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**JOINT STUDY OF THE EUROPEAN SOCIAL PARTNERS  
“THE IMPLEMENTATION OF FLEXICURITY AND THE ROLE OF THE  
SOCIAL PARTNERS”**

**NATIONAL FICHE**

# Slovakia

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## Preface

This national fiche is part of the EU Social Partners’ Study “The implementation of flexicurity and the role of social partners” carried out in the context of the EU Social Dialogue Work Programme 2009-2011, which includes “*Jointly monitoring the implementation of the common principles of Flexicurity, notably in order to evaluate the role and involvement of the social partners in the process and to draw joint lessons*”.

To implement this task in the best possible way and to involve national member organisations actively in the gathering of data and information, the study applies a methodology that consists of multiple levels of analysis using a variety of instruments to be implemented with the help of a team of experts:<sup>1</sup>

- The expert team, with the advice of European Social Partners, agreed on a *set of selected statistical indicators* in the field of employment and economic and social development with labour market relevance.
- National social partners were asked to participate in a *questionnaire-based survey* focussing on the relevance of the flexicurity concept within national labour markets, the role of the social partners in policy implementation and their views of the flexicurity concept. To complement the research, the expert team visited a number of countries and carried out interviews with national social partners.<sup>2</sup>
- Based on the two sources above and a review of available written materials and information, the expert team prepared *29 national “fiches”* on the implementation of the flexicurity principles and the role of social partners in the respective national contexts.
- Results of the questionnaire survey and main findings of the national analyses were discussed at four “*country cluster seminars*” that were organised by the European Social Partners with the help of national sections in Warsaw (November 2010), Lisbon (December 2010), Paris (31<sup>st</sup> January-1<sup>st</sup> February 2011) and The Hague (8<sup>th</sup> February 2011).
- In the light of the overall study results and the comments received by national social partners in the contexts mentioned above, the expert team has prepared a *comparative synthesis report* on “Social Partners and Flexicurity in Contemporary Labour Markets” that was presented and discussed at a *EU-level synthesis seminar* on 31<sup>st</sup> March and 1<sup>st</sup> April 2011 in Brussels.

This national fiche aims to present a broad overview on the economic and social context and the state of play with regard to flexibility and security in the labour market and current social security arrangements (sections one and two). Secondly, the report describes the role of the social partners and social dialogue in the implementation of policies and practices that can be considered under the broad umbrella of “flexicurity” (section three), also summarising inputs provided by national social partners to the questionnaire, from interviews carried out and other contributions made in the context of the study. Section three also presents brief descriptions of cases of good practice as has been indicated by the national social partners.

The text was originally prepared as draft report in the autumn of 2010 in order to facilitate the discussion at the cluster seminar on 8 February in The Hague. The original dossier has been reviewed and revised to take into account the comments and discussions that took place during the seminar or received afterwards.

However, it should be stressed that this report is presented as an “independent expert report”. It represents the views of the individuals involved in its preparation and does not purport to represent the views, either individually or collectively, of the social partners’ representatives that contributed to it, or those of the European level social partner organisations that were responsible for its commissioning.

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<sup>1</sup> Expert team: Eckhard Voss (co-ordinator), Alan Wild, Anna Kwiatkiewicz and Antonio Dornelas.

<sup>2</sup> The following countries were visited in the context of the project between May and July 2010: Denmark, France, Ireland, Italy, Czech Republic, Poland, Germany, Portugal and the Netherlands.

# 1 The economic and social context

## Economic crisis and recovery

Slovakia has made significant economic reforms since its separation from the Czech Republic in 1993. Reforms to the taxation, healthcare, pension, and social welfare systems helped Slovakia to consolidate its budget and get on track to join the EU in 2004 and to adopt the Euro in January 2009. The country's major privatisations are almost complete and the government has helped to facilitate a foreign inward investment boom with business friendly policies such as labour market liberalisation and a 19% flat tax. As the Confederation of Trade Unions of the Slovak Republic (KOZ SR) highlighted in a comment to this study, there were two stages of economic reform in the Slovak Republic: 1993-2004 and the period 2004-2010, after joining the EU. According to their assessment introduced reforms have negatively affected stability of public finances, especially pension and health sector reforms. The negative effects have not been overcome even in the periods of high economic growth (2005-2008).

