Chapter 25
Slovakia: between coordination and fragmentation
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Slovakia emerged as an independent republic in 1993 when Czechoslovakia was divided into Slovakia and the Czech Republic. Since its transition to democracy and a market economy during the 1990s, the country has evolved into an open, export-led economy with a high share of foreign direct investment (FDI). With the inflow of FDI, particularly into the automotive and electronics industries, economic growth peaked in 2007 with a real GDP growth rate of 10.5 per cent (Eurostat 2018). Real wage increases reached an average of 3.8 per cent in 2007–2008 (Štatistický úrad Slovenskej republiky, ŠÚ SR, Statistical Office of Slovak Republic). After the financial and economic crisis, unemployment peaked at 14.5 per cent in 2010, but declined to 8.1 per cent in 2017 after the country’s fairly rapid recovery (Appendix A1.F). The current collective bargaining system is characterised by a transparent structure of bargaining actors, legislative support for bargaining and extension of collective agreements, but little vertical coordination between national, industry/multi-employer and company-level bargaining (see Table 25.1). At the same time, the country has experienced a decline in trade union density, accompanied by diminishing collective bargaining coverage. This is the result of developments broadly linked to three periods of recent Slovak history.

The first period is that of state socialism in Czechoslovakia, when unionisation rates were high, but industrial democracy, independent collective bargaining and tacit knowledge essential for the emerging market economy were lacking (Fabo et al. 2013; Myant 2010; Drahokoupil and Kahancová 2019). The second period is that of the formation of the Slovak market economy between 1990 and 2008. In this period, collective bargaining was affected by the privatisation of state-owned enterprises and the inclusion of labour interests in policy-making in exchange for labour acquiescence in economic reforms, but also Slovakia’s accession to the European Union (EU) and the inflow of FDI (Bohle and Greskovits 2012; Drahokoupil and Myant 2015). The third period is that of post-crisis developments after 2008, which have intensified bargaining decentralisation, but also legislative changes related to the extension of bargaining coverage.

Within Slovak bargaining structures and hierarchies of bargaining actors, national tripartite social dialogue since 2000 has been disconnected from other levels of bargaining; it has been merely advisory and has had little impact on policy. Union density declined from 32 per cent in 2000 to 13 per cent in 2015, while employers’ association rate has remained relatively stable at above 30 per cent over the past two decades. While multi-employer and industry-level bargaining are still important in Slovakia, the importance of company-level bargaining is increasing. Bargaining coverage halved between 2000 and 2015 (see Tables 25.1 and Appendix A1.A).
Two important developments of the past decade are particularly important if one wishes to understand collective bargaining trends in Slovakia. The first concerns changes in the union landscape. Although union membership has declined substantially since the early 1990s (see Appendix A1.H), the transition from state socialism did not undermine the unions’ industrial and confederative hierarchy. The past decade, however, has seen a split between ‘old’ unions focusing on traditional modes of action, such as collective bargaining and social pacts with the government, and ‘new’, more radical unions that seek other forms of influence besides collective agreements. The new unions use the public domain for their actions and seek policy influence and public support through protests, demonstrations and petitions. These new unions, which are mainly in the public sector, including health care and education, emerged in response to dissatisfaction with the results of bargaining within established union structures.

The second development, which challenges collective bargaining, is the increasing focus of unions and employers on legislative solutions for issues that previously were subject, or potentially subject, to bargaining (Kahancová 2015; Kahancová and Martišková 2016). Trade unions and employers’ associations in general believe that legislative solutions are more likely to be enforced than regulations implemented via collective bargaining, despite the binding character of collective agreements.¹

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¹ Source: interviews with employers’ associations and trade union federations within the following research projects in which the authors were involved: BARSOP – Bargaining and social dialogue in the public sector, EC Grant No. VS/2016/107, PRECARIR: The rise of the dual labour market: fighting precarious employment in the new member states through industrial relations, EC Grant No. VP/2014/0534, NEWIN: Negotiating wage (in)equality, EC Grant No. VS/2014/0538, New Challenges for Public Services Social Dialogue: Integrating Service User and Worker Involvement to Support the Adaptation of Social Dialogue, EC Grant No. VS/2013/0362, BARSORIS: Bargaining for Social Rights at Sectoral Level, EC Grant No. VS/2013/0403.
Industrial relations context and principal actors

During state socialism in Czechoslovakia prior to 1989, independent interest representation organisations and collective bargaining did not exist. All unions were highly unified and centralised in the Revolutionary Trade Union Movement (Revolučné odborové hnutie, ROH), which was fully subordinated to the ruling Communist Party of Slovakia (Komunistická strana Slovenska), which was a territorial unit of the Communist Party of Czechoslovakia (Komunistická strana Československa) (Drahokoupil and Kahancová 2019; Myant 2010; Pokorný 2015). Union membership was expected from all employees and the unionisation rate was over 80 per cent (Myant 2010; Pokorný 2015). Although unions enjoyed formal powers over legal compliance and health and safety issues in the workplace there was no collective bargaining. Nevertheless, to encourage higher productivity in return for individual benefits, unions often signed agreements with management at the enterprise level (Myant 2010; Drahokoupil and Kahancová 2019).

