INDUSTRIAL RELATIONS IN EUROPE
FOSTERING EQUALITY AND CROSS-COUNTRY CONVERGENCE?

CONFERENCE ORGANIZED BY THE INTERNATIONAL LABOUR OFFICE
IN COOPERATION WITH THE EUROPEAN COMMISSION
Slovenia: A tradition of partnership to manage economic convergence

Branko Bembič

*University of Ljubljana, Faculty of Social Sciences*
Industrial relations and social and economic convergence in Slovenia

Main argument:

Economic and social convergence intertwined through social dialogue during 1990s and until mid-2000s ...

Good performance relative to other CEEs in terms of social standards and growth.

... but weaker social dialogue adversely affects social and economic convergence 2004-13.

Progress less favourable in terms of social and economic outcomes comparing with other CEEs.

Revival of social dialogue after 2013 – new opportunities?
The early exchanges

Coordination required: government and capital need incomes policy to:
- Release funds for investment in the absence of foreign investors in privatisation process.
- Competitiveness of the export sector.
- Control of inflation.

Emergence of strong industrial relations actors (coordination possible):
- A strong trade union movement emerged through working class mobilisation in early 1990s.
- A centralised employers’ organisation – capacity for negotiations.

- Income policies needed for economic restructuring and for accession to the Eurozone ...
  (inflation control, investment financing, cost competitiveness, fulfilling the Maastricht criteria)
  ... were exchanged for measures conducive to social convergence demanded by trade unions.
  (ESC, minimum wage, tax policy, gender equality, pension reform)
Weaker IR after 2004: slowing down social and economic convergence

- Social convergence stalled – neoliberal reforms threaten to increase social inequalities.
- Trade unions defended the achieved level of social convergence (e.g. rejection of flat-tax)
- Economic catch-up proceeded by piling up risks – growing foreign indebtedness.

Collapse of social dialogue during the crisis (2008-2013): social and economic divergence
- Less room for manoeuvre: government’s unilateralism exacerbated the crisis & increased inequality
  - e.g. reform of social assistance.
- Trade unions blocked some of the measures that undermined social convergence
  - e.g. mini-jobs.
- But strong informal conditionality strengthens the government’s hand – reforms undertaken were:
  - Inimical to social convergence (e.g. austerity measures, curtailment of democratic rights).
  - Disputed from the standpoint of economic convergence.
- Still, social dialogue provides for more balanced results.
  - e.g. labour market (comparative study with Italy) and pension reform.
Revival of the social dialogue after 2013?

Tripartite dialogue
A new, though short lived social pact in 2015 performs a stabilising role.
Minor reforms negotiated with social partners.
Negotiating an instrumental social agreement.

Collective bargaining
Renegotiation of the collective agreements → Increase in coverage (2013-2016).

Company level challenges
Mounting pressures on employee representatives in various sectors of the economy.

Persistence of the social dialogue – economic interests & opportunities for social convergence?
Thank you!