Foreign investment in the automotive and electronic sectors has been strong. Although FDI into these sectors has been at the heart of national growth, some suggest this high level of dependency may be a risk going forward. Slovakia's economic growth exceeded expectations in 2001-2008 despite the general European slowdown. Unemployment, at an unacceptable level of 18% in 2003-2004, dropped to 9.5% in 2008, but remains the economy's most intractable problems. Despite its 2006 pre-election promises to loosen fiscal policy and reverse the previous government's pro-market reforms, the current government has been careful to control spending in order to meet the Euro adoption criteria and has focused on regulating energy and food prices instead.

More recently Bratislava's approach to mitigating the economic slowdown has included substantial government intervention and the option to nationalise strategic companies has been discussed. GDP fell nearly 5% in 2009 and unemployment rose above 12%, as the global recession impacted many segments of the economy.

### SLOVAKIA - MAIN ECONOMIC INDICATORS AND OUTLOOK

	2007	2008	2009	2010	2011
<b>GDP</b> – annual percentage change	10.5	5.8	-4.8	4.1	3.0
<b>Employment</b> - annual percentage change	2.1	2.8	-2.4	-2.8	0.3
<b>Unemployment rate</b> (Eurostat definition)	11.1	9.5	12.0	14.5	14.2
<b>General government balance</b> (as percentage of GDP)	-1.8	-2.1	-7.9	-8.2	-5.3
<b>General government gross debt</b> (as percentage of GDP)	29.6	27.8	35.4	42.1	45.1

Source: European Commission: Autumn 2010 Economic Forecast.

In the years leading up to 2009, the Slovak economy had grown continuously since 1993. Between 2002 and 2008 Slovakia's GDP per capita had moved from 47% to 65% of the EU average. Slovakia's recent growth was driven by large inflows of foreign direct investment into the country, notably in the automotive industry. Buoyant economic growth resulted in unemployment falling from 18.7% in 2002 to 9.5% in 2008.

In 2009, exports fell by 25% and industrial production by 15% causing a decline of almost 5% in GDP. Despite government efforts to mitigate the crisis, unemployment increased to 12% in a strong and

almost immediate response to the onset of the crisis. This may be explained by the combined effects of the abruptness of the downturn and the relative flexibility of the Slovakian labour market. Despite the economic shocks, Slovakia's banking sector has remained strong as a result of its prior good liquidity position and relative lack of exposure to cross-border lending.

Real GDP is projected to grow by 2.7% in 2010 and the economy has benefited from car scrapping schemes that have been used by a number of European governments as well as the government of Slovakia. Despite positive future prospects for the economy, unemployment is set to peak at over 14% in 2010 and to reduce only slowly. The very high level of underlying unemployment and the incidence of long term unemployment are driven by enormous regional and structural problems in the country. The comparative data below shows Slovakia to be the poorest performer by some way in both the general incidence of unemployment and the level of long term unemployment.

**INCIDENCE OF LONG-TERM UNEMPLOYMENT AND THE UNEMPLOYMENT RATE 2007**



Source: *Employment in Europe Report*, p. 73, based on OECD figures.

Slovakia's specialisation in the automotive industry has driven much of the country's phenomenal growth and has also contributed to the current recovery. It is suggested, however, that continued specialisation will make the country vulnerable to swings in foreign demand and the economy needs further diversification based upon an up-skilling of the workforce and improvements in the education system.

**Labour market indicators and trends**

As a result of a radical decrease in employment in the period 1990-1993, unemployment increased up to 13%. In 1994-1997, the employment rate was more stable with a 59% participation rate and 13%-14% unemployment. Due to major changes in economic and social policy, employment fluctuated in 1998-2004. Total employment decreased from 2,198,600 employees in 1998 to 2,101,700 in 2000 and increased to 2,170,400 employees in 2004. Employment participation fluctuated around 57%.

The unemployment rate increased from 12.5% in 1998 to 19.2% in 2001. The already high rate of long-term unemployment also increased from 38.2% to 48.2%. From 2002 the unemployment rate started to decrease until the onset of the 2009 crisis. Foreign direct investments created many thousands of new jobs. Employment increased to 2,301,400 employees in 2006 and employment participation increased to 57.7% in 2005 and to 59.4% in 2006. The unemployment decreased to 13.3% in 2006. In 2007 this trend

continued. The long-term unemployment rate, however, increased to 68.1% in 2005 and to 73.3% in 2006.

The Slovak labour market is described in figures in the summary table below.

