



BARMETAL

**Digitalization, Automatization and Decarbonization:
Opportunity for strengthening collective bargaining
metal sector**

State of the art in Slovakia

Marta Kahancová and Katarína Lukáčová

BARMETAL Project mid-term workshop, Friday 1 December, 2023



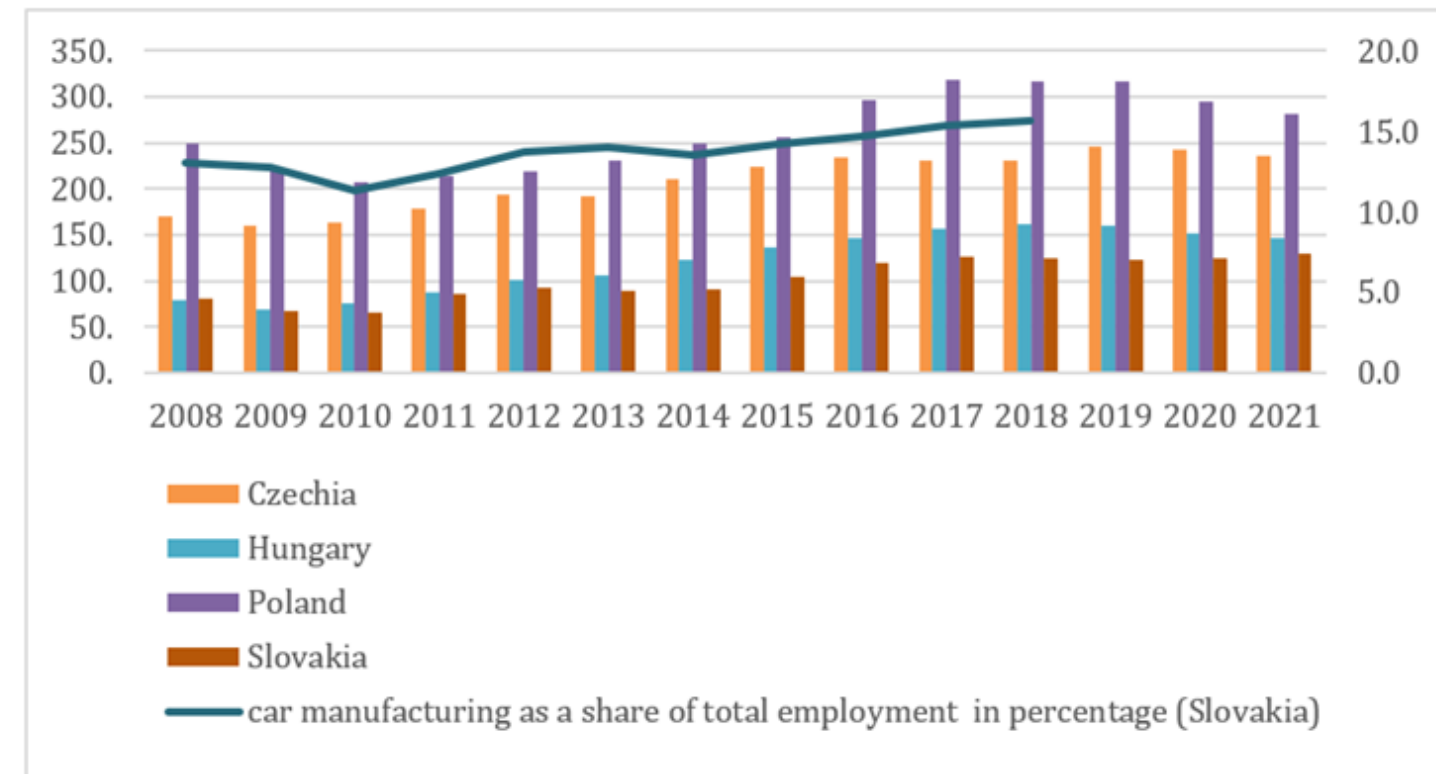
With financial support of the EU
Project No. 101052331

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National and sectoral labour market situation

- Slovakia: highest global production of cars (185 vehicles per 1,000 persons), 2020 data
- Automotive is **the most important subsector of the metal sector in Slovakia**
- Rapidly growing industry, type of global production chain integration as **'assembly platform'** (Pula 2018)
- **low level of innovation activities**
- Sector dominated by **foreign capital** (97.9 % of companies of foreign ownership, generate 99% of turnover, production value and value added)
- The domination of foreign capital also means high power/discretion over innovation and social investments in the sector, no local/national challenge, no relevant competition or policy tools (decisions on strategic development made abroad)
- Employment in the automotive sector had substantially grown over the past two decades
- Sector concentrates a **high number of manual jobs**
- Significant **labour and skill shortages**, which hinders the potential of healthy transformation

