WORKING PAPER

Industrial relations and social dialogue

Slovenia: Developments in working life 2023

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Introduction

In the second half of 2023, the economic indicators for Slovenia have improved slightly after the slowing economic growth throughout the year (UMAR, 2023a, p. 3). In the autumn forecast, the Institute of Macroeconomic Analysis and Development (UMAR) announced a 1.6% GDP growth in 2023, lower compared to 2022 when it was 2.5%.

As a result, the increase in the population with jobs also slowed down. However, the employment of foreign citizens continued to grow due to labour shortages in many professions and reached a record 14.5% of all employment. The activities with the largest shares of foreigners employed were construction (48%), transportation and storage (33%), and administrative and support service activities (i.e. temporary agency work- 27%) (UMAR, 2023a, p. 14).

Measures to mitigate the consequences of the energy crisis, adopted in 2022, still took effect in 2023. The largest share of funding went to subsidies for high energy prices in the economy. During the summer, priorities have shifted due to devastating floods caused by heavy rains between in early August 2023 claiming several lives, destroyed homes, and swept away roads and infrastructure. The event required a quick response aimed at providing people with temporary accommodations and repairing the damage. For funding the post-flood reconstruction, the intervention law temporarily increased the corporate income tax from 19% to 22% to the great dissatisfaction of employer organisations.

2023 saw some noteworthy political interventions. Despite opposition from employers' organisations, the Parliament abolished the additional health insurance, managed by private insurance companies, and introduced ‘obligatory health insurance’ levied by the public Health Insurance Institute (ZZZS). Furthermore, with the passing of the Amended Long Term Care Act (LTC), Parliament has introduced general LTC insurance. Both new social security contributions are imposed on employees and employers. The Parliament also adopted a ‘small worker constitution’, improving workers’ social security.

The struggle between powerful ‘guild’ trade unions (doctors, judges, teachers) for pay increases continued, leading to a series of strikes in the public sector. The government tried to curb the expectations by proposing a new pay system in which salaries would be comparable and equalised between occupational groups in the public sector. Trade unions have accepted the offer, but have not yet reached a consensus with the negotiating party on the details.

Political context

The year 2023 was the second year of Prime Minister Robert Golob in the government office. His coalition of three political parties, the Freedom Movement (Gibanje Svoboda), Social Democrats (Socialni demokrati), and Left Party (Levica), started with the strong support of 53 parliamentary deputies (out of 90) in the Parliament. Despite internal political crises (alleged interference of the Prime Minister in the appointment of police staff and the dismissal of the Minister of Interior, internal conflicts within the Freedom Movement party, investigation of the Prime Minister's conduct by the Commission for the Prevention of Corruption), the government got through the energy crisis and the devastating floods in the August 2023 when half of Slovenian municipalities were severely hit, particularly the Gorenjska, Štajerska, and Koroška regions. At that time, people showed unprecedented solidarity by donating money and volunteering to help clean up the damage.

The year was marked by protests against the government. On one hand, employer organisations and bilateral chambers were discontented with new levies on employees' payrolls and 'a small worker constitution', adopted in November 2023. They demanded from the government to return to the labour cost-cutting policy. On the other hand, the social movement organisation Voice of People (Glas ljudstva) criticised the government for neglecting the public health sector and letting an increasing number of people without access to health care. Notable were also protests of pensioners and farmers throughout 2023. While pensioners demanded higher pensions, farmers opposed new environmental requirements, administrative burdens and cuts in funding under the Common Agricultural Policy and called for all direct payments and other funding to be indexed to inflation.

Political right-wing opposition is preparing for the next elections or early government resignation. Poll surveys show the rising popularity of the former Minister of Foreign Affairs Anže Logar. He is considered the most likely challenger to the current Prime Minister and the most probable winner of the next elections.

Actors and institutions

Social partners

In 2023, there were no significant changes in social partner organisations and the rules regarding the representativeness of social partners. It is worth noting the establishment of the Trade Union of Food Delivery Couriers, representing couriers of the two food delivery platforms, Wolt and Glovo. It was established with the support of Mladi Plus, a member of the Association of Free Trade Unions of Slovenia (ZSSS).

