

2017

SLOVENIA

By Goran Lukić

Socio-economic developments

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Annual Review

of Labour Relations and Social Dialogue

State policies

Tripartite social dialogue



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- Slovenia's main economic indicators improved in 2017, with a good forecast for 2018, while the labour market situation has been still giving mixed signals. The number of people in paid employment in September 2017 was visibly higher than in September 2016. However, there is still a clear rise in the number of persons who work either as self-employed "service providers" or persons who work for companies that provide workers on a temporary basis but who are not officially registered as Temporary Agency Workers (TAW). The most notorious case of using such "bogus" TAW's is the Port of Koper, which collaborates with so-called "Port Service Providers".
- The year was heavily defined by several different agendas in the field of labour legislation; the problem of poor working conditions of workers at service providers for public institutions (example: cleaning companies); cases of company pressures on trade union officials (Mile Zukić, Saša Gržinić); poor working conditions of road transport drivers; poor working conditions at (ir)regular Temporary Workers Agencies (TWA) and the struggle to employ them directly at the user company (LTH Castings, Magneti)
- At the level of tripartite social dialogue, an ongoing debate continues among the social partners regarding the definition and level of the minimum wage, as well as about the methodology on harmonisation of it. There is strong pressure to equalize the basic wage with the minimum wage and to exclude the bonuses out (on top) of the minimum wage.
- Trade union actions in 2017 clearly intensified, either through protests (January, June, December), public actions (March), collective bargaining (example: Hospitality and Trade sector), strikes (Arriva) and strike announcements (public sector at the end of 2017). Under the improved economic situation there is a very clear lack of qualified workers in some parts of the private sector (example: hospitality), which led to intensification of collective bargaining and consequently to higher wages for some of the occupations. But there is still an ongoing problem of workers with low wages, who are trapped under the minimum wage level. In the public sector a wave of strikes is expected in 2018 in a push for ending the austerity measures and raising the wages, with clear tension between some occupational groups and trade unions behind it.
- Consequently, in 2018, not only the "wage" agenda, but also the issue of occupational - and trade union – interrelations will be explicitly put on the public agenda.



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Socio-economic developments

Slovenia's main economic indicators improved in 2017 while the labour market situation continued to give mixed signals.

Actual individual consumption per capita in purchasing power standards in Slovenia in 2016 lagged behind the EU-28 average by 24 per cent, the same as in 2015 and 2014. Slovenian gross domestic product per capita in purchasing power standards in 2016 was 17 per cent lower than the EU-28 average (Statistical Office of the Republic of Slovenia – SORS, 14 December 2017).

According to the Statistical Office of Slovenia (SORS), GDP increased by 4.5 per cent in the third quarter of 2017 compared to the third quarter of 2016 (SORS, 2017).

Foreign Direct Investment (FDI) in Slovenia increased by €540 million in the period between October 2016 and October 2017. FDI in Slovenia increased by €347.20 million in September 2017. FDI in Slovenia averaged €43.49 million from 1994 until 2017, reaching an all-time high of €769.80 million in November 2002 and a record low of € -223.30 million in December 2014 (Bank of Slovenia, Trading Economics, 2017).

Slovenia recorded a Current Account surplus of €400.10 million in October 2017. The Current Account in Slovenia averaged €16.44 million from 1994 until 2017, reaching an all-time high of €459.70 million in September 2017 and a record low of € -363.70 million in July 2008 (Trading Economics, 2017)

According to SORS the general government deficit was 1.9 per cent of GDP in 2016. According to the Ministry of Finance's September 2017 forecast, the general government deficit in 2017 will be 0.8 per cent of GDP and a surplus of 0.4 per cent in 2018 is foreseen.

Slovenia will pursue its fiscal target of achieving a public deficit of 2.2 per cent of GDP in 2016 and 1.3 per cent of GDP in 2017. Slovenia's parliament on 17 November 2017 adopted the state budget framework for 2018 and 2019, with which the government aims to gradually balance revenues with expenditures, according to the finance ministry. Budget revenues are forecast in the amount of €9.68 billion (\$11.4 billion) in 2018, while expenditures are projected at €9.63 billion. The resulting budget surplus of €50.9 million will be equivalent to 0.1 per cent of next year's GDP according to a statement by the finance ministry late in the year. In 2019, revenues are planned to reach €9.75 billion, while expenditures are forecast at €9.70 billion. The budget surplus is projected at €53.8 million in 2019, or 0.1 per cent of GDP (SeeNews, 17 November 2017).

While a general government deficit was generated in the first quarter of 2017 in the amount of €155 million or 1.6 per cent of GDP, in the second quarter a surplus was estimated at €30 million or 0.3 per cent of GDP. The favourable result was again influenced by higher government revenue, which increased by 5.5 per cent compared to the second quarter of 2016.

This time the high revenue growth was due also to high government revenue from participation in profits and dividends of financial corporations. In comparison with the second quarter of 2016, it was higher by more than 90 per cent. High growth was recorded also through current taxes on income and wealth (by 6.6 per cent) and at taxes on production and imports (by 4.1 per cent)

Government expenditure on gross fixed capital formation increased for the first time since 2014. In comparison with the second quarter of 2016 it went up by 13.0 per cent, which indicates the beginning of the use of European funding from the new EU financial perspective. The government still continues to increase expenditure on compensation of employees, intermediate consumption, and social benefits in cash and in kind. In comparison with the second quarter of 2016 the former was higher by 4.4 per cent, the second by 2.8 per cent and the latter by 1.6 per cent. Expenditure on subsidies (by 7.6 per cent) and interest (by 2.1 per cent) was higher as well (SORS, 29 September 2017).

In October 2017 inflation was significantly lower than in previous months. This was mainly attributable to a decline in prices of clothing, which recorded slightly different movements than in the past owing to the removal of regulation of seasonal sales. The prices of durable goods also remained down year on year. Prices of services continue to rise moderately, supported by favourable economic developments and consumption. The contributions of oil products and food (unprocessed food in particular) rose again, as, due to higher excise duties on tobacco products, did the contributions of the alcohol and tobacco component on inflation.

Average earnings for October 2017 amounted to €1,621.46 gross and to €1,056.47 net. Average gross earnings for October 2017 were higher than earnings for September 2017; in nominal terms by 1.1 per cent and in real terms by 1.0 per cent, while compared to earnings for October 2016 they were higher in nominal terms by 3.4 per cent and in real terms by 2.4 per cent (SORS, 15 December 2017).

The number of persons in paid employment in September 2017 was 762,510, which is 24,065 more than in September 2016 (738,445). At the end of November

2017, there were 82,415 registered unemployed people in Slovenia, 14,428 less than in November 2016 (96,843).

Compared to September 2016, the registered unemployment rate was down from 10.3 per cent to 8.7 per cent (ESS, 2017, 2016). However, there is still a clear rise in the number of persons who work for companies that provide workers on a temporary basis but who are not officially registered as Temporary Agency Workers (TAW).

The minimum wage in December 2017 was €804.96 (Tax Administration of the Republic of Slovenia, 2017).

