

Annual Review 2014

Slovak Republic - Labour Relations and Social Dialogue

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Executive Summary

2014 can be seen as a year of important anniversaries and significant events. In this year has been celebrating the 25th anniversary of the iron curtain fall and the beginning of the new integrated Europe. Slovakia has been remembering the 10th anniversary of its membership in the European Union. These historical steps of Slovakia can be seen as the most important developments for this country which have been influencing the developments in all political, social and economic areas. Slovakia is a successful story in which a small country with less developed economy and political problems becomes a standard European state.

2014 was a year which has been influenced by the European elections. The citizens have had the possibility to elect their representatives who will represent them in the European Parliament in the next 5 years. Unfortunately the participation of the Slovak inhabitants at this election has been the lowest out of all Member States – only 13, 7%. This is also showing the interest of Slovak citizens for active participation on the decision making at the European level.

2014 can be marked as the year of elections. Apart of the European election there has been organized also the presidential elections and the communal elections. The presidential elections were at the end seen as the fight between two candidates: Robert Fico, representative of the governing party SMER SD and present prime minister, and Andrej Kiska, representative of the opposition parties. The election won Mr. Andrej Kiska who got 59, 4% of participating voters.

2014 was a year of the significant amendment to the Labour Code, which intends to enhance the protection of agency workers, worker's rights and strengthen the social dialogue and the competences of employee representatives. However, the economic and social development is significantly affected by the overall unfavorable 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 12,79 % 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.

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1. Report

1.1 Executive Summary

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However, the economic and social development is significantly affected by the overall unfavorable 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 12,79 %

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.

1.2 Socio-economic developments

Recovery of the Slovak Republic from the economic crisis was one of the fastest in the EU, but the recovery of domestic demand lingered as both private consumption and investment stayed below their 2008 levels in real terms. In 2014, domestic demand recovered and growth gathered more pace. According to the European Commission 2015 winter forecast, real GDP grew by 2.4% in 2014, as compared with 1.4% in 2013. Both private consumption and investment rebounded after several years of decline. Export growth, however, weakened, chiefly due to lower demand from Slovakia's main trading partners.

Going forward, domestic demand is expected to remain the main driver of growth. Growing disposable income and low inflation are expected to continue to bolster private consumption, while a planned expansion of production facilities in the automotive industry will support investment in 2015 and 2016. Export growth, on the other hand, is projected to continue to slow down in 2015 and is only likely to recover in 2016. With imports evolving in line with exports, Slovakia is expected to continue running a current account surplus over the coming years. Declining energy prices led to a sharp drop in inflation in 2014. Consumer price inflation was slightly negative for the year as a whole, but core inflation remains well above zero and the risk of deflation is low. Inflation is projected to slowly increase over the coming years, driven by a pickup in the prices of services mirroring the recovery in domestic demand. Investment fell sharply with the onset of the crisis and has yet to fully recover.

In 2013, investment in capital goods was still around 13 % lower in real terms than in 2008. In 2013, investments fell short of amortization, indicating a shrinking capital stock. The relatively low quality of transport infrastructure, especially in Slovakia's Central and Eastern regions, makes under-investment ever more apparent. The lackluster performance of investment also harms the country's long-term growth potential.

Unemployment takes over 13%, the unemployment rate remains high despite employment growth throughout 2014. Looking forward, Labour market conditions are projected to improve in line with the recovery in economic activity. However, given the structural nature of unemployment in Slovakia, the unemployment rate is expected to remain above 12% over the coming years.

Long-term unemployment is a persistent problem in Slovakia. Over two thirds of the unemployed have been jobless for more than a year, while around half have been jobless for more than two years. Despite some recent improvements, the youth unemployment rate is among the highest in the EU. Low labour mobility reinforces the geographical segmentation of the labour market as reflected by the high regional differences in employment. Female employment continues to be held back by the insufficient availability of childcare services, while the integration of Roma people into the labour market is limited.

