



Industrial relations and social dialogue  
**Slovenia: Working life in the  
COVID-19 pandemic 2020**

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# Introduction

The first COVID-19 infection was confirmed on 4 March 2020. The number of contaminations reached 100 on 12 March when the government declared the epidemic, closed schools, re-established border control, banned passenger traffic, and most of the non-essential activities. At the same time, a change in government occurred. After the resignation of the Prime Minister Marjan Šarec, the right-wing government of Janez Janša took office on 13 March. Over the remaining year 2020, his government undertook seven emergency laws ('mega packages') for helping economy and citizens, but also stirred up conflicts with the judicial system, the police investigation department, cultural institutions, the media and NGOs over control and funding.

With the fall of COVID-19 cases, the government lifted some restrictions in April and, a bit later, declared the end of the epidemic on 15 May. Nevertheless, some measures have remained in force since then (physical distancing, wearing masks and disinfecting hands). The economic recovery during summer was interrupted by the rise of infections in autumn. On 19 October, when the growth of infections became exponential, the government declared the second wave of the epidemic, reintroducing the stringent measures including the closure of schools and kindergartens. The highest number of new contaminations reached 1,145 per 100,000 inhabitants on 5 November. After a slight improvement, a new peak followed on 10 January 2021 with 1,167 cases per 100,000 inhabitants (Sledilnik COVID-19).

After a deep fall in economic activity and employment rate during the first wave of the epidemic, the economy recovered even more than expected in the third quarter and employment slightly improved. The Institute of Macroeconomic Analysis and Development (UMAR, 2020a) estimates that economic activity remained 6% below 2019 in the first nine months of the year 2020. It would be even higher if comprehensive packages of measures have not been adopted at the national level and by the ECB and the European Commission to help businesses and citizens mitigate the loss of income, provide liquidity, and to support a rebound of economic activity.

# Impacts of the pandemic on working life

**Labour market trends.** Over the year 2020, the fall in labour market activity was most pronounced in the second quarter of 2020. As state statistics reports, it reached its peak during the first wave of the epidemic. Later on, the negative impacts of the epidemic have been considerably mitigated by emergency measures to preserve jobs and recovery during the third quarter of 2020. At the monthly level, employment dropped the most in April and only slightly in later months. Since June (when the employment rate was 1.6% lower than in February 2020), the number of registered unemployed persons has been slightly declining (Employment Service of Slovenia, 2020a; about LFS data see IER, 2020). The Institute of Macroeconomic Analysis and Development (UMAR, 2020a) expects that employment will be 1.2% lower this year, while the number of unemployed will be around 15% higher.

**Non-standard employment.** During the first wave of the epidemic, the number of employed persons went down the most in manufacturing, while the largest decline was recorded in administrative and support services (i.e. temporary agency work), accommodation and food services, arts, entertainment and recreation. Decreases in employment occurred mostly in the private sector and among young people up to 29 years of age (Employment Service of Slovenia, 2020a). A not yet published report on labour market trends from the nonstandard employment perspective finds that while the standard employment was stable in the first wave of the epidemic, the number of workers in some nonstandard employments went down considerably. Fixed-term employees, student workers, and temporary agency workers particularly suffered from substantial losses in employment (Bembič and Čehovin Zajc, 2020). The Institute of Macroeconomic Analysis and Development (UMAR, 2020b, p. 6) also states that fixed-term employment and student work in the age group 15-24 contributed most to lower employment in the second quarter of 2020.

## Teleworking

According to a survey (with a representative sample of 527 respondents), although teleworking became much more frequent due to the epidemic, it considerably went down in the second wave. Many more persons continue to go to work compared to the first one, notwithstanding a much higher number of infections. *Sledilnik COVID-19*, an ad hoc group of volunteering scientists, found out that during the first wave of epidemic, only about 30% of employees worked at their workplace. During the second wave, the proportion was turned upside down: 35% worked at home and 65% at their workplaces (Sledilnik COVID-19, 2020a). Among the latter, 51% went to work regularly, 7% carried out half their work at the workplace, 7% most of their work at home. The reasons why they still go to work were the employer's demand or their own decision.

## Perceived job security

A public opinion poll (with a representative sample of 853 respondents), carried out in the first wave of the epidemic, reports on perceived job security. The average score was 2.98 on the scale from 1 (not worried) to 5 (very worried). About a quarter of all respondents was very concerned about job security (Hafner-Fink, 2000, p. 18).