Slovakia differs significantly from the European average in a number of ways:

- A high general level of unemployment;
- High rates of youth and long term unemployment levels;
- A low level of employment in services combined with a very high level of employment in industry;
- A low employment rate of older workers;
- Especially low unemployment rate, long-term unemployment and low level of educational attainment characterises the Roma population.

#### SLOVAKIA - MAIN LABOUR MARKET INDICATORS 2008 IN COMPARISON TO EU27

	Slovakia	EU27
Employment rate – % population aged 15 – 64	60.2	64.6
Employment rate older people – % population aged 55-64	39.5	46.0
Self employed - % total population	15.4	15.5
Employment in services - % total employment	64.6	70.4
Employment in industry - % total employment	32.3	24.1
Employment in agriculture - % total employment	3.2	5.6
Unemployment rate - % labour force 15+	12.0	8.9
Youth unemployment rate - % labour force 15-24	27.3	19.6
Long term unemployment rate - % labour force	6.5	3.0
Inequalities of income distribution (2008)	3.4	5.0

Source: Eurostat, *Employment in Europe Report 2010*.

The issues faced by Slovakia are clear. The high level of economic growth has not created the numbers and types of jobs in the regions that are needed to reduce the extraordinary high level of long term unemployment and to provide jobs for school leavers. There has been a lack of diversity in job creation, and, like other neighbouring countries, Slovakia has generally failed to create jobs for the Roma population, and integrate them in the Slovak society. This creates not only a labour market problem, but also a social problem.

The Confederation of Trade Unions of the Slovak Republic (KOZ SR) stresses positive impact that joining the EU in 2004 had on the Slovak labour market; i.e. increased employment rate and more professional training provisions. A visible, rather negative, result has been also an increased migration abroad, which impacts the Slovak labour market and eventually may lead to professional skills shortages.

## Flexicurity in the labour market and labour market policy

The flexicurity indicators below permit the following comments:

- Internal flexibility is generally low. Part time working and the use of fixed term contracts are rare, employing just 2.7% and 4.7% of workers respectively. Access to flexitime is around two thirds of the EU average;
- Participation in lifelong learning is low at around one third of the EU average;
- External flexibility measured by strictness of employment protection slightly below average for the majority of Slovakia's workers who are on regular long term employment contracts;
- State investment in active and passive labour market policies is just a half of the EU average.

### SLOVAKIA - FLEXICURITY INDICATORS IN COMPARISON

	Slovakia	EU27
<b>Total population having completed at least upper secondary education (population aged 25-64, %), 2009</b>	90.9	72.0
<b>Part-time employment - % total employment, 2009</b>	3.6	18.8
<b>Fixed-term contracts - % total employees, 2009</b>	4.4	13.5
<b>Access to flexitime, % total employees aged 15-64, 2004</b>	19.4	31.3
<b>Percentage of employees (all enterprises) participating in CVT courses , 2005</b>	38.0	33
<b>Lifelong learning participation – percentage of the population aged 25-64 participating in education and training over the four weeks prior to the survey, 2009</b>	2.8	9.3
<b>Job satisfaction – percentage of workers that are either very satisfied or satisfied with working conditions in their main paid job (EWCS 2010)</b>	81.0	84.3
<b>Strictness of employment protection – regular employment, 2008</b>	2.5	2.11*
<b>Strictness of employment protection – temporary employment, 2008</b>	1.17	2.08*
<b>Strictness of employment protection – collective dismissals, 2008</b>	3.75	2.96*
<b>Public expenditure on <i>passive</i> labour market policies (categories 8-9) - % of GDP, 2008</b>	0.43	0.96
<b>Public expenditure on <i>active</i> labour market policies (categories 2-7) - % of GDP, 2008</b>	0.15	0.46
<b>Persons at-risk-of-poverty after social transfers - % of total population, %, 2009</b>	11.0	16.3

Source: Eurostat; *Employment in Europe Report 2010*; Eurofound (*European Working Conditions Survey 2010*); OECD. \*OECD average

## Conclusion

According to the NRP Annual Progress assessment of the European Commission the main challenges Slovakia faces at the moment are to combat long-term unemployment, increase participation rate, especially for women, older workers, workers with low skills and Roma. It also shall address the issue of matching professional training with labour market needs as well as growing skills shortage problem. Lifelong learning and continuing vocational training systems need to be improved and tied closer to the labour market.

