European Foundation for the Improvement of Living and Working Conditions

Social dialogue and conflict resolution in Slovakia

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Context

This report is part of a series of projects from the Foundation which focus on aspects of industrial relations in the run-up to enlargement. The national report for Slovakia is part of the second phase of a project on 'Social dialogue and EMU' carried out by the European Foundation for the Improvement of Living and Working Conditions in 2002-3, in cooperation with the Swedish 'Work Life and EU Enlargement' programme. This phase of the project looked at the current mechanisms for resolving industrial conflicts prevailing in each of the ten acceding countries involved in the project: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

The main report provides an overview of the whole project and is available online at http://www.eurofound.eu.int/publications/EF0421.htm. It looks specifically at the role of social dialogue in resolving industrial relations conflicts. In most of these countries, both the systems of industrial relations as well as conflict resolution mechanisms are relatively new and have been subject to intense upheaval during the transition phase to market economy. Collective and individual industrial disputes are a new phenomenon for these countries as well. The report gives an overview of the existing institutional and regulatory frameworks for industrial action prevailing in each country, then goes on to describe the various systems in place to deal with conflict resolution. The overall aim of the research is to show how social dialogue can be harnessed to devise a road map for industrial peace.

Introduction

In last ten years, the application of mechanisms for collective dispute settlement contributed to a great extent to the maintenance of social peace in Slovakia. In this respect, collective disputes did not lead to radical social actions like strikes or lockouts of the operation or plant by the employer because of lack of agreement with trade unions. The legal grounds for collective disputes are defined by the Act No. 2 of 1991, Coll. of Laws, on collective bargaining, which distinguishes two types of disputes - disputes regarding the conclusion of collective agreements and disputes regarding the fulfilment of commitments arising from already concluded collective agreements.

In this respect, the majority of collective disputes arisen in the last five years have related to the conclusion of the Collective Agreement. It is important to underline that not only the pure existence of legal framework for conflict resolution mechanisms contributed to the maintenance of social reconciliation, but also their effective implementation in practice did so. Several collective disputes regarding the fulfilment of commitments arising from already concluded Collective Agreement were open each year. According to available information the clear majority of them were successfully concluded by mediation and arbitration procedures.

Social actions organised by trade unions were mostly demonstrations. They were organised by branch trade unions and often supported by the trades unions centre - the Confederation of Trade Unions of the Slovak Republic (Konfederácia odborových zvazov Slovenskej republiky, KOZ SR) - and had mainly protest features. Some experts in industrial relations are of the opinion that trade unions did not perhaps organise any strikes because they did not have enough financial means in order to pay wage compensation for employees in strike.

Since 1999 the position of the trade unions has continuously radicalised. The Confederation of Trade Unions several times increased its pressure on the government by organising some protest actions against government economic and social policy. Also branch trade union organisations criticised the government for its incapability to take measures as regards the growing unemployment, price increases and the real wage decrease. In this respect, the first more hectic time period was the autumn of 1999. The influential branch trade union KOVO (Metal) organised several protest meetings to stop the bankruptcies of enterprises where the management was not able to pay wages, as well as to run their business effectively. A big protest meeting took place in September 1999 in the capital Bratislava. Since the revolution in

November 1989 when big public meetings were organised, this was the biggest protest meeting in the last ten years.

Protest meeting participants requested the Government to adopt effective measures in order to improve the worsening situation in the companies (mass layouts, debts and insolvency, bankruptcies etc.). A couple of weeks later there were similar protest meetings organised by regional trade union structures in the counties. The trade union of teachers organised protest meetings requiring a higher wage increase in 2000. At the same time, the KOZ SR claimed its disagreement with the proposal of the state budget for 2000 and declared its readiness for stand by strike and later also for warning general strike in the spring of 2000.

Anyway trade unions signed the tripartite General Agreement for 2000 with the Federation of Employers' Associations of the Slovak Republic (Asociácia zamestnávatelských zvazov a zdruzení Slovenskej republiky, AZZZ SR) and the government. Similar protest actions were organised by the trade unions in 2001 e.g. teachers and doctors. Apart from some exceptions, for example short-term warning strike of railway workers and stand-by strike of electricity supply workers, there were no radical social actions organised in Slovakia. On the other hand trade unions refused to negotiate for the tripartite social pact for 2001.

In 2003 the conflicts have further radicalised. Apart from continuing trade union protest actions, some genuine strikes were organised for the first time in the history of the independent Slovak Republic. Railway workers trade unions organised two consequent strikes in January-February threshold and in September the KOZ SR organised a nation-wide one-hour warning strike to check its capacity to organise a general strike if needed. Recently the conflict between the pharmacists and health care insurance company has arisen again in the most radical form - due to lack of money reimbursement by insurance company pharmacists intend to sell the drugs to patients for cash only.

Considering the developments in the last three years, conflicting tensions between social partners at the national level and the government have grown and many of them were not settled by tripartite meetings.

Industrial relations framework

Economic and social tripartite bodies

Tripartite consultation in the Slovak Republic was established in the early 1990s, soon after the 1989 revolution. In late 1990 the Czechoslovak federal government decided in cooperation with the Czech and Slovak national governments and the representatives of newly formed employers and trade unions organisations to establish the federal, Czech and Slovak tripartite councils of economic and social conciliation (Rada hospodárskej a sociálnej dohody, RHSD). The tripartism was established with the aim of carrying out the transformation process in cooperation with the newly formed social partners' representations.

At the same time it was aimed at achieving agreement on the intention and goals of economic and social development in order to avoid social tension and to create conditions for preserving social peace as far as possible. Although the idea of tripartism was quite new all involved parties soon reached a consensus, and a General Agreement (Generálna dohoda) for 1991 at the federal level was signed, and consequently Czech and Slovak general agreements for 1991 were also signed. Similar general social pacts were signed for 1992 too.