The role of unions and employers changed during the 1990s in the course of Slovakia’s triple transformation to capitalism, democracy and a reformed nation-state (Offe 1991). Privatisation of state-owned enterprises and labour market reforms, including deregulation and flexibilisation, produced bankruptcies and a sharp rise in unemployment. The initially democratic transition evolved into a form of autocratic nationalism by the mid-1990s, followed by market liberalisation and the inflow of FDI in the late 1990s (Fabo et al. 2013). In this economic context, conditions for establishing market economy-style interest representation and collective bargaining institutions have been favourable since the early 1990s because Slovakia’s economic policy has supported domestic heavy industry and the formation of domestic capitalist elites (Fabo et al. 2013; Roháč 2012: 6). The formation of employers’ associations has been marked, on one hand, by a lack of interest among many new private firms in organising themselves and bargaining with unions, and on the other hand by the emergence of influential business associations in key economic sectors. One of the strongest employers’ associations, the Federation of Mechanical Engineering (Zväz strojárskeho priemyslu, ZSP), which today also bargains on behalf of the highly important automotive producers in Slovakia, was formed in 1990, among the first industry-level employers’ associations. In general, the employers have developed an industrial and confederal structure of associations organised by the peak-level Association of Employers’ Federations (Asociácia zamestnávateľských zväzov a združení, AZZZ), later joined by the peak-level employers’ federation Employers’ Union of the Republic (Republiková únia zamestnávateľov, RÚZ).

On the trade union side, the former Czechoslovak ROH was transformed into two successor organisations: the Slovak Confederation of Trade Unions (Konfederácia odborových zväzov Slovenskej republiky, KOZ SR) and the Czech–Moravian Confederation of Trade Unions (Českomoravská konfederace odborových svazů, ČMKOS) (see also Chapter 7). KOZ SR inherited ROH’s Slovak material and personnel resources. The ROH’s former role partially formed the future union strategy vis-à-vis members, employers and the government under the new democratic regime (Uhlervá 2012). Within the unions’ industrial and confederal structure, company and industry-level unions enjoy a high degree of independence from KOZ SR.
Besides KOZ SR as the largest national-level trade union organisation, other encompassing trade unions have emerged outside it. Among them, the most important is the Independent Christian Trade Unions of Slovakia (Nezávislé krestanské odbory Slovenska, NKOS), re-established in 1993 after the forced cessation of its activities in 1948. Recently some trade unions have opted out of established union structures – for example, Moderné odbory Volkswagen, the Modern Trade Union at Volkswagen – while new unions have emerged that seek involvement in collective bargaining also at industrial and tripartite levels – for example, Odborové združenie sestier a pôrodných asistentiek, the Trade Union Federation of Nurses and Midwives.

Alongside the emergence of bargaining actors, two developments played a key role in laying the foundations of modern collective bargaining. First, the tripartite Council of Economic and Social Accord (Rada hospodárskej a sociálnej dohody, RHSD) was founded in 1990. Second, the Act on Collective Bargaining (Zákon o kolektívnom vyjednávaní, Act No. 2/1991 Coll.), which remains the most important legislation enabling collective bargaining, was adopted in 1991. This act stipulates that only industry-level trade unions and employers’ associations, at industry-level, or recognised company-level trade unions and employers, at company level, are entitled to bargain and conclude a collective agreement. Although the establishment of works councils in 2002 challenged union status in the workplace, works councils or shop stewards (work trustees) do not have the right to conclude collective agreements. Provisions of collective agreements are legally binding and apply to all employees in companies, regardless of union membership. Conditions agreed in multi-employer and industry-level collective agreements can be altered only in favour of employees in company-level agreements; no downward derogation from industry-level collective agreements is possible at the company level (Cziria 2017). Multi-employer agreements may not contravene the general legislation and set minimum standards for company bargaining.

Although it established a legal foundation for bargaining, collective interest representation in the post-socialist era has suffered from political dependence, dwindling associational power, lack of bargaining experience and a lack of influence over working conditions (Avdagic 2005; Bohle and Greskovits 2006). Similar to other central and eastern European (CEE) countries, national tripartism was illusory, while industry-level and company bargaining actors struggled to establish a respected role among turbulent interactions of the government, new elites, privatisers and increasingly influential organisations representing business interests (Ost 2002). With a political change in the late 1990s, economic policies shifted from favouring domestic political elites and prioritised the attraction of FDI (Drahokoupil and Myant 2015). Pressure for labour market deregulation intensified, yielding many amendments to the Labour Code (Zákoník práce), which introduced temporary employment, working time accounts (flexikonto) and new forms of employment, such as job sharing and temporary agency work (Bulla et al. 2014). Labour market deregulation coincided with the period of high GDP growth, which peaked at 10.8 per cent in 2007 and a fall in unemployment to a historical minimum of 9.6 per cent in 2008 (see Appendix A1.F), mainly as a result of EU accession, combined with the inflow of foreign investors. Some multinational

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2. Work councils and trustees possess only information and consultation rights at the establishment level.
companies, especially those with a bargaining tradition in their home country, have helped to stabilise industry-level bargaining through their commitment to coordinated bargaining (Kahancová 2013), while others have sought to escape high labour standards in their home countries (Jürgens and Krzywdzinski 2009). The post-crisis period since 2008 further intensified pressures to reassess the role of bargaining because of employers’ demands for flexibility, increasing unemployment after the crisis and union fragmentation. These developments suggest that Slovakia is increasingly facing the same trend as the rest of the EU: bargaining decentralisation and the erosion of coordinated bargaining.

**Extent of bargaining**

The erosion of collective bargaining is vividly illustrated by the decline in bargaining coverage. Bargaining coverage has halved in the past two decades, from over 50 per cent in 2000 to 24.9 per cent in 2013 (see Appendix A1.A). The Wage Dynamics Survey (WDS) estimated a bargaining coverage of 37.5 per cent in 2014, down from 57.4 per cent in 2009 (Karšay and Mičúch 2014).³ Eurofound data estimated a bargaining coverage of 30 per cent in 2013 (Eurofound 2017) compared with 51 per cent in 2000 (Eurofound 2002). Finally, data provided by the Ministry of Labour, Social Affairs and Family (Ministerstvo práce, sociálnych vecí a rodiny, MPSVR) confirmed the trend of declining coverage with a fall from 42.2 per cent in 2006 to 32.4 per cent in 2013 (ISTP 2013). Bargaining coverage data from the ICTWSS database are even lower than those reported above (see Appendix A1.A).