## 2 Flexibility and security in recent labour market and social policy reforms

### Introduction and overview

In the report of the Slovak government on implementation of the Lisbon Strategy one of the three itemised priorities is:

"Within an integrated flexicurity approach, ensure implementation of the lifelong learning strategy addressing the needs of the labour market, complete the reforms of primary, secondary and tertiary education to improve qualification and skill levels, and enhance access to employment, notably for the long term unemployed and vulnerable groups".

This statement largely represents a commitment on the part of government to future action and the notion of flexicurity is quite new for the country. Clear priorities from the analysis above are to reduce the high level of unemployment, and, in particular, tackle the exceptional high level of long-term unemployment, which makes up more than 70% of those on the unemployed register.

### Lifelong learning and mobility of workers

Lifelong learning has been included in the National Action Plans on Employment (NAPE) since 2003, for example through development of skills for the new labour market in the context of lifelong learning, development of e-learning for all citizens and supporting adaptability in enterprises as a component of lifelong learning. Vocational training and skill development is regulated by the Labour Code, as are active labour market policies (ALMP). Involvement of trade unions and employer associations in lifelong learning can be considered as marginal and the incidence of participation in lifelong learning is around one third of the European average and around one tenth of the level of the best in class European country, Sweden. A current government priority is the improvement of the interconnections between the education syllabus, the requirements of the labour market and the system of lifelong learning. These priorities seem to be especially important in the context of potential contribution of enhanced professional skills to improving labour productivity in the long run. Moreover, it can also facilitate labour market attachment of those with poor educational background or limited work experience.

### Internal/external flexibility and contractual arrangements

Contractual arrangements are regulated by the Labour Code, which provides rules for fixed-term/open ended contracts, full-time/part-time work, home work/telework, performance of work by external employees, flexible working time and rules for dismissals.

Amendments to the Labour Code demanded by the country's employers and effected in July 2003 increased employment flexibility and decreased employment security. Further changes initiated by the trade unions and put in place in September 2007 have rebalanced the flexibility/security equation by increasing employment security at the expense of some reduction in flexibility<sup>3</sup>.

Despite these changes the use of flexible contract forms remains very low. The incidence of fixed term contracts is around a third of the EU average and "temporary employment" is generally seen as an involuntary alternative to permanent employment. Part time work for both men and women is extremely low in European terms. Conversely, Slovakia is at the top of Europe's list for the extent of use of shift work, and in particular night work, which is performed by almost one fifth of Slovak workers.

<sup>3</sup> EIRO, *Slovakia: flexicurity and industrial relations*, (<http://www.eurofound.europa.eu/eiro/studies/tn0803038s/sk0803039q.htm>).

According to KOZ SR a rare incidence of flexible employment contracts and part-time work is caused mainly by very low level of wages in Slovakia. They make remuneration offered within the framework of these types of contracts insufficient.

### Active labour market policies

ALMPs have been in use since the 1990s, but have been substantially updated within the framework of the National Action Plans on Employment for 2003-2004 and 2004-2006. Since 2004, ALMP has included, for example, employment support to the unemployed with a focus on the most disadvantaged groups in the labour market; training and re-training; activation of the unemployed including those dependant on social benefits; measures to increase the employability of socially excluded groups; and an increase of the scope and quality of employment services through counselling and guidance.

KOZ SR points out that despite reforms of the ALMPs they are still insufficient in tackling long-term and structural unemployment. They are not tailored to the particular regional situation, which negatively influences their effectiveness. KOZ SR believes that improving effectiveness of ALMPs in the regional perspective is one of the most urgent challenges.

### Supportive social security systems and external flexicurity

The Labour Code provides for redundancy payments and the payment of wages during the period of notice. Statutory redundancy pay can be increased in collective agreements and this is often the case. Unemployment benefit is provided to unemployed workers at the level of 50% of the job seekers' wage for a period of six months.

KOZ SR especially criticizes the current Slovak pension system based on pillars and applying proportionality principle between pillars (9% each pillar). They believe it makes it unsustainable and negatively impacts the Slovak public finances. In such a situation creating new social security provisions to support job-to-job transition seems to be highly unlikely. Moreover, according the Confederation, there is a lack of sufficient instruments that would enable qualitative assessment of the registered unemployed (their professional experience, skills, social status etc.), which could help to design tailored solutions. Some sources (a.o. European Commission analysis on labour market and wages) suggest that direct-job creation schemes at a large scale shall be discontinued, or at least re-designed, as in their present shape they are not successful and do not provide appropriate cost/effectiveness ratio.