## Income security

The same public opinion poll reports on satisfaction with the material life. The average score was 6.77 on the scale from 0 (very unsatisfied) to 10 (very satisfied). About 13% of respondents rate their satisfaction below 5 (Hafner-Fink, 2000, p. 5). Another question asks more specifically about material deprivation. Here, 6.3% of surveyed persons said that they and their families suffer from material

deprivation and about 22% struggle to make ends meet (Hafner-Fink, 2000, p. 6). More than 75% of surveyed persons believe that social inequalities should be reduced (Hafner-Fink, 2000, p. 13).

#### **Working time**

Two support measures, the temporary layoff scheme and the short-time scheme, were the main measures to preserve jobs during the first and the second wave of the epidemic. While the temporary layoff scheme was introduced in the beginning of the epidemic, the short-time scheme was made available not before June 2020. Notwithstanding the duration of both measures, employers obviously favoured the temporary layoff over the short-time scheme. Up to 29 December 2020, 518,101 persons were temporarily laid off and 68,841 persons were part-time workers (Employment Service of Slovenia, 2020b). Interestingly, much fewer persons were temporarily laid off during the second wave than the first one, 21% versus 54% (the rest fall in the period between two waves). There were also numerous persons, who could not work due to quarantine or *force majeure*, 40,000 and 60,000 respectively.

The share of the Slovenian workers who were benefiting from one of the two support schemes was similar to the German but lower than the Austrian and French shares (UMAR, 2020b, p. 4). During the first wave, about a fifth of the Slovenian workforce was included in these two support schemes. The same instruments were used in the 2009 financial crisis when about 17% of all workers took part in support mechanisms. Thus, more workers benefited from state support during the epidemic than in the financial crisis (UMAR, 2020b, p. 4).

#### **Health, safety and well-being at work**

*Sledilnik COVID-19* (2020a) also published survey data about the protection of workplaces against the intrusion of contaminations. As it was said, many continued to go to work during the second wave of the epidemic. Among them, 10% of respondents continued to go to work despite having one of the coronavirus symptoms (9% had two) and 10% more although they had high-risk contacts.

The follow-up survey asked respondents about the self-protection equipment used at work. According to the survey (*Sledilnik COVID-19*, 2020b), 63% wore a face mask all the time, 7% never. Only half the respondents kept a physical distance and avoided gatherings. Less than half regularly ventilated working places. Respondents respected the recommended self-protective measures the most in public places (shops, offices, public gatherings), followed by workplaces and private visits (*Sledilnik COVID-19*, 2020b).

#### **Work-life balance**

During the two lockdowns, the closure of schools and kindergartens was the most important factor contributing to poor work-life balance. *All-Slovenian Research COVID-19 Insights* (with a representative sample of 1,045 respondents) showed that 40% of surveyed parents found the distant learning stressful. On average, parents helped their children 140 minutes a day; 74% of parents spent more time helping their children than before the epidemic (Aragon, 2020). In single-parent households, the burden was even greater (Sodja, 2020). Relying on Eurofound research, Sodja (2020, p. 4) reports that the percentage of Slovenian employees, who had to work in their free time to accomplish their regular work, was above the EU average. There were 21% of Slovenian workers compared to the 17.5% EU average.

## Political context

In January 2020, the centre-left government fell apart after the failed reform of the private health insurance, and the Prime Minister Mr. Marjan Šarec resigned. He hoped that his resignation would lead to new elections, but Mr. Janez Janša and the Slovenian Democratic Party (SDS) managed to form the majority coalition and took power on 13 March 2020, the second day of the epidemic. The most important task of the new government was the containment of the epidemic. While it seemed successful in the first wave of the epidemic, due to generous state subsidies and stringent restrictions, the second wave yielded a high death toll and uncontrollable spread of contaminations. The government is criticised by opposition parties from not taking necessary preparations for the second wave of the epidemic, especially not investing in the public health system and residential care homes for elderly. Contrarily, although the private health sector's engagement with the COVID-19 epidemic was low, it was financially prioritized over the public. Another issue that raised a public concern was a decision about high investment into arms during the epidemic. Military spending engendered the initiative for the public referendum which quickly got support from ten thousands in a few days. The Supreme Court is now deciding on the referendum. In internal affairs, the government often run into conflicts with other state apparatuses, media and NGOs. There was also a turn in foreign affairs on the ground of the ruling party's alliance with Hungarian Fidesz and Polish Law and Justice Party.

# Governments and social partners response to cushion the effects

The Slovenian government adopted a number of measures to mitigate the negative consequences of the epidemic for citizens and the economy. Social partners assisted in the measure design by written proposals and comments to draft laws during the lockdown or, when it was possible, discussed them in the Economic and Social Council. Over the year 2020, the main intervention measures involved five laws at the beginning of the epidemic and seven anti-corona ‘mega’ packages, abbreviated as #PKP. Measures can be divided into those introduced during the first wave of the epidemic and those passed during the second wave.

