



# Slovenia: Developments in working life 2016

[Developments in working life in Europe:  
EurWORK annual review 2016](#)

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**Eurofound reference number:** WPEF17032

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## Political context affecting working life aspects

No information.

### The government(s) in office during 2016

<b>Government 1</b>	
In office since / to	Since 18 <sup>th</sup> September 2014
Name of the head of government (prime minister / chancellor / ...)	Prof. dr. Miro Cerar
Name all the parties that are forming this government	Modern Centre Party (SMC) Democratic Party of Pensioners of Slovenia(DESUS) and Social Democrats (SD)
List the changes in the composition of the government in 2016	None

### Elections and referenda

There were no elections or referendums in Slovenia affecting working life issues in 2016.

### Forthcoming significant elections or political events in 2017

Presidential elections and elections to the National Council (Državni svet) will be hold in Slovenia in 2017.

### Reactions from the social partners on new government's working life policies

Not applicable

## **Developments in social dialogue and collective bargaining 2016**

### **Major developments in national/peak-level social dialogue 2016**

#### *Changes affecting the social dialogue actors and institutions in 2016*

##### **Representativeness**

Ministry of Labour, Family, Social Affairs and Equal Opportunities end of June prepared a proposal of legislation amendments to the representativeness of trade unions. They propose a more strict regulation of the representativeness for trade union confederations as well as for occupational trade unions, sectoral and company trade unions. For trade unions, which are not members of associations or confederations, the Government proposes representativeness of at least 30 instead of the current 15 per cent of workers in the industry or profession for at least six months. In doing so, they take into account only those activities or professions under the first and second groups using the standard classification of activities.

The present law on representativeness now allows a large number of trade unions to negotiate for collective agreements and this, at least in the public sector, where 40 different representative public sector trade unions negotiate with the Government, prevents the ongoing negotiations.

The largest trade union confederations (ZSSS, Pergam, KNSS, Alternativa, Solidarnost, KS-90, KSJS) are against this proposal from the Government and in a common response propose the introduction of criteria for representativeness also for the employer organisations.

##### **Major developments affecting the main actors**

Social partners started year 2016 with a decreased social dialogue capacity after all employer organisations (Association of Employers of Slovenia (ZDS), Chamber of Commerce and Industry of Slovenia (GZS), Slovenian Chamber of Commerce (TZS), Chamber of Craft and Small Businesses of Slovenia (OZS) and Slovenian Employers' Association of Crafts (ZDOPS) withdrew from a Social Agreement for 2015-2016. This happened after the unions pushed through legislative changes which increased the minimum wage. This influenced the social dialogue and negotiations during the whole year 2016.

##### **Legislative or institutional changes to the main social dialogue institutions**

Slovenian Government and social partners in December 2016 signed new rules regarding the functioning of the main national body for social dialogue, the Economic and Social Council of Slovenia (ESSS), by introducing a collegium of ESSS, composed of the current president and two representatives of both social partners, responsible for organising the work of the Economic and Social Council. To decide on a specific matter, ESSS can organize a negotiation group and three expert committees, which can independently deal with social dialogue issues, accept different opinions, recommendations and attitudes on the issues discussed.

#### *Changes in the social dialogue processes*

No changes.

*Main social dialogue topics and outcomes in 2016*

Themes	Description of issue	Main result
<b>General labour market topics</b>		
Job creation, reduction of unemployment	No (major) issues debated in this area.	
Active labour market policies	Social partners debated about better working conditions, as part of the document on <a href="#">Decent work</a> , presented by the Ministry of Labour in March 2016.  Labour Market Regulation Act was inconsistent with EU legislation.	Debate to be continued  Amendments to the legislation passed.
Benefits (unemployment, sickness schemes)	Social partners debated the health reform, trade unions fear that the situation regarding sickness benefits could worsen.	Debate to be continued
Taxation and non-wage related labour costs	Trade unions (ZSSS) demanded from the Government to decrease the tax burden of the lowest wages, Christmas bonuses and 13 <sup>th</sup> wages and increase the corporate tax rate again from 17% since 2013 to 19%.  More: <a href="http://www.zsss.si/pricakovanja-zveze-svobodnih-sindikato-slovenije-v-letu-2016/">http://www.zsss.si/pricakovanja-zveze-svobodnih-sindikato-slovenije-v-letu-2016/</a>	Legislation passed: The new Personal income tax ( <a href="#">Zakon o spremembah in dopolnitvah Zakona o dohodnini (ZDoh-2R)</a> UL št. 63, 7. 10. 2016)  From January 2017 the progressivity of taxation has been increased, 5 tax brackets instead of previous 3.  Taxation of Christmas bonuses/13 <sup>th</sup> wages was decreased as well.
Pension reforms	In April 2016, the Slovenian Government prepared a White Book on pensions. The Slovenian tripartite Economic and Social Council has established a working group, which meets regularly and tries to find a consensus regarding the White Book proposals (ESPN Flash Report 2016/47).	In progress
Labour market participation of different groups	In the context of decent work, trade unions demanded greater control over working conditions for precarious workers and proposed amendments to the Law on Labour Inspection.	Status quo

