



Capacity building for social dialogue in Slovenia

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This report is available in electronic format only.

Introduction

This paper analyses the capacity of Slovenia's social partners to effectively engage in social dialogue at various levels. The paper forms part of a wider, comparative project, managed by the European Foundation for the Improvement of Living and Working Conditions (Ireland) and the Work Life Development Programme (Sweden). It is aimed at helping social partners in the 10 new EU Member States and the three acceding and candidate countries (Bulgaria, Romania, and Turkey) to build their capacity for social dialogue with a view to anticipating and managing change. The report concentrates on studying the organisational, financial, and personnel capacities of the national, central organisations of employers and trade unions for anticipating and managing change, anticipating future developments and implementing outputs.

The research was done through interviews with representatives of eight central social partner organisations (four trade unions and four employers' organisations) in Slovenia. For the purposes of this paper central organisations were defined as signatories of the Social Agreement for 2003–2005 and are, except for the Association of Employers for Craft Activities of Slovenia (ZDODS¹), members of the Economic and Social Council (the main tripartite cooperation body at national level).

Following a brief introduction regarding the institutional and legal context, the paper reviews in turn the existing organisational, financial, and personnel capacities for social dialogue. This is followed by an analysis of the social dialogue processes at enterprise, national and international levels. The paper concludes with some general comments on the strengths and weaknesses of the existing social dialogue capabilities and the prospects for the future development of effective social dialogue in Slovenia.

¹ ZDODS, although still not a full member, is present and active in ECC and it is regarded as an important social partner.

Industrial relations context

Historical background

The heritage of the former economic system (the Yugoslav model of workers' self-management is characterised by a well developed system of representative industrial democracy and social ownership of the means of production) as well as the circumstances of political and economic transition in the 1990s shaped the industrial relations environment that enabled the existing scope and content of social dialogue in Slovenia. Although both trade unions and employer organisations have a long tradition in Slovenia,² it could be said that industrial relations started to assume their contemporary form only after the break with the communist regime. Constitutional and legal changes in 1989, which fundamentally changed the nature of the employment relationship, are a crucial point in the development of industrial relations in Slovenia (Vodovnik, 1999). The Law on Basic Rights of the Employment Relationship replaced the so-called 'associative' employment relationship (i.e. the relationship among the workers themselves) with one based on the contract of employment. The 1989 law also contained the first legal regulations concerning collective bargaining and collective agreements (Skledar, 2002).

In the 1990s new actors emerged in Slovene industrial relations and started to perform the new, previously non-existent roles of social partners. The change of economic and political system caused the reform of previously existing organisations and formation of new ones. Trade union pluralisation was a consequence of the process in which some parts of the old trade union seceded from it and of the formation of new organisations. Trade unions in the beginning of the 1990s were characterised by a political/ideological cleavage – similar to the wider political arena – of 'communists' and 'anti-communists'. The reformed Association of Free Trade Unions of Slovenia (ZSSS) was seen as the successor to the old system and close to the reformed communist party; the Confederation of Independent Trade Unions of Slovenia (KNSS) was perceived as being closer to new political parties, while Pergam and K90 were seen as having the same tradition as ZSSS, but in contrast to ZSSS, trying to distance themselves from it (Fink-Hafner, 1994; Tomc, 1994). Stanojević (2003) establishes that ideological and political splits among Slovene trade unions in the early 1990s were, by the end of the 1990s, replaced by ideologically more neutral new groupings (based on the interests of employees in private industry and public services).

New social partners were gaining power during the 1990s. Research among members of parliament in the mid 1990s shows that the highest percentage of MPs defined trade unions as the most influential among the interest groups relevant for policymaking in their work area. The Chamber of Commerce and Industry was in fourth position (Fink-Hafner, 1994). The same research revealed the ways in which Slovene trade unions tried to assert their interests by: coalitions with political parties (through personal contacts of trade union and party leaders), lobbying (MP and parliament's working bodies), cooperation with MPs that were or are members of trade unions, as social partners through tripartite institutions, through representatives in the parliament and as a pressure group.

According to Stanojević (2004) the system of industrial relations that was established in the 1990s was characterised by: strong trade unions, centralised organisation of employers, a system of centralised collective bargaining and institutionalised tripartite communication (that presupposed openness of the government to the dialogue with social partners). Both the analysts and all actors of social dialogue unanimously consider that social dialogue in 1990s in Slovenia was a successful and a good basis for a successful transition to the market economy.

² Trade unions in Slovenia as a part of the Austrian trade union movement emerged already in late 19th century, at first as educational and 'self-help' organisations and then as workers' organisations fighting for better wages and working conditions (Skledar, 2002). The existing chambers of commerce and craft of Slovenia were established at the tradition of the Commercial and Craft Chamber of Kranjska (*Trgovinska in obrtna zbornica za Kranjsko*) that was established in 1851.

Legal framework

The legal framework of the industrial relations system in Slovenia is changing. The most important of these changes will be the adoption of a new Law on Collective Agreements (LCA). It is expected that the LCA that has been in preparation for almost 10 years will change the position of employer associations with compulsory membership in collective bargaining and introduce a voluntary system of collective bargaining based on autonomous employer organisations and trade unions with voluntary membership. The draft LCA stipulates the following: the parties in collective agreements; the content; the procedure for conclusion; the form of agreements; the validity and cessation of agreements; the peaceful resolution of collective labour disputes and the recording and publication of agreements. The issues of the national representativeness of trade unions³ and employers' confederations and the role of Slovenia's compulsory-membership business organisations were recently tackled by an EU Phare project 'Enhancement and development of social dialogue in Slovenia' concluded in April 2004. The project included assisting with the preparation of a new Law on Collective Agreements (LCA) and a Law on the tripartite Economic and Social Council of Slovenia (LESSS),⁴ conducting seminars and workshops on European and national social dialogue and the development of communication and collective bargaining skills; setting up a communication network for the social partners and helping social partner organisations to establish a monitoring system on collective agreements (Skledar, 2004).