Bargaining coverage refers to company-level, multi-employer and industry-level agreements. The latter two are referred to as higher-level collective agreements (Kolektívne zmluvy vyššieho stupňa, KZVS). Despite Slovakia’s extension mechanism for KZVS, the estimated coverage of industry-level collective agreements is low. In 2016, 11.5 per cent of medium-sized and large enterprises were covered by an industry-level agreement (Klokner 2017). There is, however, variation between industries: in the electricity, construction and financial industries 40 to 60 per cent of companies are covered by an industry-level agreement, while in manufacturing, retail or transportation only 10 per cent of companies are covered. Data on bargaining coverage per industry are not available, but Table 25.2 lists the number of companies covered by a higher-level agreement by industry. Only a small proportion of companies are covered by industry-level or multi-employer agreements. In industry, for example only 7.1 per cent and in commerce only 9.8 per cent of all companies were covered in 2016 (ePraca 2017). The majority of those covered by higher-level agreements are large companies. The number of companies that sign a company-level agreement is higher: 32 per cent of companies had a valid collective agreement in 2016 (ibid.). Coverage of company-level agreements is *erga omnes*, thus automatically extended to all employees of the respective company.

There are several reasons why, despite institutional support for bargaining extension, coverage rates remain low: declining union membership, decreasing interest on the part

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³ The Wage Dynamics Survey by the National Bank of Slovakia (2014).
of employers in multi-employer and industry-level bargaining and a lack of innovation regarding the content of agreements. Since 2000, trade unions have not expanded in any of the industries they operate in. Declining membership has affected unions’ countervailing power and their ability to act during the economic transformation and the inflow of multinationals (Uhlerová 2012). The unions’ position and the practice of collective bargaining is therefore often at the mercy of employers’ interest in being part of bargaining structures. Furthermore, many employers have decided to opt out from industry-level bargaining structures because they no longer acknowledge any benefits. The legally recognised and simple way for an employers’ association to opt out from industrial bargaining structures is to change their legal status. Act 2/1991 Coll. on collective bargaining lays down that higher-level collective agreements (KZVS) can

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of companies in industry*</th>
<th>Number of companies covered by higher-level agreements</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Large and medium-sized companies</td>
<td>Total number of companies in industry</td>
</tr>
<tr>
<td>Agriculture, forestry, fisheries</td>
<td>163</td>
<td>7,312</td>
</tr>
<tr>
<td>Extraction, mining, quarrying</td>
<td>16</td>
<td>195</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,294</td>
<td>19,886</td>
</tr>
<tr>
<td>Electricity, gas, steam and air conditoning supply</td>
<td>38</td>
<td>510</td>
</tr>
<tr>
<td>Water supply, sewerage, waste management and remediation</td>
<td>53</td>
<td>1,002</td>
</tr>
<tr>
<td>Construction</td>
<td>175</td>
<td>18,807</td>
</tr>
<tr>
<td>Wholesale and retail</td>
<td>480</td>
<td>48,621</td>
</tr>
<tr>
<td>Transportation and storage</td>
<td>234</td>
<td>10,200</td>
</tr>
<tr>
<td>Accommodation and food service activities</td>
<td>82</td>
<td>7,786</td>
</tr>
<tr>
<td>Information and communication</td>
<td>123</td>
<td>11,387</td>
</tr>
<tr>
<td>Financial and insurance activities</td>
<td>65</td>
<td>703</td>
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<tr>
<td>Real estate activities</td>
<td>47</td>
<td>12,714</td>
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<tr>
<td>Professional, scientific and technical activities</td>
<td>155</td>
<td>36,108</td>
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<tr>
<td>Administrative and support service activities</td>
<td>274</td>
<td>21,851</td>
</tr>
<tr>
<td>Public administration and defence</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Education</td>
<td>11</td>
<td>2,801</td>
</tr>
<tr>
<td>Human health and social work activities</td>
<td>102</td>
<td>6,611</td>
</tr>
<tr>
<td>Arts, entertainment and recreation</td>
<td>44</td>
<td>2,692</td>
</tr>
<tr>
<td>Other services</td>
<td>21</td>
<td>3,049</td>
</tr>
<tr>
<td>Total (whole economy)</td>
<td>3,383</td>
<td>212,246</td>
</tr>
</tbody>
</table>

be concluded only between unions and employers’ organisations. Once an employer’s association changes its legal status from an organisation entitled to bargain collectively to, for instance, a non-profit organisation of independent entities it is formally no longer eligible to sign a collective agreement. This was the case with the Federation of the Automotive Industry (Zväz automobilového priemyslu, ZAP), and recently also in the banking and commerce sectors, in which industry-level bargaining collapsed in 2016 (Kahancová et al. 2017). In other industries, in order to preserve industry-level bargaining, the unions accept a low degree of regulation via KZVS, thus undermining the role of industry-level collective agreements. This is the case with collective agreements for the commerce and construction industries, for instance, which stipulate only a minimum of very general provisions, often not regulating industry-specific wage levels at all. Other industry-level collective agreements may regulate working conditions by defining exact wage scales and pay rises, for example in the metal industry, or specify a minimum wage above the statutory minimum for the given sector. Nevertheless, even agreements with more detailed regulation do not target higher employee protection. Detailed wage tariffs coupled to annual increases negotiated by unions, often above the growth rate of the national average wage, however, are not sufficient to reverse declining union membership (Uhlerová 2012).