According to the 2016 Statistics on Income and Living Conditions (SILC), the at-risk-of-poverty rate in Slovenia was 13.9 per cent. This means that in 2016 about 280,000 people in Slovenia were living below the at-risk-of-poverty threshold, which is 7,000 persons less than in

the previous year. The annual at-risk-of-poverty threshold for a one-member household was set at €7,396; the net disposable monthly income of people below the at-risk-of-poverty threshold was thus below €616 per equivalent adult person. The threshold for a four-member family with two adults and two children younger than 14 was set at €1,294 per month and the threshold for a two-member household without children at €925 per month. Compared to the previous year, the at-risk-of-poverty rate decreased by 0.4 percentage point in Slovenia in 2016. The at-risk-of-poverty threshold decreased by €3 per year. The calculation is based on the income earned in 2015 since 2015 was the income reference year for the 2016 survey. (SORS, 21 June 2017).

In 2016, the Gini-coefficient in Slovenia was 24.4 while the average Gini coefficient across the EU-28 was 30.8 (Eurostat, 2017).

State policies

On 26 **January** 2017 the government used its working session to set out the priority tasks for the year; the government's priority tasks in 2017 were to: improve the functioning of the healthcare system; increase the employability of young people and promote enterprise, creativity and innovation; construct the second track of the Divača – Koper railway line and improve other transport infrastructure; strengthen the rule of law; and establish Slovenia as a green reference country.

On 30 **March** the government adopted draft act on construction of the second track of the Divača – Koper railway line. As Infrastructure Minister Peter Gašperšič stated at the press conference following the session, the key aim of the act is to empower ZDK d.o.o. to obtain financing and, subsequently, to implement the investment. The act was later in the year subjected to a referendum vote and the majority of active voters voted in favour of it.

On 2 **July**, changes to the Penal Code of Slovenia were enacted. The changes also augmented the prosecution of labour law and social insurance rights when it comes to violating the rights of (several) workers.

On 28 **September** the government approved the proposed amendments to the state budget for 2018 and the proposed state budget for 2019 with the corresponding documentation. It also adopted an amendment to the framework for state-sector budgets for the period 2018-2020. In accordance with the Constitution and the Fiscal Rule Act, the proposed budgets are aimed at a gradual balancing of revenues and expenditure, and also take account of newly assumed obligations arising from the adoption of the 2018 budget.

The largest increases in expenditure are planned in the following areas: transport and transport infrastructure; science and the information society; healthcare; and entrepreneurship and competitiveness.

In 2017 changes to several Slovenian labour law-related acts were proposed, aiming, inter alia, to reduce disguised employment (i.e. performance of services based on a civil law contract instead of entering into an employment relationship for which the basic elements of employment are provided). On 6 **October**, amendments to the Labour Inspection Act and the Labour Market Regulation Act that will enter into force within 15 days were published in the Official Gazette. The most important amendment to the Labour Inspection Act enhances the competences of a labour inspector and authorises the inspector to issue an order to an employer to offer an employment contract to a disguised employee. Should the employer not comply with the respective order, the labour inspector could impose a fine of up to €20,000.

The amendment to the Labour Market Regulation Act stipulates a more active role for the employee, since it obliges the employee to register with the employment office evidence during his notice period (no later than three business days after receipt of the termination letter). The sanction for not complying with this obligation is that the employee's monetary compensation for unemployment is reduced by 40 per cent in the first three months (with the limitation that the reduced amount is not less than €350).

On 17 **October**, three representatives of company Magna, the Minister of Economic Development and

Technology Zdravko Počivalšek, and the Mayor of Hoče-Slivnica Municipality Marko Soršak, signed, in the presence of Prime Minister Miro Cerar and Magna's leading representative in Europe, Günther Apfalter, an agreement on strategic investment implementation and a €18.6 million financial incentive to be allocated by the Slovenian state for the first phase of the project. By signing the agreement, the investor, according to Prime Minister Cerar, committed to realising investments amounting to a minimum of €100 million during the course of the next 10 years and creating at least 1,000 new jobs in the process.

On 27 **October**, the Ministry of Labour, Family, Social Affairs and Equal Opportunities introduced a new Social Assistance Benefit Act for public discussion in which the ministry proposes to increase financial social assistance (the basic amount of minimum income) from €297.53 to €331.26 euros. With regard to that, it must be emphasised that the latest research on the basic minimal living costs (2017) found that these amounted to €441.67. But the ministry said in the statement on that day that "with a view to maintaining a similar ratio to the net minimum wage as in 2010, and taking into account the risk of inactivity, the ministry proposes €331.26 as the new minimum amount of income, which represents 75 per cent of the basic minimum subsistence costs".

Industrial Relations

In 2017 the negative trend of **bankruptcy** of enterprises in Slovenia persisted with 1,210 bankruptcy procedures started in the year (not including data for December 2016), which is more than the number in 2016 (1,127) and substantially more than double the number filed in 2012 (595) (AJ PES, 2017).

According to data from the **Labour Inspectorate** (IRSD), there were 14,691 inspections in 2016 (1,386 less than in 2015) and these found a total of 11,788 violations relating to the labour market, most of them in the area of wages (5,013). In 2014 there were 3,542 violations and in 2008 "only" 843 such violations (IRSD, 2016).

On 18 **January**, more than two thousand workers, who work in harmful and harsh conditions, in jobs that should no longer be performed after a certain age, staged a protest to show that they disagreed with reducing the contribution rate for occupational insurance and raising the management fees for them. The protest was organised by trade unions.

On 23 **February** a press conference was held attended by the president of the Association of Free Trade Unions of Slovenia, Dušan Semolič, the Secretary of the Trade Union of Financial Organizations of Slovenia (SFOS), Drago Ščernjavič, and attorney Mirko Bandelj. They expressed resentment and opposition to the conduct

At the end of **November**, changes in the Income Tax Act were made, upon which the so-called thirteenth wage and Christmas bonus, which are up to average wage in Slovenia, are to be exempt from personal income tax.

The government on 7 **December** adopted Slovenia's Development Strategy 2030 at its regular session. The document was drafted under the auspices of the Government Office for Development and European Cohesion Policy, the Ministry of Finance and the Institute of Macroeconomic Analysis and Development in close cooperation with all government departments and the Statistical Office of the Republic of Slovenia.

On 20 **December**, a group of members of parliament from the side of the coalition political parties SMC and SD put into legislation procedure changes in the Public Procurement Law that envisage stronger implementation of so-called social clauses in public procurement procedures, with obligatory twice-a-year regular check-ups in some sectors if a recipient of public funds is in breach of Labour Law in pay, working time, disguised employment and irregular work.

of the management of Zavarovalnica Triglav (ZT) toward Mile Zukić, a trade union activist who was charged with a breach of the company's non-disclosure policies, despite the fact that the information he provided was already public. In the end all the charges were dropped.

On 24 **March** Milojka Kolar Celarc, Health Minister, and Konrad Kuštrin, president of the Doctors and Dentists Trade Union (Fides), signed an agreement to suspend a medical strike. They also signed two annexes, one of which introduces standards and norms for doctors' work. Kolar Celarc, Kuštrin and Igor Mužević, president of the Trade Union "Practice" marked the annexes as an important event. The first annex introduces the standards and norms for the work of doctors while the second annex to the tariff part of the collective agreement changes the evaluation of the workplace of specialists by equating the evaluation of the workplace of all specialists regardless of the length of their specialization and changes the evaluation of the workplace of a dentist or doctor without specialization with a license. The annex also defines two new posts, such as a senior specialist doctor and a senior dentist/doctor without a license.