Social dialogue bodies or frameworks

Although there have been no changes in the legislative framework for social dialogue and collective bargaining, recent developments in the tripartite Economic and Social Council (ESS) confirm long-standing instability in central collective bargaining. The (ESS) was revived by the current government in July 2022, following nearly a year of inactivity under the Janez Janša administration. A new conflict broke out in the final stage of negotiations about the Employment Relationships Act (ZDR-1D) in July 2023 when employer organisations (Chamber of Commerce and Industry of Slovenia – GZS, Slovenian Chamber of Commerce – TZS, Chamber of Craft and Small Business of Slovenia – OZS, Association of Employers Slovenia – ZDS, Association of Employers in Craft and Small Business of Slovenia – ZDOPS) decided to withdraw from the ESS. In the letter to the Prime Minister and the ESS chairman (Employer organisations, 2023), they refuted recurring violations of the Rules on Functioning of the ESS. The Minister of Labour replied that the employers' organisations had deliberately delayed the negotiations and sent the Employment Relationships Act (ZDR-1D) to parliamentary procedure without their approval, contrary to the ESS protocol.

Employer organisations felt ignored in negotiations of the Long-Term Care Act (ZDOsk-1) and the Employment Relationships Act (ZDR-1D). Concerning the former, the main subject of dispute was the funding of long-term care (LTC) through the social contributions of workers and employers. Employer organisations disputed a new LTC insurance and proposed alternative funding models, which, they stressed, were not taken into consideration. They also felt excluded from negotiations about the Amended Employment Relationships Act but, most importantly, they found legal changes in contradiction with the Prime Minister's promise of a labour cost-cutting policy. The employer organisations have, therefore, decided not to participate in the tripartite negotiations until they are treated as equal partners.

In September 2023, the ESS President called on employers to return to negotiations to address the difficulties that have arisen in the aftermath of devastating summer floods (President of the ESS, 2023), with no success. A call for talks from the Prime Minister followed. Employer organisations, AmCham, the Slovenian-German Chamber of Economy and others announced the conditions under which they are prepared to reassume tripartite collective bargaining. They demanded that Prime Minister Robert Golob withdraw the increase in corporate income tax (increased from 19% to 22% for the next five years to provide funding for post-flood reconstruction), introduce a compulsory solidarity contribution (which would distribute the burden for reconstruction among all employees and employers), remove the proposal on additional social contributions for health care (i.e. LTC insurance and compulsory health insurance) and postpone the law on cross-border provision of services. The chairman of GZS summed up their demands, saying that ‘all laws that impose additional burdens on the economy must be stopped’ (MMC, 2023a).

Notwithstanding their demands, the Parliament approved laws imposing additional wage wedges at the end of 2003, and the Transnational Provision of Services Act (ZČmIS-1) became valid on 1 January 2024. Not only tripartite collective bargaining has come to a standstill, but recent developments also show the increasing power of bilateral chambers representing foreign companies in Slovenia. The trade unions appealed to the employers’ organisation to resume negotiations, especially after the floods in August, and called for national unity, but to no avail.

Developments in collective bargaining

Changes to the collective bargaining structures and frameworks

In Slovenia, there were no changes in collective bargaining structure in 2023.

Data on collective bargaining

Data for Slovenia is scarce. Recent statistics on collective bargaining coverage or union density are not available. The most recent trade union density statistics come from either 2016 (26,9% in ILOSTAT) or 2015 (23.8% in the OECD/AIAS/ICTWSS database). They are not only outdated but most probably also overestimated. Živa Broder calculated a 19.9% trade union density rate in 2015, relying on the public survey, which showed that 12.4% of participants over 18 were members of trade unions (Broder, 2026). After 2018, the same data series shows oscillations but also an incremental decline: 12.1% in 2018, 12% in 2019, 13.3% in 2020, 13.5% in 2021, and 9.7% in 2022.

Similarly, the collective bargaining coverage rate data that is now accessible is likewise outdated. According to the latest information, collective bargaining coverage rate was 70.9% in 2016 (ILOSTAT) and 78.6% in 2017 (OECD/AIAS/ICTWSS database). It is presumed that, since 2017, the coverage rate has been decreasing, not increasing (Kresal Šoltes, 2022). There are two reasons for the declining rate. The potential bargaining power and solidarity among employees (i.e. trade union membership) has fallen 3.5 times since 1991: by half in the public sector and as much as five times in the private sector (UMAR, 2021). More importantly, the rate is decreasing because of the declining membership of employers' organisations, which can bargain only on behalf of their members, due to the rigid rules on the extended validity of collective agreements (Kresal Šoltes, 2022). As the validity of some collective agreements is not extended, it is challenging to determine the number of employees covered by non-extended collective agreements and the total national coverage rate. While the public sector keeps a 100% coverage rate, it is proportionally lower for the private sectors.