The trend of opting out from industrial bargaining structures on the side of employers or hostility to company-level bargaining in some companies, or both, is accompanied by a shift in actors’ strategies to legislative solutions (Kahancová 2016). Trade unions and a number of relevant employers and their associations are convinced that legislative regulation is more easily implemented and monitored than collective agreements, facilitate greater commitment on the side of employers and lower the chance of evasion or free riding. On the side of the unions, a focus on legislative solutions helps them to develop a new politically based power resource, as unions have increasingly relied on the support of the strongest political party, SMER – Social Democracy (SMER – sociálna demokracia, SMER-SD), which has been the strongest party and part of the government since 2006 – with the exception of 2010–2012. Unions’ and employers’ increasing focus on legislative solutions may further intensify the erosion of bargaining structures (Kahancová and Martišková 2016; Kahancová and Sedláková 2018). Under the governance of SMER-SD, Slovakia has experienced the extension of industry-level collective agreements since 2008, which is a unique development in CEE countries, which are characterised mainly by decentralised bargaining structures (European Commission 2013). While government coalitions led by SMER-SD since 2006 have introduced industry-wide extensions to bargaining coverage, the right-wing government coalition ruling in 2010–2012 replaced industry-wide extensions with voluntary extensions dependent on the consent of the employers concerned. An industry-wide extension mechanism was reintroduced after the 2012 elections when SMER-SD returned to office.

In 2016, the fate of extensions changed again when the Constitutional court of the Slovak Republic (Ústavný súd Slovenskej republiky) ruled that industry-wide extensions were against the Slovak Constitution because they violate basic human rights and liberties in entrepreneurship and in the right to own property. The main reasons were the following: the extension mechanism applied to entire industries...
as specified in the Statistical Classification of Economic Activities in the European Communities (NACE); the procedure of extension was launched only at the request of one or several of the parties involved, that is, trade unions or employers; and extensions were subject to approval by the Ministry of Labour, Social Affairs and Family. The claim of unconstitutionality which was submitted to the court was politically motivated because the economic impact of extensions in terms of labour costs would amount to a 3.2 per cent increase (Karšay and Mičúch 2014). The new extension mechanism approved in September 2017 in the form of an amendment to the Act on Collective Bargaining (Zákon o kolektívnom vyjednávaní) No. 2/1991 allows for the automatic extension of bargaining coverage of higher-level collective agreements above the company level (KZVS). The amendment for the first time introduced representative multi-employer agreements; and only these are subject to extension (Eurofound 2017). A representative agreement, according to the new legislation, is one signed on behalf of an industry in which trade unions are established in at least 30 per cent of employers that are members of the employers’ association that signed the industry-level collective agreement. If more than one industry-level agreement is signed, the agreement that covers more employees may be extended. If both parties, employers and unions, agree to extension to the whole industry, the decisive indicator is the NACE code classification of the activity of particular companies. If a KZVS is concluded for a specific industry, and at the same time is representative for this industry, it may be extended. Despite this regulation, no extension was implemented in 2017 (Eurofound 2017).

**Level of bargaining**

Collective bargaining in Slovakia takes place at the industry and company levels. At the national level, social dialogue takes place in the tripartite Economic and Social Council (Hospodárska a sociálna rada, HSR). Although national tripartism is an important aspect of bargaining security (see below), it does not yield binding collective agreements. The last general framework agreement, as a result of bargaining at the national level, was concluded in 2000. In this section therefore we focus on industry and company level collective bargaining.

According to the ICTWSS database, Slovakia’s bargaining system oscillates between industry-level and company bargaining. The main trend in terms of level of bargaining is the strengthening of company-level bargaining, putting industry-level bargaining structures in some industries under pressure and hollowing out the content of some industry-level agreements (Drahokoupil and Myant 2015). Mechanical engineering, for example, still conducts wage bargaining at the industry level, while in retail industry bargaining exists, but no longer provides for wage regulation, which is fully decentralised to the company level (Kahancová et al. 2017). At the industry level, 37 agreements were in force in 2000, declining to 29 agreements in 2017 (see Table 25.3). In the private sector, the number of agreements decreased by twelve, in the public sector it has increased by four.

In the public sector, wage bargaining at industry level is very important. Bargaining on behalf of employees in state services and public services, including education,
central and local government and, partly, health care is conducted with government representatives as employers and results in binding wage regulation. This explains the rising number of industry-level agreements in the public sector since 2000 (ISTP 2013). In contrast, bargaining in the private sector is concentrated at the company level in terms of both coverage and impact on working conditions (see degree of control of collective agreements). Despite the decreasing coverage rates, issues including wage setting and actual working conditions are bargained at this level and thus contribute to the rise of employment quality in particular companies. Sixty per cent of company-level bargaining occurs in companies with more than 200 employees. The average length of validity of an agreement is 1.8 years, but wage increases are usually renegotiated every year (ISPP 2013). Besides the increasing importance of company-level bargaining, the social partners are increasingly targeting their regulatory efforts at the national level. Many issues that emerge in company bargaining are articulated upwards and addressed at the national level via Labour Code amendments. Between 2001 and 2017, the Labour Code was subject to 48 amendments. The majority of amendments favoured labour, especially in precarious jobs such as fixed-term and part-time workers and agency workers. The OECD index of employment protection indicates that employment protection of temporary workers in Slovakia increased from 0.6 per cent in 2004 to 1.7 per cent in 2013.

**Security of bargaining**

Security of bargaining refers to institutional possibilities of unions and employers to participate in the regulation of the employment relationship. The institutionalised access of trade unions and employers to collective bargaining developed in the course of their transformation in the 1990s and 2000s. The most important statutory provisions on the fundamental rights of unions and employers in collective bargaining are elaborated in Act No. 2/1991 Coll. on collective bargaining, the Labour Code (Act No. 311/2001 Coll. and its later amendments) and Act No. 103/2007 Coll. on tripartite consultations. The most important levels from the perspective of bargaining security are the national and the company level, which we address in more detail below.