On 25 **March** the Trade Union of Catering and Tourism Workers of Slovenia (SGIT) made a public media action at the ski jumping event in Planica, where their representatives informed the public on the real story

behind the successful tourist season: underpaid workers who work 12 hours or more a day, without statutory breaks and rests.

At the beginning of April, LTH Castings company announced that they will directly employ all the temporary agency workers after 1 May after disclosure of the fact that the TAW workers, working at LTH Castings, were underpaid compared to the already directly employed LTH Castings workers. The pressure came from the company trade union and the Counselling Office for Workers. Almost one hundred TAW workers were then directly employed at LTH Castings from 1 May and 1 June.

On 11 **April**, the representatives of the Republic Committee of the Trade Union of Metal and Electric Industry and the Counselling Office for Workers made a public call to the Magneti company to directly employ all the temporary agency workers who were working there due to labour legislation irregularities that occurred within the temporary work agencies who were posting workers to Magneti. In the weeks after the public pressure, Magneti started to directly employ TAW workers.

On 18 **April** a press conference of the trade union confederation KS 90 was held to present the case of Post of Slovenia's pressure on trade union representative Sašo Gržinič. A written warning before the termination of his employment contract had been given to him. In it the employer, as the main reference, referred to the behaviour of the president of the trade union in the so-called white strike in February 2017. Interestingly, the warning issued to the president was issued two months after the white strike, shortly after the KS 90 refused to sign the agreement between the trade union and Post of Slovenia.

On 23 **May**, representatives of the trade union of postal workers and the employer Post of Slovenia (Posta Slovenije) signed an agreement on an increase in the allowance for unfavourable working conditions from 3 per cent to 6 per cent and the increase of the supplement for part-time work from 15 per cent to 20 per cent starting from 1 August 2017. In addition, Posta will recognize workers who work in an auxiliary facility and are exposed to all weather conditions (tent PLC) for the duration of work in the tent from 1 May 2017, an allowance of 3 per cent and from 1 August raised to 6 per cent. Posta Slovenije will increase the food allowance from €4.27 to €6.00 from 1 May 2017. The proposal for a new systematisation of posts will be prepared by Posta Slovenije by 1 October 2017. Posta Slovenije offered additional employment posts (a total of 111 employees). Regarding the bonus of supplementary pension insurance in the amount of €20 per month per employee, the management has committed itself to the efforts of repaying on 1 January 2018 in case of exceeding the business plan.

On 16 **June** around five hundred workers of Post of Slovenia gathered in front of the employer's entrance in the support of the workers of Post of Slovenia who work under the PLC tent and also to point out poor working conditions at Post of Slovenia.

On 20 **June**, seven trade unions of the Confederation of Trade Unions of the Public Sector of Slovenia organized a protest gathering under the slogan "Together for the J group and the other lowest paid in the public sector" in front of the government's headquarters. They demanded from the government that in the negotiations on the abolition of salary anomalies, the agreement on civil servants from the salary group J and other employees, up to and including the 26th salary bracket, firstly had to be signed but only after that would they continue to eliminate the remaining anomalies. The demand is eight per cent higher basic wages for the lowest paid workers in public sector.

On 18 **July** the trade union representatives for employees at the Ministry of Defence, the Ministry of Finance, the Ministry of Foreign Affairs, the Ministry of Justice, the Food Safety Administration, the Veterinary Service and the Plant Protection sent several concrete demands on working conditions: raising the basic salaries for four salary brackets to all employees working for the institutions concerned; the conclusion of the collective agreement by 15 September at the latest; 40 per cent reduction in work for workers over 50 years of age; four times the payment of full-time work in exceptional or urgent cases; transparent rates for occupational retirement for each additional period; the payment of a contribution for occupational retirement during a longer sick leave due to occupational injuries or occupational diseases; 100 per cent sickness payments due to injuries arising on the way to work or home from work; arrangements for the additional payment of an additional pension insurance and reimbursement of salary at the time of the strike.

On 21 **July** the Trade Union of Occupational Firefighters (SPGS) announced that they could not sign an annex, which was lastly received from the Ministry of Defence, since this proposal was considerably worse than previous one, which was previously considered by the members of the SPGS leadership as insufficient. Until the last proposal, the trade union and government positions differed only in 11 different professions and around €150,000 annually. The SPGS officials said that they do not approve of extortion, that the union is guilty of the fact that only firefighting will not improve the salary situation with the annex, and they emphasized that in the autumn they will organize protests and also a strike if the government side does not start to negotiate before then. The government finally even withdrew the rise of salary grades for four professions and overlooked the SPGS determination to improve the wages of the head of the fire department and the leader of the second shift.

On 29 **August** the Annexes to Collective Agreements in accordance with point IV of the Agreement on measures in the field of labour costs and other measures in the public sector was published in the Official Gazette of RS. The government of the Republic of Slovenia and trade unions agreed with IV point for the elimination of anomalies or the appropriate classification of public employees in the salary grades in relation to the evaluation of posts or titles in the public sector at workplaces that are classified up to and including the 26th salary at workplaces' authorized officials. The signatories of the deal agreed that in the event of an anomaly it would be eliminated by raising wage levels in the range of 1 to 3 wage classes at a particular workplace or title.

On 14 **September** management of the Arriva Group and the trade union strike committee reached an agreement in response to a strike by drivers, started on 4 September. The parties agreed on a partial immediate and a partial gradual increase in the basic hourly rate of drivers in the period up to 2020. The details of the agreement have not been disclosed.

On 4 **October**, the 8th Congress of the Association of Free Trade Unions of Slovenia (ZSSS) was held in Ljubljana. Lidija Jerkič, president of the Trade Union of Metal and Electric Industry, was elected as the new president of ZSSS and she succeeded the long-term president of ZSSS, Dušan Semolič.

On 5 **October**, 500 to 700 professional firefighters gathered in front of the government palace to protest for higher salaries in the organisation of SPGS.

On 25 **October**, at the press conference of (ZSSS) and the Confederation of Trade Unions of Slovenia Pergam (KSS Pergam) ZSSS President Lidija Jerkič and KSS Pergam President Jakob Počivavšek presented the reasons and goals of merging ZSSS and KSS Pergam and the further activities of the two trade union confederations that will follow in this regard.

On 30 **November** an Annex to the Collective agreement of the trade sector was signed, following intensive negotiations that started with the proposal of abolishing Sunday work in the retail sector, as proposed in changes to the Trade Act by MEP Andrej Čuš. According to the Annex, an employee can work a maximum of two Sundays per month and maximum 15 Sundays per year and there is an absolute prohibition of Sunday work for a worker who takes care of a child up to three years of age.

On 5 **December** the representatives of trade union confederation KS 90 and the Counselling Office for Workers called on the Port of Koper (Luka Koper) to directly formally employ all of the several hundreds of workers, which at the time had been working in Luka Koper through so-called Port Service Providers ("IPS"

companies). Later in December it was decided by a court decree that one of the IPS companies had all the elements of a Temporary Agency Work (TAW) company. It is almost certain that other IPS companies, which were also operating within Luka Koper were also in the same (il)legal position.