In December 2023, the register of collective agreements included 47 collective agreements (CAs) for the public and private sectors. Two new CAs on the list are the *Collective Agreement for Air Traffic Management and Control* and the *Collective Agreement for Crafts and entrepreneurship*. On the other hand, the *Collective Agreement for the Private Security Services* was cancelled. In the private sector, social partners signed annexes to 14 CAs. They mainly refer to pay and bonuses (holiday, travel, and meal allowances).

Collectively agreed pay outcomes and wage-setting mechanism

Institute of Macroeconomic Analysis and Development found out that among 25 sectoral CAs, only four contain a fixed indexation of wages. The CAs that cover a large part of the workers – as they have both extended validity and some form of indexation – are the agreements for the trade sector and the metal industry (Perko et al., 2022: 3). In 2023, CAs for metal industry provided a 15% pay increase, for metal products and foundry industry a 6% increase, for the electrical industry 4.8%, for the road passenger transport 10%, for electricity sector 4,2% since July 2023, for postal and courier services 8%, for real-estate sector 6%. For public utility services, the pay increase was 10% during 2023, with an additional 6% starting from January 2024. CAs for hospitality and small tourism enterprises determined higher basic wages. In the publishing sector, social partners agreed to give the biggest pay rises to the lowest paid. Amendments to CAs for trade sector and postal services are currently under negotiations.

Collective bargaining and inflation

No regulatory mechanism assures automatic adjustment of wages for inflation. For the public sector, the government and trade unions thus decided to launch a new pay system that would address indexation and wage inequalities at the same time. After a year of negotiations, neither party is getting closer to settling.

In January 2023, the government signed a strike agreement with the Trade Union of Doctors and Dentists (FIDES). According to the agreement, the government promised to include their demands for wage increases in the new pay system and the trade union refrained from striking. Soon after, the government agreed to wage increases for low-paid kindergarten teaching assistants, who had also announced the strike at the end of January, and for young researchers. Back in 2022, the Prime Minister promised judges and prosecutors a €600 bonus. Agreements and promises sparked demands and strike activities from other public employees: soldiers, police officers, teachers, firemen, nurses, postmen, customs officers, cultural workers and many others. The Police Trade Union accused the government of implementing measures in a ‘clientelist and discriminatory manner’ (MMC, 2023g).

To mitigate wage pressures, the Prime Minister announced a new pay system for the public sector in February 2023. At the time, priority was given to low-wage workers, i.e. the equalisation of basic salaries below the mandatory minimum wage with the minimum wage. The second objective was to increase the minimum and maximum wage ratio from 1:4,7 to 1:7 in the public sector (MMC, 2023b). Trade unions supported both proposals.

In February 2023, the government presented pay reform outlines at the Economic and Social Council (MMC, 2023c). It decided to divide the wage system into five pillars (representing 1. Public servants appointed for the duration of current government; 2. public administration; 3. health and care sector; 4. research, education, and culture; 4. other state institutions), and to negotiate simultaneously on sectoral (i.e. pillar by pillar) and central level. Trade unions consented to implement the pay reform gradually over several years (from 2024 to 2027) with the objective to prepare the draft law by 30 June 2023.

During the negotiations, trade unions stressed the importance of ensuring equal pay for comparable jobs between pillars and concerns that inflation could annul wage increases if the reform is postponed in the too distant future. In the process, sectoral negotiations came to a standstill. After the flooding in August 2023, the government proposed a new deadline, 15 October, for the new draft law and postponed the start of the reform to 2025 due to the cost of flood recovery. The government’s proposal of a pay system, presented to the Economic and Social Council, enraged the trade unions except FIDES. Trade unions found the wage increases for doctors and dentists several times higher than for other public employees (MMC, 2023d). The government then tried to bypass trade unions by prohibiting wage increases in 2024 in an article to the Act Regulating the Implementation of the Budgets of the Republic of Slovenia, to which trade unions responded with a strike on 7 December. As a result, the government withdrew the ban and agreed to an 80% adjustment of wages to inflation in 2024.

