



Challenges for Organising and Collective Bargaining in Care, Administration and Waste collection sectors in Central and Eastern European Countries

Slovakia: Development of collective bargaining

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1. Methodological preface

The report is based on desk research and available Eurostat and Statical Office of Slovak Republic data. Interviews with relevant stakeholders complemented the most recent information on collective bargaining development. Due to the author's inability to secure an interview with an organisational representative of the employees, the information presented from the employers' perspective is exclusively derived from media sources.

List of interviews

Type of stakeholder	Organisation	Date of the interview	IDI code ¹
Trade union	Trade Union Confederation of Slovakia	October 2024	IDI1
Expert on industrial relations/analyst	Trade Union Confederation of Slovakia	October 2024	IDI2

2. General characteristics of the labour market and industrial relations system

2.1. Labour market performance

In total, the number of people working in Slovakia in 2022 increased by over 40,000 (1.7%) to almost 2.6 million. The gender employment gap was 8.1 p.p. in 2022. Employment in the public sector accounts for approximately 35 % of the total.

The unemployment rate dropped by over 17,000 people (9.2%) year-on-year in 2022, reaching 6.1%. The number of jobless people who most recently worked in accommodation and catering services and industry has decreased most (EURES, 2023). The total **unemployment rate for young people** (15 – 24) is 19.9%, with 21.7% for women and 18.8% for men, all above the EU27 average. Another characteristic of the Slovak labour market is the **high rate of long-term unemployment** (i.e. more than one year). In 2022, the percentage was 4%, according to Eurostat.

The number of people working abroad increased by 3.6% to almost 116,000 in 2022 compared to the previous year. They worked mainly in construction,

¹ The individual in-depth interview (IDI) codes are used in the text as a reference for the particular information.

industry, healthcare and social assistance. In Europe, they worked mainly in Germany, Austria and Czechia. In total, the number of people working in Slovakia in 2022 increased by over 43 000 (1.7%) to almost 2 604 000. In total, 13 of the 18 economic sectors covered increased. (EURES, 2023)

In Slovakia, the automotive, electrical and engineering industries are dominant. The information and communications technology sector and the shared and corporate service centres sector have also played an important role ((EURES, 2023)

Table 1: The key indicators of the labour market in Slovakia (2022)

Indicator		EU27	Slovakia
Employment rate of 20-64 years old, 2022	Total	74,6	76,7
	Women	69,3	72,6
	Men	80,0	80,7
Employment rate by age, 2022	15-24	34,7	21,3
	25-54	81,8	84,7
	55-64	62,3	64,1
Unemployment rate (15-74 years), 2022	Total	6,2	6,1
	Women	6,5	6,4
	Men	5,9	5,9
Unemployment rate by age, 2022	15-24	14,5	19,9
	25-54	5,6	5,7
	55-64	4,8	4,5
Long-term unemployment rate (15-74 years), 2022	Total	2,4	4,1
	Women	2,5	4,0
	Men	2,2	4,1
Unemployment rate of young people (15-24 years), 2022	Total	14,5	19,9
	Women	14,5	21,7
	Men	14,5	18,8

Source: Eurostat and Statistical Office of the Slovak Republic

In 2022, the Social Insurance Agency registered an average of 190,022 employers each month. These employers had 1,930,123 standard labour relationships with regular monthly income and 59,323 legal relationships with irregular income. This data provides the most accurate picture of the number of employers and people working under different types of contracts (MLSAF, 2023).

Employers had different types of work arrangements with their employees. These included regular monthly income, irregular income, and agreements for work performed outside the usual employment relationship. There were a total of 383,940 of these agreements per month on average in 2022 (MLSAF, 2023).

The Social Insurance Agency recorded an average of 216,115 compulsory social insured persons per month as self-employed persons in 2022.

Table 2: Number of registered employers, employees, self-employed and DoVP (2021 and 2022, as of December of the year, in thousand)

Employers		Employees		DoVP		Self-employed	
2021	2022	2021	2022	2021	2022	2021	2022
187.7	191.6	1 914.8	1 931.3	376.3	389.0	217.4	221.