The government of the independent Slovak Republic adopted the idea of tripartism. The Tripartite Council of Economic and Social Conciliation (RHSD) continued its operation in practically unchanged form, i.e. 7+7+7 representatives of social partners and the government plus a working secretariat supported by the government office. Social partners are represented by the Confederation of Trade Unions of the Slovak Republic (KOZ SR) and the Federation of Employers' Associations of the Slovak Republic (AZZZ SR). Each party has seven representatives at the RHSD and tripartite

permanent and temporary commissions are established ad hoc according to the selected topics. The membership of the employers and trade union organisations in RHSD is based on their representation. Each partner should be influential in the economy, to represent at least 10% of active population and be active in at least five of eight counties of the country.

The government of independent Slovakia signed five general social agreements with the social partners for years 1993, 1994, 1995, 1996 and 2000. The adopted measures were mainly about duties of the government and the implementation of the necessary economic and social reforms. But the fulfilment of these measures did not always respond properly to the rapid increase in unemployment and decline in people's real wages. This fact contributed to an increase in tension between the tripartite parties. Disagreements came to a head in 1996-1997 when the government proposed a new wage regulation.

Although the social partners did not agree with the proposal, the government itself took steps and the social partners, especially the trade unions, refused to sign the general agreement for 1997. They also broke the usual tripartite negotiations at the RHSD. The government tried to keep the co-operation with the social partners outside the tripartite Council, e.g. by asking for their opinions on proposals regarding the governmental bids. The official tripartism did not work in 1997 and 1998 but the social peace was not broken and the transformation process continued.

In 1999, when the previous government came into power, tripartite negotiations at the RHSD started again. Trade unions representatives opened the discussion how to change the recent gentleman agreement form of tripartism and to make tripartite agreements more compulsory for parties involved. The discussion between social partners on this topic continued for several years. The outcome of this discussion was the adoption of a law on tripartism by the new government in 1999 when the parliament approved the Act No. 106 of 1999 on Economic and Social Partnership.

According to this Act the government is obliged to submit to the tripartite negotiations at the RHSD all proposals for measures to be taken, which have relevant impact on the living standard of the population. Nevertheless the new act did not bring completely new rules for tripartite concertation and mostly incorporated the previous operational guidelines into the law.

According to the valid rules the RHSD is entitled to prepare statements as regards all-important measures proposed by the government in the area of economic and social policy and one of results of tripartism could be the achievement of the general social pacts mentioned above. RHSD deals with and gives opinions on those issues of government agenda which relate to the negotiations among parties and on those legislative rules which concern matters of employment, industrial relations, working conditions and other important economic and social issues. The results of the tripartite concertation usually do not have legal validity. However, some conclusions of the RHSD tripartite consultations, e.g. agreement on the national minimum wage (set by law), could serve as a starting point for sectoral wage bargaining.

Other tripartite bodies

When discussing actual issues of tripartism in Slovakia it is worth also mentioning other forms of tripartism implemented in practice. According to the Act No. 387 of 1996 on Employment as amended, the National Labour Office (Národný úrad práce, NUP) was established, which acts through its tripartite self-governing bodies like the Supervisory Board and Governing Committees of Regional and District Labour Offices. Members of self-governing bodies are elected for four-year terms of office and represent the employers, trade unions and the state. The Supervisory Board consists of nine members, representing equally employees, employers and the state. It is elected and recalled by the National Council of the Slovak Republic (Národná rada Slovenskej republiky, NR SR) based on proposals submitted by the representative organisation of employees, of employers and by the government of Slovakia.

The Board of Supervisors has a quorum when at least three representatives of employees, three representatives of employers and three representatives of the state attend its meetings. The self-governing bodies elect among their members the chairperson and two vice-chairpersons, of whom one is a representative of employees, one a representative of employers, and one a representative of the state (usually the chair). The members of self-governing bodies are entitled to a refund of their expenses and may also obtain remuneration in consideration of their performance in connection with their functions in the self-governing bodies. Tripartite self-governing bodies are dealing with approval of projects for implementation of measures of active labour market policy in respective regions, including decisions on the allocation of necessary financial resources. Similar tripartite boards manage the public Social Insurance Company and the General Health Care Insurance Company.

Currently the Ministry of Labour, Social Affairs and Family (Ministerstvo práce, sociálnych vecí a rodiny Slovenskej republiky, MPSVR SR) has prepared a new bill on employment services, which significantly changes the current Act on Employment. The prepared changes will, apart from others, annul the operation of the National Labour Office as a public tripartite managed institution. Some changes are foreseen also in the case of the Social Insurance Company.

Institutional basis for conflict resolution

Legal basis for strikes and lockouts

Collective disputes may concern the conclusion of a collective agreement or fulfilment of commitments originated from it. A dispute regarding rights arising from existing agreements and a dispute of interests, or a claim to a new collective agreement must, as mentioned above, pass through mediation and when necessary also through arbitration proceedings. A strike is expressly referred to in the law as an extreme measure and it is to be held when in the process of a dispute on conclusion of a collective agreement all other possibilities have been exhausted.

The Collective Bargaining Act, No. 2 of 1991, Coll. of Laws, as amended, regulates the strike action. A strike is defined as a partial or complete interruption of work by employees. The law implies a peace clause in collective agreements, i.e. both parties concerned are obliged to keep the social peace after concluding a collective agreement. Strikes can also be organised in solidarity with employees of other enterprises or organisations; such strikes shall provide support for employees on strike in a dispute on conclusion of their collective agreement. Strike notice has to be sent in writing at least three working days prior to its commencement. The notice must specify the start date, the goals of the strike, and the names of the trade union representatives leading the strikers.