According to the conclusions of the project, since most stakeholders in Slovenia look to Western European countries for examples of good practice and for clarification of their own positions it is expected that this European 'benchmarking' will influence the new legislative changes that will (re)shape social dialogue in Slovenia on important issues (the representativeness of social partners, rethinking the Economic and Social Council and of Slovenia, enhancing sectoral-level collective bargaining). While the international standards as well as usual practice call for a radical change of the position of employer organisations with compulsory membership in collective bargaining and voluntary system of collective bargaining, changes in Slovenia should also take into consideration the specifics of the Slovene system of industrial relations and its importance for the pace and direction of socio-economic changes. Stanojevic (2004) thinks that a radical dismantling of GZS would cause an imbalance in the system and a serious crisis. Thus, he concludes that it is important to find a functional substitute for the strong, centralised employer organisation if the current level of regulated system of industrial relations is to be maintained. According to Skledar (2003a) it is possible that the new system of voluntary collective bargaining will force both the trade unions and the employers' organisations to develop more expert bargaining resources at lower levels (sectoral and company levels).

The future of the scope and intensity of social dialogue will certainly depend on the stance that will be taken by the present government towards social dialogue. The first public statements of the Prime Minister were very positive, defining social dialogue as very important for the creation of a 'positive social capital' in society. However, because of the perceived orientation of the government and its advisers as well as some initial attempts of the government to disregard social dialogue in decision making (e.g. diminishing the influence of social partners in boards of public funds), there exists a concern that the importance of social dialogue could be diminished in the future.

³ The current rules on trade union representativeness are based on the Law on the Representativeness of Trade Unions (LRTU), which has been in force since 1993 (Skledar, 2002)

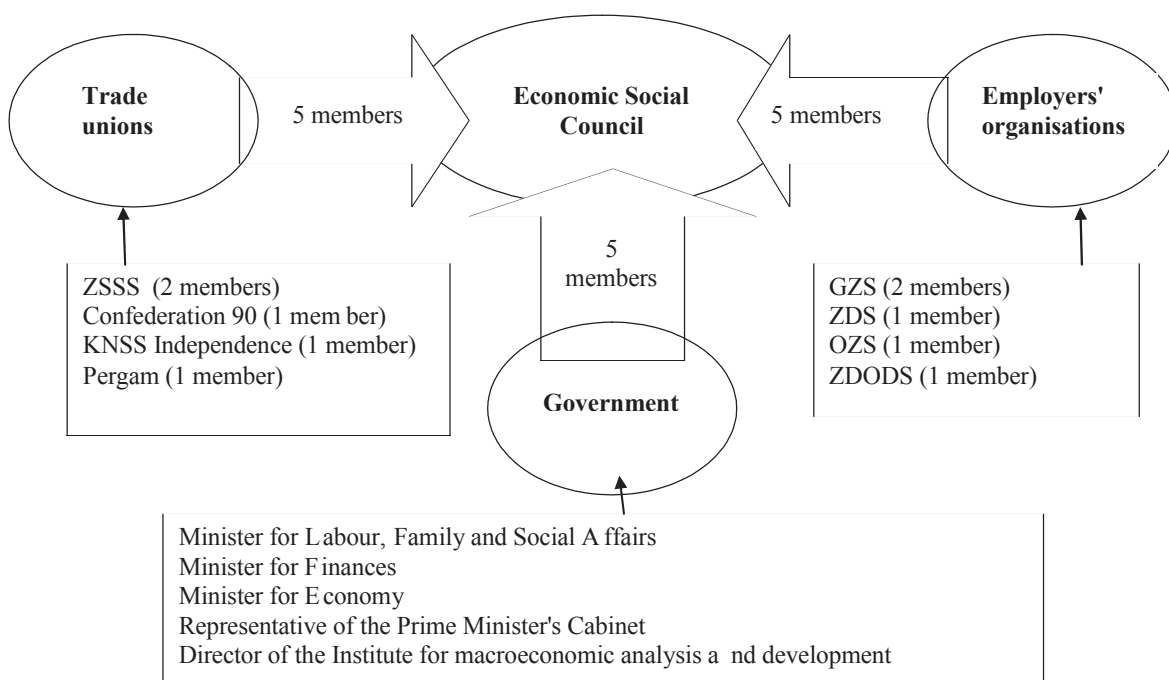
⁴ Currently the ECS operates according to commonly adopted rules and not on legislation.

Social dialogue in Slovenia

Social partners in Slovenia cooperate at national level in the Economic and Social Council (*Ekonomsko Socialni Svet*, ESS). ESS was established in April 1994 by a tripartite agreement on pay policy in the private sector as a central body for tripartite cooperation in Slovenia. During the 11 years of its existence, ESS has contributed to the successful implementation of basic economic and social reforms and the process of transition.