## The first wave of the epidemic

Immediately after the declaration of the epidemic on 12 March, the National Assembly adopted five intervention laws for mitigating the negative consequences of the epidemic. The main measures involve wage compensations for temporary laid off workers,<sup>i</sup> a postponement of the payment of social security contributions for the self-employed,<sup>ii</sup> a postponement of the payment of income tax and a one-year deferral of the loan payments.<sup>iii</sup> Via ordinances, the government lowered electricity prices for households and small businesses and, together with SID bank and the Slovenian Enterprise Fund, introduced additional credit lines to ensure liquidity.

At the beginning of April, the National Assembly adopted the first ‘anti-corona mega package’ (#PKP1). The law aimed at containing the COVID-19 epidemic and mitigating its consequences for citizens and the economy. The value of state subsidies was estimated at €3 billion. Some measures substituted or adapted interventions from the previous five laws. In force from mid-March to the end of May 2020, they included:

1. Reimbursement of 80% of wage compensation for temporary laid off workers and those who were absent from work due to *force majeure*.<sup>iv</sup>
2. Monthly basic income for self-employed, ecclesiastics, associates, and farmers being also exempt from paying social contributions.<sup>v</sup>
3. Exemption from the payment of pension and disability insurance contributions for employees in the private sector who worked during the time of the epidemic and a €200 crisis bonus a month if the worker's pay is below three minimum monthly wages.<sup>vi</sup>
4. Sick leave compensations paid by the Health Insurance Institute from the first day.<sup>vii</sup>
5. The right to crisis bonus for public employees exposed to a high health risk during the epidemics or overburdened with work.<sup>viii</sup>
6. One-time solidarity allowances for retirees, unemployed disabled persons, recipients of social benefit, students, and big families.<sup>ix</sup>
7. Deferred payments of debt and state guarantees addressing the needs of companies, farmers, not-for-profit organizations, and self-employed hit by the epidemic.

At the end of April, the second anti-corona package providing additional liquidity to the economy and extending the groups of natural and legal persons entitled to state subsidies. For example:

1. Support mechanisms were made more accessible for companies by lowering the income loss threshold from 20 to 10%.



2. Monthly basic income was available to a larger circle of self-employed persons by changing eligibility rules.
3. Disabled persons were given the crisis bonus paid by the government.<sup>x</sup>
4. Companies from financial and insurance sector, employing less than 10 workers, became eligible to support mechanisms.
5. The law endowed the right of one-time solidarity allowance to some new groups.
6. The 'temporary unemployment benefits' for persons who lost jobs due to the epidemics but do not fulfil the requirements for unemployment benefits.<sup>xi</sup>

The ZDLGPE law provided additional liquidity to the economy through bank loans, secured by state guarantees. The two anti-corona packages were adopted under an accelerated procedure. Social partners contributed written proposals, but the Economic and Social Council was blocked because the new government, which came to power on 13 March 2020, had not appointed its members. Trade unions felt particularly excluded from social dialogue. They demanded the protection of subsidized workers from layoffs in vain. On 20 April, trade unions demanded the reactivation of the Economic and Social Council. The first meeting of the Economic and Social Council was on 15 May 2020. The Council then became involved in negotiations about the third anti-corona packages, issued on 30 May 2020, and the following laws.

The third anti-corona package aimed at alleviating the recovery of the economy after the lockdown. Among many measures, the most important was short-time work subsidies scheme. Still in force, it helps companies to overcome temporary stagnation and prevent layoffs by subsidising up to 50% of full-time wages.<sup>xii</sup> Other measures were the extension of the temporary layoff scheme and tourism vouchers for Slovenian citizens. Trade unions succeeded to get the protection of workers from layoffs while they are receiving state subsidies.<sup>xiii</sup>

#### The second wave of the epidemic

During the summer, the government agreed to employers' demand for further extension of temporary layoff scheme until September 2020, adopted in the fourth anti-corona package (on 10 July and now extended until April 2021). The law also reintroduced the reimbursement of wage compensation due to *force majeure*.

The number of COVID-19 cases has started to rise again from mid-July onwards. On 19 October, the second wave of the epidemic was declared. This time, the government decided to put harsh restrictions on movement (a police hour from 21.00 to 6.00) but let most industries remain opened. In doing so, it followed the demand of employer organisations. Activities which had to be closed (tourism and hospitality, passenger transport, non-essential shops, face-to-face services) were endowed with the right to state subsidies.

The fifth and six anti-corona packages reintroduced many measures, adopted in the first wave of the epidemic. They included a basic monthly income, deferred payment of loans, crisis bonus and so on. A new measure was a partial reimbursement of fixed costs for companies most affected by the epidemic.<sup>xiv</sup>

The seventh anti-Covid package (which reintroduced one-time solidarity allowances for the most vulnerable groups and more help for transport companies, tourism, social and care workers) gave rise to a conflict between social partners. The cause of dispute was the employers' proposal for the

suspension of the Minimum Wage Act. As a response, trade unions have started preparations for the general strike. In the end, the proposal was not enacted.