<b>Working life related themes</b>		
Wage setting systems, including the setting of minimum wages	End of 2015, all trade union confederations prepared amendments to the Minimum wage act and put it into the legislation procedure. The law was passed unanimously and changed the definition of the minimum wage. The supplements for Sunday work, night work and work on holidays are since January 2016 excluded from the minimum wage and paid extra and above the minimum wage.	Employer organizations withdrawn from the <a href="#">Social Agreement 2015-2016</a> after the trade unions put the minimum wage act into the parliamentary procedure.  <u>Zakon o dopolnitvi Zakona o minimalni plači (ZMinP-A)</u> The Minimum wage act (Official Gazette 92/2015; 4 December 2015).
Working time regulations	Trade unions warn that in some sectors (like catering), the employers continue with poor organization of working time.	Debate to be continued
Terms and conditions of employment, including different forms of contracts	No (major) issues debated in this area.	
Health, safety and well-being at work	No (major) issues debated in this area.	
Work-life balance related themes, incl. family leaves	ZSSS demanded the abolishment of austerity measures in connection with parental protection and family benefits (reduced wage compensation for parental/paternity leave from 100% to 90 %...).	Status quo
Skills, training and employability	No (major) issues debated in this area.	
<b>Any other relevant themes/topics addressed in the national level/peak level social dialogue</b>	no	

### *Examples of selected significant social dialogue debates*

#### **Re-definition and increase of the minimum wage**

Slovenian minimum wage was in the past defined as a salary for full time and as such included all extra payments for working conditions (that is conditions related to the distribution of working time - for Sunday work, night work, work on holidays, as well as related to special burdens at work, unfavorable environmental influences, to tenure, performance etc...). Only overtime was excluded and added to the full minimum wage. This was for many years seen as problematic, since it caused unequal treatment of workers who

worked at night, on Sundays or on holidays and were paid the same as worker who did not work in these special conditions. In 2015, amendments to the minimum wage act were prepared and put it into the legislation procedure. Minimum wage was re-defined and since January 2016, the supplements for Sunday work, night work and work on holidays are excluded from the minimum wage and are paid extra and above the minimum wage. Due to deflation in 2015, the minimum wage in 2016 remained on the same level, which is 790.73 EUR (Official Gazette 6/2016, 29.1.2016). In 2017 the minimum wage was increased by 1.8 % to 804.96 EUR (Official Gazette 4/2017, 27.1.2017).

### **Changes to the income tax legislation in favour of the lowest wages, Christmas bonuses and 13<sup>th</sup> wages**

The largest trade union confederation, Association of Free Trade Unions of Slovenia (ZSSS), in 2016 proposed to the Government to decrease taxation burden of wages and to increase net wages. They put special focus on the lowest wages and on middle income class (engineers, etc. which lost the most due to the crisis). Trade unions were successful in their demands and achieved the increase of the progressivity of taxation as well as net middle incomes. Now, there are 5 tax brackets from the previous 3. ZSSS also managed to decrease the taxation of Christmas bonuses/13<sup>th</sup> wages, where now only social contributions have to be paid. Trade unions as a compensation proposed an increase of the corporate tax rate. Slovenia has one of the lowest effective taxation rates on company's profits. The corporate tax rate was in 2006 reduced from 25 % to 17 % in 2013. Now, after this reform, it will be increased again to 19 %.

### **Sectoral and company level social dialogue 2016**

*Main developments - other than wages and working time - from important collective agreements or bargaining rounds*

See below

#### *Examples of innovative collective agreements (at any level) made during 2016*

Trade union confederation ZSSS (as partner) and Association of Employers of Slovenia (ZDS, as a member of consultancy panel) participated in the project "Fathers and employers in action" (2015-2016) to introduce the topic of work-life balance of men and the obstacles they encounter in the process. During the project, trade unions proposed different solution for a better implementation of fathers' rights, as part of collective agreements, like work from home and additional rights for parents. But the employers did not accept trade union's proposals as an innovative element of collective agreements.