The consultative function of ESS is realised through its activity in the preparation of legislation and other documents (such as social agreements and pay policy agreement) and giving opinions on working and draft documents that are relevant to the scope of ESS work: industrial relations; conditions of work; labour legislation etc. and broader issues affecting workers; employers and government policy. ESS discusses all reports or documents that in international/EU practice demand the opinion of the social partners. The ESS has 15 members (five representing each of the three parties) and adopts its decisions unanimously. In case of differences in opinions, these are reported. ESS has working groups (members are representatives of all three parties, and sometimes independent experts) that contribute to resolving of issues on the ESS's agenda (e.g. drafting of law proposals, evaluating reforms of social security system and various tripartite agreements). Although ESS opinions and suggestions are not legally binding, they are taken into account in discussions and decision-making. The administrative costs of the work of ESS are covered from the state budget.

The main social actors agreed that social dialogue is the precondition for successful joint and individual actions. Thus social partners conclude 'social agreements' that cover important social and economic topics such as employment and unemployment policies, income policies, tax reforms, social policies, living and working conditions. The first social agreement was signed in 1995. In the Social Agreement for 2003–2005 the parties committed themselves to promote the existing forms and practices of social dialogue at all levels (national, regional, industrial and individual organisation level) while developing new forms of cooperation – such as joint committees for different fields and social dialogue committees at the level of industries, regions, municipalities and institutions – and new institutions for the peaceful settlement of disputes (mediation, conciliation etc). (Kanjuo Mrčela, 2003). The Social Agreement for 2003–2005 covers the following topics: economic development (growth of prices, fiscal policy, public finance, the competitiveness and restructuring of Slovene economy and regions, vocational and professional training, wage policy, safety and health at work), social security (growth of employment, social welfare, pension insurance, health and health insurance, family policy, equal opportunities, housing policy), and legal security (appropriate legislation, efficient judicial protection).



Besides the ESS, there are other institutions whose governing bodies have a tripartite or 'multipartite' structure, or include employers' and trade union representatives. The most important are those running social security schemes, such as agencies for employment and unemployment insurance, pensions and disability insurance, and health insurance and the Council of Radio Television of Slovenia. One of the bodies with a multipartite structure is the National Council (NC). According to the Constitution of the Republic of Slovenia, the NC is the representative body for social, economic, professional and local interests and has 40 members including four representatives of employers and four representatives of employees. The strongest power of NC is its right to require the National Assembly to reconsider a law prior to its promulgation. It can also convey to the National Assembly (NA) its opinion on all matters within the competence of the NA (Skledar, 2002b).

Social partners in our project reported that they have mostly positive experiences with social dialogue in all mentioned instances. Social dialogue at national level was estimated as a useful instrument for exchange of views, introduction and presentation of different interests and achievement of compromises and consensus that were a basis for important legal, economic and social changes during the last decade. Because of the positive experiences and practice of social dialogue until now, all our respondents think that it will be good to continue social dialogue at national level in the future. One of the trade union representatives suggested some changes that could make it even more efficient: i.e. the inclusion of new partners (some new trade unions), professional support to ESS (independent experts such as economists and lawyers), enabling legislative initiative. Our respondents commented on the ongoing debate on the future role of employers' organisations with obligatory membership in social dialogue and collective bargaining. Representative of the GZS argue that the role of GZS during the last period was both legal and legitimate as there were never any criticism on its performance in bargaining on the employers' side. Other respondents estimated that the GZS performed an important role during the transition period, but that its role would be changed in the future in such a way as to remain a partner in tripartite social dialogue but excluded from bipartite collective bargaining. Some of the respondents foresee a transitional period (several years) in which the role of GZS would be gradually changed.

While cooperation in the work of other tripartite bodies has been estimated as mainly constructive and useful by a majority of the representatives of social partners, some (smaller trade unions and employers' organisations) express some negative experiences (lack of information needed for meaningful work, real power of executive managerial bodies compared to formal power of supervisory tripartite bodies in some cases, etc.).

Key actors

There are four main trade union associations in Slovenia: the Union of Free Trade Unions of Slovenia (*Zveza svobodnih sindikatov Slovenije*, ZSSS), KNSS-Independence, Confederation of New Trade Unions of Slovenia (*KNSS-Neodvisnost, Konfederacija novih sindikatov Slovenije*, KNSS), the Confederation of Trade Unions of Slovenia Pergam (*Konfederacija sindikatov Slovenije Pergam*, Pergam), and the Confederation of Trade Unions '90 of Slovenia (*Konfederacija sindikatov '90 Slovenije, Konfederacija '90*).

The Union of Free Trade Unions of Slovenia (ZSSS) is the largest trade union organisation. ZSSS is a reformed organisation, a successor of the Slovene section of the former Yugoslav trade union. Changes in the organisational structure in the 1990s involved the decentralisation of decision-making within the umbrella organisation that gave sectoral trade unions an independent role in the confederal organisation. ZSSS consists of 22 member unions that are organised at sectoral, regional and professional principles. Approximately 60% of members of ZSSS are employed in industry (metal, chemical, food and textile), 30% in services (retail, hotels and restaurants) and 10% in the public sector.

KNSS – Independence, Confederation of New Trade Unions of Slovenia (KNSS) was in the mid 1990s the second largest union organisation, representing 10% of all trade union members, but changes since then mean that KNSS no

longer holds that position. KNSS is a trade union organisation set up since the change of regime. KNSS consists of 10 member unions that are organised on the sectoral, regional and professional principles. Most of the membership is in industry.

The Confederation of Trade Unions of Slovenia Pergam (Pergam) started as a trade union with membership mainly in the pulp/paper and printing industries, but it increased the scope and number of members in other sectors (especially in the public sector). It was created following secession from ZSSS. Pergam consists of eight member unions that are organised on the sectoral, regional and professional principles.