Source: Social Insurance Agency of the Slovak Republic

Slovakia has one of the highest numbers of self-employed entrepreneurs in the EU, but many are engaged in **bogus self-employment**, accounting for 30% of all self-employed individuals. This practice exploits benefits meant to support businesses, leading to the loss of rights and benefits for employees and significant financial losses for the state. Non-compliance is indirectly incentivized, creating a harmful competitive environment (UHP, 2024).

2.2. Industrial relations at a glance

The industrial relations in Slovakia at the time of the early 1990s were established with the formation of social partner organisations. **Despite a significant decrease in union membership** since the early 1990s, the **hierarchical structure of industrial and confederative unions** has not been compromised by the transition from state socialism. Social dialogue occurs at both tripartite and bipartite levels. The government engages in tripartite social dialogue by consulting with social partners. Bipartite social dialogue involves two-tier collective bargaining at sector and company levels (Czíria, 2021).

List of the leading social partners in Slovakia:²

Government and governance:

- Ministry of Labour, Social Affairs and Family
- Ministry of Investments, Regional Development and Informatization
- Ministry of Finance
- Ministry of Transport
- Ministry of Agriculture and Rural Development
- Ministry of Defense
- Ministry of Justice

² These are the members of the Economic and Social Council of the Slovak Republic, the tripartite body. For the whole list of members refer to https://www.vlada.gov.sk/site/assets/files/1768/c_lenovia_hsr_sr.pdf

- Ministry of Environment
- Ministry of Education, Research, Development and Youth
- Ministry of Culture
- Association of Towns and Municipalities of Slovakia (Združenie miest a obcí Slovenska , ZMOS)

Employers' organisations:

- Association of Employers' Unions and Associations of the Slovak Republic (Asociácia zamestnávateľských zväzov a združení SR, AZZZ SR)
- National Union of Employers (Republiková únia zamestnávateľov RUZ)
- Association of Industrial Unions and Transport (Asociácia priemyselných zväzov a dopravy, APZD)

Trade unions:

- Confederation of Trade Unions of the Slovak Republic (KOZ SR)
- Slovak Trade Union of Public Administration and Culture (Slovenský odborový zväz verejnej správy a kultúry (SLOVES)
- Integrated Trade Union (Integrovaný odborový zväz, IOZ)
- Trade Union of Education and Science Workers in Slovakia (Odborový zväz pracovníkov školstva a vedy na Slovensku)
- Slovak Trade Union of Health and Social Services (Slovenský odborový zväz zdravotníctva a sociálnych služieb, SOZZSS)
- Trade Union of Police in the Slovak Republic (Odborový zväz Polície v SR)
- Trade Union of Metalworking Industry (Odborový zväz kovospracujúceho priemyslu (KOVO)

The Slovak bargaining system features transparent bargaining actors with legislative support and the extension of collective agreements. While collective bargaining is not mandatory, the resulting agreements hold legal enforceability. Single-employer and multi-employer agreements are established within the private and public sectors, with multi-employer agreements prevalent in most sectors of the economy. Furthermore, the extension of collective agreements is permitted, and in the public sector, separate multi-employer (multisector) agreements are made for civil and public service strikes (Czíria, 2021).

Besides the decrease in union and employer participation and negotiation coverage, alterations in union structure and evolving union tactics present new obstacles to the future of collective bargaining. Generally, labour and management partners believe that **statutory solutions comply more than collective agreements**. Unions are increasingly pursuing influence through avenues other than collective bargaining, such as forging political alliances

and staging public protests, demonstrations, and media campaigns to sway policy-making. Additionally, both unions and employers are emphasising implementing legislative remedies for employment and working conditions issues rather than relying on collective bargaining. This shift has stemmed from a growing lack of trust by employers and unions in industry-level and multi-employer negotiations and the necessity for stronger enforcement of collective agreements (Kahancová, et al, 2019).

Trade unions, employers' organisations, and public institutions each fulfill essential functions in the governance of industrial relationships, working conditions, and industrial relations structures. These entities represent interconnected components within a multi-level governance framework encompassing European, national, sectoral, regional (provincial or local), and organisational levels (Czíria, 2021).