ZSSS has been for some time now trying to include the Declaration on zero tolerance for mobbing in the collective agreements, but employers are not in favor, they prefer that collective agreements only mention the workers' right for informing and awareness raising against mobbing at the workplace.

## **Policies and actions to address pay-inequalities**

### **The recent public debate on pay gaps at the workplace**

See below

### **Positions regarding the posted workers directive**

#### *Positions of trade unions*

Association of Free Trade Unions (ZSSS) on the other hand supports the adoption of the posted workers act, since it will enable the regulation of relatively unregulated area of posting of workers abroad in the context of cross-border services. ZSSS also welcomed the introduction of more transparent procedures for supervision of companies that post workers to work abroad as well as workers from abroad to work in Slovenia.

#### *Positions of employers organisations*

Only the Association of Employers of Slovenia published an official stance: it supports the principle of equal pay for posted workers, but finds the principle of secondary liability excessive and the conditions that the undertaking performs substantial activities in country from which it posts the workers as burdensome. ZDS also warned that any more strict determination of conditions, as provided for by the directive itself, could have a negative impact on the operations of those employers who supply their services abroad, as well as international corporations.

#### *Position of the government*

Slovenian Government supports the proposal on equal payment of posted workers, including in situations of subcontracting, rules on temporary agency workers, determination of the duration of posting and publication of information regarding wages components, but has at the same time examination reservation. The Government argues that the present proposal does not define in detail what the concept of “payment for work” consists of, since this can affect the competitiveness of companies in the EU. Slovenian Government also proposed revision of the 96 directive along with the revision of regulations on social security. The revision of the 96 directive should also derive from the evaluation of the effects of the 67 directive on the implementation of the 96 directive, which is still in the process of implementation to the national legislation. The European Commission recently sent the Slovenian Government a reminder to implement the proposed directive on posted workers to the national legislation, so on 17<sup>th</sup> February the National Assembly adopted “Posting of Workers Act”, which will be in force since 1<sup>st</sup> January 2018.

### **Pay gaps at the workplace**

#### *Evidence*

The [Institute for Labour Law](#) together with social partners (trade union confederation ZSSS and employer association ZDS) as part of the project [Gequal](#) in period 2015-2016 analysed 20 of the most important sectoral collective agreements focusing also on pay in-equalities at the workplace. The analysis showed that some sectoral collective agreements (*for metal sector, electrical Industry and metal products and foundry industry*) already include provisions on the employer’s obligation to inform the representative trade union at least once a year about the employment policy, including protection against discrimination at the workplace, wage system and the amount of payed wages. The employer provides data on payed wages according to the tariff classes, so trade union can compare whether the wages payed are in line with the sectoral collective agreement.



Other sectoral collective agreements (CA for the textile, clothing and leather industry in Slovenia and CA for the Slovenia's Industry of Extraction and Processing of Non-metallic Minerals) on the other hand include provisions on the employer's obligation to provide the representative sectoral trade union data on the lowest, highest and average basic and payed wages by tariff classes. The employers are obliged to provide also data on the number of all employees and the number of employees by different tariff classes in order to analyse the elements of wages at sectoral level, including pay gaps between the payed wages and wages determined by the sectoral collective agreements.

However, monitoring of pay inequalities at the workplace is in some sectors a long-standing practice. Sectoral social partners have included clauses regarding employers' obligation to provide wage data to trade unions in the above mentioned sectoral collective agreements already in the past.

National statistics ([SORS 2016](#)) show that average monthly gross earnings of women in 2015 were 94.0% those of men, which means they were on average EUR 101 lower (average gross earnings of men amounted to EUR 1,695 and of women to EUR 1,594). Women were in prominent majority in human health and social work activities (almost 81%) and in education (over 80%). In human health and social work activities gross earnings of women were on average 24.3% lower than gross earnings of men, while the median of gross earnings was lower by 10.7%. The reason for this difference was mainly in a different structure as regards the occupation, since approximately 19% of men and only 7.5% of women in this activity were medical doctors. It was similar in education, in which almost 19% of men and only 4% of women were university and professional higher education teachers and assistants.

Labour inspectorates do not monitor pay inequalities at the workplace.