On 12 **December** a protest of precarious workers was held in front of the entrance of the Ministry of Labour, Family, Social Affairs and Equal Opportunities. The protest, which was organised by the Trade Union of Precarious Workers, emphasized the harsh and irregular working conditions of workers at the newsstands.

In **December** several strike announcements by public sector trade unions were witnessed in regard to higher wages; by firefighters (10-11 January 2018); workers from the education, culture, social affairs, and health who are members of the trade union confederation PERGAM (24 January 2018); police officers (12 February 2018); workers from education sector, members of Trade Union of Education, Science and Culture of Slovenia (14 February 2018).

Employers' organisations are receiving much lower revenues due to a decline in membership fee payments, which is also connected with the fact that since 2006 the Chamber of Commerce and Industry of Slovenia has not had obligatory membership, while the Chamber of Crafts and Small Business has not had obligatory membership since the end of October 2013. Voluntary membership is also in place for the Employers Association of Slovenia and the Chamber of Commerce and Industry of Slovenia. Available public data report that the Employers Association of Slovenia has 1,400 members organised into 11 sections. The Chamber of Commerce and Industry has approximately 6,400 members and the Chamber of Crafts and Small Business has about 30,000 members.

Tripartite social dialogue

One of the most pressing issues of tripartite social dialogue continues to be the issue of minimum wage. On 20 December, at the 308th session of the Economic and Social Council (ESS) the social partners talked about the methodology of harmonization of the minimum wage. According to the minister of Labour, Family, Social Affairs and Equal Opportunities, Kopač Mrak, the ESS conducted a wider debate on the topic of minimum wage. The employers, however, advocated caution in raising the minimum wage while the trade unions emphasized that the minimum wage must guarantee decent subsistence, which is why it should exceed the minimum living costs. The employers' side stated that it will, until the next meeting, decide on a proposal to create a working group submitted by the trade union side and according to this the group will review the entire Minimum Wage Act. "My point of view is that this would be necessary. If there is no change in the minimum wage in the social dialogue, unilateral interventions into the minimum wage from various political parties will become a practice, which is moving away from social dialogue," said Mrak, the minister.

In January, the social partners are waiting for the annual debate on the proposal to raise the minimum wage in line with existing legislation. This, among other things, stipulates that inflation must be taken into account and that economic growth and the growth of wages and employment can be taken into account. "We will take this into account and in January we will submit a proposal for raising the minimum wage, and in any case next year the minimum wage will be above the at-risk-of-poverty threshold or above the calculated minimum living costs," the minister stated. According to the president of the Association of Free Trade Unions of Slovenia (ZSSS), Lidija Jerkič, "automatisation is certainly one of the paths", but she believes that they will not be able to reconcile them. She agreed with the minister that the discussion again showed differences in the positions of employers and trade unions. According to her, comparative data on minimum wages in Europe should be examined,

among other things, in the perspective of the number of bonuses included. In its opinion, the minimum basic salary should have reached the minimum wage, which is currently impossible in one step. Igor Antauer, Secretary General of the Association of Employers of Crafts and Entrepreneurship of Slovenia, believes that in the event of equalization of the minimum basic salary with the minimum wage the pressure on other wages could be increased along with the minimum, which could result in an increase in the price of products or services exported by Slovenia. Another possibility, which is even more dangerous according to Antauer's estimates, is an aspiration to minimize the difference in salaries, which in his opinion would greatly reduce the motivation and productivity of employees (STA, 20 December).

A much more successful outcome of the tripartite social dialogue was in the case of a joint proposal by the Chamber of Commerce of Slovenia and ZSSS on lowering the tax on the so-called thirteenth wage and Christmas bonus; at the end of **November**, changes in the Income Tax Act were enacted in which the so-called thirteenth wage and Christmas bonus, which are up to average wage in Slovenia, are to be exempt from personal income tax.

Forecasts

According to the Autumn Forecast of economic trends 2017, **GDP growth** will be 4.4 per cent for this year; in the next two years the broad-based economic growth will continue, hovering between 3 per cent and 4 per cent. The forecast is based on assumptions of stable economic conditions at home and internationally and favourable expectations. The key drivers of this year's faster growth are the high **growth of exports** and the dynamics of government investment; this is expected to increase this year after dropping substantially in 2016. In the next few years economic growth will be increasingly affected by demographic factors, which will show particularly in lower growth in **employment** and, consequently, in disposable income and private consumption.

Domestic demand will remain a significant factor of growth in 2017-2019. Household consumption will continue to be boosted by growth in disposable income amid favourable conditions on the labour market, which has a favourable impact on consumer confidence.

In 2017-2019 **wage** growth will remain moderate and will not exceed productivity growth. In the private sector, the nominal growth in the average gross wage will arise from higher GDP growth and a further fall in unemployment. The latter is also related to companies' difficulties in finding skilled workers, which will put upward pressure on wage growth (IMAD, September 2017).

The European Commission Recommendation for a Council Recommendation on the 2017 National Reform Programme of Slovenia and the Council opinion on the 2017 Stability Programme of Slovenia consisted of three recommendations in several areas:

1) Pursue its fiscal policy in line with the requirements of the preventive arm of the Stability and Growth Pact, which translates into a substantial fiscal effort for 2018. When taking policy action, consideration should be given to achieving a fiscal stance that contributes to both strengthening the ongoing recovery and ensuring the sustainability of Slovenia's public finances. Adopt and implement the proposed reform of the healthcare system and adopt the planned reform of long-term care, increasing cost-effectiveness, accessibility and quality care. Fully tap the potential of centralised procurement in the health sector. Adopt the necessary measures to ensure the long-term sustainability and adequacy of the pension system.

2. Intensify efforts to increase the employability of low-skilled and older workers, particularly through targeted lifelong learning and activation measures.

3. Improve the financing conditions, including by facilitating a durable resolution of non-performing loans and access to alternative sources of financing. Ensure the full implementation of the bank asset management company strategy. Reduce the administrative burden on business deriving from rules on spatial planning and construction permits and ensure good governance of state-owned enterprises (EC, 12 May 2017).

There are several items in this year's recommendations that are repeating last year's ones: implementation of reform of the healthcare system; adopting the necessary measures to ensure the long-term sustainability and adequacy of the pension system; increasing the employability of low-skilled and older workers, particularly through targeted lifelong learning and activation measures (this year the recommendation did not mention the active role of social partners in it); reduce the administrative burden on business. Regarding the "state-owned enterprises" this year the Recommendations have focused "only" on good governance (last year it was about improving governance and performance).

One of the most pressing agenda items (also) in 2018 is the issue of **wages** but also the issue of interrelations not only between the **occupations** but also between **trade unions**; under the situation of the improved economic situation in the private sector there is a very clear lack of qualified workers in some sectors (example: hospitality), which has led to the intensification of collective bargaining, consequently bringing about higher wages for some of the occupations. But there is still an ongoing problem of the wages of low wage workers, who are trapped under the minimum wage. In the public sector a wave of strikes is expected in 2018 in a push for ending the austerity measures and raising the wages, with clear tension between some occupational groups and trade unions behind it.

Annex - Information About:

- Collective Bargaining System

The Slovene legal system of collective bargaining between trade unions and employers does not have a long tradition. From the time of the socialist social and political order following World War II until the creation of the new independent state and the adoption of the new Constitution in 1991, labour relations had the character of mutual relations between employees. Employment relations in this narrow part of economy were based on labour contracts, only partly regulated by collective agreements concluded between the single socialist trade union organization and the representative organizations of private employers. The range of regulations of working conditions by contracts was very limited by the statute.