The Ministry of Labour, Social Affairs, and Family is the primary public authority responsible for the legal regulation of industrial relations. Through the Labour Code, MLSAF governs essential individual and collective labour relations, employment and working conditions, and wages while fostering bipartite social dialogue (Czíria, 2021).

The criteria for the representativeness of social partners are defined for the national-level tripartite entity, the Economic and Social Council (HSR). Under Tripartite Act No. 103/2007, only peak-level trade unions and employer organisations with at least 100,000 members across five of eight regions can participate in the HSR. Trade unions must also operate in various sectors. Notably, trade unions have no representativeness criteria in collective bargaining and agreements (Czíria, 2021).

Table 3: The prevailing characteristics of employment relations in Slovakia over time (2000 – 2017)

Characteristic	2000 - 2017
Government intervention in wage bargaining	The government influences wage bargaining outcomes indirectly through price ceilings, indexation, tax measures, minimum wages, and/or pattern setting through public sector wages.
Routine involvement of unions and employers in government decisions on social and economic policy	Prevalently partial concertation, irregular and infrequent involvement in combination of no concertation, involvement is rare or absent.
Minimum wage setting	Prevalently, the National minimum wage is set by the government after (non-binding) tripartite consultations.

Right of Association, government sector	Yes, with minor restrictions (e.g. Recognition procedures, workplace elections, thresholds).
Right of Association, market sector	Yes, with major restrictions (e.g. Monopoly union, government authorization, limitations on content, major groups excluded).
Right of Collective bargaining, government sector	Yes, with minor restrictions (e.g. Registration, thresholds, only military, judiciary or police excluded – as per ILO convention).
Right of Collective bargaining, market sector	Yes, with minor restrictions (e.g. Registration, thresholds).

Source: ICTWSS 2000-2017

Slovakia has witnessed a decline in the membership of trade unions and employer organisations within the private sector over time.

Table 4: Development of social partners' characteristics over time in Slovakia (2000 – 2017)

Charakteristics	2000 - 2017
Number of Union Confederations	4/ since 2004 (exceeding five percent of total union membership in the country).
Membership of Independent Unions	30 – 20 (decreasing).
Net union membership	623/2001 – 220/2017 (decreasing)
Total union membership	700/2000 – 265/2017 (decreasing)
Employers' organisation density, as a proportion of employees in employment	37,5/2016
Employer organisation density in the private sector, as a proportion of employees in private sector employment	29.2/2008 – 35.6/2013; 33/2016 (decreasing)
Divisions across confederations are economically (education, status, rank) motivated	NO
Divisions across confederations are sectorally (private versus public) motivated.	YES

Source: ICTWSS 2000-2017. Unit of measure: Absolute value (categories of the variable or thousand persons).

Another relevant body in the industrial relationships is the Alliance of Sectoral Councils (ASR), established on February 1, 2023. It aims to improve the alignment of occupations, qualifications, and lifelong learning with the current requirements of the labour market. It seeks to enhance cooperation between state administration bodies, employers, and trade unions to improve employability and optimise the use of public financial resources. ASR is also implementing the national project "Development of professional capacities of social partners" from 2023-2028, co-financed by the European Union, to strengthen social partners' professional capacity and social dialogue in EU member states (ASR, 2024).

2.3. Collective labour agreements

In Slovakia, employees can express themselves about performance conditions and organisation. The Labor Code regulates their participation in labour relations and selecting representatives. The Act on Collective Bargaining (Act No. 2/1991 Coll.) governs relations between trade unions and employers, with collective bargaining crucial for adjusting working and wage conditions (MLSAF, 2022).

The Act on Collective Bargaining outlines the bargaining process in §8. When one party proposes a written agreement, the other must respond within 30 days, detailing any unacceptable parts. Negotiations should start at least 60 days before the current agreement ends, and parties must negotiate without conflicting with their legitimate interests (Bednárík et al., 2023).

The Ministry controls the CBA's representativeness and publishes it in the Collection of Laws of the Slovak Republic for specific sectors. Valid collective bargaining agreements are found on the Ministry website (MLSAF, 2022)

The Collective Bargaining Agreement (CBA) mandates monitoring Slovak Republic laws for compliance with labour regulations. Employee-employer disputes are resolved in court. The labour inspectorate ensures adherence to labour laws, mainly preventing violations and imposing fines for non-compliance (MLSAF, 2022).