#### *Policies to address pay inequalities at the workplace*

There were no legislative and non-legislative policies in 2016 adopted to address pay inequalities at the workplace.

#### *Social partner's involvement in addressing pay inequalities at the workplace*

The Association of Free Trade Unions (ZSSS) recently proposed to the Ministry of Labour, Family, Social Affairs and Equal Opportunities to monitor pay – inequalities in the public sector between men and women, when comparing the same occupation and same tariff (wage) class. The Ministry accepted the proposal positively, but it needs to be seen how this will be incorporated in the public sector collective agreements in the future.

## Promoting the reconciliation of working families and caregivers

### Recent policies

The new Parental and Family Benefit Act from 2014 included measures to more equally distribute parental protection and childcare between both parents. While the length of the paid maternity leave remains the same (105 days), the parental and paternity leave has been amended. Paid parental leave is an individual right of each parent, which last 130 days. The mother can transfer 100 days of parental leave to the father (30 days cannot be transferred) while the father can transfer all 130 days of his parental leave to the mother. The fathers are entitled to 30 days of paid paternity leave; nevertheless, the act foresees a delay in the implementation of the novelty. This duration will be achieved gradually – in 2015 fathers were therefore entitled to 15 days of paid leave and 75 days of unpaid leave (the state covers social security contributions based on the minimum wage); in 2016 to 20 days of paid, 50 days of unpaid days; in 2017 to 25 days of paid, 25 days of unpaid days of paternity leave, in 2018 to 30 days of paid paternity leave. In accordance with the above mentioned law, paid paternal leave in 2017 will be extended from 20 to 25 days, while unpaid parental leave will be reduced from 50 to 25 days. The right is not transferable to the mother, if not used it is lost. These changes will apply to fathers who want to benefit from their right to paternal leave for the first time and until the child reaches the age of three.

The act also introduced wage compensation during the breastfeeding break, to which mother with full-time employment are entitled up to 9 months of the age of a child. Mothers who are breastfeeding a child from the age of 9 months up to 18 months of a child, the state covers social security contributions based on the minimum wage during the breastfeeding break. The break amounts to one hour per day for the child under the age of 9 months, while for the child up to 18 months the length of breastfeeding break is not determined. There are no specific requirements how these breaks can be availed of.

### *Rights to request special working time arrangements, place of work etc.*

The [Institute for Labour Law](#) at the Faculty of Law with collaboration with social partners, ZSSS (The Association of free trade unions of Slovenia) and Employers' organization ZDS developed a [model](#) within the [GEQUAL project](#) during 2015-2016 for clauses on work-life balance and gender equality areas to facilitate inclusion of this topic into collective bargaining and collective agreements. The model includes 25 model clauses on reconciliation and leave, flexible working time arrangements, active fatherhood, gender pay gap, measures that facilitate return from parental leave or other long-term absence amongst others.

### The role of collective agreements

No other “hard” data on a bigger sample of CA exists, only analysis of the 20 most important sectoral CA in the context of GEQUAL project.

Sectoral collective agreements in Slovenia typically include the following clauses, which support the work-life balance: adjusting working hours to family obligations (40% of collective agreements); the rights of fathers (40% of collective agreements); place of work (60% of collective agreements); annual leave (65% of collective agreements) and absence from work due to family obligations (90% of collective agreements). Most sectoral agreements have regulations that give employee the right to (un)paid time off in connection with certain family responsibilities or personal reasons. Which activities that are included, may differ, but typically include paid days to take care of a child or other family member that is ill or needs constant care and help, death and funerals of family members, wedding, moving to another apartment, seeking medical help other personal occurrences. The leave is restricted in number of days for each activity and in total days a year, ranging from one to a few days. The vast majority of collective agreements also regulate additional unpaid leave for above-

mentioned reasons and can be taken when the paid options have run out. (85- 90 % of sectoral collective agreements).

80 % of sectoral collective agreements include paid leave for fathers in connection with childbirth, the father is given up to three days off work when the child is born, paid by the employer.

Majority of collective agreements (60%) contains also a provision, that limits posting of workers due to taking care of a small child (up to 3/5 years of age of a child) to work in another place . Some collective agreements regulate flexible working time arrangements (the possibility to avail of more flexible working time arrangements due to family responsibilities/part-time work, limiting overtime work, work on Sundays, at night and Statutory holidays for workers who are taking care of a small child) (40 % of sectoral collective agreements).

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