Developments in governmental responses to inflation

Several laws enacted in 2022 to mitigate the detrimental effects of inflation and the energy crisis continued to be in force in 2023. For households and small businesses, a set of interventions contained increases in energy prices by lower value-added, lower excise duty, and price caps on energy products. Although most of the measures expired in mid-2023, the electricity and gas price cap for households and small and medium-sized enterprises has been extended until the end of 2023.[i] In June 2023, the government also extended the regulation of trade margins on petroleum products in gas stations outside highway and expressway areas for the next 12 months.[ii]

The *Act on Aid to the Economy to Mitigate the Effects of the Energy Crisis* (ZPGOPEK), in force since 28 December 2022, provided subsidies to companies for high energy prices from 1 January to 31 December 2023.[iii] Companies deployed the entire €395 million in assistance that was offered to help cover between 40% and 80% of the higher energy costs (1.5 times the increase in the price of electricity, natural gas and process steam in 2023 compared to 2021) (Finance, 2024). The maximum subsidy was between €2 million to €150 million for energy-intensive companies. The same law provided companies with liquidity loans[iv] and wage compensations for temporary layoffs and short-time work.[v] While the temporary layoff scheme was available between 1 January 2023 and 30 June 2023, short-time work compensation was offered only from 1 January to 31 March 2023.

Provision of public assistance to the population continued. The laws endowed the right of one-time support to households which cannot make ends meet due to rising energy prices until 31 March 2023 and 'dearness inflation allowances' to families entitled to child benefit(s) until January 2023.[vi] The government helped employees with higher untaxed work-related bonuses (including food allowance), and pupils with freezing the prices of school meals and student rents.[vii] To combat excessive trade margins, it undertook a review of retail food prices at six retailers until 31 March 2023 and, after that, the obligation of food producers, intermediaries, manufacturers and traders to report on selling prices every month.[viii]

Devastating floods between 4 and 6 August 2023 required another comprehensive state intervention. The government's quick response was aimed at helping people with temporary accommodations, repairing the damage, and keeping people employed. The *Act Determining Intervention Measures for Recovery from the Floods and Landslides of August 2023* (ZIUOPZP) from 1 September 2023 enhances the post-flood reconstruction endeavours by aiding households, municipalities, businesses, employees, and farmers. First, the government helped people affected by floods and those with no roof over their heads. Flood victims were entitled to extraordinary cash social assistance, market rent subsidy, and a loan deferral of up to 12 months or 24 months under certain conditions. They were also exempted from paying for kindergarten and school meals. Second, employment protection measures (wage compensations) helped employees who could not work due to *force majeur* or were doing emergency repairs for the company. Self-employed persons, who had a 25% lower income owing to flooding, were provided with monthly support, available until 31 December 2023. Third, the state helped 708 companies by pre-payments for cleaning and repairs at a 10% total damage rate. The overall cost of pre-payments was €32 million. Fourth, the state expedites the issuance of work permits to third-country nationals to meet the demand of the workforce for post-flood reconstruction. Until 31 December 2023, workers were allowed to work the first three months since the issuance of the permit under the bilateral agreement with Bosnia and Herzegovina and Serbia (or the Employment Service consent) and the application for the single permit, which allows third-country nationals to enter, stay and work in Slovenia. This means that employees do not have to wait for a valid work permit before they can start work.

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[i] Eurofound (2022), Measures to mitigate rising energy costs, case **SI-2022-36/2839** (measures in Slovenia), EU PolicyWatch, Dublin.

[ii] Eurofound (2022), Setting prices for certain petroleum products, case **SI-2022-25/2840** *(measures in Slovenia)*, EU PolicyWatch, Dublin.

[iii] Eurofound (2023), Partial reimbursements of the costs of price increases for electricity, natural gas and steam, case **SI-2023-1/3066** (measures in Slovenia), EU PolicyWatch, Dublin.

[iv] Eurofound (2023), Liquidity loans, case **SI-2023-1/3067** (measures in Slovenia), EU PolicyWatch, Dublin; see also Eurofound (2023), Loans for companies affected by the war in Ukraine, case **SI-2023-15/3232** (measures in Slovenia), EU PolicyWatch, Dublin.

[v] Eurofound (2023), Wage compensations for temporary layoff and short-time work, case **SI-2023-1/3065** (measures in Slovenia), EU PolicyWatch, Dublin.