### High quality and productive workplaces

Slovakia is one of the countries where job creation has been largely based on FDI inflow to such sectors as automotive industry or banking. However, it also belongs to the group of countries such as Belgium or Cyprus where tailoring wage level to productivity is necessary. It is also suggested that appropriate remuneration for matching skills can prevent from massive emigration of skilled labour force and prevent skills shortages.

### Gender equality

The Slovak government recognises that the country has an unacceptable gender wage gap and includes in its forward employment policy priorities measures to reduce it. Social partners address gender issues in collective bargaining process. However, no specific relation between gender equality and flexicurity-related solutions has been made in the available documents.

### Financial sustainability

As in other EU Member States with comprehensive social protection systems, concerns exist around the longer sustainability of the security elements of the flexicurity agenda.

## Conclusion: Strengths, weaknesses and challenges

Flexicurity is a concept assessed differently by trade unions and employers’ organizations in Slovakia. While trade unions underline the need for more security for workers and protect regular, full-time employment contracts, employers’ would like to see more flexibility as to their type and duration. Important weaknesses are linked with long-term unemployment, especially of young people, lack of appropriate lifelong learning and continuing vocational training provisions as well as social security measures. It seems that introducing effective training and retraining measures and contributing to increasing capacity of cost-effective PES are of an utmost importance<sup>4</sup>.

## 3 The role of social partners

### General remarks on the role of the social partners

In Slovakia collective agreements are basic mechanism in forming employment conditions and wages. There are several collective agreements signed at the sectoral level. Multi-employer agreements are quite important and collective agreements can be extended to other employers on the basis of Collective Bargaining Act. This Act made collective agreements extension more frequent; however, the Slovak employers are not satisfied with this provision. To avoid the consequences of collective bargaining extension some employers organisations have left employers’ organisations to which they were affiliated. There is an observed trend of decentralising collective bargaining to the local and company level, and to reduce importance of multi-employer collective agreements.

The dominating trade union representation in Slovakia is the Confederation of Trade Unions of the Slovak Republic (*Konfederácia odborových zväzov Slovenskej republiky*, KOZ SR). KOZ SR is a member of the ETUC. Current changes in the trade union movement are mainly linked to mergers executed between some sectoral trade union organisations, for example between trade unions in construction, TCL and transport sectors. As a result of this development the Integrated Trade Union Association was created on 1 January 2009.

As for employers’ representation, there are two main national employers’ representations: the Federation of Employers’ Associations (*Asociácia zamestnávateľských zväzov a združení Slovenskej republiky*, [AZZZ SR](#)) and the National Union of Employers (*Republiková únia zamestnávateľov Slovenskej republiky*, [RUZ SR](#)). The latter one was created as a result of the split of AZZZ SR in March 2004; approx. 50% of the original AZZZ SR members joined RUZ SR. Both trade unions have been experiencing the decline in membership (in 2008 a 15% decline was noted in RUZ SR and a 20% decline in AZZZ SR)<sup>5</sup>. Trade unions and employers associations were recently involved in social dialogue at national and sectoral level on the formulation of individual policies and measures related to employment flexibility and social security of employees. Initiatives have been taken by the state administration to consult the social partners on the development of a flexicurity policy.

### The main instruments and levels of influence

The engagement of the social partners has taken place mainly by:

<sup>4</sup> European Commission, *Labour market and wage development in 2009*, European Economy, 5/2010, p.152 ([http://ec.europa.eu/economy\\_finance/publications/european\\_economy/2010/pdf/ee-2010-5\\_en.pdf](http://ec.europa.eu/economy_finance/publications/european_economy/2010/pdf/ee-2010-5_en.pdf)).

<sup>5</sup> Based on EIRO, *Slovakia: Industrial relations profile* ([http://www.eurofound.europa.eu/eiro/country/slovakia\\_3.htm](http://www.eurofound.europa.eu/eiro/country/slovakia_3.htm)).

- Tripartite consultations at the national level within the framework of the Economic and Social Partnership Council (*Hospodárska a sociálna rada*, HSR)<sup>6</sup> Economic and Social Concertation Council;
- Effective tripartite social dialogue at the sectoral level in the case of several sectors, i.e. transport, post and telecommunication;
- Involvement in policy consultation on draft bills – e.g. on changes in employment services, social security system and amendments to the Labour Code in 2003;
- Participation in specialised working groups dealing with changes in labour legislation - e.g. the preparation of amendments to the new Labour Code in 2007;
- Between 1993 and 2004 tripartite social dialogue took place on the implementation of active labour market policy measures.

