



# Slovakia: Developments in working life 2016

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

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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	From 4 April 2012 to 5 March 2016
Name of the head of government (prime minister / chancellor / ...)	Mr Robert Fico
Name all the parties that are forming this government	Social-democratic party SMER - SD formed a single-party government.
List the changes in the composition of the government in 2016	There were no changes.
Additional comments	None
<b>Government 2</b>	
In office since / to	From 26 April 2016 till now
Name of the head of government (prime minister / chancellor / ...)	Mr Robert Fico
Name all the parties that are forming this government	Four political parties: SMER -SD, Slovak National Party (SNS), Most-Hid (the Bridge) and Siet (the Net) formed the government.
List any changes in the composition of the government in 2016	The Minister of Transport, Construction and regional Development Mr Roman Brecely nominated by party Siet was replaced by Mr Arpad Ersek from Most-Hid party.
Additional comments	Due to internal disputes in the Siet, some members left the party and are operating as independent MPs. As mentioned above, the changes impacted also the composition of the government.

### Elections and referenda

<b>Election 1</b>	
When did the elections take place?	5 March 2016
What kind of election it was? (parliamentary / presidential / referendum / local / ...)	Parliamentary
Outcomes of the election (mention also % of the votes)	SMER-SD – 28.3%, SAS (Freedom and Solidarity) – 12.1%,

achieved by the major participants in the election)	OLANO-NOVA (Common People and Independent Personalities) – 11.0%; LS Nase Slovensko (People Party Our Slovakia) – 8.0%; SNS – 8.6%, SME RODINA (We Are a Family) – 6.6%; MOST-HID – 6.5%, SIET – 5.6%; KDH (Christian-Democratic Movement) – 4.9% SMK (Hungarian Community Party) – 4.0%. Above parties obtained considerable share of votes but the last two of them did not enter the Parliament.
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### **Forthcoming significant elections or political events in 2017**

In autumn 2017, regular elections of chairs and representatives of the Regional self-governments (so called Higher Territorial Units -VUC) will take place.

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

The new government is led by social democrats (SMER-SD), which formed the previous single-party government. The previous government implemented several changes favourable to employees, which positively responded to the demands of the trade unions. For instance, amendments to the Labour Code and to the act on collective bargaining. As they experienced positive experiences with the previous government, trade unions are expecting similar outcomes from the new government. On the other hand, employers' representatives were not satisfied with the policy of the previous government. However, as the new government announced a more employer-friendly policy, the reaction from the employers is set in a more confident position.

## **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**

Representativeness of trade unions in the context of collective bargaining is not assessed. Representativeness of social partners is applied only to the national tripartite Economic and Social Council (HSR). According to the HSR statute, peak employer organisations involved in tripartite consultations need to represent employer associations of which members are active in several regions in the country and their member companies shall employ at least 100,000 employees in total. Peak trade unions have to associate trade union associations with at least 100,000 employees as well. Employers and trade unions are equally entitled to one seat at the HSR for every 100,000 employees represented by them. In 2016, there were no changes in the representativeness.

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

In peak- national level organisations of social partners Confederation of Trade Unions (KOZ SR), Federation of Employer Associations (AZZZ SR), National Union of Employers (RUZ

SR) and Association of Cities and Municipalities (ZMOS) was one significant change. In 2016, employer organisations from the industry affiliated to the AZZZ SR and RUZ SR left these organisations and established a new peak employer organisation - the Association of Industrial Unions ([APZ](#)). However, only AZZZ SR, RUZ SR and ZMOS represented the employers in tripartite social dialogue at the HSR in 2016. Regarding social partners' membership, minor decrease took place in trade unions affiliated to the KOZ SR and employers affiliated to the RUZ SR. No information is available on changes in membership of AZZZ SR and ZMOS.

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

There were no relevant changes.

### Changes in the social dialogue processes

There were no relevant 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	The issue mentioned below also concerns the reduction of unemployment.	
Active labour market policies	On 12 December 2016, the tripartite <a href="#">Economic and Social Council</a> (HSR) discussed changes in support to the labour market mobility and in provision of benefit in the material need.	Tripartite consultations resulted in the approval of the proposed amendments to the Act No. 5/2004 on employment services and Act No. 417/2013 on assistance in the material need.
Benefits (unemployment, sickness schemes)	On 12 December 2016, the <a href="#">Economic and Social Council</a> discussed changes in the provision of parental benefits.	Consultations resulted in the approval of the proposed amendments to the Act No. 571/2009 on parental benefit.
Taxation and non-wage related labour costs	On 15 August 2016, the tripartite <a href="#">HSR</a> discussed changes in corporate and income taxation.	Consultations resulted in the approval of proposed amendments to the Act No. 595/2003 on income taxation and other laws.
Pension reforms	On 15 August 2016, the <a href="#">HSR</a> discussed changes in the indexation of pensions.	Consultations resulted in the approval of proposed amendments to the Act No. 461/2003 on social insurance.