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<sup>i</sup> Eurofound (2020), [Temporary layoff scheme and reimbursement of related wage compensation to employers](#), case SI-2020-11/436 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

<sup>ii</sup> Eurofound (2020), [Measures to allow self-employed to postpone or avoid the payment of social security contributions](#), case SI-2020-11/438 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

<sup>iii</sup> Eurofound (2020), [Deferred payments of borrowers' obligations and state guarantee](#), case SI-2020-11/447 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

<sup>iv</sup> Eurofound (2020), [Temporary layoff scheme and reimbursement of related wage compensation to employers](#), case SI-2020-11/436 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

<sup>v</sup> Eurofound (2020), [Monthly basic income for self-employed](#), case SI-2020-11/445 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

<sup>vi</sup> Eurofound (2020), [Exemption from companies' obligation to pay pension and disability and contributions and crisis bonus](#), case SI-2020-11/443 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

<sup>vii</sup> Eurofound (2020), [Sick leave during pandemic covered by state funds](#), case SI-2020-15/402 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

<sup>viii</sup> Eurofound (2020), [Crisis bonus for public employees](#), case SI-2020-11/910 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

<sup>ix</sup> Eurofound (2020), [One-time solidarity allowance for retired persons, large families and other vulnerable groups](#), case SI-2020-18/444 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

<sup>x</sup> Eurofound (2020), [Reimbursement of the monthly crisis allowance for people with disabilities working in social enterprises](#), case SI-2020-11/1271 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

<sup>xi</sup> Eurofound (2020), [Exceptional unemployment benefits](#), case SI-2020-11/907 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

<sup>xii</sup> Eurofound (2020), [Subsidies for short-time work](#), case SI-2020-23/904 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

<sup>xiii</sup> Eurofound (2020), [Set of measures to sustain the sectors most hit by the pandemic](#), case SI-2020-18/908 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

<sup>xiv</sup> Eurofound (2020), [Partial reimbursement of fixed cost](#), case SI-2020-40/1485 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

# How COVID-19 accelerated and disrupted working life policies and impacted social dialogue

## Accelerated developments

Since the upsurge of the COVID-19 pandemic, the Economic and Social Council was giving precedence to emergency laws for mitigating the negative consequences of the epidemic. The main intervention measures involve temporary layoff and short-time scheme, wage compensation for workers who cannot work due to force majeure or quarantine, one-time solidarity allowances for vulnerable groups (elderly, families, students), and crisis bonuses. Social partners have achieved an agreement on procedure rules and protocols regarding negotiations about the COVID-19 emergency laws in 2020-2021, but it had not prevented conflicts emerging between the social partners. Given public letters and walks-away from negotiations, trade unions felt more deprived of access to the decision-making process than employer organisations.

Policies that support health security, working and living in COVID-19 times gained momentum as well. *Rules on the protection of workers from risks related to exposure to biological agents at work* were issued in November 2020. Classification of SARS-CoV-2 into the risk group 3 gave workers some protection from risks related to exposure to biological agents at the workplace.

Social partners also drew attention to teleworking.<sup>xv</sup> During the second wave of the epidemic, a new digital service was created to simplify the mandatory reporting of telework to the Labour Inspectorate via the website SPOT (eVem). The Economic and Social Council established a working committee for law changes regarding telework. It also discussed about 'the right to switch off' as prevention against psychosocial risks associated with telework. The discussion has not yet been concluded. On the other hand, social partners focused on 'digital literacy' proposing education courses for workers who are temporary laid off or work part-time.

The Economic and Social Council continued a long-running debate about the long-term care, obligatory contribution for long-term care and demographic fund. Another working committee was established to discuss the *National recovery and resilience plan*. Both activities will continue in the year 2021.

## Disrupted developments

Due to the health crisis and other priorities in the field of health and security at work, the National Action Plan for Health and Safety at Work in 2018-2027 was postponed. According to information provided by a government representative, it will see the light of day in autumn 2021. While health and safety at work has gained new focuses, some tasks in the realm of labour law were temporarily put aside due to the epidemic. All activities concentrated on intervention measures mitigating the negative consequences of the epidemic. As a result, many issues, discussed by social partners before the COVID-19 outbreak (like the health system reform, digitalization, changes in the pension system, measures to tackle precarious employment, rules on the recording of the working time), were temporarily put on hold. The only exemption was teleworking. A very high death toll among residents of care homes for elderly raised the awareness about the need for better regulation of long-term care. Although it has been debated for a long time and despite the health crisis, no political consensus was reached so far.