Figure 1 Job growth in automotive sector (NACE29), 1000



Source: Own compilation, based on Eurostat SBS_NA_IND_R2

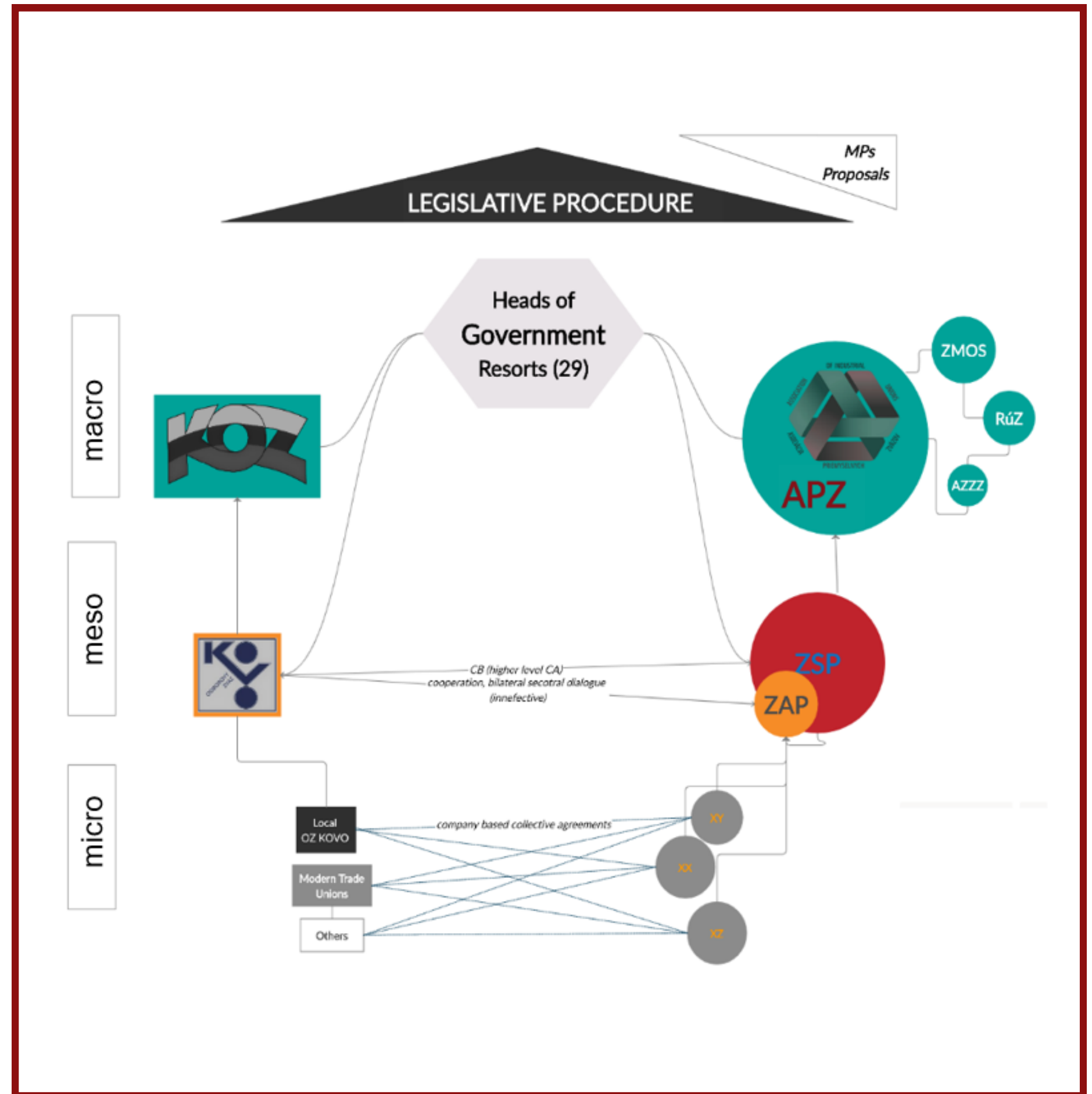
Skill composition in manufacturing sector in selected countries in 2021

	high	medium	Low
DE	36%	58%	6%
Slovakia	22%	73%	5%

Sources: Eurostat [LFSA_EGAN22D] for employment and LSFA_EISN2 for skills, own compilation

Industrial Relations in the Automotive Sector

- Automotive is **one of the most unionised sectors**
- **Company bargaining complementary to sector-level level bargaining**
- **Fragmentation in unions and employers** (Modern unions)
- 32 % companies in industry covered by CBAs
- 25 % of employees in industry covered by CBA
- Automotive sector (NACE C29) included in sectoral CBA for machinery industry
- Sector level bargaining exists but sets minimum standards
- One of the few with sector-level wage stipulations (6 levels, derived from national minimum wage);
- Main actors: **OZ KOVO and Modern Trade Unions, AIA SK** employers