2.4. Opinions on the state of collective bargaining

Despite relatively well-developed regulations on CB, the coverage by CBAs is limited at the level of 25%. There is a space for CBA development in terms of coverage and the quality of CBA as well (ID11).

Collective bargaining in Slovakia is strongly decentralised, and the dominant level of collective bargaining in Slovakia is at the enterprise level. Moreover, the negotiated content of the CBA can be characterised as **minimalist** in terms of its comparison with the legal level of employee rights. For a long time, most CBAs have generally only copied the legal regulation. If they regulate some rights differently, it is usually a so-called soft law (recommended provisions or conditional obligations) or a reference to the regulation contained in the company collective agreement (Benedeková, Čambalíková, 2023).

The minimalist nature of collective bargaining agreements (CBAs) arises from several factors. A key factor is the **power imbalance between employers' organisations and trade unions**, which limits their mutual pressure. Strikes are

primarily how employees exert pressure, but conducting them at the sectoral level is complicated due to the geographical spread of individual employers. Each location must hold a strike vote, requiring majority participation from employees there. This complexity increases if the employer lacks a trade union (Benedeková et al., 2023).

The so-called **opt-out clauses are also quite common** in CBAs. They allow the employer to avoid the application of a specific provision of the CBA. The minimalist content of CBAs has several reasons. One of them is the significant asymmetry in the negotiating position of employers' associations and trade unions, which is also largely conditioned by the potential of creating pressure on one or the other contracting party (Benedeková, Čambáliková, 2023).

The low organisation of trade unions significantly reduces the coverage rate of collective agreements. While the CBA applies to all employees in a company, many private sector companies lack active trade unions. OECD data indicates that trade union organisation in Slovakia is only 10.7%. This low organisation leads to decreased company-level CBA coverage, discouraging employers to increase the number of employees included in higher-level CBAs, thus diminishing their competitive advantage (Benedeková et al, 2023).

3. Collective bargaining dynamics in recent years

In 2023, the Economic and Social Council (ESR) only met five times, a decrease from previous years. Employers' organisations and unions asked MPs and the president to address legislative chaos caused by the high use of a fast-track procedure for legislative proposals (Bednárík, et al, 2023).

The application of the multi-employer collective agreement (KZVS) in Slovakia has evolved since independence. In 2016, the Constitutional Court deemed the extension of KZVS to all employers unconstitutional. A new representative KZVS was introduced in 2017 but cancelled in 2021, drawing criticism from trade unions. Reports indicate only 26% of employees are covered by sectoral and company collective agreements, with no available statistics on the absence of representative KZVS (Bednárík et al., 2023).

In 2023, MPSVR SR registered 25 multi-employer collective agreements across various sectors, excluding transportation, finance, and engineering. The agreements cover vacation days, working hours, health protection, catering, contract conditions, family assistance, incapacity compensation, pension savings, dispute resolution, work forms, on-call shifts, personal obstacles, discrimination, harassment, business trip compensation, layoffs, union activities,

and increased pay for certain shifts and vaccinations for fire and rescue personnel (Bednárík, et al, 2023).

Vertical coordination occurs by uniting smaller trade unions under a few larger national unions in Slovakia. These national unions negotiate with the employers on behalf of their member trade unions (Bednárík, et al, 2023)

4. State of play after the adoption of the Directive

4.1. Discussions and legal preparations

The EU Directive on minimum wages has influenced trade unions and Slovakia's minimum wage even before national implementation. Last year, unions demanded higher rates based on this directive. Minimum wages are negotiated annually. According to the Minimum Wage Act (663/2007 Coll.), if no agreement is reached by April 1, the next year's minimum wage defaults to 57% of the average wage from two years prior, published by the Statistical Office. Although the government has not formally implemented the Directive in its complexity, long-term pressure returned to a recently approved Act on minimum wage changes and collective bargaining. The Slovak Parliament approved this Act on 23 October 2024..