The Ministry of Labour, Family, Social Affairs and Equal Opportunities believes that temporarily neglected topics will regain attention in the *National Recovery and Resilience Plan*. While employer organisations are quite content with intervention measures, trade unions disapprove of some measures adopted. On the other hand, some necessary reforms are still pending. The long-term care reform is, they say, strongly endorsed by the social partners, although views on the content are different, especially when it comes to the financing. According to a trade union representative, some of the neglected reforms (long-term care, health system, precarious employment, rules on the working time) would even have a positive impact on the struggle against the epidemic as well.

## Impacts on the social dialogue and collective bargaining

The outbreak of the epidemic on 12 March 2020 halted negotiations in the Economic and Social Council. The two COVID-19 laws (ZIUZEOP and ZIUZEOP-A or #PKP1 and #PKP2) were adopted under an accelerated procedure with no involvement of the Economic and Social Council. On 20 April, trade unions protested against the exclusion of social partners in the preparation of the second emergency law (ZIUZEOP-A) demanding the re-establishment of the Economic and Social Council. The first meeting under the new government convened on 15 May 2020. The Council then became involved in negotiations about the third COVID-19 law ZIUOOPE, issued on 30 May 2020, and the following COVID-19 emergency laws (ZIUPDV, ZZUOOP, ZIUOPDVE and ZIUPOPDVE or #PKP4 - #PKP7).

Since May 2020, the Economic and Social Council held eleven meetings which were moved online after the second wave of the epidemic. On top of COVID-19 emergency laws, the main topics discussed were the long-term care, health and safety at work, stringent asylum rights in case of emergency, closure of shops on Sundays, suspension of the Minimum Wage Act in 2021, national recovery and resilience plan etc. Although the council held regular meetings from May onwards, the balance between social partners seemed unstable with trade unions frequently stepping out from negotiations in protest. The reasons for their discontent were, trade unions say, breaches of procedure rules. Tensions escalated during the seventh COVID-19 law negotiations when employer organisations demanded the suspension of the Minimum Wage Act to be included in the law. In response, trade unions announced a general strike. Although the law (ZIUPOPDVE or #PKP7), adopted on 29 December 2020) does not include this provision, trade unions have not renounced preparations on the general strike.

The same law gave birth to another dispute. With no prior consultation with trade unions, the law brought about increased flexibility of the employment contract concerning the older workers (for those that have reached statutory retirement age the employer can terminate the employment contract without valid reason). Trade unions say this kind of (permanent) measure has nothing to do with the pandemic and is an abuse of the urgent legislative procedures due to COVID-19.

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<sup>xv</sup> Eurofound (2020), [Initiative from employers for reforming teleworking arrangements](#), case SI-2020-24/1102 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

## Other important policy developments

Anti-corona laws are raising public concerns about provisions which allegedly do not fall within the emergency law. Opposition parties and NGOs say that the government use the epidemic as an excuse for imposing its political goals. The second COVID-19 law requires, for example, more rigid criteria from environmental organisations for taking part in legal procedures. The fifth COVID-19 law fosters the privatisation of the health system. The sixth COVID-19 law prolongs accreditation of a private university (*Nova univerza*), close to the ruling Slovenian Democratic Party. Other articles involve a high fine between €1,200 and €12,000 for organising a protest during the epidemic, higher subsidies for religious institutions, the possibility to change land uses up to ten acres, paid sick leave for a parent or guardian who stays in hospital with a child up to the age of 14 years (or 18 for a child with special needs). There are many more such examples.

## Labour disputes in the context of the pandemic

As eluded to in a previous section, the reestablishment of the Economic and Social Council built on the weak consensus between social partners. In the beginning of December, the Association of Free Trade Unions, the Confederation of Public Sector Trade Unions, the Confederation PERGAM and others publicly complained about the unequal access to tripartite negotiations. While employer organisations had access to draft laws, they said, the government did not allow trade unions to get involved in negotiations in a timely manner. The main issue of dispute was a proposal, made by employer organisations, with which they demanded the temporary suspension of the *Act Amending the Minimum Wage Act* (ZMinP-B). The law, entering into force on 1 January 2021, brings about a new formula for the calculation of the minimum wage, a 20% increase above the minimum living costs. Employer organisation requested a temporary suspension to be included in the seventh COVID-19 law, to which trade unions responded with the announcement of a general strike. The proposal was finally not adopted.