Labour market participation of different groups	The above mentioned labour market policy issue may concern also this topic.	
<b>Working life related themes</b>		
Wage setting systems, including the setting of minimum wages	On 4 October 2016, the <a href="#">Economic and Social Council</a> discussed the proposal of the Government Decree on the minimum wage for 2017.	Consultations resulted in the approval of proposed Government Decree.
Working time regulations	On 15 August 2016, the <a href="#">HSR</a> discussed changes in the working time of employees inland water transport.	Consultations resulted in the approval of proposed amendments to the Act No. 462/2007 on organization of working time in transport and amendments to other laws.
Terms and conditions of employment, including different forms of contracts	On 15 August 2016, the <a href="#">Economic and Social Council</a> discussed changes in the civil service.	Consultations resulted in the approval of proposed amendments to the Act No. 400/2009 on civil service.
Health, safety and well-being at work	<p>On 27 June 2016, the <a href="#">HSR</a> discussed the actual situation in Occupational Health and Safety in Slovakia.</p> <p>On 19 September 2016, the <a href="#">HSR</a> discussed the Information on proposed changes in ensuring the occupational health services at the employers</p> <p>On 4 October 2016, the <a href="#">HSR</a> discussed the proposal of OHS Strategy for 2016-2020 and the Programme of its implementation.</p>	<p>Consultations assessed implementation of the Strategy of OHS in Slovakia till 2020 and the Programme of its implementation in 2013-2015.</p> <p>Consultations approved the Information submitted by the health Ministry.</p> <p>Consultations approved the Strategy and assigned duties for the central state administration.</p>
Work-life balance related themes, incl. family leaves	No major issues were debated in this area.	
Skills, training and employability	No major issues were debated in this area.	

<b>Any other relevant themes/topics addressed in the national level/peak level social dialogue</b>		
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### *Examples of selected significant social dialogue debates*

#### **New conditions for the performance of civil service.**

The proposed amendments to the Act No. 400/2009 on the civil service are aimed at the improvement of civil service including its higher effectiveness in Slovakia. The amendments reflect experiences with the performance of civil service since 2009 and responds to the recommendation of the EU specified in Slovakia's Partnership Agreement for 2014-2020.

In order to increase the quality of civil service, the Council for the Civil Service will be established. The Council operates as an independent coordination and monitoring body. It will safeguard the civil service principles, keeping the Ethics Code of a civil servant. Civil service principles include: recruiting personal, stability of their employment, career development, performance assessment and remuneration. The legislation is based on political neutrality, justice, transparent employment and equal pay, effective management of civil servants, impartiality, professionalism, stability and equal treatment.

Amendments to civil service legislation proposed by the government were discussed by social partners at the meeting of tripartite Economic and Social Council (HSR) on 15 August 2016. After a constructive discussion, the proposed amendments were approved by social partners without any major objections. HSR recommended the government to approve the proposed changes in the civil service legislation and submit the bill to the Parliament.

Social partners responded positively to the proposed changes. The ZMOS and RUZ SR did not have any objections. AZZZ SR considered the proposals. Representatives of employers pointed out negative impacts on public finances and positive impacts on performance of the civil service. Trade unions (KOZ SR) had a serious objection regarding the proposed length of service, which would be used for determining the remuneration of civil servants, and proposed to amend this section of legislation.

#### **Higher minimum wage for 2017.**

In May 2016, the Confederation of Trade Unions (KOZ SR) proposed to increase the monthly minimum wage for 2017 by €37 – from €405 to €442. Representatives of peak employer organisations – the National Union of Employers (RUZ SR) and the Federation of Employer Associations (AZZZ SR) did not agree with the proposed increase of minimum wage. They tried to find a compromise with KOZ SR by a lower increase (AZZZ SR) and by implementation of new mechanism of setting the minimum wage level (RUZ SR). Nevertheless, social partners were not able to agree on commonly acceptable compromise by the legally required deadline (15 July).

According to the valid mechanism of social dialogue on the minimum wage, social partners submitted individually their proposals to the Ministry of Labour Social Affairs and Family (MPSVR SR).