The general government deficit in Slovakia increased considerably with the onset of the crisis. Since then, public finances have undergone a significant consolidation, with the deficit declining from almost 8% of GDP in 2009 to 2.6% in 2013. In 2014, the deficit is projected to have slightly deteriorated to 3% of GDP. However, the broadening of the tax base for the corporate income tax, continuing improvements in VAT tax compliance and favorable macroeconomic developments are expected to further bring down the government deficit over the coming two years. The deficit developments also affected the general government debt, which rose from less than 30% of GDP in 2008 to almost 55% in 2013 before stabilizing at that level.

Projected increases in age-related costs affect the long-term sustainability of public finances. With the pension system being put on a more sustainable path, healthcare expenditure is expected to be the main driver of age-related costs. Health outcomes for the Slovak population, however, continue to lag behind the rest of the EU.

Key economic, financial and social indicators

	2008	2009	2010	2011	2012	2013	2014	2015*	2016*
Real GDP	5,4	-5,3	4,8	2,7	1,6	1,4	2,4	2,5	3,2
Private consumption	6,0	-0,5	0,1	-0,7	-0,4	-0,7	2,1	2,2	2,7
Public consumption	5,6	6,9	1,7	-2,1	-2,0	2,4	4,3	1,6	2,3
Gross fixed capital formation	1,6	-18,7	7,2	12,7	-9,3	-2,7	3,9	4,0	4,5
Export of goods and services	3,0	-17,0	15,7	12,0	9,3	5,2	4,4	4,1	5,6
Imports of goods and services	3,6	-19,1	14,7	9,7	2,6	3,8	4,8	4,1	5,5
Contribution to GDP growth:									
Domestic demand	4,7	-3,9	2,0	2,0	-2,9	-0,6	2,8	2,4	2,9
Inventories	1,2	-3,6	2,4	-1,0	-1,3	0,5	-0,2	0,0	0,0
Net exports	-0,5	2,2	0,4	1,7	5,8	1,4	-0,2	0,1	0,3
Current account balance (%of GDP)	-6,19	-3,5	-4,7	-5,0	0,9	1,8	-	-	-
Trade balance (%of GDP)	-1,9	-1,1	-1,1	-0,4	4,1	5,5	-	-	-
Terms of trade of goods and services	-1,6	-1,1	-0,6	-1,3	-1,2	-0,5	0,3	0,4	0,1
Change of employment	3,2	-2,8	-2,0	-0,1	0,6	0,0	1,0	0,7	0,8
Unemployment rate	9,6	12,1	14,5	13,7	14,0	14,2	13,4	12,8	12,1
Long term unemployment rate	6,7	6,5	9,3	9,3	9,4	10,0	-	-	-
Youth unemployment rate	19,3	27,6	33,9	33,7	34,0	33,7	30,4	-	-
Activity rate (15 - 64 year olds)	68,8	68,4	68,7	68,7	69,4	69,9	-	-	-
Young people not in employment, education or training	11,1	12,5	14,1	13,8	13,8	13,7	-	-	-
People at risk poverty or social exclusion	20,6	19,6	20,6	20,6	20,5	19,8	-	-	-
GDP deflator	2,8	-1,2	0,5	1,6	1,3	0,5	0,0	0,8	1,3
Harmonized index of consumer prices	3,9	0,9	0,7	4,1	3,7	1,5	-0,1	0,4	1,3
Labour productivity	2,2	-3,4	6,4	0,9	1,6	2,2	-	-	-
Unite labor costs	4,3	6,2	-0,9	1,1	1,0	0,3	1,8	0,4	0,4
Real unit labour costs	1,5	7,4	-1,4	-0,6	-0,2	-0,2	1,8	-0,3	-0,9
General government balance (%of GDP)	-2,4	-7,9	-7,5	-4,1	-4,2	-2,6	-3,0	-2,8	-2,6
Structural Budget balance (%of GDP)	-	-	-7,2	-4,0	-3,5	-1,5	-2,4	-2,0	-1,9
General government gross debt (%of GDP)	28,2	36,0	41,1	43,5	52,1	54,6	53,6	54,9	55,2

1.3 State policies

The political condition of the Slovak Republic is characterized by a high level of stability. The results of the 2012 parliamentary elections still guarantee the government of Prime Minister Robert Fico sufficient support in the National Council where the SMER – SD party has a majority out of 150 members of Parliament. 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. Fundamental changes were introduced through an amendment to the Labour Code and other labour laws in the labour market.