[vi] Eurofound (2022), One-time support for vulnerable groups' energy bills, case **SI-2022-32/2836** *(measures in Slovenia)*, EU PolicyWatch, Dublin.

[vii] Eurofound (2022), Support for food*,* case **SI-2022-36/3070** *(measures in Slovenia)***,** EU PolicyWatch, Dublin.

[viii] Eurofound (2022), Review of retail food prices at six retailers to combat excessive trade margins, case **SI-2022-36/2838** *(measures in Slovenia)*, EU PolicyWatch, Dublin; see also Eurofound (2023), Mandate to regularly transmit information regarding the price of agricultural and food products, case **SI-2023-26/3228** (measures in Slovenia), EU PolicyWatch, Dublin.

Labour disputes and industrial action

In January 2023, the signing of a strike agreement between the government and the Trade Union of Doctors (FIDES) raised high expectations from other trade unions in the public sector. It opened a series of strikes for higher salaries involving soldiers, police forces, teachers, firemen, postal workers, customs officers, and many others. The government has curbed wage pressures by proposing a new pay system ensuring equal pay for comparable work across different public sectors. After almost a year, negotiating parties have still not found a solution. Due to devastating floods during the summer, the unions accepted the reform postponement until early 2025 but demanded wage adjustment in 2024 to inflation in 2023.

Data on industrial action

There is no data collection on industrial actions in Slovenia, and the right to the strike underwent no legal modifications in 2023.

Collective labour disputes in 2023

In February 2023, the Trade Union of Sava Turizem went on strike demanding wages' adjustment to inflation and protesting the transfer of cleaning staff from the company Bernardini Hotels to a subcontracted cleaning service. Meeting other trade union's demands, the company refused to cancel the transfer of cleaning staff to the subcontracting company. The trade union's campaign mobilised the support of several ministers but could not prevent the transfer of workers. While the company defended the transfer on the grounds of the seasonal character of the hospitality business, Goran Lukič from the Counselling Office for Workers accused subcontracting services of high labour exploitation, saying that fibromyalgia, a chronic pain syndrome, is a common ailment among subcontracted cleaning staff, the majority of which are women (MMC, 2023e).

In April 2023, couriers working for two food delivery platforms (Wolt and Glovo) established the Trade Union of Food Delivery Couriers with the support of Mladi Plus, a member of the Association of Free Trade Unions of Slovenia (ZSSS, 2023a). The main reason for creation of the trade union was the decision of platforms to change the pay system, which reduced the income of couriers by 20 to 30 per cent. The trade union called platforms to initiate collective bargaining, which they refused arguing that couriers are not employees but entrepreneurs. In response, the Ministry of Labour issued the interpretation that Slovenian regulation allows solo self-employed to associate, and platforms can freely negotiate with couriers (Delo, 2023; N1info, 2023a). After the platforms refused to engage in collective bargaining, the union representing delivery workers escalated the pressure by going on two strikes in May 2023. About 100 couriers disconnected from the application for a few hours and had a press conference. Thus far, the platforms have resisted and haven't agreed to collective bargaining with the trade union, which has a membership of about 120 couriers.

For several years, officials in local administration units have complained about the workload due to the large inflow of foreign workers. In the same time, delays in issuing work and residence permits cause serious existential problems to foreign workers and their families. In November 2023, some local administration units went on strike demanding higher wages and more employees to fill labour shortages (N1info, 2023b; ZSSS, 2023b). The Police Trade Union and the Counselling Office for Workers, which serves primarily migrant workers, supported their demands, stating that the volume of requests exceeds by far the capabilities of the administrators on hand. The strike was ongoing in March 2024.

In December, a protest was organised by the Postal Workers' Trade Union (SPD) (MMC, 2023f). The employees of Pošta Slovenije demanding the financing of universal postal services by the state and fair pay for employees. Further, they opposed staff cuts, the closure of post offices and the selling of public assets. Negotiations are still ongoing.

