Erosion of bargaining in the world of vital actors: industrial relations in the aftermath of public sector reforms in Slovakia

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## Public sector in Slovakia

### 1990-1998
Democratization and depoliticization – developing the foundations of public sector
- central and local government structures (self-governing municipalities, districts and regions)
- development of legislative structures
- decentralization of the education system

### 1998-2002
Decentralization and modernisation – EU pre-accession period
- transparency and effectiveness; dual system of public administration, some overlap in financing and management
- professionalization of civil service and public service
- New public management principles

### 2004-2009
Post-accession crisis and slowing down of reform process,
- limited return to politicization
- healthcare reforms based on corporatization, management decentralisation, loss of ‘public servant’ status of healthcare workers
- self-government strengthened in education (student councils in 2003);

### 2009+
Post-crisis period; austerity-driven efficiency principles,
- deterioration of service quality;
- attempts at unification of hospital remuneration (2016) and unsuccessful stratification of the hospital structure (2019)

Source: Kahancova and Sedlakova (2020), Kahancova and Martiskova (2016)
Source: LSF Eurostat, number of employed persons aged 15-64 in thousands
Public sector industrial relations

- Stable structure of social partners until 2010, after that stability persists only on the side of employers’ associations
Weakening IR despite vital actors?

• Role of industrial relations for shaping public sector reforms after 2008

• Crisis effects on public sector industrial relations:
  (a) collective bargaining and collective agreements
  (b) IR actors

• Crisis effects on quality of public services
IR actors and the crisis

• Wage moderation tolerated, after 2010 dissatisfaction escalated

• Emergence of occupational trade unions and non-union actors in education and healthcare

• Increased focus on legislative regulation of working conditions, weakening of collective bargaining

• Uncoordinated actions – legislation, bargaining, public protests
IR actors and the crisis

• IR actors **healthcare**: contributed to the halt of the hospital corporatization process (2011) and to the legislative unification of wages of healthcare professionals (2016)

• IR actors **education**: less changes in strategies, bargaining still the most relevant channel of influence, but contested through non-union actors

• Deteriorating **quality of public services** sparks public debates, policy debates, focus on strengthening link between public sector workers’ pay and service quality
Primary education – quality

Science

Mathematics

Reading

Houston, we have a problem
Hospital dualization: wage bargaining and wages

Two trends:
- Dualization – wages generally higher in non-corporatized hospitals
- Differentiated bargaining power: the same occupational groups were able to achieve higher wage growth in non-corporatized hospitals
- Attempts to overcome dualization: unified legal wage regulation for all hospitals (2016)

Source: NCZI
Healthcare – pressure on quality

- Pressure on quality:
  - **collective**: via improvements in wages and working conditions
  - **individual**: Healthcare Surveillance Authority

- Introduction of annual hospital service rankings published by
  - Health insurance companies
  - Independent policy institute (based on 60 indicators)
Conclusions

• Crisis impact on public sector:
  – **Wage moderation instead of employment cuts**
  – Austerity in early post-crisis years, then gradual recovery also upon IR action
• Escalated conflicts in employment relations
  – education and healthcare: **heightened TU mobilization via protests, petitions, demonstrations**
  – **Fragmentation of actors**: growing role of new unions and non-union actors; stabilized employers’ structures but employers also voice claims related to reforms
  – Collective bargaining relevant, but undermined via ‘memoranda’ of cooperation, difficulties to reach an agreement, legal regulation
• Trends in reforms: **push for improving the quality of services, support for wide scale reforms but lacking political will**
Lessons for the COVID-19 crisis

• Public sector reforms designed for ‘good times’ of economic prosperity
• Lack of ‘buffer capacities’ in terms of service scope, quality, and workforce left the public sector unprepared to face the next crisis

• Challenges:
  ➢ limited hospital capacities
  ➢ unclear policy trajectories to secure essential services and direct remedy measures by central and local government
  ➢ new challenges for education reform (digital technologies)
  ➢ public sector considered ‘sheltered’, but no longer the case: redefinition of precarious work in the public sector: working time, wages, employment security, occupational health and safety, access to interest representation (both for employers and workers)

• Opportunities for social partners in protecting public sector workers, to shape remedy policies and future reforms of the public sector (hospital stratification, education reforms, local government)
• Policy steps in response to COVID-19 shall account for these facts and not allow public sector employees to bear the consequences of (yet another) crisis
Thank you for attention!

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References

