	M	W	T	M	W	T	M	W	T	M	W	T	M	W	T	M	W
Immigrants	8,624	5,956	2,668	8,765	6,006	2,759	6,346	3,970	2,376	5,272	3,247	2,025	4,829	3,013	1,816	5,419	3,218	2,201
Emigrants	1,831	790	1,041	1,705	689	1,016	1,979	953	1,026	1,889	844	1,045	1,863	751	1,112	2,003	778	1,225
Nett increase	6,793	5,166	1,627	7,060	5,317	1,743	4,367	3,017	1,350	3,383	2,403	980	2,966	2,262	704	3,416	2,440	976

Source: Statistical Office of the Slovak Republic (Regdat).

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

### Human Development Index in Slovakia

Indicator	2007	2008	2009	2010	2011	2012
Ranking (from 186 countries)	31	32	33	35	35	35
HDI	0.825	0.831	0.829	0.832	0.834	0.840
HEALTH Index	0.862	0.865	0.868	0.871	0.875	0.878
EDUCATION Index	0.871	0.874	0.876	0.875	0.875	0.870
INCOME Index	0.772	0.775	0.769	0.774	0.776	0.780
Life expectancy at birth (years)	74.70	74.80	75.00	75.20	75.40	75.60
Mean years of schooling of adults over 25 (years)	11.60	11.60	11.60	11.60	11.60	11.60
GNI per capita in PPP terms (USD)	18,722.00	19,058.00	18,291.00	18,924.00	19,209.00	19,696.00

Source: Human Development Reports.

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

### Gini coefficient

Country	2007	2008	2009	2010	2011	2012
Slovakia	24.5	23.7	24.8	25.9	25.7	25.3
European Union (27 countries)	30.6	30.8	30.4	30.4	30.7	30.5
Euro area (17 countries)	29.9	30.2	30.1	30.2	30.5	30.6

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
2012	18	5	23

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

With a view to the declining number of higher level collective agreements collective agreements on enterprise level are gaining more and more importance. Those agreements do apply to all employees in the given enterprise. Thus, the trade union organization within a company represents all employees, which proportionally enhances the impor-

ance of collective bargaining legitimacy. Although higher level collective agreements do exist but they are only applied to certain companies of sectors mentioned in the agreement. Thus, higher level collective agreements in fact only apply to companies of employers associations that have signed it.

## **2.16 Ongoing important collective bargaining agreements**

Due to the expected approval of spreading coverage of higher collective agreements collective bargaining in 2012 and 2013 saw efforts of trade unions to conclude higher collective agreements generally for two years. In this sense, the basic statutory requirement is a minimum 6-month term of validity of a higher collective agreement at the moment when a formal proposal of its extension is lodged with the Ministry of Labour. Collective bargaining is also accompanied by several protests and strikes, especially by public servants like teachers, doctors, court clerks. They request an immediate increase in salaries due to the fact during last three years their wages did not increase due to austerity policy. The basic subjects of collective bargaining were again mainly wages, the implementation of various measures preceding layoffs or higher protection of employees short before they reach retirement age, restrictions on agency work which is a significant distortion element in the Slovak labour market. Inclusion of several preferential conditions for the work of trade union organizations (e.g. the extent of available working hours, material support to employee representatives), introduction of restrictions on ordering employee overtime work by the employer and longer annual leave for employees performing hazardous work are proposed for collective agreements mainly in the manufacturing industries.

## **2.17 Trade union density**

Determining the rate of trade unions density in the Slovak Republic is a difficult task mainly because the amount of members 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 Employers' organizations density**

To specify employer's 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 consent by the concerned employer shall remove the problem outlined here.

## **2.19 Workplace representation**

The Labour Code enumerates the forms of employee representation at workplace. Trade union organisation, work council, shop 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 has to inform the employer about beginning of its activities in the enterprise. A trade union being a civil association has to keep records with the Ministry of the Interior while having 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 a shop steward can operate. The rights and duties of a shop steward are identical with those of a works council. Several simultaneous forms of representation at workplace are permitted. The currently approved amendment to the Labour Code reinstates with effect from 1 January 2013 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 – 17 – 18 May 2003		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	Name	Function	Homepage
	Emil Machyna	President	www.ozkovo.sk
	Monika Benedeková	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 employer 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 4 year, last congress – 25 May 2012		
Important Functionaries (Chairman, President, Director, etc.)	Name	Function	Homepage
	Marián Jusko	President	<a href="http://www.ruzsr.sk">www.ruzsr.sk</a>
	Jaroslav Holeček	Vicepresident	<a href="http://www.ruzsr.sk">www.ruzsr.sk</a>
	Jozef Špirko	Vicepresident	<a href="http://www.ruzsr.sk">www.ruzsr.sk</a>
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 4 year, last congress – 14 April 2011		
Important Functionaries	Name	Function	Homepage

(Chairman, President, Director, etc.)	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	