There were also disputes over the 13<sup>th</sup> or Christmas salary due to company policies to pay full bonus only to workers who were not taking sick or maternity/paternity leave more than twice a year. The Advocate of the Principle of Equality and Administrative Court assessed such policies as discriminatory. The company BSH Hišni aparati, against which the proceedings were brought, appealed to a higher court. The final decision will provide guidelines for companies in the future. The Advocate of the Principle of Equality said that discriminatory policies 'puts pregnant women, fathers on paternity leave, those with chronic and other illnesses and injuries, those caring for a family member, disabled workers and the elderly at a disadvantage'. For trade unions, the company policies force workers into presentism and are, in the time of the epidemic, dangerous because compel workers to go to work despite sickness.

It is worth noting that it was a 'bicycle protest movement' that most noticeably marked the year 2020. In anticipation of Janez Janša's government, it emerged as a protest against two parties (SMC and DeSUS) which entered Janša's coalition notwithstanding their promises during elections. During the first wave of the epidemic, a state administrator (whistleblower) disclosed corruption in the procurement of medical equipment involving government members. This information re-energised protest movement. From a few thousand to ten thousand persons were gathering every Friday on bicycles for maintaining physical distance between attendants. Protests occurred regularly since April until October 2020 when they were temporarily stopped due to outbreak of the second wave of the epidemic. On top of corruption, protests addressed changes of state officials, police brutality, the draft law limiting funding of public radio and television, government's interferences into police and judicial system, underfinancing of the public health system, military spending etc.

# Major developments in working time regulation as a result of the pandemic

## Legislation on working time

In the frame of emergency measures for mitigating the negative consequences of the COVID-19, two instruments concern working time regulation:

1. Temporary layoff scheme and reimbursement of related wage;<sup>xvi</sup>
2. Subsidies for short-time work<sup>xvii</sup>.

Both measures aim at the protection and retention of jobs. The temporary layoff scheme targets workers for whom the company temporarily fails to provide work or who cannot work due to *force majeure*. It was first adopted in April 2020 and is extended until 31 March 2021. Regulation has slightly varied over time. The first COVID-19 law granted 80% wage compensation with the average salary in 2019 as the maximum and the minimum wage as the minimum level. The third COVID-19 law limited maximum reimbursement to €892.50 (the maximum unemployment benefit). The sixth COVID-19 law raised the limit to the average wage. The reimbursement can exceptionally cover 100% of wage compensation if a company has received less than €800,000 of state support in total.

Subsidies for short-time work were introduced in June 2020 with the third COVID-19 Law and are extended until 30 June 2021. The measure helps companies overcome temporary stagnation and prevent layoffs by subsidising up to 50% of full-time wages. Workers covered by short-time subsidies scheme, work at least 20 hours a week. For the remaining working time (from 5 to 20 hours a week), the state pays monthly wage compensation:

- €448, if a worker works 20–24 hours a week;
- €336 for 25–29 hours;
- €224 for 30–34 hours;
- €112 for 35 hours.

## Collective bargaining on working time

A new Collective agreement of activities for service activities in land transport includes a provision regarding the working time saying that irregular or temporary redistribution of working time must be recalculated in full working time every twelfth months instead of every six months. On the other hand, the Collective agreement on the forestry in Slovenia obliges workers to take over work other than stipulated in employment contract due to temporarily increased scope of work or replacement of temporarily absent worker.

The Trade Union of Worker's in the Trade Sector (SDTS) and the Trade Union Lidl Slovenia have been striving for a long time to regulate part-time workers, employed with discount retailers Lidl and Hofer. As their pension insurance is proportional to part-time employment, these workers risk old-age poverty. Hofer has allegedly solved the problem during the epidemic. In August 2020, discount retailer Hofer announced a new employment model. Workers, mainly in sales services and logistics, will be employed full time, 40 hours a week, but will work fewer hours, averagely 30 hours a week. Discount retailer Hofer emphasises the benefits for workers from this model, better work-life balance and more time spent with their families. The new employment model which will requalify part-time employment

into full-time employment will solve the problem of partial pension insurance. Yet, as all other working conditions will remain the same, the new model does not solve, for instance, the problems of underemployment and high intensity of work. It also raises many open questions: the payment of bonuses for 'overtime', the right of workers to second employment and, at the least but not the last, its impact on the sustainability of pension fund.

## Ongoing debates on working time

A conflict between social partners escalated in December 2020 due to 'forced retirement of workers', as it was dubbed by trade unions. It is a provision, included in the seventh COVID-19 emergency law, which ease the dismissals of older workers who have reached statutory retirement age. Articles 21 and 22 thus add another reason for ordinary cancellation of an employment contract with a worker. When a worker reaches statutory retirement age, the employer may terminate the employment contract without any valid reason. The notice period is 60 days and the dismissed worker has the right to severance pay. Seven trade union confederations issued a press release (on 30 December 2020) saying that it is an abuse of the emergency law, adopted with no trade unions' involvement in negotiations. According to their estimation, the 'forced retirement' will trigger an additional outflow of €245 million in the pension fund. Employer organisations (GZS, 31 December 2020) supports the provision by which the employer will be able to send into retirement a worker 'no longer committed to work'.