Here are the most relevant changes related to the EU Directive as indicated in the Explanatory memorandum of the approved Act (Slovak Parliament, 2024):

The draft law is submitted to transpose and implement Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union (OJ L 275, 25.10.2022), increase the rate of coverage by collective bargaining, improve the quality of social dialogue, and adjust some current labour law issues that are of interest to employers, employees, and the state.

The draft law creates a framework for the adequacy of legal minimum wages to achieve dignified living and working conditions and support collective bargaining on wage determination:

- *at the level of 60% of the average monthly wage, which was reduced by three percentage points at the time of the pandemic.*
- *to establish rules for assessing the criteria for establishing the minimum wage from the point of view of the requirement for the adequacy of the established minimum wage.*

In order to transpose and implement Directive (EU) 2022/2041, it is proposed to amend Act No. 2/1991 Coll. on collective bargaining, as amended, and to adjust the process of creating and updating an action plan to support collective bargaining if the rate of coverage by collective bargaining is less than 80% with the aim of increasing its coverage.

To increase the rate of coverage of employees by collective bargaining and collective agreements, it is proposed again to introduce a legal arrangement binding the representative collective agreement of a higher level also on other employers in the sector or part of the sector. This arrangement was effective until February 28, 2021, and was repealed by amendment to the Labor Code no. 76/2021 Coll.

In terms of the action plan, the newly approved act contents:

§ 31a Collective bargaining coverage rate

(1) The collective bargaining coverage rate is the percentage of the number of employees covered by a collective agreement out of the number of employees whose working conditions and terms of employment may be regulated by a collective agreement.

(2) If the collective bargaining coverage rate is lower than 80%, the Ministry shall draw up an action plan to support collective bargaining (hereinafter referred to as the "action plan") for a period of five years, which shall contain measures to increase the collective bargaining coverage rate and a timetable for their implementation.

(3) The Ministry shall cooperate with representative employers' associations and representative trade union associations in drawing up the action plan, updating it and evaluating it. The Ministry shall discuss the draft action plan, its update and evaluation in advance with representative associations of employers and representative associations of trade unions.

(4) The Ministry shall publish the action plan, its update and evaluation on its website.

Additionally:

If unions and employers in a certain sector agree on a higher-level collective agreement, it will apply to all employees in the sector. Exceptions are to apply to companies that employ fewer than 20 employees, have been operating for less than two years, are in liquidation, or employ more than 10 per cent of severely disabled citizens.

To increase interest in the activity of mediators and arbitrators in collective bargaining as well as the quality of this activity, thereby also supporting collective bargaining and the conclusion of collective agreements, it is proposed in Act No. 2/1991 Coll. on collective bargaining as amended and in Act no. 103/2007 Coll. on tripartite consultations at the national level to specify the rules on their remuneration, valorise the rewards and set up a mechanism for their automatic valorisation linked to the growth of the average wage.

The law will enter into force on November 15, 2024, and the §31a, relevant to the action plan on January 1, 2025 (Slovak Parliament Government, 2024).³

The trade union representative contended that the changes are insignificant, primarily addressing previously cancelled issues or making minimal alterations to the collective bargaining process (IDI1). Additionally, the KOZ and other trade unions are currently focused on more pressing matters, specifically organising resistance against the consolidation budget, which is expected to significantly worsen the situation for the most vulnerable workers (Folentová and Osvaldová, 2024).

At the time of drafting this report, there was a lack of available information regarding the employers' organisation's stance on the Directive and the approved alterations concerning collective bargaining and the action plan. Nonetheless, the employers' organisation actively communicated their opposition to the minimum wage provision introduced by the new Act.

Key employers, including the Association of Employers' Unions and Associations of the Slovak Republic (AZZZ SR), argued that raising the minimum wage would disproportionately impact companies by increasing labour costs, taxes, and surcharges, especially in sectors like public service and state employment where minimum-wage workers are prevalent. Employers' Unions key counterpoints are (Mitáľová, 2024):

- High Tax Burden: Slovakia has high labour taxes and social security contributions. Employers argue that increasing the minimum wage boosts state revenues rather than workers' net income.
- Impact on Net Income: Employers propose deductions to enhance employees' take-home pay without raising labour costs.
- Rising Surcharges: Weekend, night, and holiday surcharges are tied to the minimum wage. An increase would raise costs for employers,

³ All the documents related to the draft law are available at <https://www.nrsr.sk/web/Default.aspx?sid=zakony/cpt&ZakZborID=13&CisObdobia=9&ID=410>

especially in industries like bakeries where work often occurs outside regular hours.