According to the Act on Tripartite Consultations, unions with at least 200,000 members and employers’ associations representing at least 200,000 employees working in

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member companies are representative and thus entitled to participate in national tripartite social dialogue (Barošová 2013). Each side of the social dialogue, including unions, employers and the government, may be represented by seven representatives. For different issues, different nominees may be present at discussions, thus the overall number of participants in the tripartite committee is around 80. Besides formal access by meeting representativeness criteria, unions and employers often seek political alliances in order to gain influence in policy-making, as tripartite social dialogue has only an advisory character for the government (Myant 2010; Uhlerová 2012). On the union side, KOZ SR participates in tripartism, while on the employers’ side AZZZ and RÚZ SR are the only peak-level associations involved in tripartism.

During the 1990s, tripartite consultations resulted in general agreements with wage stipulations, which often lacked government commitment (Uhlerová 2012). Tripartism in Slovakia was subject to several changes in terms of the competences and responsibilities of the partners involved and their representativeness and political affirmation. In particular, trade union attitudes towards liberal and social-democratic governments have caused some turbulences in the tripartite committee since the 1990s. In 1998, trade unions joined the coalition of social democrats and liberals in their battle against the government of prime minister Vladimír Mečiar. After this coalition won the 1998 elections, Act No. 106/1999 Coll. on Economic and Social Partnership (Zákon o hospodárskom a sociálnom partnerstve), also referred to as the Tripartism Act (Zákon o tripartite), redefined the issues subject to tripartite consultation, the representativeness criteria of relevant parties and the financial operation of the Council.

Nevertheless, after the 2002 elections, when the winning liberal parties left the Social Democrats in opposition, tensions between the government and trade unions escalated due to differing perspectives on labour market deregulation. As a result, the government unilaterally recalled Act on No. 106/1999 Coll. on Economic and Social Partnership (Zákon o hospodárskom a sociálnom partnerstve) and introduced a new Act on Tripartism that granted the parties, including employers’ representatives and trade unions, only a consultative role. Weakening the institution of tripartism was part of the (economic) liberal government’s programme to ‘eliminate the corporatist model that granted access to the government only to selected groups of employees and employers’ representatives’ (Uhlerová 2012: 130). The tripartite body was not abolished, however, but transformed into a governmental council with limited legal competencies. As a result, between 2002 and 2007 tripartite consultations had only a consultative character and the partners complained about incomplete or untimely delivery of background materials, suggesting that tripartism had only very limited authority (Uhlerová 2012).

After the 2006 change of government, when the Social Democratic Party SMER formed the government, a new Act No. 103/2007 Coll. on Tripartism (Zákon o tripartite) was adopted. Besides changing the name from Council of Economic and Social Accord (Rada hospodárskej a sociálnej dohody, RHSD) to Economic and Social Council of the Slovak Republic (Hospodárska a sociálna rada Slovenskej Republiky, HSR), the last Act stipulates a clearly consultative role for the tripartite council, respect for the plurality of the actors involved and their competences in legislative procedures and defines topics that the HSR is obliged to discuss. In light of these developments, national-level
consultations thus remained at the centre of trade unions’ and employers’ federations’ strategies despite different attitudes of successive governments towards tripartism as an institution granting access to the social partners to policy-making (Kahancová et al. 2017; Uhlerová 2012).

In addition to tripartism, security of bargaining for unions is facilitated by articulation between grassroots union organisations at the company level and the relevant industry-level union federation. The decentralisation of union structures and the high autonomy granted to company-level union organisations after the 1989 regime change has had several consequences (see above; Myant 2010). First, vertical bargaining coordination was, and remains, increasingly difficult, as national or industry-level union organisations are no longer able to coordinate bargaining outcomes in companies because of the grassroots organisations’ strong autonomy. Higher-level organisations thus must rely on the willingness of the lower-level organisation to cooperate to have a significant impact on bargaining. A common practice in vertical articulation in bargaining is that company-level unions invite legal specialists working at industry-level unions to consult on their bargaining claims. Second, wage increases but also other employees’ benefits and recruitment activities are dependent on the strength of particular company-level union organisations and their leaders. Representatives of company unions might possess very diverse qualities and strengths in leading collective bargaining. Third, security of bargaining is assured through valid strike regulation. Slovakia does not have separate strike legislation and workers’ right to strike is assured through several international regulations, the Slovak Constitution, the Act on Collective Bargaining and the Labour Code (Zachar 2012). The most specific strike regulation is in Act 2/1991 Coll. on collective bargaining: however, this piece of legislation only regulates strikes directly connected to collective bargaining and the conclusion of collective agreements. Strikes are supposed to be approved in a secret ballot by an absolute majority of the employees present at the ballot. Participation in the ballot must exceed 50 per cent of all workers covered by a particular company agreement. Unions should inform the employer about the date, reasons and objectives of the strike, and provide a list of union representatives participating in the strike committee. Unions also need to reach agreement with the employer on how essential activities and services will be ensured during the strike.

As a consequence of this regulation, strikes are rare in Slovakia and the majority of them are not related to collective bargaining. In 2006, there was a 14-day strike of about 1,330 health care workers; in 2007 a six-day strike of about 100 air traffic controllers; and in 2008 a 30-hour strike of about 1,600 workers at the Kromberg & Schubert Company, a cable producer for the automotive industry. The strike of primary school teachers in January 2016 caught the public’s attention when more than 14,500 teachers from over 950 schools went on strike (ETUI 2016). In June 2017 the first strike in the automotive industry occurred when more than 5,000 employees joined the six-day strike at Volkswagen Bratislava to finally achieve wage increases and non-wage benefits (Krajanová 2017). More common than actual strikes are so-called strike alerts, which do not end up as real strikes, but increase union pressure in bargaining. Such strike alerts

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5. According to Slovak Statistical Office.
6. According to information from trade unions.
occurred in 2016 and 2017 during bargaining in public transportation, at the machinery producer Podpolianske strojárne, in education and in the energy sector.\(^7\) Besides such events, unions are increasingly voicing their discontent through activities beyond the scope of strike legislation, including public protests and media campaigns. In 2011 there was a massive and successful resignation campaign on the part of medical doctors led by the Doctors’ Trade Union Federation (Lekárske odborové združenie, LOZ), followed by a successful resignation campaign involving nurses and midwives led by the Trade Union Federation of Nurses and Midwives (Odborové združenie sestier a pôrodných asistentiek, OZSaPA) in late 2015 (Kahancová 2016).