Developments in working time

Changes to legislation

Since the Labour Inspectorate reported frequent violations of working time rules in the past years, the Parliament adopted the *Amended Labour and Social Security Registers Act* (ZEPDSV-A) in April 2023, stipulating more precise rules on the record-keeping of working hours. Through more precise record-keeping, the regulation is supposed to protect workers by guaranteeing compliance with requirements linked to working hours, rest, and break periods. The Labour Inspectorate proposed electronic record-keeping for all employers. On the initiative of employer organisations, only employers who were fined for infringements of working time or record-keeping provisions are obliged to keep electronic records, but only for two years. Company trade unions may propose electronic record-keeping to employers, who are not obliged to introduce them and must inform the trade unions and the Labour Inspectorate of the decision in writing. However, since 20 November 2023, all employers must keep more physical records, including data on the start and the end of work, breaks during working time, shifts, work on Sundays and holidays, split or uneven distribution of working hours and so on. The law uses a wide definition of a worker, which covers employees and persons carrying out work for an employer on any other legal basis (e.g. self-employed, trainees, students). When it entered into force, the law provoked general complaints that the regulation restricted flexibility, but with time, discontent faded.

Bargaining outcomes

Amended Employment Relationships Act (ZDR-1D), popularly dubbed 'a small worker constitution', was adopted in November 2023. Among others, the law extended the definition of protected workers to caregivers and victims of domestic violence who have the right to request a part-time employment contract from employers. The law compels employers to ensure work-life balance with a provision that, in case of dispute, the burden of proof is on the employer. These are t outcomes of a one-year negotiation in the tripartite Social and Economic Council (ESS). Initially, the Ministry of Labour proposed a 30-hour working week equal to full working time, i.e. an act or collective agreement could provide that full working time is shorter than 40 hours a week (presently, it cannot be shorter than 36 hours a week). On the other hand, employer organisations proposed that preparation for work and a half-hour break should not be included in an eight-hour working day (Mekina, 2023, p. 21). None of the proposals was accepted. Although neither the employer organisations nor the trade unions were satisfied with the draft law, the Ministry of Labour sent the law into parliamentary procedure (Dnevnik, 2023).

Debates on duration and organisation

Slovenians work an above-average number of hours per week in the EU (UMAR, 2023b). Although it results from the inclusion of breaks in working time and the relatively modest prevalence of part-time work to a certain extent, public debates on the shortening of working time are rising. The voluntary 30-hour working day was discussed by the social partners in the Economic and Social Council, but not approved. In a public statement, the trade unions expressed their disappointment that the Minister of Labour did not include the 30-hour working day in the *Amended Employment Relationships Act* (ZDR-1D) he submitted to Parliament. According to Luka Mesec, the Minister of

Labour, social partners should prioritize negotiating a 30-hour workweek and the right to a 48-hour weekly rest break. Given the employers' reluctance, it is not likely to be implemented through tripartite dialogue.

In January 2023, the Ministry of Labour prepared the analysis on a permanent short-time work scheme (MDDSZ, 2022). In times of economic shocks or difficulties, the short-time work scheme would allow undertakings to adjust the number of working hours per employee and stabilise employment during the economic downturn. The analysis is a part of structural reforms in the Recovery and Resilience Plan. No information is available on the follow-up.

Other important policy developments

Amended Employment Relationships Act (ZDR-1D) entered into force on 16 November 2023. It implemented EU directive 2019/1152 on transparent and predictable working conditions and directive 2019/1158 on work-life balance for parents and carers, but also brought about many other provisions (Finance, 2023a; Government of RS, 2023). The law introduced the following changes (the list is not exclusive):

- Additional mandatory elements in the employment contract (all relevant information on pay, including payment of bonuses, and information on training provided by the employer);

- More protection for trade union representatives;

- The right to disconnect;

- Subsidiary liability in construction sector;

- Up to five days of caregiving leave and part-time work for caregivers;

- Up to five days of paid leave and part-time work for victims of domestic violence;

- A higher 80% wage compensation for agency workers (before 70%);

- The right of the employee to request an employment contract with better working conditions (e.g. open-ended contract instead of fixed-term);

- Proportionality of the probationary period for fixed-term employment contracts;

- The right of the employee to provide a statement of alleged violations when receiving a written warning before terminating an employment contract due to misconduct;

- A six-month period – or a maximum of 18 months in the sectoral collective agreement – during which the employee (who received a written warning before the termination of an employment contract due to misconduct) must not commit another violation;

- The right of the employee to terminate an employment contract if the employer fails to pay also the wage compensation (before only salary);

- The right of the employee to use all unused annual leave in the current calendar year or until June 30 of the following year due to absence caused by illness, injury, maternity leave, or childcare leave until March 31 of the year after;

- The right of posted workers to information on the pay to which the worker is entitled under the law applicable in the host country.