- Grading System Adjustments: Slovakia's Labour Code sets minimum wages by job difficulty, which will rise in the coming years, increasing wage costs for businesses, particularly for higher-difficulty roles.
- Potential Economic Impact: The AZZZ SR warns that constant wage increases could harm competitiveness, lead to job losses, and deter investment, as higher labour costs may make Slovakia less attractive to businesses (Mitálová, 2024).

4.2. Any trade unions activity dedicated to promotion/familiarize audience with the Directive

The Trade Union Confederations of Slovakia (KOZ) and several sectoral unions are central to ensuring proper transposition of the Directive. In 2023, KOZ organised a working group to address the Directive and its transposition. They inquired with heads of sectoral and large company unions to identify barriers and support factors for increasing trade union membership, essential for achieving 80% coverage of Collective Bargaining Agreements (CBA). The analysis of barriers and strategies for organising workers is ongoing, as these factors vary across trade union organisations (IDI1).

The trade unions have expressed strong support for the Directive, despite the absence of any planned broader public discourse or advocacy for its implementation. The Directive's scope is perceived to primarily address issues between the trade unions and the government, with limited relevance to the general public (IDI2).

In light of the Directive's advantages, certain sectoral trade unions have proactively embraced its principles. For instance, OZ KOVO, the trade union representing the metallurgical industry, has demonstrated proactive engagement by establishing new primary trade organizations. Similarly, ECHOS, the Energy-Chemical Trade Union, has been actively recruiting and forming new primary organizations, leveraging the Directives' benefits and advocating for the implementation of CBA (IDI2).

5. Action plan

Despite the approval of the new Act on the minimum wage containing stipulations on the action plan, the formulation of the action plan, an essential component of the Directive, is still pending. Trade union federations underscore that the responsibility for establishing the action plan rests with the government.

While KOZ has initiated discussions, governmental action is imperative. KOZ is keen on expanding the 25% CBA coverage through the directive, but there is limited state involvement. Nevertheless, KOZ will persist in urging the government to develop an action plan, presumably in collaboration with KOZ and employers' organisations. They aim to incorporate measures in the action plan to assess the directive's intended impact (ID11).

To expand CBA coverage, the initial step is to enhance the representation of unionised workers through targeted recruitment strategies and the establishment of new, trade union organisations at the single employer level (ID12)

6. Summary and conclusions

In 2022, Slovakia's workforce increased by over 40,000 workers, reaching nearly 2.6 million. The unemployment rate decreased to 6.1%, but the youth unemployment rate was 19.9%, higher than the EU average. The average monthly wage increased by 7.7% to EUR 1,304, but due to high inflation (12.8%), the real wage decreased by 4.5%. The gender pay gap persisted, with women earning about 15% less than men.

The ongoing debate about working conditions includes issues such as the introduction of flexible working hours and remote work, which are becoming more prominent. Employers and trade unions are continuing discussions on health and safety at work, with a key focus on protecting workers' rights.

Industrial relations in Slovakia involved regular social dialogue among the government, employers, and trade unions. However, ongoing disagreements persisted, particularly regarding wage policies and working conditions.

The collective bargaining coverage in Slovakia is limited to only 25% of employees, and bargaining mostly occurs at the enterprise level. There are power imbalances between trade unions and employers, and only 10.7% of workers are organised. This low rate weakens collective bargaining, especially in the private sector.

The recent dynamics in collective bargaining (2023) saw a drop in Economic and Social Council (ESR) meetings, leading to concerns from unions and employers about legislative chaos. Multi-employer CBAs are weakening after a ruling by the Constitutional Court, leaving only 26% of workers covered. In 2023, 25 multi-employer CBAs were registered, but key sectors like transportation and finance still needed to be included. CBAs address various

workplace issues including working hours, safety, and anti-discrimination policies.