The situation changed after the introduction of the new social and political system when the new collective bargaining system was developed based on the

Constitution that was adopted in 1991, following ILO conventions about trade union freedom. The nature of collective agreements has been changing through time so there is a distinction between the collective agreements of the first, second and third generation. The latter are the result of the statutorily defined frameworks for collective bargaining, which is in fact the codification of already existing practices in this area with a few additions. The Collective Agreements Act, adopted in 2007, provided social partners with the regulation of procedures of collective bargaining and with legal tools for the prevention and resolution of collective conflicts between the contracting parties.¹ One of the problems of the system of collective bargaining is the short average lifespan of collective agreements (approximately one year) while the scope of content of the collective agreements remains too narrow.

- System of tripartite social dialogue

Social partners in Slovenia participate in the Economic and Social Council (ESC), which was founded in 1994 and represents a framework that has consolidated democratic relationships between the social partners. The ESC is a consultative body whose decisions, which are taken unanimously, are binding for all three partners. The significance of the ESC is reflected also in the position of the National Assembly of RS, according to which all acts and policies that in any way affect the interests of social partners must first be negotiated at the ESC level. Its working procedures are governed by the Rules of Procedure of the Economic and Social Council, which date from 1994 and were last amended in December 2016. The ESC was primarily set up to deal with issues related to social agreements and wage policy, social policy, employment issues and working conditions, collective bargaining, prices and taxes, the economic system and economic policy, plus other areas falling within the remit of the social partners. As well as dealing with areas requiring tripartite agreement, the ESC can also examine other matters of an economic and social nature.

In addition to its advisory role, the ESC has a key role in negotiations with social agreements – and, until some years ago, wage policy agreements as well – being adopted under its auspices. So far, five social agreements have been adopted through the ESC, the latest Social

Agreement 2015-2016 was agreed in February 2015. Unfortunately, on 27 November 2015 the Employers Association of Slovenia, the Chamber of Commerce of Slovenia and the Association of Crafts and Small Business Employers withdrew from the agreement. Before the actual signing of the agreement the same action was taken by the Chamber of Commerce and Industry of Slovenia. Several laws relating to wage policy have been adopted based on the wage policy agreements concluded by the ESC.

In recent years, tripartite social dialogue has come under heavy pressure from the so-called “European Semester” mechanisms (Stability and Convergence Programmes, National Reform Programmes, Country Specific Recommendations). Seemingly, the European Semester instruments mainly ignore the system of tripartite social dialogue based on the fact that all the documents prepared within the European Semester are not sufficiently coordinated within tripartite social dialogue.

¹ <http://www.fu.uni-lj.si/personal/tinae/515/collective%20bargaining%20in%20Slovenia.doc>

- Social security systems – coverage and unpaid social contributions

	2013	2014	2015	2016	2017
Compulsory health insurance	Number of people without compulsory health insurance: 2,756 (from 31 December 2012 to 31 December 2013)	Number of people without compulsory health insurance: 2,145 (from 31 December 2013 to 31 December 2014)	No data	No data	No data
	€142.427.954 of unpaid employers' contributions at the end of June 2013; Tax Administration of RS)	€141.822.905 of unpaid employers' contributions at the end of December 2014; Tax Administration of RS	€137.579.644 of unpaid employers' contributions at the end of June 2015; Tax Administration of RS)	€ 132.551.952 of unpaid employers' contributions at the end of June 2016; Tax Administration of RS)	€ 123.621.232 of unpaid employers' contributions at the end of June 2017; Tax Administration of RS)
Pension and invalidity insurance	833,063 persons in the pension and invalidity insurance system; 649,675 persons in paid employment at legal entities (October 2013)	831,376 persons in the pension and invalidity insurance system; 654,023 persons in paid employment at legal entities (December 2014)	846.574 persons in the pension and invalidity insurance system; 669.715 persons in paid employment at legal entities (October 2015)	863.463 persons in the pension and invalidity insurance system; 687.282 persons in paid employment at legal entities (September 2016)	928.668 persons in the pension and invalidity insurance system; 710.904 persons in paid employment at legal entities (September 2017)
	€298,386,400 of unpaid employers' contributions at the end of June 2013 (Tax Administration of RS, 2013)	€293,970,803 of unpaid employers' contributions at the end of December 2014 (Tax Administration of RS, 2015)	€286,294,564 of unpaid employers' contributions at the end of June 2015 (Tax Administration of RS, 2015)	€ 271,543,509 of unpaid employers' contributions at the end of June 2016 (Tax administration of RS, 2016)	€ 250,829,928 of unpaid employers' contributions at the end of June 2017 (Tax administration of RS, 2017)
Unemployment insurance	€2,117,336 of unpaid employers' contributions at the end of June of 2013 (Tax administration of Republic of Slovenia, 2013).	No data	No data	€ 2,237,246 of unpaid employers' contributions at the end of June of 2016 (Tax administration of Republic of Slovenia, 2016).	€ 2,082,625 of unpaid employers' contributions at the end of June of 2017 (Tax administration of Republic of Slovenia, 2017).

Source: Institute for Pension and Disability Insurance of Slovenia 2017, Tax Administration of the Republic of Slovenia, Institute for Health Insurance of Slovenia, 2017

• Education and vocational training

Preschool education (1-5 years) is an integral part of the overall education system, integrating centre-based childcare and early general pre-school education. These programmes are carried out by public and private pre-school entities; pre-school units can be part of primary schools, privately run pre-schools or individual teachers at childminders' families. The Ministry of Education and Sport is in charge of the formation of staff, programmes and aids to particular groups of children. The municipalities are the main founders and direct providers of services. Pupils aged 6 enter the 9-year compulsory school which is divided into first cycle (1-3; age 6-8); second cycle (4-6; age 9-11) and third cycle (7-9; age 12-14). After that they enter the post-compulsory education/upper secondary and post-secondary levels.

Tertiary education in Slovenia comprises higher vocational college education and higher academic and professional education. Higher vocational colleges that offer two-year vocational education (120 ECTS) at the sub-degree level (short-cycle, ISCED level 5B) provide higher vocational education. Higher vocational colleges issue a diploma, stating the field of education, and a Diploma Supplement

in the Slovene language and in one of the EU languages. Joint study programs are also possible. Public or private universities and single higher education institutions offer the traditional higher education study programs.²

The Vocational Education Act (enacted in 2006) governs upper secondary vocational and technical education and training. According to this act all courses must be evaluated with credit points (1 credit point equals 25 hours of coursework). In December 2013, the National Assembly adopted changes to the Post-Secondary Vocational Education Act, giving it a larger role in the National Agency for Quality in Higher Education (NAKVIS) and has also begun addressing the problem of so-called fictitious enrolments.