**Depth of bargaining**

Slovak legislation recognises two types of employee representation at the workplace: trade unions and works councils or work trustees. Trade unions can be established at any workplace by at least three employees. Works councils may be established through a workplace ballot in companies with more than 50 employees, while a work trustee may represent workers’ interests in companies employing between three and 50 employees. The rights and duties of works councils and work trustees are the same and centre on the right to information, compliance activity and some co-decision making and negotiation. Current legislation bestows little influence on works councils or work trustees; in contrast, trade union organisations are entitled to collective bargaining (Kahancová and Sedláková 2018).

According to Act No. 2/1991 on collective bargaining, collective agreements can be negotiated and concluded by employers and union representatives whose authorisation is implied in union statutes or in internal union provisions. In cases in which more than one union operates at a workplace, they need to agree on the provisions among one another. For higher-level collective agreements, employers may conclude an agreement with unions representing the largest number of employees of member companies. Information on negotiations and approval procedures within employers’ organisations is limited and not publically accessible. These procedures are stipulated in internal regulations accessible only to members. At the company level, a union representative serves mainly as a negotiator in collective bargaining and is also involved in the implementation of the agreement. Union representatives, after a secret ballot majority vote, also have the right to call a strike. Neither works councils nor work trustees can call a strike in Slovakia.

At the industry level, unions usually appoint a chief negotiator via one of their bodies. For instance, OZ KOVO, the metal sector union, approves a chief negotiator and the overall strategy in collective bargaining through its Presidency of the council of the trade union federation (Predsednictvo rady odborového zväzu). The internal mechanisms of appointments in many cases are specific to the union’s constitution and

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studies accurately characterising the appointment procedure, for example by voting or only by formal approval, are almost non-existent. The depth of collective bargaining is thus less pronounced at the industry level compared with the company level. Union representatives who conclude collective agreements with an industrial or higher-level employer organisation may be, and in most cases are, professionals that work solely for the union at the industry level and are not employed in any company. There are, however, some cases in which a representative of the higher-level union also serves as a representative of a company-level union; one example is banking (Kahancová et al. 2017).

**Degree of control of collective agreements**

The degree of control of collective agreements refers to the extent to which the actual terms and conditions of employment correspond to the terms and conditions originally agreed by negotiators. The bargaining system does not allow downward derogations from the law and from higher-level collective agreements: wages stipulated in company agreements cannot derogate from wage stipulations in industry-level agreements. The actual impact of collective agreements on improving working conditions and wages is modest. First, industry-level agreements set minimum standards and often do not include specific wage grades. In banking, the industry-level agreement sets the minimum wage at €500, but data show that the median wage in the industry was €1,236 in 2014, whereas the average wage reached €1,673 in the same year (Kahancová et al. 2017). In the metal industry, the industry-level collective agreement stipulates wage rates for different categories of workers, but they only set minimum standards for the industry and actual wages differ across particular employers. Retail in its industry-level collective agreement does not stipulate wage levels for its employees and wage-setting is thus a matter of company-level collective agreements, which are in most cases private and not accessible. In compulsory education, wage rates are set by the government for the whole public sector and are part of a higher-level collective agreement. Wage drift in education and the public sector as a whole in Slovakia is therefore smaller than that in the private sector.

The second reason why collective agreements play only a modest role in defining and actually setting working conditions is related to company-level bargaining. Company-level bargaining is mainly uncoordinated, and outcomes differ between employers within and across industries. Employers tend to opt for individual rather than collective solutions. Cziria (2012) showed that the average wage increase agreed in company-level collective agreements has been declining: it was 6.4 per cent in 2007, 6.3 per cent in 2008, 5.4 per cent in 2009 and only 3.5 per cent in 2010. It has increased in recent years, however, as trade union demands have been supported by the thriving economy and associated labour shortage. Individual wages in banking are influenced by performance and thus allow for greater flexibility, with variable parts of wages accounting for a great part of the salary (Eurofound 2009; Kahancová et al. 2017). A substantial difference in wage scales is visible also in the company agreement of Volkswagen Slovakia, which sets its own wage rates, with notably higher wages than in the industry-level agreement. The differences range from 283 to 692 euros (Kahancová et al. 2017).
The two most important bodies for monitoring implementation of collective agreements are company-level unions and the Labour Inspectorate (Inšpektorát práce). Both bodies are regulated in the Labour Code. If a union is established in a company, it has a right to monitor compliance with an agreement’s provisions. Unions are aware of the importance of their role (Kahancová 2016). If unlawful practices are discovered, however, unions do not have a wide variety of measures available to correct employer behaviour. Based on mutual trust and established relations, the union can formally or informally discuss and request better compliance with collectively agreed regulation. If an agreement cannot be reached, unions, but also any other organisation or an individual – for example an employee – may file a case with the Labour Inspectorate. The Inspectorate does not possess the authority to enforce implementation or corrective measures on the part of the employer. Its activities are rather pro-active and aimed at monitoring compliance in order to prevent cases of misconduct. The Inspectorate is not entitled to take a binding decision or to bargain about employee rights with the employer. As an enforcement measure, the Inspectorate is entitled to assign a fine to the employer if a practice is found to be unlawful. Only the court can take a legally binding decision and enforce implementation of employee rights deriving from a collective agreement.