#### SLOVAKIA - MAIN SOCIAL DIALOGUE INDICATORS

	Slovakia	EU25
Collective bargaining coverage - % of employees covered by collective agreements, 2006	48.0	63.0
Trade union density - % of dependent employees who are trade union members, 2005	31.0	25.3
Employer organization density - % of employees employed by companies that are members of an employer organization, 2006	30.0	n.a

Source: EIRO on-line, Slovakia Industrial Profile, 2008.

In Slovakia, there is a basic, and typical for many countries, difference of view between employers and trade unions on the issue of flexibility. According to the trade unions, security should be strengthened by increasing income support for those who are unemployed and improving training and skills development to help unemployed people to find a job. Employers emphasise the high long-term unemployment rate and believe that flexible contractual arrangements, lifelong learning and ALMP measures to improve activation are the appropriate instruments.

### Recent changes and challenges

Both trade unions and employers feel that the current level of activity in the area of flexicurity is inadequate. Collective bargaining contributes to the implementation of flexicurity differently according to sectors and individual companies. However, social dialogue on the development of systemic and reasonably balanced flexibility/security policy is in its initial stages. A recent survey of collective bargaining issues in 77 Slovakian companies have found that in just 11% of agreements was the issue of training discussed<sup>7</sup>. It is worth noting, however, that issues important for flexicurity-related policies such as employee dismissals or creation and utilisation of the enterprise Social Insurance Fund do appear as collective bargaining topics. Moreover, gender equality issues are more and more often addressed.

Trade union representatives generally feel that the Labour Code provides adequate options for employment flexibility, but suggest that it is not properly combined with appropriate security measures. They cite low security for employees working on fixed-term contracts and suggest that the system of social security and the low level of job creation do not provide sufficient security for dismissed

<sup>6</sup> Till 2004 the tripartite negotiation body functioned as the Economic and Social Concertation Council (*Rada hospodárskej a sociálnej dohody*, RHSD); later it was renamed the Economic and Social Partnership Council (*Rada hospodárskeho a sociálneho partnerstva*, RHSP) – this name functioned till 2007 when the Council changed its name to the Economic and Social Partnership Council (*Hospodárska a sociálna rada*, HSR).

<sup>7</sup> *Analýza trhu práce SR s hľadiskom integrovaného prístupu k stratégii flexiistoty - vybrane aspekty*. *Priebežna výskumna správa*. December 2008

employees. They also suggest that redundancy pay, unemployment benefit and social benefits do not adequately cover temporary losses in income and the available options for getting a new job through training and skill development are not sufficient. They stress regional differences in unemployment rate and lack of tailored solutions. Employers’ representatives also suggest that flexibility and security are not well balanced and point to the very high long-term unemployment level as an indicator of a fundamental imbalance in the labour market. High GDP growth has not led to a similar level of job creation and employers point to inadequacies in the application of lifelong learning, ALMPs and flexible working time. In particular, they suggest that the social security system does not motivate the unemployed to be active in job search and requalification.

### Cases of good practice in the field of labour market flexibility and security

Employers and trade unions have engaged in flexicurity discussions on a bilateral basis through collective bargaining. The following are examples of agreements reached:

*In the construction sector a collective agreement concluded in the construction industry for 2007-2008 includes the following provisions concerning:*

Flexibility issues	Security issues
<ul style="list-style-type: none"> <li>• Flexible working time arrangements, overtime work, atypical working time schedules, paid stand-by work;</li> <li>• Management inform trade unions on changes in employment, organisational changes and related collective redundancies, rules for re-employment of own employees when hiring employees and on basic wages and bonuses;</li> <li>• provision of time-off to employees participating in vocational education and training related to skill development of employees required, e.g. by restructuring of the company.</li> </ul>	<ul style="list-style-type: none"> <li>• Redundancy payments over the statutory limit in amount of up to six monthly wages – in the case of leaving before the period of notice and according to the number of years in service;</li> <li>• Where dismissal is caused by occupational injury or illness, redundancy pay may amount up to 12 monthly wages.</li> </ul>