Recently, trade unions also had to submit a name list of those employees participating in the strike at least one day before the strike begun. Trade unions had objections against this provision of the law, which was, according to their arguments, a very serious limitation of the employees' right for strike.

According to the amendments of the above Act No. 2 of 1991 (by Act No.209/2001, Coll. of Laws), valid from 1 January 2002, the trade union organisation declaring the strike is no longer obliged to submit a name list. On the other hand, more severe conditions for decision-making on strikes have been adopted. A decision on a strike at enterprise or sector/branch level could be declared by the respective trade union organisation upon the results of secret voting and, in this respect, a majority of votes is needed. The voting is valid only on condition that the majority of all employees concerned by the strike participate in the decision-making meeting.

A strike may be considered as illegal if it:

- is not preceded by a formal claim for a collective agreement and an attempt at mediation (apart from solidarity strikes);
- takes place during the validity period of the collective agreement on the issue, or once the arbitration process has started;
- is conducted in breach of the notification requirements.

Solidarity strikes may also be illegal if the employer affected cannot influence the course or outcome of the principal dispute. Strikes are also banned at times of emergency or disaster, and in certain occupations, e.g. employees in nuclear facilities or those with crude oil or pipelines, and in health care facilities where action might endanger life or health e.g. fire-fighters, soldiers, etc. Details concerning public employees' rights for strike are specified in acts on civil and public services (e.g. the right to strike is restricted for those civil servants who have been nominated into managing positions etc.).

Trade union representatives must allow access to and departure from the workplace, for those employees who wish to work. They may not threaten them, but may discuss with them the aim of the interruption of work. Employees may not be forced to participate in the strike, nor prevented from doing so. The trade union must collaborate with the employer to prevent harm to the equipment or processes. The employer is not allowed to replace employees on strike by recruiting other employees. There is no right to pay or to unemployment benefit and sickness pay for strikers in cases where the entitlement for sickness pay was obtained just during the strike period. Employees wishing to work, but unable to do so due to the strike, are entitled to their normal pay.

The above-mentioned law allows the employer to 'lockout' the business unit as an extreme measure during the process of the collective agreement negotiation; procedural conditions to do so are similar to those that apply to the trade union when deciding on launching the strike. Thus the employer is bound to give three days notice, and it may be illegal for the same reasons as noted above. Employees affected by a legal lockout are entitled to be paid at half of their normal rate.

The employers may go to the relevant regional court to seek a ruling that the strike is illegal (as was the case in the railway workers' strike in January-February, which was stopped by preliminary decision of local court, but later allowed by a decision of the higher court, which did not consider this strike illegal). Participation in a strike, which has been adjudicated as illegal and where the court's decision has taken legal effect, is treated as unauthorised absence. The absence is considered as an authorised absence in the period before the court's decision on the illegal status of the strike has taken legal effect. Individual employees are not liable for any loss caused simply by the interruption of work due to strike action. However the trade union may be liable for damages sustained as a result of a strike declared as illegal.

Collective bargaining and strikes and lockouts

In terms of the conclusion of collective agreements or fulfilment of commitments originated from it there were no strikes organised in Slovakia until now. All respective collective disputes concerning collective agreements were settled by mediation and arbitration procedures. Similarly there were no lockouts with regard to collective agreements realised from the employers' side.

Statistics on industrial conflicts 1992-2002

In the period under examination there were no genuine strikes organised in a dispute over the conclusion of a Collective Agreement or in a dispute regarding the fulfilment of its commitments in Slovakia. There was only a short-term warning strike of railway workers, and a stand-by strike of electricity supply workers in 2001. Already at the end of 1998, three months after the appointment of the former government, railway workers wanted to go on strike. The following year trade unionists were engaged in long-term negotiations on wage increases and they had agreed on the strike date. However, at the end of negotiations, the trade unions reached a compromise with the railways management and the planned strike was cancelled.

In 2001 a two-hour strike was announced by the trade unions. This strike was recalled only one hour before its official beginning because of the lack of organisational preparedness. The year 2002 was more peaceful from the trade union side because of the general election. In 2003 the first genuine strikes were organised during the ten years of Slovakia's independence. Actually three strikes of different lengths and impact took place in 2003.

First strike in 2003

The first strike took place on railways as a consequence of long-term disputes between the trade unions and the management of the railways. Since 2002 the railways in Slovakia have consisted of two independent companies, Railways Corporation (Zeleznicná spolocnost a.s.) and Railways of the Slovak Republic (Zeleznice Slovenskej republiky). These companies were established from the original railways company, Railways of the Slovak Republic (Zeleznice Slovenskej republiky), which was split into two. The Railways of the Slovak Republic is in charge of the operation of passenger and freight trains. The second company, Railways Corporation, takes care of the track and is responsible for the operation of the stations.

The experiences with this division of the original Railways into two independent companies show that it has not contributed yet to the improvement of railway management. The outcome of the division was only the increase of railway administration and management costs. In the past the railways were encumbered with debts and their total debt consists of SKK 48 billions. The Ministry of Transport, Post and Telecommunication (Ministerstvo dopravy, post a telekomunikácií Slovenskej republiky) warned the Railways of the Slovak Republic that the debtors would announce their insolvency. In 2003 the Railways Corporation already got a bigger financial grant from the state budget but the government did not allow the company to get additional credits in order to cover its losses.

The Railways Corporation must decrease its operational costs and, therefore, the closure of existing railway connections is certain. In this respect the Minister of Transport, Post and Telecommunication suggested that regional self-governments should share the operational costs of these regional railway connections. However, it was too late for the relevant self-governments to take actions. There is also an expectation that the contracts concluded with the external contractors will be explored and revised in terms of their profitability for the railways.

