



Weekly Briefing

Slovenia Political briefing:
**Restarting government negotiations with the syndicates of the public
sector**
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Restarting government negotiations with the syndicates of the public sector

In the process of forming the new Slovenian government the sector of public administration was one of the most debated, especially after the Prime Minister designate, Marjan Šarec, had to replace the candidate for the Minister of Public Administration due to the failure of the first candidate on the parliamentary commission hearing. After the new government was formed on September 13, syndicates of the public sector immediately started to act by calling the continuation of the strikes which were stopped due to the resignation of the previous Prime Minister Miro Cerar and his government in mid-March 2018. The success or failure of the new negotiations is seen in media and general public as one of the first tests for the new government.

History and background

The public sector salary system, which is currently in use in Slovenia, was put in place during the term of Minister of Public Administration Gregor Virant in 2008, when also the Collective agreement for the public sector was signed. The misbalances which occurred with the shift to the new system were to be gradually recompensated, but this was then delayed by the 2008 economic and financial crisis. This delay and other irregularities in the public sectors salary system brought about a series of strikes between autumn 2010 and 2012, when the remaining recompensations were finally paid. The crisis, however, brought about a program of austerity measures in the public sector. The intended balance between the growth of salaries in the public and private sector was not reached. The situation was additionally made worse with the 2012 Law for the balancing of public finances, which lowered all salaries in the public sector by 8% and stopped any promotions and pay raises.

Following the 2008 public salary system, strikes of several groups became common. Judges first went on strike between summer 2008 and spring 2009, medical doctors were on strike in September 2010 and one of the biggest public sector strikes followed in autumn 2010, when more than 80,000 public sector workers went on strike. Situation went worse after the passing of the 2012 Law for the balancing of public finances, when more than 100,000 public sector employees from most of the syndicates went on strike in April and the agreement was only reached after three weeks. In the beginning of 2013 government announced severe cuts in the public sector, followed by 100,000 people going on strike again to protest it.

The protests were especially strong in four groups of employees. (1) Medical doctors, who claimed to suffer from lack of staff and the accumulation of over-time work. The compromise which they achieved in their negotiations with the government then caused a series of strikes of other syndicates. (2) Police syndicate was on strike for more than 200 days in 2016, signing the agreement with the government in October 2016. (3) The so-called »J-group«, the lowest paid category of public sector employees protested against the anomaly of the salary system which made their salaries lower than the permitted minimum wage. A temporary agreement was achieved in July 2017. (4) Following the compromises achieved by the medical doctors' and the police syndicates, the syndicate of education (SVIZ) started demanding a restructuring of the public salary system in the domain of education.

A new wave of strikes followed in the beginning of 2018. On January 24, 30,000 public sector employees from 16 different syndicates went on strike. They demanded a review of the public sector salary system after special amendments were negotiated by the medical doctors' and the police syndicates. They also demanded an immediate retribution of all the saving measures. A series of separate strikes followed in February 2018, by the police syndicate, by the syndicate of the health workers and by the syndicate of education (SVIZ). The latter repeated the strike on March 14, after a negotiation with the

government representatives, which failed the last evening when the government unexpectedly refused to sign an already initialed agreement. The next day Prime Minister Cerar resigned and after the stepping down of the government despite the initial refusal to do so, the syndicates decided to stop the strike until the forming of the new government.

New Minister for Public Affairs and restart of negotiations

The Prime Minister designate, Marjan Šarec, initially presented Tugomir Kodelja as a candidate for the new Minister for Public Administration. After the parliamentary hearing showed that the candidate failed to present himself as a competent person to lead this Ministry, Šarec was forced to replace him with another candidate, Rudi Medved, a former journalist and public administration official.

In his parliamentary hearing on September 10, he stressed the importance of the public sector and the fact that in Slovenia the public sector is comparatively much smaller than the European average, while at the same time it contributes 16 percent of the national GDP. He also underlined that the public sector carried a disproportionate burden of the financial crisis. He identified the bureaucratization as one of the main problems of the public sector, which he sees as a result of an enormous number of legal prescriptions than regulate the working of the public sector. One of the measures he announced in this regard is the simplification of the official procedures. He also addressed the biggest challenge for the new Minister of Public Administration, namely, the restart of the negotiations with the syndicates of the public sector. He expressed a regret that the agreement was not achieved in March 2018, since according to him, the compromise was beneficial for both sides, with the syndicates achieving most of their demands with the financial effect reduced (from the initially claimed billion euros) to a mere 306 million euros. Apart from the negotiations he addressed the issue of corruption and neglect in the domain of public

procurements, where he announced the application of measures for greater transparency and centralization.

On September 13, both main actors on the side of syndicates appealed to the new government to restart the negotiations as soon as possible. The head of the Coordination of the strike committees of a part of the public sector syndicates, Jakob Počivavšek, demanded of the new Minister for Public Affairs to immediately form a negotiation team. The president of SVIZ Syndicate, Branimir Štrukelj, announced that their syndicate is restarting the strike, which was put on hold after the government step-down in March. Both groups expressed their expectations that the negotiations will restart from the point which was already achieved in March and not from the beginning. The Počivavšek group also called for additional coordination in relation to the criticized agreement between the government and the medical doctors' syndicate Fides. On September 19, the representatives of the four biggest groups of the public sector syndicates were invited to a meeting with the new Minister for Public Administration. Medved invited the head of Coordination of the strike committees Jakob Počivavšek; chief secretary of the Syndicate of education and schooling, science and culture Branimir Štrukelj; presidents of the police syndicates Radivoj Urošević and Kristjan Mlekuš; and the leaders of the health workers and social care workers, Zvone Vukadinovič and Slavica Mencinger.

On September 27, government presented the new Ministry team for the negotiations with the public sector representative syndicates. For this task, Medved appointed a very experienced high official from the Ministry of Labour, Peter Pogačar. His selection was justified by the Minister Medved as a non-political choice, while the team will consist of representatives from almost all other government ministries, with the core group comprising representatives of the Prime Minister Marjan Šarec's Cabinet, General Secretariat of the Government, Ministry of Finance and Ministry of Public Administration. The selection of the chief negotiator and the team was welcomed by most of the syndicates with a lot of praise, especially for the professional qualities of the new

head of delegation. It is expected by all sides that the agreement could be reached by the end of the year. While these negotiations seemed to have restarted comparably smoothly, the police syndicate called for strike on the following day, with one of their demands being separate negotiations for the police syndicates.

Conclusion

So far, the choice of the Minister of Public Administration and his selection of the new negotiating team on behalf of the Ministry seem beneficial to the potential outcome of the restarted negotiations with the syndicates of the public sector. The result of the negotiation will also be depending on the consequences of parallel actions of the syndicates who claim to be exempted from the public sector salary system, for now these are the police syndicates. Since the strike wave in 2017 and 2018 was a result of the compromise achieved by medical doctors' syndicate Fides in negotiations with the government, a stable restructuring of the public sector salary system will unavoidably depend on the revision of that agreement as well.