An interesting exception to the generally limited union rights to enforce a collective agreement is the unions’ monitoring competence on health and safety issues, as stipulated by Article 149 of the Labour Code. Company-level unions thus have a right to ensure that the employer follows all relevant health and safety procedures, and adopts corrective measures if misconduct is uncovered. Unions have the right to ensure that employers correctly investigate workplace injuries, for example, or even directly participate in such examination. The union is obliged to elaborate a written statement on cases of misconduct. The Labour Code also entitles unions to request a temporary halt to work at the company; they are also obliged to inform the Labour Inspectorate of their request.

Collective disputes are governed by Article 10 of Act 2/1991 Coll. on collective bargaining, which defines two types of disputes: disputes on concluding a collective agreement and disputes addressing fulfilment of obligations arising from a valid collective agreement. To resolve collective disputes, parties may agree to go before a mediator. The parties can choose the mediator, or can let the Ministry of Labour, Social Affairs and Family appoint one from its list of certified mediators. The law states that the contracting parties are obliged to provide mutual cooperation with an intermediary. If the dispute is not resolved within 30 days, however, the parties have a right to request an arbitrator to take a binding decision. If the parties decide not to bring their case to arbitration, employees have a right to call a strike in a dispute on conclusion of a collective agreement (§17 of Act No. 2/1991 Coll.). At the same time, employers have the right to announce a lockout (§27 of Act No. 2/1991 Coll.).

The Ministry of Labour, Social Affairs and Family reported twenty registered cases of mediation in 2006 and seventeen cases in 2007. In the past decade, the health-care
sector has frequently resorted to mediation and arbitration. Every multi-employer agreement between trade unions and the Association of Hospitals of Slovakia (Asociácia nemocnic Slovenska, ANS), representing smaller regional public hospitals, has ended up in the hands of an arbitrator. This shows that bargaining not only takes longer in health care, but also that it is increasingly difficult to reach an agreement and without the decision of an arbitrator a collective agreement would not be achieved. In the large state hospitals, represented by the Association of State Hospitals of the Slovak Republic (Asociácia štátnych nemocníc SR, AŠN SR), collective agreements by an arbitrator’s decision were also common, but alternated with agreements concluded by the consensus of the social partners (Kahancová 2016).

**Scope of agreements**

The range of issues covered in collective agreements differs according to the level of bargaining. At the industry level, collective agreements set minimum standards, are more general and serve a declarative role to support the existence of social dialogue at the sectoral level (Kahancová *et al.* 2017). At the company level, agreements are more specific and their scope differs across industries and particular companies. Evidence from content analysis of industry-level collective agreements in four industries in Slovakia – metal, retail, banking and education – supports the assertion that industry-level collective agreements cover only minimum issues beyond the level of Labour Code provisions. All four industry-level collective agreements define a relationship between employers and union representatives, the employment relationship and work conditions, have a section on wages and wage increases and also refer to various qualitative issues, such as health and safety in the workplace and early retirement.

Out of the abovementioned agreements, only the metalworkers’ industry-level agreement specifically defines wage rates for different categories of workers. The metalworkers’ collective agreement, which is also applicable to the highly important automotive industry, is the most elaborated and by far the longest industry agreement of the four examined industries. The range of issues covered in this agreement reflects the fact that it covers one of the most important industries in the Slovak economy and is organised by the biggest and most important union in Slovakia, the metalworkers’ union OZ KOVO. In banking, the industry-level agreement sets only minimum standards (Kahancová *et al.* 2017). The Slovak Banking Association (Slovenská banková asociácia, SBA) argues that the heterogeneity of banking sector employees is increasing and therefore industry-level regulation is losing importance, while company-level bargaining is increasing in importance. Company agreements often remain confidential and not accessible to researchers, however, as banks argue that they need to secure their competitive advantage over each other. A similar situation can be found in retail, where collective agreements at the company level play a crucial role. Employers in retail prefer to avoid erga omnes extensions of collective agreements. The collective agreement for public services, covering also compulsory education, is more specific compared with industry-level agreements in the private sector. Though the range of issues covered is almost the same, in terms of wage stipulations the industry agreement specifically defines wage rates for various categories of workers.
With the exception of the metalworkers’ agreement, all substantive agreements defining terms and conditions for individual workers are at the company level. Similarly, at industry level, we rarely find any procedural agreements specifying disciplinary, grievance and dispute procedures beyond the scope of the Slovak Labour Code. Again, exceptions can be found in the metalworkers’ industry agreement, which, for instance, specifically defines cases of violation of work discipline. Nevertheless, most commonly, industry-level collective agreements define qualitative issues related to the context of work. As a consequence, the broad scope of industry-level agreements offers employers more options to exercise unilateral decision-making in firms, especially where unions are not established, as in some important retail companies.

Conclusions

This chapter presents the main characteristics and recent developments in collective bargaining in Slovakia. In general, the Slovak bargaining system consists of a transparent structure of bargaining actors, legislative support for bargaining and the extension of collective agreements. Bargaining occurs at the industry and company levels. Since 2000, national tripartism has no longer produced tripartite agreements and instead serves as an advisory body to the government. Next to declining union and employer density and bargaining coverage, a change in union structure, together with changing union strategies, pose new challenges to the future of collective bargaining. Unions increasingly seek influence through other mechanisms than collective bargaining, such as political alliances and public protests, demonstrations and media campaigns to gain influence over policy-making. Moreover, both unions and employers increasingly concentrate their efforts on adopting legislative solutions to employment and working-conditions issues instead of collective bargaining. This trend grew out of increasing lack of trust on the part of employers and unions in industry-level and multi-employer bargaining and the lack of enforcement of collective agreements. Wage regulations for health-care staff and the regulation of agencies that provide temporary workers for Slovakia’s most important industries, automotive and electronics, are the most important recent examples of legislative solutions applied where collective bargaining would also be a feasible mode to regulate working conditions and wages. Social partners in general believe that legislative solutions enjoy greater enforcement than collective agreements.