On Thursday, 23 January 2003, the Central Strike Committee of the Trade Unions Headquarters announced a strike on the railways. This strike had to be organised on 29 January 2003 from 03.00 to 09.00 when all passenger and freight trains stopped. According to the official declaration of the Strike Committee, the main goal of the strike was to immediately stop the planned closure of passenger trains on the selected 25 regional rails. The Committee also requested an immediate stop to the preparation of the closure of more than 200 train connections on other tracks. Moreover, the trade unions asked for a systemic solution to involvement of regions in the operation of the selected railway connections, which should be based on implementation of the necessary legal adjustments. The Committee also asked for the cessation of the liquidation policy aimed at railways and creation of conditions for the railways operation, comparable

to those in the neighbouring countries and the EU Member States. Nine of the eleven trade unions operational in the railways agreed with the strike.

Two days before the strike took place, the Minister of Transport, Post and Telecommunication negotiated with the trade unions representatives to try to convince them to recall the strike. However, the minister did not change his decision, even after two-hours of negotiation, and he did not postpone the enforcement of the planned closure of regional railway connections. He reminded the trade unionists of the over-employment in these railways and he mentioned that almost 15,000 of the existing 43,000 employees were likely to become redundant.

In these circumstances, the planned strike took place. More than 70% of railway employees were engaged in the strike. It completely stopped the operation of railways in Slovakia for six hours. One day after the strike began; the estimation of the economic loss was approximately SKK 10 million. Two thousand passenger trains were affected by the strike. Some trains were delayed and some did not start at all. During the strike the railway workers did not let any international train into the territory of Slovakia. Passengers handled the situation without significant problems as they shifted their planned trips on the railways.

Second strike in 2003

After the end of the first strike, the Minister of Transport, Post and Telecommunication called a press conference during which he informed the participants that he would not change his original decision. As a reaction to his statement, the railways workers decided not to negotiate anymore with him and they addressed the Prime Minister. According to the Central Strike Committee chairman, the trade unions strengthened their bargaining position after the strike and, therefore, started to think about the organisation of the first long-term strike in the history of the Slovak railways.

However, before the start of the next strike, the trade unionists discussed this issue with the Minister of Transport, Post and Telecommunication who left the meeting informing the trade unions representatives that this problem was fully within the competencies of the Railways Corporation. According to the chairman of the Central Strike Committee, the Minister explicitly said there was no reason to postpone the planned changes. The President of Slovakia became engaged in the dispute and spoke on the phone with the minister asking him to postpone the planned closure of the railway connections. The minister informed the President that he could not accept the single pressure of the trade unions. The Prime Minister did not react to the request of the trade unionists to organise a meeting.

One day before the start of the strike, the director of Railways of the Slovak Republic tried to discourage all employees in railways from going on strike and issued a regulation on employees' obligation to work during the strike. In his view all demands of the striking workers were targeted at activities, which were in the competence of the second railway organisation, the Railways Corporation. The trade unionists understood his efforts as intimidation. At the same time the Supervisory Board of the Railways Corporation suggested the trade unionists should secure an examination of the planned closure by a committee made up of experts. The trade unions rejected this offer.

The second strike started in line with the trade unions' plan on Friday, 31 January, an hour before midnight and two days after the end of the first strike. The same number of railway workers took part in it - approximately 30,000 employees. It was not known how long this strike would continue but the trade unions said the strike would continue till the government approved their demands. It was expected the strike would significantly damage the economy. Preliminary estimations of losses in sales in public transport and trucks were SKK 60-80 million per day. Many big companies such as Petrochemical and Refinery Complex MOL Slovnaft, Volkswagen Slovakia a.s. and US Steel could face serious problems with supplies as 970 trucks were out of operation.

In addition 2,000 passenger trains did not start. This complicated the situation and had an impact also on people who had problems mainly in travelling and reaching their workplaces. The strike fulfilled the prognosis and full buses and empty railway stations were typical pictures during the first two days of the strike. On the third day many companies that depended on the regular stock and supplies of raw material spent their reserves and faced problems with the storage of their final products. Daily losses, for example in the Petrochemical and Refinery Complex Slovnaft were calculated as SKK 80 million. The trade unionists, as well as the railways management and the Ministry invited each other to organise meetings and, even they met several times, none of the involved parties took a step back from its original position.

The railways workers asked the Prime Minister for a meeting but he refused to negotiate with the trade unions under pressure. Consequently, the trade unions refused to end the strike if there was no agreement to postpone the planned closure of the railway connections by at least three months. In the meantime, the Bratislava region expressed its interest in becoming responsible for the operation of one of the regional tracks and to finance it from the 'own territorial budget'. Tenseness among the railway employees in East Slovakia increased and they felt under strong pressure from the railway companies especially in relation to providing the US Steel complex with supplies.

Some employees in East Slovakia broke the strike and then other workers joined them. On Monday, 3 February 2003, three days after the beginning of the strike, the District Court I in Bratislava warned the railways employees to break the strike until the time that the decision on legal validity was issued. Soon after the deliverance of this notice the Minister of Transport Post and Telecommunication warned the trade unions that if trains did not start it would be considered as lawbreaking.

Consequently, the chairman of the Central Strike Committee decided the trade unionists would respect the court's order and end the strike. Trade unions ended the strike but they stayed in strike emergency and appealed against the court's decision. Railways of the Slovak Republic evaluated their damage as SKK 60 million and it is expected that the loss of the Railways Corporation could be even higher. After seven months the higher Court issued its decision in the case, which did not consider the strike illegal and abolished the above District Court preliminary decision.