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<sup>xvi</sup> Eurofound (2020), [Temporary layoff scheme and reimbursement of related wage compensation to employers](#), case SI-2020-11/436 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.

<sup>xvii</sup> Eurofound (2020), [Subsidies for short-time work](#), case SI-2020-23/904 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin.



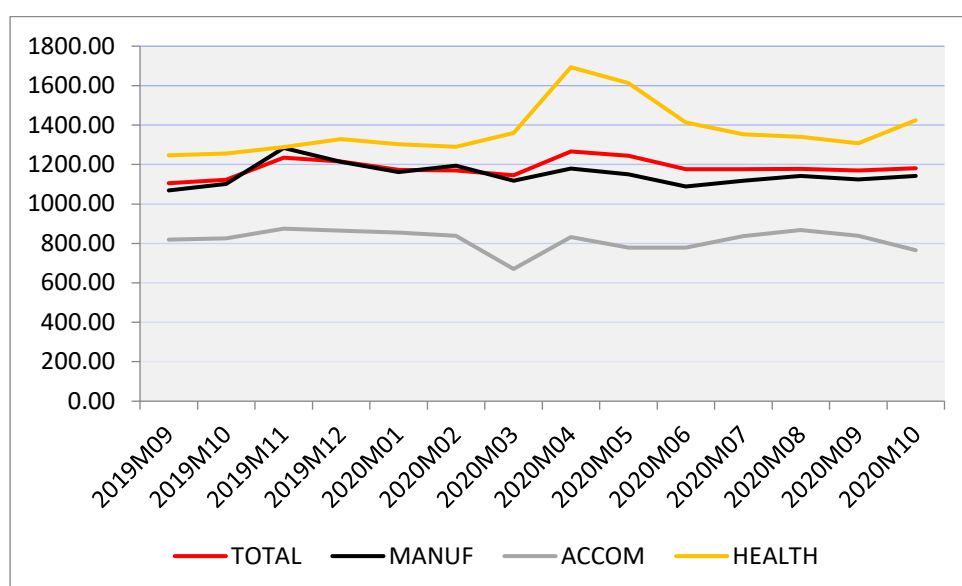
## Impacts of the crisis on wages and wage setting

In the first two months (in January and February 2020), average wage increased by 4.7% compared to the same period in 2019 (UMAR, 2020b). The main reasons were the growth of the minimum wage and the shortage of labour in the pre-crisis period. The figure below shows what was happening with wages after the outbreak of the epidemic. Observing average wages from September 2019 to October 2020, we note a drop in earnings in March 2020. While wages went down in manufacturing, wages in the accommodation and food services dropped by 21% in March compared to February 2020 (SURs, 2020a). On the other hand, wages significantly increased in the health and social services during the first wave of the epidemic (particularly in April, but also in May). It was due to crisis bonuses for hazardous working conditions in both sectors.

Although the first wave of the epidemic lasted from mid-March to the end of May, average earnings for April, May and June 2020 were higher than in March. Wage growth was mostly attributable to intervention measures (payment of crisis bonuses to workers in the private sector and payment of allowances for hazardous working conditions in the public sector). This is the reason why the growth of the average gross wage has also remained high from March onwards. The extension of these measures will have a similar impact on wages in the second wave of the epidemic (UMAR, 2020b).

We should explain that wage statistics take into account the wage paid by the employer but not government subsidies. Thus wage-related subsidies, paid by the government (as temporary layoff and short-time scheme), are not included in the presentation of wage growth/cuts (SURs, 2020a). However, the wage growth in April and May is mostly attributable to intervention measures, given that private-sector employers, who were obliged to crisis bonuses, were simultaneously exempt from paying pension and social contributions. In the last instance, the state thus also paid crisis bonuses for workers in the private sector.

**Figure1: Average (net) monthly earnings in euro, from September 2019 to October 2020**



Source: Statistical Office of the Republic of Slovenia; abbreviations: TOTAL: all activities; MANUF: manufacturing, ACCOM: accommodation and food service activities; HEALTH: human health and social work activities.

In June, the average wage was lower than in May 2020, because state intervention measures expired and workers were no longer receiving crisis bonuses. In the following months, wages were about the same as in July, but above the year 2019. With the second wave of the epidemic in October, the average wage increased again. But while it increased in the health and social work activities (by 10.2%), it decreased the most in accommodation and food service activities (by 9.2%) (SURS, 2020c).