Developments in DAD

Comparison Chart

	AUTOMATION	DIGITALIZATION	DECARBONIZATION
SCOPE	<ul style="list-style-type: none"> • 2018 SR leader in robotics thanks to automotive (532 robots per 10 000 empl. in 2021) • applied in production phase • both OEMs and suppliers (NCR, 2023) 	<ul style="list-style-type: none"> • implemented throughout administration and production processes • 1/4th of suppliers did not start with digitalization yet (ZAP SR, 2023) 	<ol style="list-style-type: none"> 1. Electrification of production <ul style="list-style-type: none"> • all OEMs • New players (Volvo, VW, Porsche, Ino Bat) 2. Decarbonization of factory <ul style="list-style-type: none"> • mostly OEMs (financing issue)
EMPLOYMENT EFFECTS	<p>JOB DESTRUCTION (X), DECREASE EMPLOYEES AUTONOMY, INCREASE THE SPEED OF PRODUCTION AND INCREASED DEMAND FOR QUALIFICATIONS AND HIGHER EDUCATED WORKERS (Martišková, 2020)</p>		
POLICIES AND FINANCIAL FRAMEWORKS	<p>Strategy for intelligent industry (AP until 2020), Strategy for digital transformation of SR (AP until 2022), Recovery and Resilience Plan</p>	<p>Just Transition Plan (no automotive), Strategy for electromobility, RRP</p>	

(The Limited) Role of CB in addressing DAD

DIGITALIZATION

- Twofold mechanism in addressing digitalization:
- **(a) National policy and tools**
Decentralized approach to the individual worker, full discretion
- attempt to anchor the right to 5 days of training annually in a higher-level CBA
- **(b) Company-level response**
Own training programs of large companies (leader Volkswagen)

AUTOMATION

- Just transition lacks a coherent national strategy, addressed at
- **(a) Regional level**
ad hoc involvement of social partners, evaluation of transition projects, not a strategy
- **(b) Sectoral level**
Alliance of Sectoral Committees - rather a policy forum, no bargaining or social dialogue
- **(c) Company level**
Own training programs in reskilling/upskilling

