

**ASSOCIATION FOR DEVELOPMENT EDUCATION AND LABOUR**

## **Slovak labour market overview**

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## INTRODUCTION

Slovakia is a small and young country in the middle of the Europe which made a big transformation in the last three decades in public and private law. This year Slovakia celebrates the 25-year anniversary of the independence and 100-year anniversary of founding the Czechoslovak republic. The legal system went through many changes since the creation of the independent state in 1993 as a result of the Velvet Revolution (“Nežná revolúcia”) in 1989 and partition of the Czech and Slovak Federative republics.

Firstly, one must be aware, that there are no exact translations of the terms such as precarity, the precariat or precarious work in the Slovak language vocabulary. Apparently, the closest phrase to come to the meaning of the term precarity is “uncertain employment” (“neisté zamestnanie”), but as for other terms, it is indeed difficult to find the approximate synonyms in the modern Slovak language.

Continuing with the short introduction to the Slovak legislation, it is important to mention that on the top of the Slovak republic legal system is the Constitution of the Slovak Republic<sup>1</sup>. The Constitution was prepared hastily with many formulations taken from the Czechoslovak Constitution of 1920, which led to reviews and changes in legislation. The main act in labour law is the Labour Code as the Act No. 311/2001 (“Zákonník práce”). The law was adopted in 2001 and is valid until now. This act replaced the Acts No. 65/1965 Zb. (“Zákonník práce”) as the original Labour code and No. 3/1991, both of them (3/1991 and 311/2001) represent the effort of the legislators to reduce the amount of rigid articles in the Code.

The Labour Code contains the definitions of the main concepts of this branch of law such as workers rights, types of work, work limits and working conditions, liabilities, social policies of employer and the Collective labour law, just to name a few. The code went through many modifications, which include implementation of the acts of the European Union and harmonization with the European Labour Law. Other essential labour acts are 2/1991 Zb. “Zákon o kolektívnom vyjednávaní”, which addresses relations with trade unions, collective agreement of different types, workplace participations, collective bargaining and tools of collective bargaining, such as strike action or lockout.

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<sup>1</sup> The Slovak Republic. Act No. 460/1992.

## **GENERAL OVERVIEW OF THE LABOUR MARKET AND WORKERS' RIGHTS IN SLOVAKIA**

The topics related to the workers' rights are being addressed on the multiple levels of the Slovak legislation. Firstly, it is the Constitution of the Slovak republic, the text of which is divided into the preamble and 9 parts. Parts can be divided into chapters and they are further divided in 156 articles. The rights are guaranteed in the Constitution of the Slovak republic on the general level, i.e. for all people, in disregard of their citizenship, but it's important to notice that in some cases the Constitution distinguishes the rights of citizens and non-citizens (for example, the right to work stated in the article No. 35 and the right to free education enumerated in the article No. 42 are guaranteed only to the citizens as part of the state social policies). Workers' rights are enshrined in the articles No. 36 and 37 of the Constitution. The article No. 36 deals with the most general workers' rights such as ones regarding wage, healthcare, work hours as well as the right for collective bargaining, while the article No. 37 is important for the issues of the trade unions and their independence as well as collective bargaining and allowed tools of collective bargaining.

These general rights are regulated by state acts and collective agreements. The most noticeable is the Labour code, which enacts the most important notions and relations. One of the essential notions in labour law is "dependent work", which is important for the other social acts, state social politic and taxation. All the forms and work types, in which "dependant work" is possible, are enshrined in the Labour Code. To be able to differentiate between "dependant work" and other types of work, the easiest way is to distinguish whether there any employment relationship exist or not. Similar relations can be made through private law codes such as the Civil Code ("Občiansky zákonník<sup>2</sup>") but these relations are not protected by the Labour Code as well as the status of employee or employer with their rights and obligations, thus we can refer to them as self-employed.

Similarly as in other areas it is essential to differentiate between public and private sector. Public sector limitations are stricter for salary, work hours or leaves and abide a certain schedule. Differences exist also between public and state employer. Public employers abide the the Labour Code as whole, while the state and state service are regulated by their own Act No. 312/2001

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<sup>2</sup> The Slovak Republic. Act. No. 40/1964.

“Zákon o štátnej službe” and other acts related to certain professions, such as police or military, for whom the Labour Code is only partially relevant because of their specific legislation mode. Also the state service is limited only to the citizens of the Slovak republic, which is a common occurrence in the European Union’s member states and other countries.