Although collective bargaining is still considered an important mechanism of regulation in Slovakia, especially at the company and partially at the industry level, a strong focus on legal regulation leaves the future of collective bargaining contested. In particular, changes in legal regulation directly and indirectly related to collective bargaining foster bargaining decentralisation to the company level. For example, recent years have seen turbulent legislative changes to the extension of multi-employer collective agreements, to the representativeness criteria of unions and employer federations, and to union codetermination rights, for example in anti-crisis measures. These changes have occurred despite the stabilisation of trade unions’ and employers’ organisations’ structures in industry bargaining and tripartite consultations.
Other important developments in the past ten years with implications for collective bargaining include innovation in trade union structures and actions, such as the emergence of new union organisations (Bernaciak and Kahancová 2017). New unions emerged mainly in response to the growing dualisation of the labour market and related deterioration of working conditions, including wage freezes and employment insecurity since the 2008 crisis. One example of innovative trade union practices was the effort to increase protection for temporary agency workers; unions and employers signed a memorandum of cooperation that had the potential to launch industry-wide collective bargaining in a previously unorganised industry. Later unions and employers shifted their focus away from bargaining to legal solutions; as a result, the regulation of working conditions for agency workers has improved significantly. Other examples of innovative union practices with consequences for bargaining include mobilisation campaigns by doctors and nurses in health care, efforts to establish new trade unions in education, but also union fragmentation, with unions withdrawing from existing structures and bargaining coverage (for example, Moderné odbory Volkswagen opting out of membership of OZ KOVO and thus from industry-level bargaining conducted by OZ KOVO on behalf of the automotive industry). Current economic growth is empowering trade unions, giving them even better prospects of increasing wages especially because of a tight labour market and shortages of skilled workers in a high number of sectors. At the same time, the gradually increasing inflow of migrant workers will probably push trade unions and employers to reconsider their bargaining strategies in the near future. The possible direction of unions’ strategy reorientation could be twofold. First, in contrast to their past strategies, Slovak unions may pay more attention to the inclusion of foreign workers into union structures and representation activities. This could facilitate the inclusion of marginalised labour market groups into collective bargaining coverage. Second, unions could develop more intensive cooperation with other stakeholders, such as NGOs, in a bid to strengthen employees’ protection at the workplace. The latter is also an approach that unions have been reluctant to pursue in the past two decades.

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All links were checked on 23 October 2018.
### Abbreviations

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<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ANS</td>
<td>Asociácia nemocníc Slovenska (Slovak Hospitals Association)</td>
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<tr>
<td>AŠN SR</td>
<td>Asociácia štátnych nemocníc Slovenskej republiky (Association of State Hospitals of the Slovak Republic)</td>
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<td>AZZZ</td>
<td>Asociácia zamestnávateľských zväzov a združení (Association of Employers' Federations)</td>
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<tr>
<td>ČMKOS</td>
<td>Českomoravská konfederace odborových svazů (Czech–Moravian Confederation of Trade Unions)</td>
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<tr>
<td>HSR</td>
<td>Hospodárska a sociálna rada (Economic and Social Council)</td>
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<tr>
<td>Inšpektorát práce</td>
<td>Labour Inspectorate</td>
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<td>KOZ SR</td>
<td>Konfederácia odborových zväzov Slovenskej republiky (Confederation of Trade Unions of Slovak Republic)</td>
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<td>KZVS</td>
<td>Kolektívne zmluvy vyššieho stupňa (Higher-level collective agreements above the company level)</td>
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<td>LOZ</td>
<td>Lekárske odborové združenie (Doctors’ trade union federation)</td>
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<td>MOV</td>
<td>Moderné odbory Volkswagen (Modern Trade Union Volkswagen)</td>
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<tr>
<td>MPSVR</td>
<td>Ministerstvo práce, sociálnych vecí a rodiny (Ministry of Labour, Social Affairs and the Family)</td>
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<tr>
<td>NKOS</td>
<td>Nezávislé kresťanské odbory Slovenska (Independent Christian Unions of Slovakia)</td>
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<tr>
<td>OZPPaP</td>
<td>Odborový zväz pracovníkov peňažníctva a poistovníctva (Trade Union Federation of Banking and Insurance Workers)</td>
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<tr>
<td>OZSaPA</td>
<td>Odborový zväz sestier a pôrodných asistentiek (Trade Union Federation of Nurses and Midwives)</td>
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<tr>
<td>RHSD</td>
<td>Rada hospodárskej a sociálnej dohody (Council of Economic and Social Accord)</td>
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<tr>
<td>ROH</td>
<td>Revolučné odborové hnutie (Revolutionary Trade Union Movement)</td>
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<tr>
<td>RÚZ</td>
<td>Republiková únia zamestnávateľov (Employers' Union of the Republic)</td>
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<tr>
<td>SBA</td>
<td>Slovenská banková asociácia (Slovak Banking Association)</td>
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<tr>
<td>ŠÚ SR</td>
<td>Štatistický úrad Slovenskej republiky (Statistical Office of Slovak Republic)</td>
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<tr>
<td>SMER-SD</td>
<td>SMER – Sociálna demokracia (SMER – social democracy)</td>
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<tr>
<td>ZAP</td>
<td>Zväz automobilového priemyslu (Federation of the Automotive Industry)</td>
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<tr>
<td>ZSP</td>
<td>Zväz strojárskeho priemyslu (Federation of Mechanical Engineering)</td>
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