A third symbolic strike

The Central Strike Committee of the Confederation of Trade Unions of the Slovak Republic (KOZ SR) at a meeting held on 25 September 2003 underlined that the special meeting of the tripartite RHSD was the last opportunity to agree on the fulfilment of the KOZ SR requirements. As KOZ SR stressed, these requirements were aimed at easing the negative social situation of employees and citizens. Based on the government's behaviour, which did not take a step back, the Central Strike Committee decided to organise nationwide warning strike on 26 September 2003 from 08.00 to 09.00.

Many employer organisations reacted to the strike announcement and questioned the legality of the strike as it did not deal with matters related to the collective industrial agreements. The Central Strike Committee defended the strike legitimacy arguing that participation in the strike does not relate to the collective industrial agreements and it is in harmony with the International Pact on Economy, Social and Cultural Rights, European Social Charter and is guaranteed by the Constitution of the Slovak Republic. (Similar arguments were used by the trade unions during the strike in January 2003, which was interrupted on the basis of railway appeal to the court and on the grounds of preliminary measure issued by the court. However, in eight months time, the relevant court decided that the strike of workers in railways was not illegal.)

The current demands of the trade unions can be summarised in four items:

- increase the minimum wage to SKK 6,760 (recently it was increased to SKK 6,080 but the trade unionists further insist that it should be 60% of the average wage);
- better material security and higher pensions for the aged and slower increasing of the pension age;
- keeping the level of charges, including the level of taxes and maintaining taxation justice and lower VAT of all basic foodstuffs, energy, medicaments and books;
- keeping the tariff remuneration system of public sector employees (the government prior to the strike fulfilled only the last requirement).

Workers in education institutions, health care workers, construction workers, workers in mines and energy field, employees of the trade union KOVO (Metal Trade Union) and other workers were involved in the strike. The workers on railways were again involved in the strike, however from 161 railway stations only 22 took part. Moreover, the employees of Volkswagen a.s. Slovakia took part in the strike even though in the past they had not participated in trade unions protests (they symbolically took part in the strike by stopping the production for 15 minutes).

Some other trade unions like pharmacists did not participate in the strike, or supported it only symbolically like the post workers. Drivers on public transport in Bratislava refused to participate in the strike. This fact disappointed the KOZ SR because such a strike could significantly jeopardise transport in the capital and this way can strengthen the meaning of the strike. Based on the strike assessment, one day after it took place, it was stated that the public did not experience the impact of the strike enough. For example drivers in public transport joined the strike only in one town. Employees of airports and big companies, e.g. Slovnaft-MOL Bratislava and Slovak Gas Company did not join the strike at all. The US Steel and Chemical Plants in Kosice supported the strike only in a moral manner. Nevertheless, 60% to 70% of schools and school establishments joined the strike and shifted the schooling hour. In general, approximately 70,000 trade unionists in 260 industrial companies stopped working for one hour.

The top representatives of KOZ SR assessed the strike as very successful because the strike fulfilled their expectations and even exceeded them. On the other side, according to the spokesman of the Ministry of Labour, Social Affairs and Family it was an unsuccessful strike and in any case did not influence its will to negotiate. Also some political analysts believe the strike did not have an impact and for this reason was not successful for the trade unionists. As the government still did not accept the trade unions' requirements listed above, they have announced further activities, currently the organisation of a petition aimed at referendum on earlier parliamentary elections and the change of the present government.

Lockouts

Protest actions in 2002 were organised by the employers very exceptionally, e.g. limited (1-2 hour) closures were applied by the pharmacists requiring the health care insurance company and the government as debtors to reimburse them the costs for the services provided for the public. Many pharmacists closed their shops for the same reason also in November 2003 - lack of resources necessary to order and buy drugs and medicines.

Conflict resolution mechanisms

In terms of the legal grounds, disputes regarding the conclusion of the Collective Agreement and disputes regarding the fulfilment of commitments arising from already concluded Collective Agreement could occur. The Collective Bargaining Act, No. 2 of 1991, lays down also how collective conflict can arise and provides for a procedure to follow at the

mediation and arbitration. Following the latest development of collective disputes, the majority of collective disputes between the social partners have been successfully resolved by these procedures during the past ten years.

Mediation and conciliation

A proposal for a mediator to be appointed for conclusion of a collective agreement may not be submitted before at least 60 days have elapsed since negotiations for a new agreement opened. Mediation takes place only if the parties desire it, and aims to bring the two parties in a collective dispute to an agreement. If the parties fail to agree on a mediator, either party may apply to the ministry for one to be appointed from a list kept by the ministry. The ministry evaluates the request - whether it really relates to collective dispute or an individual dispute of which the solution is within the competence of the courts. Further the ministry evaluates if the request accords with all necessary formal requirements laid down by the Act on Collective Bargaining, as amended 1 January 2002.

The two parties carry the mediator's costs and remuneration equally. The mediator will propose, in writing, a solution of the dispute within 15 days of having heard the details. Mediation is deemed to have failed unless the dispute is settled within 30 days of hearing the details. The parties may agree a longer period at each stage.

The majority of collective disputes in the last five years were related to the conclusion of the Collective Agreement. In some cases, the contracting party, which had requested a mediator, after a consultation with the Ministry of Labour, Social Affairs and Family decided to resolve the dispute and concluded an agreement with its social partner without mediator's intervention. There are also some cases when mediators resolved collective disputes by using a specific conciliation procedure, which is not stipulated by the Act on Collective Bargaining. In these cases the mediators resolved the disputes on the grounds of an agreement, which the contracting parties had preliminarily concluded among themselves.

The situation in the settlement of the disputes by mediation during the last five years in shown in the data in Table 1. These figures represent the total number of mediations officially registered by the Ministry of Labour, Social Affairs and Family. From the statistics it is obvious that the total number of registered collective disputes requiring mediation has slightly declined in recent years. At the same time the figures indicate that the effectiveness of the mediation processes is increasing.