• Employment rate (Q3)

	2012	2013	2014	2015	2016	2017
Survey employment rate, in %	64.3	64.5	64.6	66.7	66.4	70.4

Source: EUROSTAT, 2017, age: from 15 to 64

• Persons in paid employment

	2012 M12	2013 M12	2014 M12	2015 M10	2016 M9	2017 M9
Persons in paid employment	699,898	694,370	704,410	721,152	738,445	762,510

Source: SORS, 2017

• Unemployment rate (ILO methodology)

	2012 M12	2013 M12	2014 M12	2015 M11	2016 M10	2017 M10
Unemployment rate (%)	9.6	9.8	9.4	8.4	8.0	6.2

Source: EUROSTAT, 2017

² http://eacea.ec.europa.eu/education/eurydice/documents/eurybase/national_summary_sheets/047_SI_EN.pdf

- Number of registered unemployed people (Employment Service of Slovenia - ESS)

	2012 M12	2013 M12	2014 M12	2015 M12	2016 M11	2017 M11
Number of registered unemployed people	118,061	124,015	119,458	113,076	96,843	82,415

Source: ESS, 2017

- Average gross monthly salary

	2012 M12	2013 M12	2014 M12	2015 M10	2016 M10	2017 M10
Average gross monthly salary, in €	1,534.54	1,544.85	1,566.09	1,540.58	1,567.99	1,621.46

- Average net monthly salary

	2012 M12	2013 M12	2014 M12	2015 M10	2016 M10	2017 M10
Average net monthly salary in €	1,000.21	1,007.65	1,018.67	1,004.34	1,020.40	1,056.47

- Gender pay gap

	2012	2013	2014	2015	2016	2017
Average gross monthly level of earning, men, in €	1,639	1,639	1,678	1,695	1,732	No data
Average gross monthly level of earning, women, in €	1,555	1,551	1,589	1,594	1,630	No data

Source: SORS, 2017

According to provisional data of the annual structure of earnings statistics, in 2016 average monthly gross earnings of persons in paid employment in Slovenia (calculated from annual gross earnings) amounted to €1,685, which is 2.0 per cent more than in the previous year. Average monthly gross earnings of men were 2.8 per cent higher than the Slovene average and amounted to €1,732. Average monthly gross earnings of women were 3.3 per cent lower than the average and amounted to €1,630. Average monthly gross earnings in 2016 were 2.0 per cent higher than in the previous year for both men and women.

According to the data of the annual structure of earnings statistics, the distribution of gross earnings in Slovenia is very asymmetric. The median of gross earnings, which divides the population into two halves, was in 2016 €1,394 (€1,412 for men and €1,370 for women). Half of the persons in paid employment had average monthly

gross earnings lower than €1,394. The first quartile was €1,017, which means that 25 per cent of the persons in paid employment had average monthly gross earnings lower than €1,017. On the other hand, only 10 per cent of the persons in paid employment received average monthly gross earnings higher than €2,730, while only 1 per cent of the persons in paid employment had average monthly gross earnings higher than €5,903.

In 2016, average monthly gross earnings of women were lower than average monthly gross earnings of men in almost all activities. The exceptions where average monthly gross earnings of women were higher than the average were: water supply, sewerage, waste management and remediation activities (by 11.7 per cent), construction (by 13.1 per cent), and transportation and storage (by 10.1 per cent). In the mentioned activities most persons in paid employment were men (in the first and third activities only one fifth were women, and

in construction only one tenth), but women mainly had better paid jobs. The difference between men's and women's average gross earnings was the highest in human health and social work activities and in financial and insurance activities (in the first activity men received 23.6 per cent more and women 5.6 per cent less than the average in this activity, in the second activity men received 17.5 per cent more and women 10.2 per cent less than the average in this activity).

As to the number of persons in paid employment, in 2016 women prevailed (more than three quarters) in the following occupations: health, teaching, cleaning, and food preparation. In all these occupations women were on average paid less than men. They were paid more than men in the following occupations: forestry, fishery and hunting, construction, accounting, and bookkeeping. Compared to the previous year, average monthly gross earnings increased the most in armed forces occupations (by 14.3 per cent), commissioned armed forces (by 10.8 per cent), non-commissioned armed forces (by 9.0 per cent) and protective services (7.9 per cent).

As to the level of education, in 2016 persons in paid employment with tertiary education received the highest average monthly gross earnings (€2,334). Men with tertiary education earned much more (€2,596) than women with tertiary education (€2,146), even though the share of women with this level of education (58.3 per cent) was much higher than the share of men (41.7 per cent). Persons in paid employment with upper secondary education and those with basic education or less earned on average much less (the former €1,364 and the latter €1,103).

Source: SORS, 28th of September 2017

Average monthly gross earnings of men in 2016 were much higher than average monthly gross earnings of women in both the private and public sectors, even though in the public sector women in paid employment (61.3 per cent) greatly outnumbered their male colleagues. In the private sector women earned on average €1,473 and in the public sector €1,806, which was 8.8 per cent (in the private sector) and 12.8 per cent (in the public sector) less than men in these two sectors. Average monthly gross earnings of women were quite close in both sectors for those with tertiary education (in the private sector €2,116 and in the public sector €2,163). The difference was slightly higher for women with upper secondary education and basic education or less. Women with upper secondary education earned on average about 8.0 per cent more in the public sector than in the private sector, while women with basic education or less earned on average about 6.1 per cent more in the private sector than in the public sector.

Average monthly gross earnings of men in the public sector were 28.1 per cent higher than average monthly gross earnings of men in the private sector. As regards the level of education, men in the public sector earned on average more than men in the private sector with the same level of education. Average monthly gross earnings of men with tertiary education employed in the private sector were on average 3.0 per cent lower than in the public sector, of those with basic education or less 8.6 per cent lower and of those with upper secondary education 14.1 per cent lower.

• Minimum wage (M12)

	2012 M12	2013 M12	2014 M12	2015 M12	2016 M12	2017 M12
Minimum gross wage (M12), in €	763.06	783.66	789.15	790.73	790.73	804.96

Source: Tax Administration of the Republic of Slovenia, 2017

• Actual weekly working hours

	2012 Q3	2013 Q3	2014 Q3	2015 Q3	2016 Q3	2017 Q3
Actual weekly working hours	32.7	32.0	No data	No data	No data	No data

Source: SORS, 2017

According to provisional data, in the 3rd quarter of 2017 persons in paid employment in Slovenia worked 272.0 million hours, which is 1.5 per cent more than in the same period in 2016. An increase in the total number of hours worked was observed also in the period from the 1st quarter of 2017 to the 3rd quarter of 2017, i.e. the total number of hours worked in this period was 2.0 per cent higher than in the same period in 2016.

In spite of the positive growth rate in the total number of hours worked, in the 3rd quarter of 2017 a person in paid employment in Slovenia worked on average fewer hours than in the 3rd quarter of 2016, i.e. a monthly average of 123 hours or 1.9 per cent less than in the same period in 2016. The main reasons for this were fewer working days and more annual leave hours used.

Compared to the 3rd quarter of 2016, the average monthly hours worked by a person in paid employment decreased in most activities, except in agriculture, forestry and fishing, in electricity, gas, steam and air conditioning supply and in water supply, sewerage, waste management and remediation activities.

Source: SORS, 5th of December 2017

In the July-September 2017 period the largest number of hours was worked by persons employed in construction: on average 138 hours per month or 15 hours more than the national average. Also, the share of hours worked in the number of paid hours was in this activity the highest among all the activities: 81.4 per cent. In contrast, the lowest monthly average of hours in this period was worked by persons employed in education: on average 109 hours per month.