The Confederation of Trade Unions '90 of Slovenia (Konfederacija '90) is the trade union that has majority of members in the coastal region. It was also created following secession from ZSSS in 1991. Konfederacija '90 consists of 22 member unions that are organised at sectoral, regional and professional principles. Approximately a half of members are employed in industry and the other half in services.

Four main trade union confederations have their representatives at the ESS (ZSSS have two representatives and others one each). Besides these four organisations, there are another two confederations, which are not represented in the ESS: Alternative and Solidarity that were established at the end of 1990s. Besides the mentioned confederations there exists a larger group of strong and autonomous, mainly white-collar trade unions, in particular in the public social services sector (healthcare, education etc), transport and banking. The public sector trade unions do not have a representative on the ESS. They have organised a Coordination of Public Sector Trade Unions, which is not a formalised trade union organisation and serves only for the coordination of negotiations at the national multisectoral level. Because only confederations can have representatives on the ESS, this coordinating structure does not have a representative, though a representative is always invited to participate at ESS sessions (Skledar, 2002b).

There are also four main employers' associations in Slovenia: the Chamber of Commerce and Industry of Slovenia (*Gospodarska zbornica Slovenije*, GZS), the Slovenian Employers Association (*Združenje delodajalcev Slovenije*, ZDS), the Chamber of Crafts of Slovenia (*Obrtna zbornica Slovenije*, OZS), the Association of Employers for Craft Activities of Slovenia (*Združenje delodajalcev obrtnih dejavnosti Slovenije*, ZDODS).

The Chamber of Commerce and Industry of Slovenia (GZS) has obligatory membership. At the beginning of the period of socio-economic transition, GZS was the only organisation representing employers and enterprises and in this role had an important function that enabled social dialogue. In 2004 it had 64,000 members.

The Slovenian Employers' Association (ZDS) was founded on 22 February 1994, following the advice of the ILO and the International Organisation of Employers (IOE). At the beginning of 1997, it had 1,618 member enterprises, which employed around 60% of private sector labour force and represented 49% of overall company equity. In 2004 it had 1,200 members.

The Chamber of Crafts of Slovenia (OZS) also has obligatory membership. It represents independent craft workers and small and medium enterprises. In 2004 it had almost 47,000 members. The majority of members are in transport, construction and personal services (such as hairdressers, dress-makers and cosmetics).

The Association of Employers for Craft Activities of Slovenia (ZDODS) was established following the example of GZS's establishment of ZDS on 23 June 1994. At the beginning of 1997, it had 2,730 members and in 2004 2,950 members, mainly in manufacturing, construction and transport.

GZS and ZDS have two representatives each in the ESS, OZS has one representative, while ZDODS is not yet formally represented in the ESSS, but it is involved in its work.

Table 1: *Key social dialogue actors in Slovenia*⁵

Organisation	Year of establishment	No of organisations 2000	No of organisations 2004	No of employees 2000	No of employees 2004	Main sectors represented
Employers organisations						
GZS	1990	63,200	64,000	480,000	486,000	Private industry
ZDS	1994	1,000	1,200	190,000	190,000	Private industry
OZS	1969	49,900	47,463	135,288	139,888	Private services
ZDODS	1994	3,800	2,950	15,532	15,776	Private industry and services

Trade Unions	Year of establishment	No of organisations 2005	No of employees 2005	Main sectors represented
ZSSS	1990	22	300,000	Private industry, Private services, Public sector
KNSS	1991	10	35,000-40,000	Private industry
Pergam	1991	8	87,000	Private industry, Public sector
Konfederacija '90	1991	22	40,000	Private industry, Private services

Data on the membership of the main social partners' organisations in the table above is based on estimations of the organisations themselves. Considering the membership of trade unions this data could be supplemented by data provided by independent analysts, based on the results of researches and surveys. Following the change of socio-economic system, the rate of union density in Slovenia decreased, because membership in trade unions became voluntary and due to extensive restructuring of the Slovene economy, particularly traditional sectors with a high union density (textiles, mining, steel and iron production, footwear and leather, and especially the metalworking industry; Skledar, 2002). A telephone survey conducted in September 1994 found that 59.6% of the total active population were members of trade unions (and 4.6% of the non-active population), and 63.5% of all employed persons (23.3% of unemployed people). Some 54.9% of white-collar workers and 75.9% of blue-collar workers were union members (Stanojević and Omerzu, 1994). Union density fell from practically 100% before 1990 to 63.5% in 1994, to about 42% in 1998 and kept the same level (41.3%) in the year 2000 (Stanojević, 2003). The latest data (Slovene Public Opinion Survey, 2003/4) show that the union density was 44.3%.

In the mid 1990s around 50% of all trade union members were members of ZSSS and according to Stanojević (2003) ZSSS preserved its leading position during the 1990s, while the second important characteristic was the growth of new smaller service sector trade unions that account for almost 40% of total trade union membership. According to the data from Slovene Public Opinion Surveys 2003/4, 44.4% of all trade union members are members of ZSSS, while 32% are members of autonomous sectoral trade unions. The respondents from trade union confederations estimated that in the future their membership will stay the same or it will increase because of activities they are planning to have in order to

⁵ Data in Table 1 was updated at the Bucharest workshop, 15-16 September 2005.

attract more members. One of the trade union representatives mentioned that the growing trend of individualisation among workers makes their attempts to increase membership very difficult. The other trade union representative expressed more positive expectations, based on experiences in the last two years in which the membership in his trade union increased. According to his opinion that happened because of good work, well developed communication with members, and a concentration on problems of members and not on political or any other issues.