Table 1: *Mediation cases and their results*

Years	Total number of cases	Successfully concluded
1998	46	29
1999	31	21
2000	29	23
2001	29	19
2002	24	18

Source: *Annual Reports on the Social Situation of the Population of the Slovak Republic. Ministry of Labour, Social Affairs and Family of the Slovak Republic.*

Arbitration

If mediation has failed, the parties may agree to refer the dispute to arbitration. An arbitrator may be appointed by the ministry at the request of just one party where the dispute concerns interpretation of an existing agreement, or in cases of concluding the collective agreement where strike action is forbidden due to the nature of the work. Arbitrators may only be appointed by the ministry from a ministry list, and cannot be the same person as the mediator. The arbitrator's ruling will be delivered within 15 days of appointment, and the costs of arbitration are borne by the ministry.

Because there is no system of separate labour courts in Slovakia, either party may appeal from the arbitrator's ruling on a point of law, within 15 days to the respective County Court for the party most affected by the ruling. Otherwise the ruling is legally binding. In case the arbitrator's ruling is declared invalid, the same arbitrator will deal with the case again. In case this is impossible, the ministry will appoint another arbitrator.

An arbitrator resolved the majority of the small number of collective disputes that had not been resolved by a mediator. During the past three years there was only one case when neither mediator nor arbitrator resolved the collective dispute and the trade unions proclaimed strike preparedness. This led to finding a solution and the collective dispute was resolved on the grounds of a mutual agreement concluded between the partners.

Examples of collective bargaining conflict resolution

According to the 'Report on the social situation of the people of the Slovak Republic' published by the Ministry of Labour, Social Affairs and Family, in 2001 social partners submitted to the ministry 32 requests to appoint a mediator and four requests to appoint an arbitrator in disputes regarding the conclusion of the Collective Agreement and disputes regarding the fulfilment of commitments from an already concluded Collective Agreement. The Ministry assisted in 27 cases of which only two needed an arbitrator.

Sectoral-level

On the sectoral level five collective disputes were reported on the conclusion of collective agreements or their supplements. Three of them concerned the METAL trade Union and the Association for the Machine Industry, one concerned the Independent Trade Union of Public Road Transport Employees and the last one concerned the Trade Union of Mining, Geology and Oil Industry Employees. All disputes related to wages and remuneration and one concerned also cooperation between trade unions and management. In four cases the mediators were successful and in the last one the mediation failed, however the METAL Trade Union did not asked for an arbitrator.

Company-level

On the company level two groups of disputes were reported:

- disputes regarding conclusion of collective agreements or their supplements;
- disputes regarding fulfilment of tasks included in collective agreements in force.

In the first group 15 dispute cases took place of which 11 concerned the local METAL trade unions. The disputes were on:

- validity of collective agreements;
- relationships between trade union organisation and management;
- implementation of labour legislation;
- paid holiday;
- social area;
- wages and remuneration;
- lack of will to negotiate;
- catering.

Nine conflicts were successfully settled by a mediator. In four cases mediation failed but there were no request for an arbitrator. The parties involved settled the conflict themselves by signing the collective agreement. In the last two cases the arbitrator settled the conflict.

In the second group four cases were registered. Three conflicts concerned machinery companies (the METAL and Metallurgy trade unions asked for a mediator) and the last one concerned Slovak Television. The mediator successfully settled three of the above conflicts and in one case the arbitrator settled the conflict. The most frequent conflict issue was the disagreement on remuneration and wages. Apart from these cases three conflicts requiring mediators were settled already before the mediation process had started.

Conclusion

Collective disputes were not a frequent phenomenon in Slovakia until now. In terms of structures existing for social dialogue and valid legislation collective disputes can take place on a bipartite as well as on a tripartite level. Bipartite disputes regarding the conclusion of the collective agreement and disputes regarding the fulfilment of commitments can take place. They can occur between trade unions and employers' organisations on a sectoral and company level. At the national level conflicts between trade unions, employers and the state representatives take place in the tripartite Council for Economic and Social Concertation.

Organisational structures for bipartite social dialogue were already established more than ten years ago and their functioning was relatively peaceful and successful. This statement is supported by the fact that 35 sectoral collective agreements and 26 supplements to collective agreements were registered in Slovakia in 2002. Only five requests for appointing a mediator were registered and all disputes were successfully settled by mediation.

At a company or local level hundreds of collective agreements are concluded. Nevertheless only 19 requests for appointing a mediator were registered. All cases were successfully settled and no strikes about concluding collective bargaining or fulfilment of commitments took place.

Tripartism on the national level is implemented through the Council of the Economic and Social Conciliation. Since 1990 the relationships between the social partners and the state have played an important role in the process of economic and social transformation. Although this process has not been entirely without conflict during the past decade, the strife between the social partners did not result in any radical social actions. No strike till January-February 2003 when the railway strike took place had been recorded.

As a result of privatisation and development of the market economy, the role of the state in the economy was defined anew. The main outcomes of the tripartite RHSD are the social partners standpoints regarding the measures proposed by the government in the field of economic and social policy and towards the general social pacts. Social pacts in form of annual General Agreements were concluded for 1991-1996 and for 2000. Although the tripartism on the national level is operational again after a two-year break and its legal framework already exists, since 2000 the social partners and the government have not agreed on a new social pact. Apart from the above mentioned, the tripartite principle is also implemented through the composition of the management bodies of the public institutions, but the government's intention is to be rid of tripartism in these institutions.