Main Labour Code Amendments were:

- Changes in Law on Temporary Agency Work - tight conditions of the use of the temporary workers, and common responsibility in the field of the remuneration of User company and Temporary work agency
 - Restrictions on use of the work contracts beside the employment contract
- Changes of the Civil and Administration Law
 - in the Administration Law new right of the Trade Union to represent the worker in the Court Case
- Preparation of the Amendment on the Collective Bargaining Law (2015)
 - Extension process of the Sectorial Collective Agreements has shown quite a lot of lack on the field of representativeness of the Trade Unions
 - Amendment should deal with the main problems (but there is still need of systematic change in the Labor Law regarding the Collective Bargaining)
- Amendment on the Employment Law (solutions for the very high youth unemployment from the 1th of January 2015)
 - New financial aid for the building up of working place for young worker
- The Pension system also experienced significant changes: introduction of the new minimum pension based on the years worked out by the employee

All these measures had significant impact on the labour market.

1.4 Industrial Relations

From the perspective of employee representatives the legislative changes in labour relations can be identified as positive. Outlined changes in the strengthening of competences of trade unions are also accompanied by changes in the Law on collective bargaining. It can be stated that the relations 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 Sectorial Collective Agreements to employers who are not members of the employers' association concluding the Sectorial Collective Agreement and without the consent of the employer.

However, the overall development of sectorial collective bargaining is not positive. A gradual decline of representativeness of trade unions as well as of employers' associations is observed. The reason behind the latter is an ongoing degradation of the employers' associations by non-members: On the background of in 2013 passed law which targets to broaden collective agreements (dealt between unions and employers' associations) to all companies of a branch (irrespective of their membership in employers' 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 weakening collective agreements and weakening employers' associations.

Gradually, the importance of collective bargaining is moved to the company level, where the employers act as the stronger entity when compared with the sectorial 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. OZ 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 the energy-chemical trade union. In addition numerous memoranda of mutual cooperation are signed which should result in further organizational consolidation.

1.5 Youth unemployment and its background

The unemployment rate decreased slightly in 2014 but remains above the EU average (12.5 % vs 9.9 % in the EU-28 in December 2014) and is mostly structural and long-term in nature. Weak labour demand and a low number of vacancies, in conjunction with one of the lowest labour turnovers in the EU, give rise to one of the highest long-term unemployment rates in the EU (10 % vs 5.1 % in the EU-28 in 2013). The principal reasons for the poor labour market outcome are the low employment of certain groups including Roma, the existence of work disincentives coming from the tax and benefit systems, the weak capacity of the public employment services to assist the most disadvantaged jobseekers, and a relatively low internal geographical labour mobility. The public employment services have limited capacity to provide personalized services, in particular to those furthest from the labour market, such as the long-term unemployed, the low-skilled, young people and Roma.

Total spending on active labour market policies remains relatively low, particularly for the provision of quality training. Some stakeholders find the administrative burden of benefiting from active labour market policies relatively heavy and point to a lack of support by the Public Employment Service before, during and after the provision of active labour market policies.

Youth unemployment declined slightly to 28.9 % in December 2014 (to the lowest level since 2009) but Slovakia still has one of eight the highest rates in the EU. Almost two thirds of unemployed young people have been looking for a job for a year or longer, the highest proportion in the EU. The

proportion of young people that were neither in employment, nor in education or training is close to the EU average. School-to-job transition is still slow and the education system does not respond readily to labour market needs. The updated Youth Guarantee Implementation Plan was adopted in February 2014 and a number of reforms (e.g. on vocational education and training, discussed below) have been implemented.

In 2014, 1 694 young people were placed in wage-subsidized jobs. However, in 2014 only around 10 % of young unemployed eligible for the Youth Guarantee actually received one of four offers (job offer, training, apprenticeship, or internship). New programs aimed at securing employment for the low-qualified long-term unemployed, including young marginalized Roma and other risk groups, are to be launched in 2015.