According to the respondents, all central organisations of employers expect that the number of their members as well as the total number of employees in their member enterprises will stay the same or increase in 2005, because of different reasons such as liberalisation of business environment, the new services provided to members (e.g. new web pages, education and information services) the rise of the number of employees in members enterprises (so, even if the number of members would not increase or would decrease, the number of people employed in members enterprises will increase). One of the employers' association reports new members joining it, but at the same time some of old members are closing down, so they expect the membership to stay the same.

Finances

As mentioned earlier, in the 1990s the main trade union and employer organisations emerged either through reforms of already existing institutions or as new ones, and this has also had an impact on their financial position. One of the biggest conflicts (that is still not resolved) among the 'old' and 'new' trade unions has been the question of property and demands by the new trade unions that the property of former trade union organisation that was used by trade unions that were its successors, should be divided.

The new employer organisations (ZDS, ZDOODS) have been organisationally and financially supported by the two chambers and there are no conflicts among them concerning financial issues.

The main percentage of finances for all trade union and employer organisations come from membership fees. Commercial activities represent a smaller part of the budget (from 5% in ZDS to 30% in OZS) and the same is true of external resources. In GZS, EU and other countries' employer organisations contribute 10% of their budget; in OZS government and EU funds are financing some educational programmes, vocational training, and event organisation. Sources of external financial support in the majority of cases come from projects at European level (e.g. ZSSS, ZDS), public sources for education, event organisation etc (e.g. OZS), partners or foundations from other European countries (e.g. ZSSS, ZDS).

According to Article 210 (paragraph 3) of the Law on Labour Relations, at the request of a trade union an employer must ensure the technical execution of the calculation and payment of employees' trade union membership fees. So, as a rule, accounting departments in companies collect trade union fees. However, our respondents from trade unions drew our attention to the individual payment of membership fees. An increasing number of workers have decided to pay membership fee directly to the trade union without informing their employer about their trade union membership ('secret trade union membership').

In all trade unions the membership fee of individual members amounts to 1% of the gross wage. The distribution of the collected fees among central organisation, sectoral/regional organisations and company trade union is differs in each trade union. In ZSSS 9% goes to the central organisation and the rest is distributed differently in other member organisations. In Pergam confederation and regional/sectoral trade unions get 55%, while 45% stays in companies. In KNSS 50% stays in the company union, while the other 50% is distributed among regional and central organisations (ratio is on average 45% central-55% regional). In Konfederacija '90 13% goes to the confederation, the rest is divided in a different manner by member trade unions.

Membership in GZS (as well as in OZS) is obligatory which implies the obligatory payment of a membership fee for members. However, according to representative of GZS, in practice out of almost 64,000 members of GZS only half of them (33,000) have to pay membership fee, as companies with more than SIT 4,000,000 of annual income only pay membership fees. In that way a minority of members (12%) contribute the majority of the membership fees (73%). The basis for calculation of the membership fee is the sum of amortisation and gross salaries in the last year for companies and profit in the last year for the individual entrepreneurs. The latest data shows that:

- 30,000 members do not have to pay membership fee;
- 21,000 pay SIT 3,000 monthly;
- 1,900 pay SIT 4,500 monthly;
- 800 pay SIT 6,000;
- 4,217 pay more than 7,000 monthly;
- 3,754 pay up to 100,000 monthly;
- 463 pay more than 100,000 monthly.

In ZDS the membership fee is determined as a lump sum for enterprises and it is dependant on the size of the company. There are three different fees – for small, medium and big companies. The membership fees have been increased for 2005. In ZDODS the membership fee is a lump sum that is the same for all companies. OZS has two kinds of membership fees – the lump sum for companies regardless of their size and a certain percentage of the basis for the pension funds (1.5%–4.5%) for self-employed entrepreneurs.

Table 2: *Finances and external financial support*

Organisation	Budget in 2000 (euro)	Budget in 2004 (euro)	Total external institutional support in 2004 (euro/% of budget)
Employers organisations			
GZS	19,000,000	21,900,000	601,320 (2.74%)
ZDS	350,000	400,000	60,000 (15%)
OZS	7,400,000	10,000,000	300,000 (3%)
ZDODS	62,5000	229,166	n.d.
Trade union organisations			
ZSSS		3,400,000	EUR 36,167 (1.06%)
KNSS		441,666	None
Pergam		n.d.	None
Konfederacija '90		n.d.	EUR 1,250

The majority of our respondents estimated that their available financial resources to be sufficient to cover the current activities of the given organisation, but most organisations (especially smaller ones) would like to have more resources primarily in order to employ some additional staff. The expectations for this year are the same in all organisations – the financial resources will either stay the same or increase a little because of the increase of membership fees or increase of number of members.