Some of the new features are detailed below.

Regulations on employment status and contracts

Following the Directive 2019/1152/EU, the *Amended Employment Relationships Act* (ZDR-1D) allows the employee to propose an alternative, more predictable and secure form of employment to the employer. For instance, a worker with a fixed-term contract may request an open-ended contract, a higher wage, and the like, but not before the expiration of six months from the commencement of the employment contract. The employer must justify the decision in writing within 30 days, but the obligation does not apply if the employee made an ‘equal proposal’ less than one year ago.

The same act (ZDR-1D) brings many updates regarding employment contract termination. One concerns trade union representatives whose employment contract cannot be terminated until the decision of the first-instance labour court or up to a maximum of six months. If they are not allowed to work, they receive a higher 80% wage compensation (50% before). This provision gives more protection to trade union representatives following some high-profile cases of layoffs involving trade unionists. The second regards employees, who had no right to defend themselves when the employer issued a warning before terminating an employment contract due to misconduct. The law stipulates the right of an employee to have a defence hearing regarding the alleged violations in the presence of a worker representative or another person authorized by the employee. The employer must deliver the substantiated decision to the employee within eight days after the hearing.

The third Update reduces the period in which repeated misconduct may trigger the termination of the employment contract, from one year to six months. Therefore, after being warned in writing by the employer, the employee must not repeat the misconduct within six months. If a sectoral collective agreement stipulates differently, the maximum period is 18 months (24 months before). Fourth, up to now, employees could terminate their employment contract (and remain entitled to unemployment benefits) if the employer failed to pay the salary. The amendment extended this right to wage compensation. Thus, the employee can terminate the employment if the employer does not pay wage or wage compensation for at least two months or irregularly within six months.

Health and safety regulations and policies

Following *the Amended Employment Relationships Act* (ZDR-1C) in January 2022 which shortened the period of paid sick leave from 30 to 20 days, six trade union confederations protested, saying the law passed without prior negotiations with social partners, and warned against the unsustainability of public health insurance. *Health Care, Labour and Social Care Intervention Measures Act* (ZIUZDS), adopted on 22 December 2023, extended the period to 30 days (IUS-INFO, 2023). The employer is thus again required to pay for the first 30 days of sick leave, and the Health Insurance Institute covers wage compensation for all subsequent days. Employers protested against the additional burden on labour costs (OZS, 2023). Another change in the *Amended Health Care, Labour and Social Care Intervention Measures Act* (ZIUZDS) limiting the maximum sickness benefit to two and a half times the average monthly gross salary in the Republic of Slovenia, was also criticized as unfair for high-wage earners (Finance, 2023b).

On 6 July 2023, by adopting the *Amended Health Care and Health Insurance Act* (ZZVZZ-T), the Parliament replaced the voluntary supplementary health insurance, managed by private insurance companies, with compulsory health contribution, collected by the public Health Insurance Institute (ZZZS). Therefore, from 1 January 2024, it is an additional social contribution of €35 per person paid by employees, self-employer and pensioners, with an announcement of the first indexation for March 2025.

Work-life balance related policies

To reconcile work and private life, the employee can request to work part-time or at home, and the employer must respond within 15 days in writing under the *Amended Employment Relationships Act* (ZDR-1). The law also introduces the right of remote workers to disconnect, according to which the employer must ensure the non-availability of workers outside the working time. During one year of transition (i.e. until November 2024), the social partners can determine rules on the right to disconnect in the sectoral collective agreement. In their absence, employers can define rules with the participation of worker representatives or workers themselves.

Following the Directive 2019/1158 /EU, the above-mentioned act (ZDR-1) introduced up to five days of caregiving leave in a calendar year. This entitlement is applicable in case of serious health situation of a family (spouse, partner, child, adoptee, parent) or household member. If possible, the employee must notify the employer about caregiving leave in advance or within three working days at the latest. In the written request, the employee must describe the reasons and attach (medical) documentation of the care recipient. Moreover, employers must ensure better work-life balance for protected groups of workers (pregnant women, parents, caregivers). The caregiver may propose the reduced working hours to the employer, and the employer must provide a written decision in 15 days. When the caregiving period ends, the employer must allow the employee to return to work under the same conditions. In case of dispute, the burden of proof is on the employer.