The employment rate for women (20-64) remains well below the EU average (53.4 % vs 58.8 % in 2013). Estimates show that increasing women's labour force participation to the EU-15 average could increase Slovakia's GDP by 1.6. According to OECD Economic Surveys, Slovakia 2014 p.100, 19 % of Slovak young people are not in employment, education or training.

1.6 Forecasts

In 2015, economic growth will probably start to grow, the pace of real GDP year-on-year change will, 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 2,5 % threshold is expected in 2015. During this outlook, the inflation rate will increase to 1%. The reason is the adjustments in regulated prices or indirect taxes as well as domestic demand. It is likely that the unemployment rate will slightly grow in 2015. The Ministry of Finance is preparing new measures in the field of taxation which are related to the positive development in public finance. 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

2.1 Structure of economy

	2009	2010	2011	2012	2013	2014
Enterprises total	593 219	607 397	612 412	610 381	634 746	596 723
Public sector	8,070	8,377	8,294	8,303	7,508	7,554
Private sector	564 811	575 890	578 794	574 211	576 458	578 410
Enterprises under foreign control	20,338	23,130	25,324	27,867	30,375	32,641
<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 defense, 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.

2.2 Collective Bargaining System

In the Slovak Republic, collective bargaining is conducted at the national, sectorial and company levels. The consequence is that sectorial collective agreements for specific sectors according to the statistical classification of economic activities (SK NACE) and company collective agreements are concluded. A sectorial collective agreement is binding for employers who are members of the association which concluded the agreement with the central leadership of the branch trade union. By meaning of the law governing collective bargaining, a collective agreement may be extended to other employers subject to prescribed conditions.

A company 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 favorable 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 total number of concluded company collective agreements is not available; limited information is only available for sectorial collective agreements.

2.3 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 employees' representatives (trade unions). 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 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.

2.4 Average monthly level of pensions in EUR

Average monthly level of pensions in EUR	2010	2011	2012	2013	2014	31.01 2015	28.02 2015
Old-age	352.5	362.1	375.9	390.2	400,18	405,51	406,01
Early pension	367.1	357.6	374.5	384.2	384,42	388,28	389,52
Invalidity	254.8	255.6	260.9	265.2	266,64	269,75	269,21
Widow's	217.1	222.0	229.7	237.5	242,90	246,26	246,16
Widower's	165.4	169.7	175.9	183.8	186,71	189,69	189,71
Orphan's	125.3	125.9	128.2	128.1	131,29	133,07	133,29

Source: Statistical Office of the Slovak Republic.

2.5 Average monthly level of pensions in EUR

Type of pension	31.12.2010	31.12.2011	31.12.2012	31.10.2013	31.12 2014
Old-age pension	352.54	362.08	375.89	390.37	400,18
Early pension	367.05	357.63	374.51	384.36	384,42
Invalidity pension	254.79	255.63	260.90	264.85	266,64

Source: Social Insurance Office.

2.6 Educational and Vocational Training

Public expenditure on education remains largely below the EU average and is on a decreasing trend. Despite recent rises in teachers' salaries and a commitment to increase them to 120 % of the average wage, funds for teaching activities remain low in international comparison. The shortage of qualified teachers has a negative impact on learning outcomes. The areas in which the highest proportions of teachers report a strong need for

professional development are teaching students with special needs and developing skills to teach with ICT. Increases in salaries remain insufficient to attract and retain talented young people and notably starting salaries are low. The Ministry of Education is working on improvements in initial teacher training through an EU-supported project. Its results, to be published in 2015, will include

recommendations to higher education institutions that prepare future teachers.

The amendment to the Law on vocational education which focuses 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 bring 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 programs 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 programs and consultancy centers will be developed.

2.7 Gross and net average monthly salaries

Gross and net monthly salary

Indicator	2007	2008	2009	2010	2011	2012	2013
Gross average monthly salary – total	668.72	723.03	744.50	769.00	786.00	805.00	824.00
Gross median monthly salary – total	561.54	609.04	629.62	651.00	670.00	690.13	711.21
Net average monthly salary – total	562.17	592.81	635.17	659.00	665.00	678.25	701.00
Net average monthly salary – men	637.89	667.33	717.41	742.00	747.00	764.75	779.00
Net average monthly salary – women	480.35	512.18	544.16	568.00	575.00	587.00	616.00

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 21 %. National statistics usually give an even higher gap of 24 % 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 managerial

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	2013
Men	820.80	873.60	913.08	941.00	966.00	1003.00	1021,00
Women	609.00	664.21	681.86	709.00	732.00	761.00	791,00
Relation Men/Women	74.20%	76.03%	74.68%	75.35%	75.78%	75.87%	76,90

Source: Statistical Office of the Slovak Republic.