Human resources

Table 3: *Human resources*

Organisation	No of people employed	% of women	% of university or further educated	Languages spoken	Use of computers/internet
Employers organisations					
GZS	255	65.0	60.3	English, German, French, Italian	All employees/yes
ZDS	5	80.0	60.0	English, German, Italian	All employees/yes
OZS	89	69.6	51.6	English, German, French, Italian	Almost all/Yes
ZDODS	3	100.0*	66.6	English, German, French, Italian	Almost all/Yes
Trade Union Organisations					
ZSSS	50	64.0	20.0	English, German, French, Italian	Almost all/Yes
KNSS	9	44.4	33.3	English, German,	All employees/yes
Pergam	6	66.6	83.3	English, German	Almost all/Yes
Konfederacija '90	3	33.3	66.6	English, Italian	

*Changed in May 2005 to 66.6%

The number of employees in different employer and trade union organisations reveals differences between the 'old' (having more employees) and the 'new' organisations (having less employees). In all employer organisations women represent a high majority of employees. In spite of that, a woman in a top managerial position was present in only one of the organisations (that was changed in May 2005 and the new manager is a man). In two trade unions women represent the majority of employees, while in the other two men are in the majority. All trade union confederations are led by men.⁶ In almost all organisations women are more numerous within the general staff. English is the dominant foreign language spoken in offices of all researched organisations, while other foreign languages are also spoken/understood (German, Italian, French). In all organisations employees have and use computers in their everyday work. Access to the internet is also provided to employees in all researched organisations.

The educational structure of employees is on average better in employer organisations than in trade unions. In all organisations, with the exception of GZS, our respondents estimated that they would like to strengthen their staff. ZDS lacks consultants and experts in bargaining and because of that they plan to employ two economists and two lawyers in 2005. OZS would also like to have more consultants (on EU funds, taxes, finances) and they employed two people in 2005 (an economist and a manager). ZDODS would also like to employ some more professionals (economists, lawyers) but a lack of funding means this will not happen. In ZSSS they would like to improve the educational level of employees. They also need more staff to cover the economic, legal, and social areas. In KNSS they would like to employ an economist, but because of financial restrictions they will have no new employment this year. In Pergam a lawyer that was needed was employed in 2005. Konfederacija 90 would need five experts (economists, organisational experts) and they employed one legal adviser this year.

⁶ Out of eight representatives of trade union and employers' organisations (presidents, managers or high officials), that have been interviewed, there were seven men and only one woman.

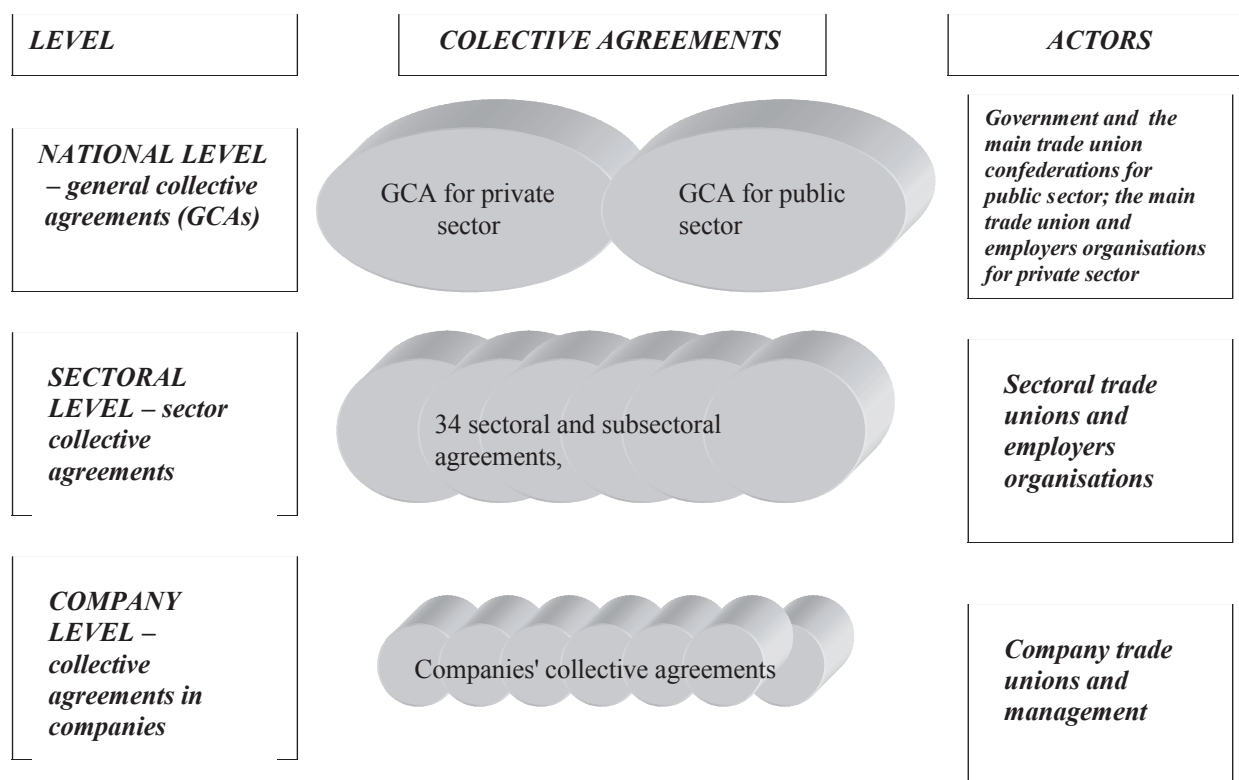
Collective bargaining

The present collective bargaining structure in Slovenia is highly centralised and inclusive. There are three levels of collective agreements in Slovenia: general agreements (for private and public sector); sectoral agreements and agreements for certain professions (e.g. doctors and journalists); and agreements at the level of company (except for micro employers – up to 10 employees). The two general agreements are the result of the bargaining of the main trade union confederations, the main employers' organisations (two chambers and two associations) and the government for the public sector. The sectoral agreements are negotiated by sectoral trade union organisations and corresponding employers' associations (Stanojević, 2001).