On 15 August 2016, the MPSVR SR submitted its proposal to increase the monthly minimum wage to €435 at the meeting of tripartite Economic and Social Council (HSR). Despite of the effort of social partners and the government to find a compromise, consultations at the HSR failed. On 4 October 2016, the MPSVR SR submitted the proposal of the Government Decree increasing the monthly and hourly minimum wage for 2017 to €435 and €2.54 respectively to the HSR meeting. The government approved the Decree on 12 October 2016, and the minimum wage for 2017 enters into effect on 1 January 2017.

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

The main change related to collective bargaining practice concerned the extension of sectoral multi-employer collective agreements. In March 2016, the Constitutional Court decided that the existing form of extensions is not in compliance with the constitutionally acceptable mode of law making. The government prepares related amendments to the legislation but they were not adopted till the end of 2016. There were no extensions implemented in Slovakia in 2016.

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

No information is available on such relevant developments.

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

On 1 December 2016, the [Multi-employer collective agreement for public servants for 2017](#) was concluded. Negotiations with the government were tough because the trade unions demanded much more than the government could accept (employers were represented also by regional governments and the ZMOS). For instance, the trade unions demanded 10% increase of salary tariffs, shorter working time and longer paid holiday. Another problem concerned the salary increase of pedagogic and professional employees and university teachers who were not satisfied with the previous increases in 2016. Because of these disagreements, the Trade Union Association representing employees in the education sector ([OZPSaV](#)) initially refused to sign the collective agreement for 2017. The disagreement was resolved by an unusual separate agreement (compromise) with the government on supplementary salary increases in 2017 and 2018. They were defined in the [Memorandum on adjustment of salaries of civil and public servants](#). The Memorandum was also signed on 1 December 2016 and is effective till 31 December 2018. For instance, according to the Memorandum, civil servants' and public servants' salaries will further increase by 2% in the period from 1 September to 31 December 2017. Nevertheless, the Memorandum does not cover the employees in the education sector of which salary increase is subject of separate negotiations in progress.

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

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

With the exception of pay inequalities of posted workers, there was no major public debate on pay gaps at the workplaces in Slovakia.

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

From 26 April to 3 May 2016, the government managed the procedure of [multi-sector commenting](#) of the Proposal of ordinary preliminary standpoint regarding the proposal of targeted revision of posted workers directive. The outcomes of the commenting have been submitted to the European Affairs Committee of the Slovak Parliament.

[On 10 May 2016, the Committee](#) adopted the Resolution to the targeted revision of the posted workers directive. In the Resolution, the Committee approved the reasoned opinion in which, it respects the necessity to maintain fair competition conditions for providers of services. But the Committee do not find useful to shrink the competition conditions to wage level harmonisation only. In the view of the Committee, the utilisation of different wage levels in the Member States, as a competitive advantage in case of posting workers, has never been considered as a kind of discrimination. On the contrary, it was considered as a part of the market economy. To avoid legal uncertainty, the Committee would welcome an all-european discussion on the definition of terms social dumping and discrimination in remuneration.

The positions of social partners and the government were following:



### *Positions of trade unions*

The Confederation of Trade Unions ([KOZ SR](#)) supports the implementation of equal pay for equal work principle in the remuneration of posted workers. KOZ did not issue any position paper on its own, but as part of the above mentioned „multi-sector commenting“ it said that its view corresponds with the ETUC view.

### *Positions of employers organisations*

According to a short comment by the Federation of Employer Association ([AZZZ SR](#)), Slovak entrepreneurs are afraid that implementation of the posted workers directive will harm their business. Implementation of the Directive will increase not only the labour costs but also the paperwork that will threaten their competitiveness. Combination of those factors with excessive operational costs can lead to mass dismissals. Expatriate workers could earn more. Companies are not in favour of the European directive [according to employer representatives](#) (in Slovak).

### *Position of the government*

[According to the government](#), it is debatable whether implementation of equal pay for equal work principle itself to posted workers will improve the functioning of united EU market in the field of free provision of services. Qualified and cheap workforce is a competitive advantage of Slovak service providers in the EU market. Implementation of the Directive will increase the costs of entrepreneurs – wage costs as well as compulsory contributions to Social Insurance Agency of posted workers. Higher costs will concern also SMEs, which are mostly posting workers to other EU Member States, running their business in industry, construction, transport and social services. Higher costs can harm their business. Diminishing the role of wages in the economic competition can decrease the competitiveness of companies based in Member States with lower wages and operating mainly in labour demanding sectors, like construction.