Collective disputes arising on a national tripartite level are more relevant than those arising on bipartite level. The first serious conflicts took place since 1996 when the tripartite social dialogue at the RHSD was broken for almost three years. In 1998 tripartite social dialogue re-started and functioned again effectively till 1999 when the next serious conflicts took place between trade unions and the government. Though such a serious conflict as the dispute regarding

the amendments to a new Labour Code was successfully settled, some other conflicts still survive. Sectoral trade unions coordinated by the KOZ SR increased the pressure on government and organised several demonstrations. Disagreements between trade unions on the one side and employers and the government on the other side accelerated, especially in 2003 when the new coalition government took power after the 2002 general election. The government started to implement several principal but unpopular economic and social measures that had been postponed before the election.

Trade unions reaction was very swift. In January 2003 trade unions organised a symbolic occupation of the Ministry of Labour, Social Affairs and Family in order to protest against the prepared changes to the new Labour Code. At the end of January the railway trade unions organised first genuine strike in Slovakia. A three-day strike caused moderate economic loses. It was interrupted by the preliminary decision of the regional court on the illegality of the strike. After almost eight months the higher court decided that the strike on railways was not illegal.

In course of 2003 the number and the intensity of protest actions organised by trade unions increased and resulted in the organisation of a nationwide one hour warning strike in September. In November the Confederation of Trade Unions started to organise a petition against the current government and for an earlier general election.

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Annex 1: National development project

'Improvement of conflict resolution mechanisms focusing on the prevention of individual and collective labour conflicts'

The experiences of well-developed countries with industrial conflicts show that no country can be long-term competitive in the global market if does not have an effective mechanism for settling individual and collective industrial conflicts. Employment disputes are usually very costly to both employees and employers, so it makes sense to resolve workplace problems before they develop into overt conflicts. The above Action Plan was developed in order to improve the current conflict resolution mechanisms. It is based on the SWOT analysis of current mechanisms used for industrial conflicts settlement in Slovakia.

These strengths were identified:

- the number of registered collective disputes per year was relatively stabile or declined slightly in recent years;
- almost all collective conflicts concerning interests and rights were settled successfully by conciliation and mediation procedures;
- only very few of them needed arbitration procedures;
- neither strikes nor lockouts took place as a consequence of an unsettled collective industrial dispute.

These weaknesses were identified:

- several collective industrial conflicts not concerning collective bargaining issues were not settled by conciliation, mediation and arbitration procedures; some of them ended by radical social actions of trade union organisations or exceptionally also by employers;
- there are no rules laid down in legislation how to deal with conflicts potentially arising between the Works Councils and the management;
- no labour courts are operating in the country and individual industrial conflicts are dealt only by civil courts, which are taking the decisions in cases very slowly; litigation time is even increasing year by year - currently it is approaching almost two years in average.

These opportunities, new challenges and threats were identified:

- growing tensions on the national level between government and trade unions question the ability of the tripartite consultation to settle these disagreements effectively and keep the social peace;
- there is no framework for regular bipartite negotiations between relevant social partners on the national level;
- recently operating Works Councils could face disagreements and conflicts with the management on local/company level concerning labour/management issues;

- companies in Slovakia will face increasing competitiveness pressures after entering the EU on 1 May 2004, which will likely result in further needs for companies' restructuring and rationalisation; new challenges will require effective communication channels between management and employees representatives to prevent and/or settle potential industrial conflicts at the local level as much as possible;
- long-lasting litigations of individual industrial conflicts at the civil courts can discourage the employees and to reduce their trust in fair implementation of industrial legislation in practice.

Considering the above outcomes of the analysis the Action Plan consists of three proposal areas for actions to improve/develop current industrial conflict resolution mechanisms applied in Slovakia. The Action plan is open for further discussions between the actors concerned on priorities and implementation issues and can be subject to further changes, if necessary.

Proposals for actions

National level

On a national level to develop a framework (infrastructure and operational rules) for regular bipartite national level negotiations between main social partners in Slovakia - the KOZ SR and AZZZ SR.

Reasoning: there are no regular meetings on the national level between representatives of the employees and employers. A widely perceived mistake in Slovakia is that the tripartite consultation is the top-level national social dialogue, while this is 'only' a consultation body of the government with the social partners. The consequence of this misunderstanding is that the government plays role of 'arbitrator' and the social partners are losing very often, even in cases where they could easily find consensus, or the government decides even in the fields where the responsibility is on social partners e.g. minimal wages in private sector, resolution of conflicts between social partners, etc. Another reason for creation of such a national level bipartite social dialogue is the incompatibility of existing model with social dialogue applied on the European level.

Actors: KOZ SR and AZZZ SR involved in RHSD.

Time schedule: till the end of the year 2004. The decision should be taken before entering the EU.

Company level

On a company level to develop the effective communication rules and mechanisms between management and employees representatives in order to prevent the workplace disagreements will become collective or individual industrial conflicts. To achieve this goal the following measures are proposed:

1. The elaboration of guidelines for procedure in case of conflict between the company/plant management and Works Councils.

   Reasoning: according to the current legislation, Works Councils can deal with issues concerning employment and working conditions. In case of conflict between management and Works Councils there are no rules available how to proceed in order to resolve the potential conflict at the local level. It is proposed to consider here the experiences of the EU countries with WCs in this matter.

   Main actors: the Ministry of Labour, Social Affairs and Family of the Slovak Republic (MPSVR SR) will review the options for implementation of this measure and prepare the guidelines in co-operation with social partners.

   Time framework: till the end of 2005.

2. Establishing of joint management-employees representatives committees to make the management of organisational changes influencing employment relationships, working conditions, wages etc. more feasible and to prevent potential local industrial conflicts.