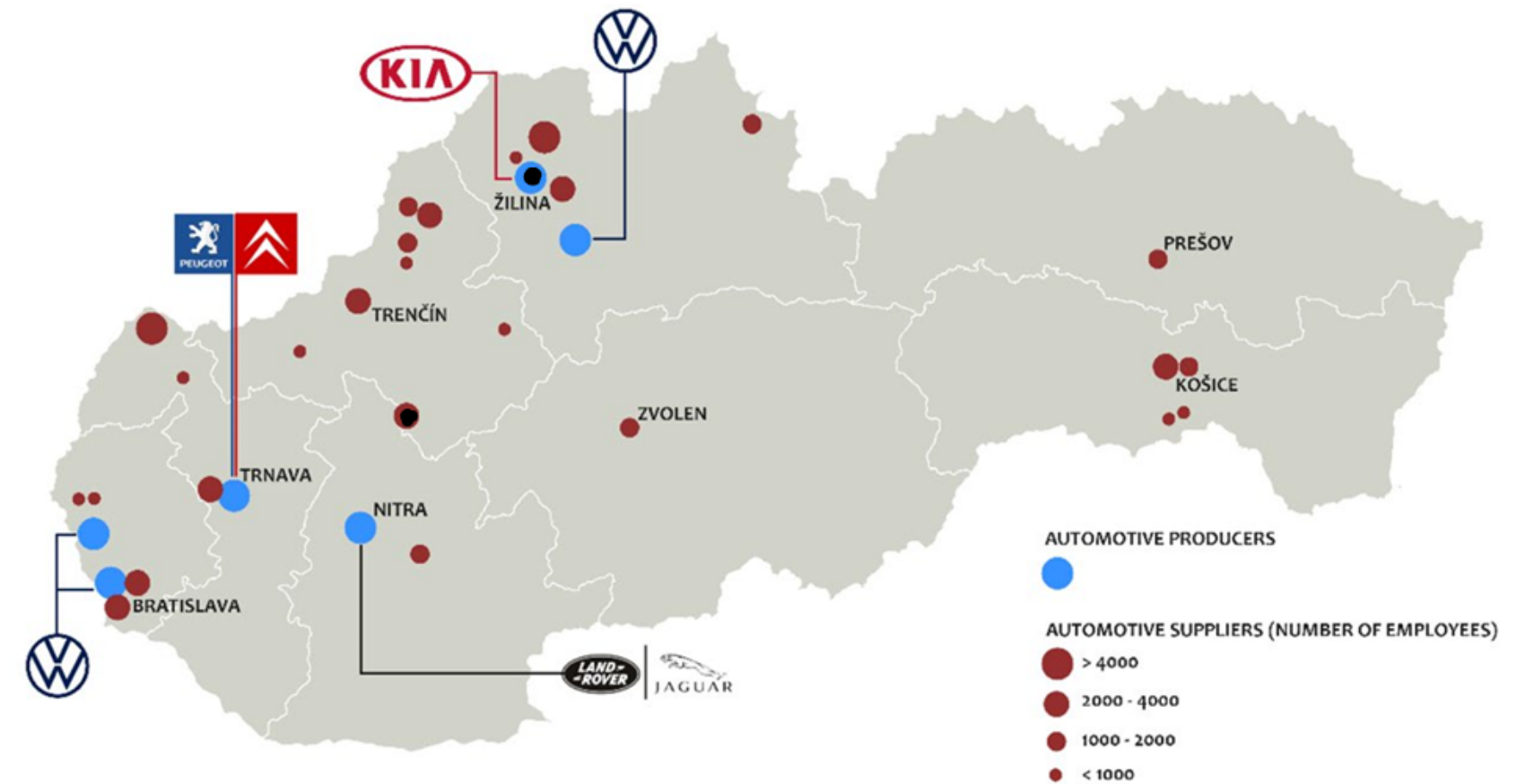
DECARBONIZATION

- Lacks a coherent national strategy, addressed in a limited way at
- **(a) Regional level**
ad hoc involvement of social partners, evaluation of transition projects, not a strategy
- **(b) State-individual relationship**
Public employment services, retraining/reskilling programmes, but full discretion/responsibility of the individual, lacks matching with LM needs

Case Studies

OEM plant

- Establishment: 2004
- Number of employees: up to 4000
- production of vehicles
- union OZ KOVO
- current CB valid until 2026



Data source: Sario³

Supplier plant

- Establishment: 2003
- Number of employees: cca 500
- lighting production
- union OZ KOVO
- current CB valid until 2024



OEM PLANT

SUPPLIER PLANT

Factor	Presence	Execution	Employment effects	Presence	Execution	Employment effects
automation	YES	600 robots (50% increase since 2011)	job reduction (fluctuation of labour from press and paint shop to assembly), improved ergonomics	YES	since 2013 industrial robots and since 2017 cobots in production	labour reduction in production
digitalization	YES	Ui Path, RPA, digitalized employee workload software (developed in Zilina)	improved work organization, demand for workers with digital and complex skills (high skilled workers with interdisciplinary skills)	YES	D&D center, digitalized data collection software for monitoring production capacities (digital price of SK 2023), processing softwares PLC/Euromap/iTac), RFDI	100 new jobs in D&D: great shortage of highly skilled professionals (designer of optical processes, designer of electronic processes)
decarbonization	YES	Green energy solutions: installation of a photovoltaic power plant	-	YES	light efficiency solutions in factory	-
electrification	YES	Restructurization of production due to new e-model and increase of production by 35 % since 2025	reductions expected in CBE shop, and increase in assembly (lawful obligation to maintain 3510 jobs)	NO	-	-
co-determination	NO	due to D-A-D, union rooted right to information, negotiation, co-determination and control in CBA	-	NO	due to D-A-D, union rooted right to information, negotiation, co-determination and control in CBA	-
DAD discusses in CB	YES	400 EUR reskilling allowance, increase in severance payment by 3 months	-	NO	CBA negotiated in times of business merging with Forvia: "there was'nt room for new themes". Topics negotiations were selected by union members through survey (wages and supplements).	-
Provisions in CBA	Y/N	increased severance benefits, employee training plan	-	Y/N	in case of structural changes, employers obliged to fill vacant job positions with released employees and provide requalifications	-

PRELIMINARY FINDINGS

How DAD creates opportunities for changes in bargaining, and how bargaining helps addressing the goals and challenges derived from DAD.

- In the context of D-A-D, **“bread-and-butter” issues** such as wage increases and working conditions seem to dominate collective bargaining
- **Company bargaining is rarely the area for introducing new topics**
- **Unions pushing for more bargaining on reskilling/training rights (sector level)**, employers prefer full discretion over training
- Challenges addressed through **national level policy tools (individualized approach) or at individual companies, without** systematic participative social dialogue or CB in any of these
- National tools criticized for being decentralized, uncoordinated, without systematic social partner involvement and without matching with employer needs
- **Employers:**
 - high discretion in shaping the content of retraining/reskilling at the company level, but reluctant to implement reskilling clauses in CBAs due to costs
 - not involved in governing the individualized national approach to reskilling
- **Unions:** attempt to develop bargaining on workers’ right to training/retraining (5 days/year)

THANK YOU FOR YOUR
ATTENTION!

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marta.kahancova@celsi.sk and katarina.lukacova@celsi.sk

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With financial support of the EU
Project No. 101052331