## **Pay gaps at the workplace**

### *Evidence*

On 7 July 2016, the government approved the *Summary Report on the state of gender equality in Slovakia in 2015* with a special focus on the gender pay gap. The Summary report identifies the main issues of gender equality in Slovakia and provides figures on available gender equality indicators and compares them to European indicators. The Report 2015 focuses on the analysis of the gender pay gap. This focus is based on the recommendations of tripartite HSR as of 29 June 2015, which was articulated by trade union representatives at the occasion of the discussion of the previous Report on gender equality in 2014. Gross monthly earnings gender gap in 2015 reached 22.33% to the detriment of women (in 2014 it was 23.02%). When hourly wages are compared, the difference is more favourable - 17.8%. The report was previously also discussed at the Council for Human Rights, National Minorities and Gender Equality.

According to the national survey *Information System on Average Incomes*, quarterly issued by the MPSVR SR and Trexima, s.r.o. Bratislava, gender pay gap is around 22.2%. In the 1Q 2016, the average gross monthly wages of men were €1,123 and €874 of women. In the 3Q 2016, average gross monthly wages of men slightly increased to €1,131 and of women to €879.

The publication of data on gender inequalities, including gender pay gap, issued by the Statistical Office (2015, 2016) and the related launching of its website with up-to-date information on gender equality issues can be mentioned as a positive development in Slovakia. This data reveals inequalities and discrimination in both public and private life. Since 2012, the gender equality department at the MPSVR SR prepares the yearly *Gender*

*Pay Day.* Activities include distributions of information on the gender pay gap, organising events and holding meetings with NGO's, government representatives and experts. The 2015 campaign titled [\*When I Grow Up\*](#) was received very well and followed by an intense public discussion on gender disparities and their impact on the future and ambitions of women and men in the labour market and in the private sector.

On 27 April 2016, the National Labour Inspectorate (NIP) issued the Activity report for 2015. In the field of equal gender pay, 38 cases of pay inequalities were detected by checks performed by the NIP in 2015. In comparison with 2014, the number of detected cases of gender pay inequalities increased by almost 23%. The most of detected inequalities concerned the unequal pay for equal work or work of equal value and the ban of any wage discrimination. The checks focussed on gender pay inequalities only.

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

On 13 January 2016, the government discussed and approved the [Action plan of prevention of all forms of discrimination for 2016-2019](#), including pay inequalities. The document was prepared and jointly submitted by the Ministry of Justice and Ministry of Labour, Social Affairs and Family. The action plan consists of five targets (operational goals), which includes 29 individual tasks. For instance, support to research projects aimed at non-discrimination, development of judicial decisions' database on non-discrimination, cooperation with trade unions and NGOs to protect from harassment.

Adoption of new legislation on posted workers was described above.

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

Social partners were involved in consultation about the new law on regulation of posted workers at the HSR. Their comments are described in above-mentioned "Posted workers - debate".

Social partners were also involved in commenting the Action plan of prevention of all forms of discrimination through regular multi-sector commenting procedures (medzirezortne pripomienkove konanie) managed by the competent central administration body.

There are usually non-discrimination clauses in collective agreements, which also include the ban of pay discrimination.

## **Promoting the reconciliation of working families and caregivers**

### **Recent policies**

From 1 January 2016, the maternity allowance is calculated as 70% (instead of previous 65%) of the daily assessment base or the probable daily assessment base (average earning). The measure improves the financial situation of mothers taking the maternity, who don't need to return to work „as soon as possible“.

In 2015, the gender equality department at the MPSVR SR has launched a project *Family and Work* that is a part of the long-term objective of the EU operational programme *Employment and Social Inclusion*. It targets the women with small children, who are the most underprivileged group in the labour market. In particular, it tries to provide flexible forms of employment - usually flexible organisation of working time, homeworking and jobsharing, for women who are at home with small children.

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

Nothing reported.

### **The role of collective agreements**

According to the Labour Code S. 90, when from health or other serious reasons, e.g. taking care of adolescent child or children, an employee asks the employer for a suitable organisation of his or her weekly working time, the employer is obliged to do so, if possible. Usual solutions are flexible weekly working time or a shorter working time.

In collective agreements, mainly single employer agreements, provisions on organisation of flexible working time are usually included. In some collective agreements, the provision of one day paid leave per quarter to single parents taking care of a child up to age 15 years or two weeks unpaid leave per year for single parents taking care of a child up to age of 10 years are included in collective agreements. In some companies also other services and benefits are provided to employees. For instance, the Slovak Gas Industry (SPP) company with about 740 employees can be mentioned. Besides flexible working time, three days paid leave per year in case of urgent personal or family duties and other unpaid leaves, the company offers own kindergarten for employees' children and provides other social benefits for the employees. In 2016, SPP was awarded on the 1<sup>st</sup> place in the category *Reconciliation of family and working life* of the national yearly competition the *Family Friendly Employer*.

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