The basic work type defined by the Labour Code is the contract of employment, the rest is derivated from it. In Slovak the minimum wages are stated monthly, most recent change are adopted by the Decree No. 278/2017 signed by government in September 2017, which set the monthly minimum wage at 480 €, which is 45 € (10.34 %) higher than the previous level. This fact is truly exceptional, considering percentage of increase, as well as the process of a change adoption, which passed without any issues, as the social partners were unable to agree on the level of the minimum wage, the government was required by law to decide on the increase<sup>3</sup>. The Labour code also states how much overtime or night work is allowed for employees. Employers are obliged to not cross these limits, not even in a situation when they obtain the agreement with an employee (some state limits can be crossed with the agreement of employee but the law still dictates the upper limit in some form, for example the upper limit of overtime work for an employee per year in general is 400 hours<sup>4</sup>). Contracts of employment can be of fixed-term nature (the upper limit is two years) or open – ended (contracts of indefinite duration). After the expiration of the contracted time the fixed-term contract and if a new agreement between the parties is not signed, the contract is transformed to open-ended contract. The simplest derivative from a contract of employment is a part-time contract with reduced numbers of work hours, and consequently, a total salary.

Aside from the contracts of employment the Labour Code enshrines in its 9<sup>th</sup> part “Dohody o prácach vykonávaných mimo pracovného pomeru”, which can be understood as a specific type of contracts or agreements between an employer and employee with “dependent work” included. There are three of them and the most important for this article is “Dohoda o brigádnickej práci študenta”, which can be translated as “Agreement on temporary student’s work”, which according to its title addresses the student’s work. The state created good conditions and reduced obligations for this type of contract to motivate employers to create more

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<sup>3</sup> Slovakia: Latest working life development. Quarter 3, 2017. Eurostat. Available on: <https://www.eurofound.europa.eu/observatories/eurwork/articles/slovakia-latest-working-life-developments-q3-2017> [Accessed 10.04.2018].

<sup>4</sup> The Slovak Republic. Act No. 311/2001 The Labour Code, § 97, Article No. 10.

work opportunities for students. Currently, it is the most convenient work type for young people. The Labour code states the limits and conditions in the articles No. 227 and 228. This contract is available only to people, who have not surpassed the age of 26 and have a status of student of high school or of daily student of the university. The work defined by this type of contract can be implemented only by the end of the calendar year, when the employee turns 26 years. The upper limit of hours, which is twenty hours per week in average, is stated for the protection of the students, the average is spread over the whole period of time the contract was valid. The contract has to be in written (otherwise, it is not valid) and fixed-term contract form with the upper limit of 12 months. Students, who have agreed to this type of contract, have to comply with the statutory duty to prove their status as students to employer.

Self-employed people or “slobodné povolanie” can be referred as a specific of the labour market. This category is usually comprised by the citizens, who are doctors, dentists, architects or lawyers. After obtaining adequate education and becoming a specialist in their fields, such as becoming licensed advocate by the joining the professional chamber, these people gain the right to carry their business as self-employed. This status is also regulated by the government and only stated professions are able to gain this status.

## **THE ANALYSIS OF YOUTH PRECARITY**

The problems of youth precarity are yet to capture the attention of the Slovak researchers and professionals as it has had in other countries. There are some of the reasons for that in the politics of the country as the government prefers to follow the ways of social democracy and tries to develop and apply many safety mechanisms for young people and their welfare. For example, some of the most recent are stated by the Act No. 5/2004 “o službách zamestnanosti” (the act of employment services), which enshrines some of the possible forms of state contributions for people. Some of them have age restriction such as project “Reštart pre mladých (restart for young people) (age restriction is 29 years). This project is indeed impressive mostly because it offers the opportunity of additional income for young people in the form of the state contribution, thus it is free of all taxes, obligations and is created on the monthly basis. Currently, the amount is 126,14 € per month for the first 6 months and 63,07 € per month for the next 6 months<sup>5</sup>. The most

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<sup>5</sup> Národný projekt Reštart pre mladých uchádzačov o zamestnanie. Central Office of Labour, Social Affairs and

noticeable of contributions are: work attendance allowance (article No. 53), contribution to promoting mobility for work (article No. 53a), and contribution to promoting mobility for work (article No. 53b), contribution to creating a new job (article No. 53d). The last one refers to employer, as the government also intends to motivate employers to participate in creation of new job opportunities.

The most common types of precarious work in the Slovak republic are present in such fields as construction, agriculture, small businesses and service industry. In these spheres employers tried to replace the standard contract types by the various agreements or self-employment. The employers often used to replace the standard work contract with those ones common for precarious work, mainly through the Agencies for Temporary work.<sup>6</sup>

Based on last statistical data from Eurostat from December 2017, there was 17 % unemployment rate among Slovak people under 25 years, whilst the average in the European Union was 16,1 %. The majority of the graduates were in humanities and social sciences and moreover, almost half of the unemployed students were without a job for more than half a year after graduating from university.<sup>7</sup> One of the reason for that is a large number of the universities, both public and private, which do not provide the sufficient level of education, which culminates in large number of graduates with inappropriate level of skills. This situation is the most visible in the field of liberal arts. These young people are then forced to switch to other fields (not their specializations) such as services, or to leave the country and look for the job in other countries, which is, since 2004, when the Slovak republic entered the European Union, much more accessible. Considering the fact that the education in Slovakia is free for its citizens, from the perspective of future, the state loses a lot when these youths are leaving the country to find a better place in another state.