The wage-setting conflict broke out in December when the employer organisations proposed temporary suspension of the *Act Amending the Minimum Wage Act*. As we said, they were not successful. The government offered a compromise solution (suspension of the law until April 2021, a pay rise covered by the state until September and full application of the law from October onwards). It was not accepted, but employer organisations still hope that the state will cover the pay raise (MMC, 2021).

Social partners agreed upon a pay rise in the Collective Agreement for the Slovenian Electrical Industry<sup>1</sup>, Collective agreement for the Slovenian electricity industry<sup>2</sup> and Collective agreement on the Slovenian banking sector<sup>3</sup>. They stipulated a higher holiday allowance in Collective Agreement for non-commercial activities in the Republic of Slovenia<sup>4</sup>.

Social partners in hospitality and tourism reached an agreement on a pay rise after a long negotiation. On 1 March 2020, they signed the Collective Agreement for the Hospitality and Tourism Industries<sup>5</sup>. As the epidemic occurred soon afterwards, they postponed its validity on 1 January 2021 (amendment signed on 15 June 2020).

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<sup>1</sup> [Collective Agreement for the Slovenian Electrical Industry](#)

<sup>2</sup> [Collective agreement for the Slovenian electricity industry](#)

<sup>3</sup> [Collective agreement on the Slovenian banking sector](#)

<sup>4</sup> [Collective Agreement for non-commercial activities in the Republic of Slovenia](#)

<sup>5</sup> [Collective Agreement for non-commercial activities in the Republic of Slovenia](#)

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**Disclaimer:** This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.

# What is new in working life in the country?

The five most impacting features, emerged as a consequence of COVID-19 epidemic, are the following:

## Teleworking

COVID-19 epidemic has enormously increased the number of teleworkers, helped us learn the positive effects of teleworking and discover new risks it brings. It is clear that, regardless of the epidemic, teleworking will remain a more frequent form of work than in the past. While employers run at the rigidity and ambiguities of regulation during the epidemic, workers experienced the mixing of work and free time. Employer organisations thus proposed some reforms.<sup>xviii</sup> As a start, the sixth COVID-19 law implemented a simplifying procedure for reporting telework to the Labour Inspectorate. On the other hand, trade unions call for the 'right to switch off' to be included in national law or sectoral collective bargaining.

## Monthly basic income

In the first wave of the epidemic, the government introduced the 'monthly basic income'<sup>xix</sup> for self-employed persons, affected by the loss of income due to the epidemic. The measure was reintroduced with the surge of infections during the second wave. Persons entitled are self-employed, associates, ecclesiastics and farmers, who cannot carry out their activities or carry them out on a much smaller scale. Person concerned receive €700 a month plus social contributions paid by the state. The measure was in force from 13 March to 31 May 2020 and reactivated on 1 October 2020. The proponents of the universal basic income enthusiastically accepted it as the first step towards its general application.

## Short-time and temporary layoff scheme

The two measures, by which the state tried to protect jobs and prevent unemployment, were first introduced during the financial crisis in 2009. Yet, they have not been applied on such a large scale as during the COVID-19 epidemic (UMAR, 2020b, p. 4). In 2020, a little less than 600,000 workers benefited from one of the two support instruments. The final balance sheet has not yet been done, but we can already say that they were financially the largest during the epidemic.

## Closure of kindergartens and schools

Kindergartens and schools were mostly closed from 13 March to 18 May and again from 19 October onwards. In these two periods, classes moved online. Distant learning has put a great burden on parents, first because children needed at least technical support and, second, it required financial investments into equipment. Parents who had to look after small children during the closure were entitled to wage compensation. But those who had to continue working the work-life balance became unbearable.

## Shops closed on Sundays

Ban on Sunday shopping during the epidemic revived the long-lasting public debate on opening hours of shops. The Trade Union of Workers in the Trade Sector (ZSSS-SDTS) launched a proposal to transform a temporary ban on Sunday shopping into a permanent one. Centre for Social Research (Cedra) surveyed retail workers and showed that 95% agreed to a complete closure despite lower salaries which are already very low, at 78% of the Slovenian average salary (Cedra, 2020). On 29 September 2020, the amended *Trade Act* finally banned the opening of shops on Sundays. Exceptions are small shops on bus stations, in hospitals and gas stations. The newspaper *Dnevnik* wrote that people's will was finally implemented 17 years since the referendum.

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<sup>xviii</sup> Eurofound (2020), [Initiative from employers for reforming teleworking arrangements](#), case SI-2020-24/1102 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin

<sup>xix</sup> Eurofound (2020), [Monthly basic income for self-employed](#), case SI-2020-11/445 (measures in Slovenia), COVID-19 EU PolicyWatch, Dublin

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