Similar observations as for the 3rd quarter of 2017 apply also for the period from the 1st quarter of 2017 to the 3rd quarter of 2017.

As regards activities, the total number of hours worked in the 3rd quarter of 2017 increased the most compared to the same period in 2016 in water supply, sewerage, waste management and remediation activities (by 12.5 per cent), followed by transportation and storage (by 4.9 per cent). On the other hand, the largest decrease in the total number of hours worked in this period was recorded in financial and insurance activities (by 5.8 per cent).

• Regular work / atypical work

	2012 Q4	2013 Q4	2014 Q4	2015 (Q3)	2016 (Q3)	2017 (Q3)
Temporary employees as a percentage of the total number of employees	16.5	15.8	16.2	19.6	17.1	19.0
Part-time employment as a percentage of the total employment	9.3	9.2	10.4	10.3	9.2	10.4

Source: EUROSTAT, 2017

According to the data from Kramberger (2012) the central part of the Slovenian labour market, with full-time employment and permanent contracts, represents 60 per cent of the actual work positions. The other 40 per cent are part of the precarious jobs segment.

According to EUROSTAT data, in the 3rd quarter of 2017 the share of temporary employment in the Slovenian labour market was 19.0 per cent, which is higher than the EU 28 average, which stands at 14.4 per cent (Q2 2017). The biggest problem is the extremely high incidence of temporary employment among young workers. According to the same EUROSTAT data, 76.9 per cent of women aged 15-24 are working on temporary employment status (Q3 2017), which is almost more than twice the EU 28 average of 44.2 per cent (Q2 2016).

Slovenia has 10.4 per cent of its workforce aged 15-64 in part-time employment, which is lower than the EU 28 average of 19.5 per cent (Q2 2017). But the incidence of

part- time employment is, as mentioned, very high among young people between 15 and 24 years old – 34.2 per cent (Q3 2017), which is higher than the EU 28 average for that age group at 33.0 per cent (Q2 2017).

Another point of reference is that the use of TAW (temporary agency work) is getting more and more popular among employers. The number of registered temporary work agencies has fallen to 100 now due to new restrictions in 2014 through the changes in the Labour Market Regulations Act, but the number of people employed on or through TAW has soared from 6,801 in September 2013 to 18,710 in September 2016 (SORS).

Two additional things that must be mentioned are the falling share of people employed with labour contracts as a percentage of the active population in 2013 and 2014, and the rising combined share of other types of work (self-employment, student work) in the structure of the economically active population as shown in the table below.

SHARE IN STRUCTURE (%)	2008	2009	2010	2011	2012	2013	2014
Employed	80.9	78.9	77.7	78.1	79.6	78.7	77.4
Self-employed	9.9	10.7	12.4	12.6	12.2	11.9	12.7
Student work and other types of work	4.7	5.0	5.1	5.1	4.1	4.7	4.0

Source: Ministry of Labour Family, Social Affairs and Equal Opportunities, IMAD

- Migration

YEAR	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Immigration from abroad	30693	30296	15416	14083	15022	13871	13846	15420	16623	No data

YEAR	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Emigration to abroad	12109	18788	15937	12024	14378	13384	14336	14913	15572	No data

Source: SORS, 2017

- Human Development Index (HDI)

	2011	2012	2013	2014	2015	2016
HDI rank	21	21	25	25	25	No data
HDI value	0.884	0.892	0.878	0.88	0.89	No data

Source: UNDP, 2017

- GINI-coefficient (GC)

YEAR	2012	2013	2014	2015	2016
GC, EU 27	30.6	30.5	30.9	31	30.8
GC, Slovenia	23.7	24.4	25.0	24.5	24.4

Source: EUROSTAT, 2017

- Collective agreement coverage

Figures from the Slovenian national statistical office show that in September 2005 only four per cent of employees were covered by individual, rather than collective, agreements and these were senior management rather than 'regular' employees. (Worker Participation, 2017).³

³ <http://www.worker-participation.eu/National-Industrial-Relations/Countries/Slovenia/Collective-Bargaining>

- Ongoing important collective bargaining agreements – 2017

OFFICIAL GAZETTE NO.	DAY OF PUBLISHING	COLLECTIVE AGREEMENT	
5/2017	6 January 2017	Collective Agreement for Road Passenger Transport of Slovenia	Prolonged validity until 31.12. 2017
6/2017	10 January 2017	Collective Agreement for the Metal Industry of Slovenia	Increase in basic wages
6/2017	30 January 2017	Collective Agreement for Postal and Courier Services	Extended validity of collective agreement
12/2017	22 February 2017	Collective agreement for communal services of Slovenia	Increase in basic wages and bonuses
15/2017	13 January 2017	Collective agreement for construction sector	Ex post approach to collective agreement of Road management trade union
26/2017	8 March 2017	Collective agreement for private security activity	Ex post approach of Chamber of commerce of Slovenia into the collective agreement
15/2017	16 March 2017	Collective agreement for the activities of the acquisition and processing of non-metallic mineral ores of Slovenia	Increase in basic wages
16/2017	24 March 2017	Tariff part of collective agreement for doctors and dentists	Changes in occupational posts
22/2017	16 March 2017	Collective agreement for the activity of metal materials and foundries of Slovenia	Increase in basic wages
21/2017	13 April 2017	Collective agreement for public sector	Changes of specific allowance
27/2017	26 May 2017	Collective agreement for non-economic activities	Ex post approach into the collective agreement of FIDES trade union
35/2017	30 June 2017	Collective agreement of catering and tourism sector of Slovenia	Change in holiday allowance
38/2017	12 July 2017	Collective agreement for the real estate business	Extended validity of collective agreement
40/2017	10 July 2017	Collective agreement for retail sector of Slovenia	Changes of regulation of uneven distribution of working time; increase in basic wages
41/2017	14 July 2017	Collective agreement of the electric power industry of Slovenia	New collective agreement
45/2017	9 August 2017	Collective agreement of textile, clothing, leather and leather-processing activities of Slovenia	Ex-post approach of Chamber of Commerce into the collective agreement
46/2017	27 July 2017	Collective agreement for public sector	Changes of pay levels on orientation of working posts

Source: EUROSTAT, 2017

OFFICIAL GAZETTE NO.	DAY OF PUBLISHING	COLLECTIVE AGREEMENT	
46/2017	27 July 2017	Collective agreement for the activity of health and social care of Slovenia	Changes in pay levels and names of occupational posts
46/2017	27 July 2017	Collective agreement for employees in nursing care	Changes in pay levels
46/2017	27 July 2017	Collective agreement for State Administration, Administration of Judicial Bodies and Administration of Self-Governing Local Communities	Changes in pay levels
46/2017	27 July 2017	Collective agreements for the activity of education	Changes in pay levels
46/2017	27 July 2017	Collective agreement for cultural activities in the Republic of Slovenia	Changes in pay levels
46/2017	27 July 2017	Collective agreement for research activity	Changes of pay levels
46/2017	27 July 2017	Collective contract for compulsory social security	Changes of pay levels
46/2017	27 July 2017	Collective agreement for the activity of environment and space	Changes of pay levels
46/2017	27 July 2017	Collective agreement for agricultural activity	Changes of pay levels
46/2017	27 July 2017	Collective agreement for forestry activity	Changes of pay levels
52/2016	29 July 2016	Collective agreement for the paper and paper-manufacturing industry	Increase of bonuses and basic wages
58/2017	11 October	Collective agreement for Wood Processing of Slovenia	New collective agreement
58/2017	13 October 2017	Collective agreement for the electrical industry of Slovenia	Changes on regulation for home work, period of notice, daily or weekly rest, annual leave, education, work of trade union officials, workdays for less favourable working hours, food allowance, basic wages
	1 December 2017	Collective agreement of catering and tourism sector of Slovenia	Increase of basic wages