The law gives similar rights to victims of domestic violence, defined as individuals who have experienced domestic violence within the last two years. As caregivers, they may propose up to five days of paid leave to address the consequences of domestic violence or the conclusion of a part-time employment contract. Also, in this case, the employer must respond within 15 days in writing. Claiming the leave, the employee must provide, among other documents, proof from the Social Work Centre and police. As a protected group of workers, victims of domestic violence enjoy some other rights (e.g. limitation to overwork, night work or uneven distribution of working time to which they must consent in writing). If the employee misuses these rights, they cannot take a leave for the next two years. Employers must assist victims in achieving better work-life balance, and the burden of proof is on the employer in case of disputes.

Life-long learning and skills development

In the latest *Development Report 2023*, the Institute of Macroeconomic Analysis and Development presented data on the lifelong learning participation rate for 2021 (UMAR, 2023b). The participation rate was 18.9%, well above the EU average (10.8%) and very close to the target of the *Resolution on the national programme of adult education in the Republic of Slovenia 2022–2030* (19%) (UMAR, 2023b, p. 162).

Other topics

The amended Long Term Care Act (ZDOsk-1), adopted on 9 December 2023, introduces many new rights concerning long-term care and a new LTC insurance since 1 July 2024. Funds will be collected from employers and employees similarly to health insurance contributions, whereby each (that is, employer and employee) will contribute 1% of the worker’s salary. On top of this, the government will contribute €190 million (approximately 0.4% of Slovenia’s GDP) annually from the national budget.

Commentary and outlook

In 2023, the government and trade unions decided to launch a new pay system because no regulatory mechanism existed to automatically adjust wages in the public sector in line with inflation. The new system would address indexation and wage inequalities at the same time. The negotiating parties could not reach a consensus on this issue throughout 2023 but agreed to a wage increase of 80% of consumer price inflation between December 2022 and December 2023. The agreement from January 2024 comprises two elements: the indexation of wages from June 2024 and the payment of the annual leave bonus in March 2024 (instead of June). The indexation is estimated to be around 3.4%.

The deal did not stop some trade unions (representing doctors and judges) from launching strikes in January 2024. Judges filed a lawsuit in the Constitutional Court, which decided in June 2023 that judges' salaries lagged behind those of other sectors and jeopardised judicial independence. The court gave the government six months to remedy the situation. Doctors also went on strike despite a pay rise of around €700 in 2023, claiming that the government failed to fulfil commitments from the January 2023 agreement with the Trade Union of Doctors and Dentists regarding their promotions, additional pay raises, overtime payments and so on. The government response to these pressures is that any pay rise must be agreed upon within the new pay system in the public sector and coordinated with other trade unions.

The struggle between strong 'guild' trade unions has kept wages low in both the public and private sectors. Basic wages, including various bonuses, in the Slovenian wage system are low and fail to reflect the true cost of labour. Since the basic wages of low-paid workers are determined below the mandatory minimum wage, bonuses (for asocial working hours and the like) are calculated as a percentage of a very low basic salary. Consequently, wages of these workers revolve around the minimum wage regardless of the difficulty of their working conditions. Only two collective agreements in the private sector increased basic wages closer to, but still far below, the minimum wage (the collective agreement for the hospitality and tourism industries and the collective agreement for Slovenia's trade sector). The more centralised public sector has yet to fully address this wage disparity.

2024 will be another year of instability for social dialogue. A solution requires a compromise between the employer organisations' demand for a 'labour cost-cutting policy' and trade unions' pressure for wage increases that the government declines to enforce. It will also be challenging to persuade employer organisations to return to the negotiating table after their ultimatum from December 2023 was refused.

Concerning working time, the *Amended Labour and Social Security Registers Act* (ZEPDSV-A) introduced new rules on record-keeping and data on working hours to ensure compliance with legislation on working hours, rest and break periods. Furthermore, the *Amended Employment Relationships Act* (ZDR-1D), dubbed 'a small worker constitution', extended the definition of protected workers to caregivers and victims of domestic violence, who can propose a part-time employment contract to employers.

The lack of knowledge about collective bargaining is a continuous problem in Slovenia. Data on the density of employer and trade union organisations and collective bargaining coverage are both outdated and inaccurate. The situation raises concerns since a lack of understanding of the current situation ultimately hinders the implementation of policies that could create conditions enabling social dialogue. Experts warn that all three social partners – employer organisations, trade unions and government – will have to take action to reverse the negative trends in social dialogue.

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