   Reasoning: several collective industrial conflicts in the past rose from company restructuring problems, which had not been managed properly at the local level. Many of them resulted also in public protest actions organised by sectoral and/or company level trade unions concerned.

   Main actors: trade unions and employers representatives will discuss the proposal considering their own experiences with current mechanisms for settlement of such collective industrial conflicts and will prepare a joint implementation project. It is suggested to implement some pilot projects and evaluate the results. If the outcomes show the effectiveness of this measures further implementation actions will be taken.

   Time framework: 2004-2005.

   It is assumed that both, the Works Councils and the proposed Joint Committees for change management in companies could play some role also in preventing individual industrial conflicts and solving them on the local level as far as possible.

3. Developing the capacities of civil courts' labour senates in order to reduce the long-lasting litigations in respective cases and issues concerning resolving the individual industrial conflicts. It is expected the recent changes in justice legislation could help in this matter.

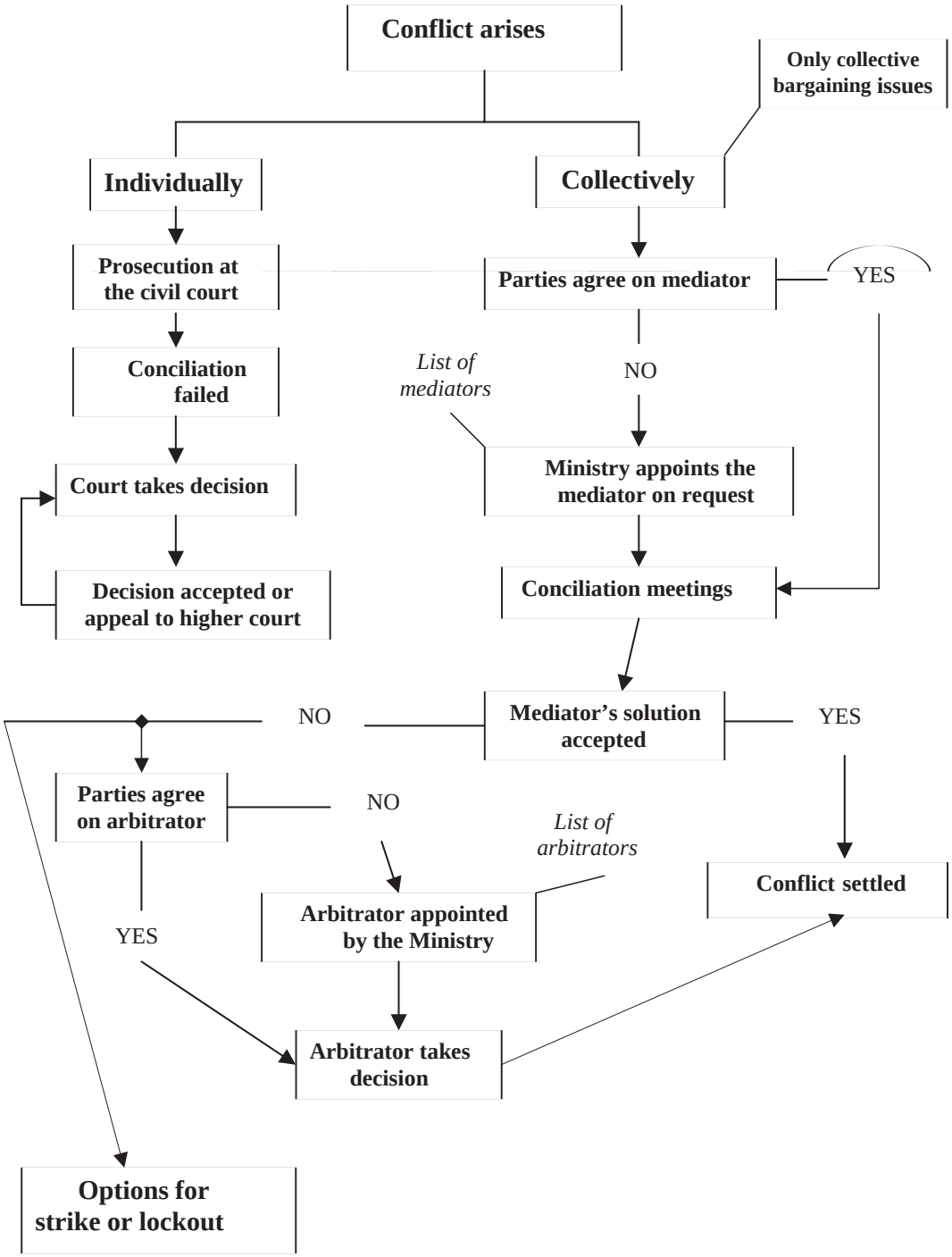
   Reasoning: although the number of individual grievances at the civil courts related to breeching the industrial legislation has been reduced, the average litigation time of individual industrial conflicts has increased almost twice in the last five years.

   Actors: the respective labour senates of civil courts in co-operation with the Ministry of Justice of the Slovak Republic.

   Time framework: continuous speed-up in 2004-2005.

   There is excellent know-how on effective conflict resolution mechanisms accumulated in EU countries, ILO, USA and other countries as well. It is supposed to utilise the best foreign practices to make the implementation of proposed measures in the Action Plan more effective and feasible. In some cases it will be very useful to ask for technical assistance of the respective foreign experts skilled in effective resolution of individual as well as collective disputes. It is proposed to take actions focused also on improving the awareness of the state bodies, employees and employers' representatives with regard the importance of the effective mechanisms for industrial conflicts resolution, including their prevention. Implementation of special training courses in order to improve the skill of the parties concerned in the area is foreseen too. Co-financing from available EU and Swedish work life funds is expected in implementation project of the Action Plan.

Annex 2: Road map for conflict resolution



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