Source: Official Gazette of Slovenia, 2017

• Trade union density

According to available studies from the Centre for Public Opinion Research between 1991 and 2008 the overall trade union density fell from an "initial" 66.5 per cent to 26.6 per cent (as measured from February 2008). The drop of trade union density was significant in the period after joining the EU – it fell from 43.7 per cent in 2003 to 26.6 per cent in

2008 (Stanojević, 2009). In absolute numbers the biggest trade union, ZSSS, has 160,000 members according to 2016 numbers. According to the 2013 data from Centre for Public Opinion Research, the overall trade union density in Slovenia has fallen to 22 per cent (Stanojević, 2014).

• Employers' organizations density

Available public data indicates that the Employers Association of Slovenia has 1,400 members, which are organised in 11 sections. The Chamber of Commerce and Industry has around 6,400 members⁵ and the Chamber of

Crafts and Small Businesses has about 30,000 members.⁶ The Chamber of Commerce of Slovenia has about 5,700 members.⁷

⁴ <http://www.zds.si/si/zds/predstavitev/>

⁵ Taken from the members register

⁶ <http://www.delo.si/gospodarstvo/podjetja/trideset-tisoc-clanov-vidi-prednosti-ozs.html>

⁷ Full register of its members available at: http://www.tzslo.si/pic/pdf/objava_clanov-2013.pdf

• Workplace representation

Both a trade union in the workplace and a Works Council provide workplace level representation in Slovenia. Both have information and consultation rights, although the Works Council's rights are more extensive and only the union can undertake collective bargaining. Employees at the workplace are represented both through their local union structures and, in workplaces with more than 20 employees, with a Works Council. In practice, council members are frequently trade union activists, although the extent of trade union involvement varies from industry to industry. The Works Council legislation dates from 1993 and draws heavily on the experiences in Germany and neighbouring Austria. Figures from 2004 suggest that around two-thirds of larger companies have Works Councils. However, difficulties continue in their operations.

In particular, where there are differences with the employer, it can take a long time to get issues to arbitration. The unions themselves set the numbers and structures of trade union representatives at the workplace. The arrangements for Works Councils, however, are set out in legislation. Employees can set up a Works Council in any company with more than 20 employees. Works Councils in Slovenia are set up on a company rather than a plant basis. In companies with 20 or fewer employees, there is the right to set up a workers' trustee. The right to set up a Works Council was extended to businesses that are not companies – such as sole traders – by the 2007 Workers' Participation Act. However, in these cases the lowest threshold is 50 employees.

The size of the Works Council varies according to the number of employees as follows:

Number of employees	Number of Works Council members
21-50	3
51-100	5
101-200	7
201-400	9
401-600	11
601-1,000	13

There are then an extra two members for each additional 1,000 employees. The Works Council, which is composed entirely of employees, should elect a chair and a deputy chair and it can set up specialised committees to cover issues of particular interest to certain groups of workers. These can be broad groups like women or younger workers, but they can also cover particular parts of the company's business. They can also draw in employees other than the elected members of the Works Council (Worker Participation, 2010).

- Trade unions

Trade Union confederation / association	Number of members	Member of international trade union organisations
Zveza svobodnih sindikatov Slovenije - ZSSS (Association of Free Trade Unions of Slovenia)	160,000 (2016)	European Trade Union confederation - ETUC
Konfederacija sindikatov javnega sektorja - KSJS (Confederation of Public Sector Trade Unions)	73,421	
Konfederacija sindikatov Slovenije PERGAM (Confederation of Trade Unions of Slovenia PERGAM)	19,000 (2008)	UNI global unions IndustriaAll
Konfederacija sindikatov 90 Slovenije – KS 90 (Confederation of Trade Unions 90 Slovenia)	No data available	No data available
NEODVISNOST, Konfederacija novih sindikatov Slovenije (Neodvisnost, Confederation of New Trade Unions of Slovenia)	19,000 (2008)	No data available
Slovenska zveza sindikatov ALTERNATIVA (Slovenian Association of Trade Unions Alternativa)	3,100 (2008)	No data available
Zveza delavskih sindikatov Slovenije – SOLIDARNOST (Association of Workers Trade Unions of Slovenia Solidarnost)	3,100 (2008)	No data available
Zveza reprezentativnih sindikatov Slovenije (Association of Representative Trade Unions of Slovenia)	No data available	No data available

Source: internal data, EUROFOUND

Within the scope of its powers arising from the Representativeness of Trade Unions Act (Official Journal of RS, No. 13/1993) and based on the evidence of meeting the conditions stipulated by the legislation, the Ministry of Labour, Family and Social Affairs issues decisions on trade union representativeness for trade union associations or confederations and for independent trade union representatives within their industry, sector, occupation, municipality or broader local community. Currently, the list of representative trade unions comprises 50 representative trade union confederations, associations and autonomous trade unions. Eight of these trade union associations are representative at the national level (see respective table). Overall, there were 2,756 registered trade unions in Slovenia in 2016 (AJ PES, 2016).

Two of the biggest trade unions are Sindikat kovinske in elektro in industrije (Trade Union of Metal and Electrical Industry – SKEI), which is a member of ZSSS and Sindikat vzgoje in izobraževanja (Trade Union of Education – SVIZ), which is a member of KSJS. SKEI has approximately 27,500 members (2016) and is a member of international trade union organization IndustriAll. SVIZ has 39,127 members and is a member of international trade union organization Education International.

- Employer's organizations

Employer's organisation	Number of members	Member of international employer's organisations
Združenje delodajalcev Slovenije - ZDS (Employers Association of Slovenia)	1,400	BUSINESS EUROPE
Gospodarska zbornica Slovenije - GZS (Chamber of Commerce and Industry of Slovenia)	ca. 6,400 ⁸	A.I.E.C.E. (Association d'Institutes Economiques de Conjoncutre Economique) EUROCHAMBRE I.C.C (International Chamber of Commerce)
Obrtno podjetniška zbornica Slovenije - OZS (Chamber of Crafts and Small Businesses of Slovenia)	30,000	No data available
Trgovinska zbornica - TZS (Chamber of Commerce of Slovenia)	ca. 5,700 ⁹	Section of direct sales is a member of FEDSA - Federation of European Direct Selling Associations Section of Slovenian franchise companies is a member of EFF - The European Franchise Federation
Združenje delodajalcev obrti in podjetništva - ZDOPS (Association of Crafts and Small Business Employers)	No data	European Economic and Social Council - EESC (representative)

Source: Websites of employers' organisations

⁸ Full register of its members available at: <http://www.gzs.si/slo/57043>

⁹ Full register of its members available at: http://www.tzslo.si/pic/pdf/objava_clanov-2013.pdf



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