The newly approved Slovak law, Government bill amending and supplementing Act No. 663/2007 Coll. on the minimum wage, as amended, and amending and supplementing certain acts, based on the EU Directive on Minimum Wage (2022) will raise the minimum wage and establish stricter rules for its determination. The law also will expand higher-level collective bargaining agreements (CBAs) across different sectors. The government presented the approval of the new act as a considerable success, primarily attributed to the increase in the minimum wage. However, the provisions regarding bargaining coverage and action plans were scarcely communicated.

Employers' organisations believe the minimum wage increase would strain the Slovak business environment, especially given the high tax burdens and the existing pressures on companies to absorb additional wage-related costs. They argue for policies that would boost net income without raising costs, warning that the current approach may inadvertently harm competitiveness, reduce employment opportunities, and discourage investment.

Trade unions, led by KOZ, are focused on opposing budget cuts that could negatively impact vulnerable workers. They are actively working to increase union membership and expand CBA coverage to meet the 80% target. Some unions, particularly in the metallurgical and energy sectors, are already leveraging the directive's principles to strengthen their influence. The responsibility for developing an action plan as part of the directive lies with the government, and unions like KOZ are advocating for its implementation to maximise the directive's impact.

Based on the report findings, the following actions for the social partner - trade unions, employers' organisations, and the government- can be recommended:

Recommendations for Trade Unions:

Strengthen Membership and Union Presence: Prioritize increasing trade union membership, especially in the private sector, where organisation rates are low (around 10.7%). More robust membership will increase unions' bargaining power. Establish new trade union branches at the enterprise level, especially in sectors where they are absent, to ensure CBAs cover more employees.

Improve CBA Content and Negotiation Strategies: Aim to negotiate beyond the minimalist content often found in CBAs. Include more specific, legally

binding provisions rather than just soft laws or recommendations to secure more favourable conditions for workers. Leverage EU Directive 2022/2041 on adequate minimum wages to push for improvements in wage determination and broader coverage of CBAs.

Address Power Imbalances in Negotiations: Collaborate with other unions to share strategies and resources, helping to counter the power imbalance between employers and unions. More coordinated efforts across sectors can result in more effective bargaining. Consider alternative methods for applying pressure on employers where strikes may be challenging to organise, especially in geographically dispersed sectors.

Enhance Public and Sectoral Awareness: While the Directive may primarily affect trade unions and the government, launching awareness campaigns for workers and the general public on the benefits of strong collective bargaining and wage protection can increase support for union activities.

Recommendations for Employers' Organizations:

Engage in Collaborative and Constructive Bargaining: Participate actively in negotiations with unions to establish CBAs that benefit both parties. Avoid resorting to opt-out clauses unless absolutely necessary, as this undermines trust and the quality of agreements.

Promote Sector-Wide Collective Agreements: Encourage participation in multi-employer collective agreements to promote industry fairness and competitiveness. Higher CBA coverage can lead to a more stable and predictable business environment.

Support the Implementation of the Directive: Cooperate with trade unions and the government to ensure the adequate minimum wage implementation of the EU Directive on adequate minimum wages. This includes contributing to developing an action plan and ensuring fair wage determination and supporting dignified working conditions.

Recommendations for the Government:

Implement and Monitor the EU Directive: Expedite the transposition of the EU Directive 2022/2041 into national law, including raising the minimum wage to 60% of the average wage and increasing the collective bargaining coverage rate. Create a clear action plan to promote collective bargaining, ensuring compliance with the directive's 80% CBA coverage goal.

Strengthen Enforcement and Oversight: Improve the oversight of CBA compliance and labour law adherence through more proactive labour inspections. Ensure employers are held accountable for adhering to agreements. Provide additional support for mediation and arbitration in disputes, ensuring neutral and fair processes that encourage the successful conclusion of CBAs.

Foster Social Dialogue and Address Legislative Chaos: Regularly convene the Economic and Social Council to ensure ongoing dialogue between unions, employers, and the government. Avoid fast-tracked legislative processes that bypass necessary consultation with social partners. Ensure all legislative changes, particularly those affecting the labour market, are developed in collaboration with trade unions and employers.

By acting on these recommendations, the social partners in Slovakia can work together to improve the quality and coverage of collective bargaining agreements, create a fairer labour market, and enhance the working conditions of employees across sectors.

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