As of January 2004, 38 agreements were registered at the Ministry of Labour, Family and Social Affairs. The general private sector collective agreement was first registered in 1990 and the general collective agreement for the public sector (mostly public services) was first registered in 1991. Two of the registered agreements concern individual occupations: the collective agreement for professional journalists, first registered in 1991; and the collective agreement for doctors and dentists, first registered in 1994. The remaining 34 collective agreements are sectoral or subsectoral. Five of them are in the public sector and 29 in the private sector. (Skledar, 2004a).

Unlike many other countries in EU (both old and new members) the bargaining coverage rate in Slovenia is high. Almost the total labour force is 'covered' by the provisions of collective agreements. The only two categories of employees that are not covered by collective agreements in Slovenia are managers (who have individual contracts) and higher administrative employees in the state administration and the administration of municipalities. (Skledar, 2003).

Figure 1: *Collective bargaining structure in Slovenia*



A shift towards the partial decentralisation of collective bargaining is currently a prospect, and it is expected that the general collective agreement as it exists now for the private sector will lose significance, while sectoral collective agreements will gain importance and become the cornerstones of the system. The ZSSS was actively pursuing this scenario, while the employers' organisations, and particularly the GZS want to retain the centralised bargaining structure, with the General Collective Agreement defining the minimum wage standards. (Skledar, 2003) On the question of the future trends of collective bargaining levels the respondents reflected the current ongoing debate on the future of the general collective agreement and the trend of decentralisation of collective bargaining. Some decantralisation and an increase in the importance of the sectoral collective bargaining is expected by the majority of the respondents. Those who support the existence of the general collective agreement (GZS, OZS, ZDODS, Pergam, Konfederacija 90, KNSS) see it as a necessary instrument to define minimal standards acceptable for all social partners (above the level defined by the Law on Labour Relations) and useful especially for parts of the economy that are not covered by sectoral collective agreements. Our respondents agreed that present general collective agreement must be changed and updated. They also agreed (even those who are not in favor of a general collective agreement) that wage policy would continue to be the subject of social dialogue at national level. Also, the decentralisation of collective bargaining implies that bipartite collective bargaining at sectoral level will gain importance.

Table 4: *Involvement of the main actors in social dialogue at different levels of collective bargaining*

Organisation	National	Sectoral	Regional*	Company
Employers organisations				
GZS	Y	Y		N
ZDS	Y	Y		N
OZS	Y	Y		Y
ZDODS	Y	N		N
Trade Union Organisations				
ZSSS	Y	Y		Y
KNSS	Y	Y		Y
Pergam	Y	Y		Y
Konfederacija '90	Y	Y		Y

*There is no regional level collective bargaining in Slovenia

The majority of organisations participate at all three levels of collective bargaining. The obstacles for those who do not participate at company level are connected with a lack of personnel resources. All of our respondents reported positive experiences with negotiations at all levels. However, the trade union respondents were more critical when estimating their experiences with the implementation of collective agreements. The negative experiences with implementation are more connected to collective agreements at sectoral and national level. While collective agreements at company level are not very numerous (particularly not in smaller companies) and it is difficult to achieve them, yet, when signed they are well implemented.

Some of our respondents commented on the possibility and need for regional level collective bargaining in Slovenia. While some thought that regional social dialogue would be needed to take into account regional differences, others thought that Slovenia is too small for the introduction of regional collective bargaining.

The implementation of EU collective agreements on telework (2003) and stress at work (2004) is higher on the priority list of some trade unions and employers' organisations than others. ZDS and GZS have no plan at the moment regarding these EU collective agreements. ZDODS has no plan regarding the collective agreement on telework, but it has opened

a discussion about stress at work (they revealed the need for a cautious approach because of difficulties in the measurement of work/outside of work stressors). OZS has been involved in the discussion at EU level regarding these agreements (UEAPME). ZSSS has already prepared and sent to the government the proposal of the collective agreement on stress and plans to prepare a proposal of collective agreement on telework by the end of this year. KNSS has no definite plans, but started to consider both collective agreements. Pergam estimates that both collective agreements will be implemented by the end of this year. The representative of Konfederacija 90 argued that it would be better to include the content of these two agreements into general collective agreements than to have separate collective agreements.

International participation

Despite the presence of multiple union confederations, only the largest one (ZSSS) is a member of ETUC. ZSSS appreciates the support from ETUC in the last 15 years and sees its involvement in ETUC as an excellent method of involvement in social dialogue at European level. Other trade union confederations cooperate with the relevant sector trade unions associations in other countries and at European level through their members (sector trade unions). Trade union representatives estimated international cooperation to be important as a source of information, educational opportunities, instrument of influence and inclusion in formulation of trade union strategies at European level. Some trade union representatives mentioned important support and help from European/international colleagues via informal contacts and communication. Trade unions (particularly the smaller one) mentioned staffing (language) and financial obstacles to more intensive international cooperation. One of the trade unionists thinks that these obstacles could be partly removed if a joint 'international cooperation office' for all trade unions were established. Such an office could help trade unions to gather, translate and distribute information, and coordinate some activities of common interest. In that way a multiplication of work and costs in different trade unions could be avoided.

Three employers' organisations are involved in international cooperation, while the smallest one (ZDODS) has not yet been directly involved, but has been informed by the OZS. All international cooperation is estimated by employers' organisations as useful as a source of valuable information as well as a channel of involvement in the creation of relevant European policies together with other actors in the EU. Like the trade unions, employers' organisations also have their representatives on ECOSOC and numerous committees at EU level. Smaller employers' organisations also have staffing and financial obstacles that prevent them from participating more in international organisations and associations and that is compensated by information provided by larger organisations.