## **ROLE OF TRADE UNIONS IN SLOVAKIA**

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Family. Available on: [http://www.upsvar.sk/europsky-socialny-fond/narodne-projekty-v-programovom-obdobi-2014-2020/narodny-projekt-restart-pre-mladych-uchadzacov-o-zamestnanie.html?page\\_id=718352](http://www.upsvar.sk/europsky-socialny-fond/narodne-projekty-v-programovom-obdobi-2014-2020/narodny-projekt-restart-pre-mladych-uchadzacov-o-zamestnanie.html?page_id=718352) [Accessed 10.04.2018].

<sup>6</sup> Neštandardné pracovné úväzky v čase krízy. 16.02.2012. Euractiv. Available on: <https://euractiv.sk/analyzy/socialna-politika/nestandardne-pracovne-uvazky-v-case-krizy-018672/> [Accessed 10.04.2018].

<sup>7</sup> Euro area unemployment at 9.6%, EU28 at 8.1%. January 2017. Eurostat news release. Available on: <http://ec.europa.eu/eurostat/documents/2995521/7895735/3-02032017-AP-EN.pdf/8a73cf73-2bb5-44e4-9494-3dfa39427469> [Accessed 10.04.2018].

In Slovakia, trade union is understood as an organization of workers, through which employees participate in the process of creating better and more fairly work conditions, as by the definition stated in the Labour Code. Slovakia has a dual system, which can also be applied simultaneously, where on one side are trade unions and on the other side as an option for workers given by The Labour Code for protection of their rights and work condition are “zamestnanecký dôverník” (employee confidential) and “zamestnanecká rada” (Employee Board/Council). Conditions for both of them are stated in The Labour Code. Both of them have the rights for participations on making decisions, rights to be informed, right for discussion. The most important difference between the trade union and “zamestnanecký dôverník/zamestnanecká rada” is the right for collective bargaining, which is inclusively given to trade unions by the Slovak legislation.

Collective bargaining is understood as the right given to trade unions to negotiate with employer, organization of employers or with the Government. Usually the subjects of negotiation are work conditions, time, terms, vacation or income and the result of successful negotiations between the sides is Collective Bargaining Agreement/Labour contract, which is made in written form. The bargaining, as well as trade unions, is enshrined by The Labour code. Process of bargaining, as well as the subjects and results, are described more specifically in the Act No. 2/1991.

Collective Bargaining Agreement is a written contract, a will of sides to create a better work conditions as the ones stated in The Labour Code. This agreement is binding for the both side and also goes for the conditions, which are more preferable for the employee than conditions stated in their contracts of any kind and conditions stated in the Labour Code. Validity of Collective Bargaining Agreements is usually one year (if is not stated differently in the agreement itself), but for the Collective Bargaining Agreement of “higher type”, as it is stated by the law, the validity have to be one year.

In Slovakia the trade unions have the form of civil association and are created by the registration in the State register. The right of employees to create trade unions and to be part of them is guaranteed by the Constitution in the article No. 37 as the right to associate, which is given to everyone for the protection of theirs economic and social interests. In the same article the status of trade unions as the independent organizations is described.

Currently, the trade unions in the Slovak republic are somewhat centralized and local trade unions in companies, which have contractual rights for the Collective Bargaining Agreement of “lesser type”, are usually affiliated to the related sectoral associations – mainly to the Confederation of Trade Unions (KOZ SR). However, recent developments indicate some fragmentation of trade unions. For example, the split in the Metal Trade Union Association (OZ KOVO) at Volkswagen Slovakia in 2016 was generated by disagreements between the local branch of the union and its sectoral association. This set about the establishment of the Modern Volkswagen Unions (MOV).<sup>8</sup>

## CONCLUSION

The article provided a short introduction to some parts of the Slovak labour legislation, particularly, related to types of employment, self-employment, precarious employment and trade unions. While it was argued that precarity is something relatively new to the Slovak society, which is also mirrored by the lack of adequate research on this topic, the outcomes of it are already existing, for example in the forcing shift to self-employment or by forcing leave of educated youth, mostly in social sciences and liberal arts, who are struggling to find employment in Slovakia. Nevertheless, the Slovak government applies different means to support youth people, as well as unemployed people, which can be seen in recent labour legislation changes.

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<sup>8</sup> Slovakia: Working life development. Quarter 4, 2017. Eurostat. Available on: <https://www.eurofound.europa.eu/print/observatories/eurwork/articles/slovakia-latest-working-life-developments-q4-2017> [Accessed 10.04.2018].

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