*According to the chair of the Trade Union Association in Textiles, Cloth and Leather, company collective agreements in textiles and cloth companies usually include the following provisions:*

Flexibility issues	Security issues
<ul style="list-style-type: none"> <li>• Extensive usage of fixed-term employment contracts – it is applied to about 33% of employees working in the sector.</li> <li>• Flexible working time and part-time work is practically not used in this sector. Wage flexibility is very low as well.</li> </ul>	<ul style="list-style-type: none"> <li>• Redundancy pay is applied only at the level set up by the Labour Code.</li> <li>• No sectoral collective agreement is concluded in the sector. Usually no provisions are agreed in company collective agreements, which are more favourable for the employees than the limits established by the labour legislation.</li> </ul>

*The company collective agreement in Slovak railways for 2006 includes the following provisions:*

Flexibility issues	Security issues
<ul style="list-style-type: none"> <li>• Regular and irregular working time arrangement, flexible working time, variable shift work;</li> <li>• Rules for overtime work;</li> <li>• Compensation of decreases in wages of employees relocated for organisational, health capacity and restructuring reasons;</li> <li>• Provision of training and skill upgrading, including language courses for redundant employees to</li> </ul>	<ul style="list-style-type: none"> <li>• Outplacement services for the employees in case of restructuring;</li> <li>• Period of notice increased to three months (one month over the statutory limit);</li> <li>• When two bread winners are threatened by dismissal, employers will keep the employment for at least one of them;</li> <li>• Daily allowances for employees temporarily</li> </ul>

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support them in getting other job in the company.

- relocated to other workplaces in the company;
  - Redundancy payments over the statutory limit in amount up to five monthly wages;
  - Redundant employees, who were in service continuously for more than 10 years, are entitled to extra social compensation amounting from three to eight monthly wages (according to the length of service).
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Source: EIRO on-line, Slovakia: flexicurity and industrial relations 2009, (<http://www.eurofound.europa.eu/eiro/studies/tn0803038s/sk0803039q.htm>),

## 4. Key points discussed during country cluster seminar

The key points raised during the cluster seminar in regard to Slovakia were the following:

- *Flexicurity is a very “nationally-embedded” concept – it is impossible to implement universal model throughout Europe since Member States face different labour market problems;*
- *Effective social dialogue can contribute to developing flexicurity-related solutions – according to some social partners social dialogue in Slovakia is currently “maintained”, but it used to be more dynamic and effective;*
- *There is an urgent need to propose tailored and sustainable solutions to combat unemployment in the regional context;*
- *Social security system seems to be rather “traditional” with provisions mainly for the unemployed rather than tailoring them to job searching efforts.*

## References and other resources

### Questionnaires survey replies and other contributions by national social partners

No replies to the questionnaire survey were received by the Slovakian social partners.

However, representatives of the Slovakian social partners took part in the cluster seminar in The Hague and commented on the draft report. Also the *Confederation of Trade Unions of the Slovak Republic* (KOZ SR) delivered a written comment to the report.

### Further resources

1. *Analýza trhu práce SR s hľadiskom integrovaného prístupu k stratégii flexibilitoty - vybrané aspekty . Priebežná výskumná správa. December 2008*
2. EIRO employee relations profile – Slovakia (<http://www.eurofound.europa.eu/eiro/country/slovakia.htm>)
3. European Commission, European Economic Forecast - Spring 2010 Slovakia.
4. European Commission, *Labour market and wage development in 2009*, European Economy, 5/2010, p.152

- ([http://ec.europa.eu/economy\\_finance/publications/european\\_economy/2010/pdf/ee-2010-5\\_en.pdf](http://ec.europa.eu/economy_finance/publications/european_economy/2010/pdf/ee-2010-5_en.pdf)).
5. Flexicurity and Industrial Relations EIRO 30.9.2008  
([http://www.eurofound.europa.eu/eiro/studies/tn0803038s/tn0803038s\\_4.htm](http://www.eurofound.europa.eu/eiro/studies/tn0803038s/tn0803038s_4.htm))
  6. Flexicurity and Industrial relations EIRO 5.9.2009  
(<http://www.eurofound.europa.eu/eiro/studies/tn0803038s/uk0803039g.htm>)
  7. Flexicurity in the EU 28 August 2009 ([www.eubusiness.com](http://www.eubusiness.com))
  8. National reform programme of the Slovak Republic 2008-2010 - October 2008