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BARGAINING FOR SOCIAL RIGHTS AT THE PUBLIC SECTOR (BARSOP)

POLICY BRIEF FOR THE SLOVAK REPUBLIC

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- **Objectives of the research:** The report examines the evolution and role of industrial relations in the public sector in Slovakia since 2000. However, when relevant for the analysis, it refers to the earlier periods of evolution of the public sector too. The report studies three sub-sectors of the public sector: primary education, hospitals and local government. In local government, report focuses on the provision of childcare facilities.
- **Scientific approach and methodology:** The report uses a qualitative and comparative approach to study various dimensions of industrial relations in the public sector. In particular, this study presents and analyses the main developments in industrial relations and their role in primary education, pre-primary education as a public service provided within local government and in healthcare with focus on hospitals and compares the findings across the three examined sectors.
- **New knowledge and added value:** The global financial crisis indirectly affected industrial relations and working conditions in Slovakia, including the public sector. Conflicts between trade union actors escalated and new actors mobilized and engaged in new strategies in the public sector. Despite that, multi-employer and single-employer collective bargaining structures remained stable. Increasing regulation of working conditions via legislative solutions became the other trend. Together with the tendency of unions to seek political support by political parties in the government, this trend undermines the role of collective bargaining.
- **Policy relevance:** The overall reform trajectory in Slovakia's public sector derived more from the country's general democratization, marketization and decentralization to improve efficiency than directly from particular prerogatives of New Public Management (NPM). Across all studied subsectors, social partners actively voiced their criticisms on reform proposals as well as proposed legislative changes, which in most cases concerned wage regulations. But direct relationship between reform efforts and changes in the quality of provided public services is difficult to establish.

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OBJECTIVES OF THE RESEARCH

The objective of the research was to map the main developments in industrial relations and their role in primary education, pre-primary education as a public service provided within local government and in healthcare with focus on hospitals. The findings and arguments are framed around the aim to answer two main research questions:

- How did industrial relations in the public sector evolve since the crisis?
- What is the role of industrial relations in shaping the public sector?

The second research question is further divided into the three sub-questions:

- What shape has public sector reform taken in the country in general and in the three sectors in particular?
- To what extent and in what way have industrial relations actors (trade unions and employers and their organizations) influenced these reform processes, as well as their implementation, through collective bargaining, social dialogue, industrial action, lobbying, influencing public opinion, etc.?
- What effect have reform policies had on the number and equality of jobs in the public sector?

SCIENTIFIC APPROACH AND METHODOLOGY

The report uses a qualitative and comparative approach to study various dimensions of industrial relations in the public sector. In particular, study presents and analyse the main developments in industrial relations and their role in primary education, pre-primary education as a public service provided within local government, and in healthcare with focus on hospitals and compare the findings across the three examined sectors. The study

presents evidence based on document and data analysis as well as on semi-structured interviews with policy makers at national level and social partners' representative at national, sector and local levels. Since the authors' earlier research extensively focused on industrial relations in public services, besides unique interviews conducted within the current project report also draws on the interview transcripts, analyses and findings of authors' earlier projects.

NEW KNOWLEDGE AND ADDED VALUE

Public sector industrial relations are distinct because of the special role of the state as employer, because of extensive legal regulation of working conditions through public servant statuses and wage tariffs, and because of a high trade union membership and bargaining coverage.

Unlike in other countries, the crisis in Slovakia did not yield significant employment cuts, but austerity measures concentrated on wage freezes across various domains of the public sector. Furthermore, the crisis did have an indirect effect on industrial relations and working conditions.

Several trends in public sector evolved in post crisis years. The crisis escalated conflicts and stimulated fragmentation in industrial relations actors, especially on the side of trade unions. In contrast, the structure of employers' associations has remained stable after the crisis.

Public sector witnessed heightened mobilization via the new actors that engaged in new strategies and became active (both union and non-union actors) via protests, petitions and demonstrations. This means that the strategies of gaining influence shifted from established bargaining channels to the public space.

Despite the emergence of new actors and their new strategies, multi-employer and single-employer collective bargaining structures remained stable. Local government, especially pre-primary education, turned out to be the most decentralized subsector, while healthcare and education enjoy also coordinated bargaining at the sector level.

The other general trend is to increasingly regulate working conditions via legislative solutions, but report argues that such a focus on legislative solutions undermines the role of collective bargaining.

The additional challenges to collective bargaining were introduced through the trend of signing 'memoranda' between the government and public-sector unions, which report considers to be the new tool where the government pushes for memoranda endangers collective bargaining in the whole public sector.

ARGUMENTS WITH POLICY RELEVANCE

The most important reforms regarding the education system concerned the introduction of school self-governance and recent initiatives of reorganizing particular responsibilities and school financing between the local government to central government.

In local government, the 2012 ESO reform aiming at effective, reliable and open public services, brought organizational restructuring with possible consequences of changed working conditions due to changes in bargaining coverage and the organizational hierarchy. In healthcare, hospital corporatization was the most important reform effort, which excluded hospital workers from

a public servant status and shifted hospital management competencies from central government to local governments in smaller regional hospitals since 2006.

Across all studied subsectors, social partners actively voiced their criticisms on reform proposals as well as proposed legislative changes, which in most cases concerned wage regulations. In the case of hospital corporatization, the doctors' trade union LOZ was the key actor that contributed to the halt of the entire reform through organizing a doctors' resignation campaign in 2011. Since 2012, industrial relations actors were fighting for unified legislative regulation on wage claims for public sector workers across various domains of public services (e.g., in local government and healthcare). In 2017, unions in education harshly criticize the government's proposal to include wage increases only for non-pedagogical employees in the higher level collective agreement. On the side of employers, we documented employers' efforts/support to reorganizing selected competences between central and local government; and to changes in financial autonomy of schools. These examples show the vitality of public sector industrial relations despite the challenges presented above and throughout the entire report.

Direct relationship between reform efforts and changes in the quality of provided public services is difficult to establish. There is a general trend to push for improvements in the quality of services; and the media regularly publish discussions about possible ways to improve the quality of healthcare and education. The public generally supports broader reforms, especially what concerns education. Low wages in education and an ineffective education system, failing to respond to current labour market needs are a central part in

these debates. In healthcare, comparisons of patient satisfaction with hospital services, coupled with some objective data on hospital performance (e.g., size of particular departments, number of beds, etc.) generally enjoy public support and are presented as an adequate indicator of the quality of service provided. Furthermore, the existence of the Healthcare Surveillance Authority has indirectly contributed to improvement in hospital care, because patients do have and actually use the chance to file claims if they feel a particular service was not properly provided.

The overall reform trajectory in Slovakia's public sector derived more from the country's general democratization, marketization and decentralization to improve efficiency than directly from particular prerogatives of New Public Management (NPM). Despite that, some PM elements are present and obvious in the Slovak case, especially in hospital corporatization with continued public ownership but facilitation of market behaviour and economic efficiency. The crisis and post-crisis austerity did not directly cause or influence the process of hospital corporatization; rather, this has been a long-term strategy launched already in early 2000s. However, the post-crisis austerity did play out on the strategies of industrial relations actors in healthcare and indirectly facilitated a shift from collective bargaining as a key mechanism for wage setting in healthcare to legal regulation.