Table 5: *International participation of employer and trade union organisations*

Organisation	International affiliation
Employer organisations	
GZS	ICC, WCN, Eurochambers WCF
ZDS	IOE
OZS	UEAPME
ZDODS	None
International cooperation	
Trade unions	
ZSSS	ETUC, Interregional trade union councils, Sectoral federations of ICFTU
KNSS	ILO
Pergam	UNI Europe, EMICEF
Konfederacija '90	Inter-regional trade union councils (indirectly ETUC)

Conclusion

All social partners in Slovenia regard social dialogue in Slovenia as an important contribution to the success of economic and social development. It has served as facilitator of social and economic change during the years of transitional process. The most important strengths of the existing social dialogue are the well defined and experienced actors of social dialogue whose consensually agreed opinions and suggestions have had public and political weight and strongly influenced decision makers in Slovenia. Currently, social dialogue is undergoing change and it is perceived that both legal and functional changes should be adopted in order to improve future social dialogue. The legal framework should provide a basis for further social dialogue activities (the work of the ESS and collective bargaining) and define new criteria of representativeness of social partners. It is expected that sectoral-level collective bargaining will gain importance and as a result the capacities of social partners at this level should be strengthened.

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Annex 1 Strengths and weaknesses of capacities for social dialogue

	Strengths	Weaknesses
Organisational	<ul style="list-style-type: none"> • experiences of social dialogue at all levels • existence of formal and informal day to day communication • high membership levels • high collective bargaining coverage • social dialogue is present in public and influences public opinion 	<ul style="list-style-type: none"> • lack of legal basis for ESS work makes it vulnerable and exposed to changes in political environment • trade union fragmentation has negative effects on financial and personnel capacities and international cooperation of trade unions • deficiencies of the existing law on trade union representativeness (no possibility of control of size of membership after registration) • chambers with obligatory membership being accepted as bargaining partners • social dialogue at regional level (that could be efficient at the ad hoc basis) is not well developed
Finances	<ul style="list-style-type: none"> • participation in EU programmes and projects 	<ul style="list-style-type: none"> • lack of financial support for ESS work • change of position of chambers with obligatory membership could threaten the financial capacities of employers' organisations • size of Slovene economy causes lack of resources at the sectoral level
Human resources	<ul style="list-style-type: none"> • experienced social partners • IT literacy • use of foreign languages 	<ul style="list-style-type: none"> • lack of expert support to ESS work • small organisations' lack of personnel • no women in top leadership positions • lack of specific expert knowledge (e.g. on taxes, finances, law) and experiences
Other	<ul style="list-style-type: none"> • social dialogue is perceived by all social partners as useful and efficient instrument of conflict resolution and as supportive to economic development • it is also perceived as a necessary institutionalised influence on legislative changes 	<ul style="list-style-type: none"> • ESS has no legal initiative • Cases of poor flow of information and lower quality of social dialogue at sectoral/local level

Annex 2 Foresight project

Based on discussions at the Bucharest workshop, the national team proposed three development aims that are explained below.

What?

- the adoption of suitable legislative framework for further social dialogue (Law on Collective Agreements, Law on the Tripartite Economic and Social Council of Slovenia and Law on Representativeness).
- the strengthening of social partners' capacities on lower (sectoral and local) levels and inclusion of some new issues (aging, knowledge, equal opportunities) into collective bargaining.
- support of inter-regional cross-border social dialogue (with Italian and Austrian social partners).

Why?

- to harmonise the system of collective agreements with changes in existing labour legislation; to define and revise representativeness criteria for trade union and employers' organisations and to introduce control mechanisms (checking of membership); to have an legislative framework that would strengthen the stability of ESS and ensure social dialogue during and regardless of political changes.
- because of predicted decentralisation and existing/emerging problems (aging of population/workforce, knowledge investments as an answer to competitive pressures, gender inequalities at the labour market).
- to prevent negative effects of international cooperation and provide basis for regional development projects.

When?

- in 2006;
- start immediately, long-term process;
- start soon, long-term process.

Who?

- government should prepare the final proposals that should be agreed by all social partners.

Which resources?

- All social partners, Slovene and EU resources.

Annex 3 National tripartite team**Representatives of the government**

Metka Stoka Debevc, Secretary, Ministry of Labour, Family and Social Affairs

Lilijana Tratnik, Undersecretary, Ministry of Labour, Family and Social Affairs

Representatives of trade union organisations:

Pavle Vrhovec, Executive Secretary, Association of Free Trade Unions of Slovenia

Andrej Zorko, Secretary, Regional Organisation of Association of Free Trade Unions of Slovenia

Representatives of employers' organisations:

Igor Antauer, Secretary General, Association of Employers for Craft Activities of Slovenia

Marjan Ravnik, Adviser to Secretary General, Chamber of Craft of Slovenia

Sources

We are grateful to the following representatives of four employers' organisations and four trade union organisations who were interviewed in February and March 2005 and provided us with the necessary information for this report.

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Milan Utroša, Secretary General, the Association of Free Trade Unions of Slovenia

Drago Lombar, President, The Independence, Confederation of New Trade Unions of Slovenia

Dušan Rebolj, President, Confederation of Trade Unions of Slovenia Pergam

Boris Mazalin, President, Confederation of Trade Unions '90 of Slovenia

⁷ Ms Azra Seražin left the Association of Employers for Craft Activities of Slovenia in May 2005 and Mr. Igor Antauer took over the position of Secretary General.