2.9 Monthly minimum wage

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	40,98	41,03

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	2014
Men	42.2	42.0	41.7	41.5	41.6	41.7	41.7	41,6
Women	39.6	39.6	39.6	39.4	39.3	39.6	39.4	39,5
Total	41.1	41.0	40.8	40.6	40.6	40.8	40.7	40,7

Source: Eurostat and own calculations.

2.11 Normal work / atypical work

Share of employed persons

Indicator	2007	2008	2009	2010	2011	2012	2013
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	2008			2009			2010			2011			2012			2013		
	T	M	W	T	M	W	T	M	W	T	M	W	T	M	W	T	M	W
Immigrants	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	5,149	2,967	2,182
Emigrants	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	2,770	1,088	1,682
Nett increase	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	2,379	1,879	500

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

2.13 Human Development Index (HDI)

Human Development Index in Slovakia

Indicator	2008	2009	2010	2011	2012	2013
Ranking (from 186 countries)	32	33	35	35	35	37
HDI	0.831	0.829	0.832	0.834	0.840	0.830
HEALTH Index	0.865	0.868	0.871	0.875	0.878	0.852
EDUCATION Index	0.874	0.876	0.875	0.875	0.870	0.802
INCOME Index	0.775	0.769	0.774	0.776	0.780	0.836
Life expectancy at birth (years)	74.80	75.00	75.20	75.40	75.60	75,40
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)	19,058.00	18,291.00	18,924.00	19,209.00	19,696.00	25,336.00

Source: Human Development Reports.

2.14 Collective agreement coverage

Number of sectorial 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
2014	23	10	33

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

With a view to the declining number of sectorial collective agreements collective agreements on company 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 importance of collective bargaining legitimacy. Although sectorial collective agreements do exist but they are only applied to certain companies of sectors mentioned in the agreement. Thus, sectorial collective agreements in fact only apply to companies of employers' associations that have signed it.

2.15 Ongoing important collective bargaining agreements

Due to the approval of extending coverage of sectorial collective agreements collective bargaining in 2013 and 2014 saw efforts of trade unions to conclude sectorial collective agreements. In this sense, the basic statutory requirement is a minimum 6-month term of validity of a sectorial 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 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.

2.16 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 branch 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 15 % 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

2.17 Employers' organizations density

To specify employer's organization 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 sectorial collective agreements often guaranteeing employees more favorable working conditions and, under the current legal framework, applicable only

to the signatories of the collective agreement. Expected changes in the enlarged scope of sectorial collective agreements without consent by the concerned employer shall remove the problem outlined here.

2.18 Workplace representation

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

2.19 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	Vice- president	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	Metalworkers' federation	
Founding Year	1993		
Sector/Branch	Machine engineering, metallurgy, electrical industry, part of public transport and public administration		
Cycle of Congresses/ Last Congress	Every 4 years, last congress – 17 – 18 May 2013		
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
	Monika Sitárová Hrušecká	International Secretary	
	Timea Szaboova	Youth Leader	
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		IndustriAll Global Union
	EPSU		PSI

2.20 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 negotiating within the Economic and Social Council of Slovak Republic). These associations are the largest ones, and also most representative, they associate most employers' organization 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	www.ruzsr.sk
	Jaroslav Holeček	Vice-president	www.ruzsr.sk
	Jozef Špirko	Vice-president	www.ruzsr.sk

Number of Members	25 employers' organizations 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
	Bussines Europe, 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 (Chairman, President, Director, etc.)	Name	Function	Homepage
	Tomáš Malatinský	President	www.azzz.sk
	Roman Karlubík	Vice-president	www.azzz.sk
	Rastislav Machunka	Vice-president	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	