MINIMUM WAGE IN SLOVENIA AND EU MINIMUM WAGE

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1. MINIMUM WAGE IN SLOVENIA

- Minimum wage already in 1937
- After 2nd WW: guaranteed personal income
- In 1995 – the re-introduction of the minimum wage
- **2006: Law on the determination of minimum wage**
- Minimum wage applied to all employers who employ workers and to all employees.

UNIFORM, GENERAL, NATIONAL MINIMUM WAGE

- A worker employed full time by an employer in Slovenia shall have the right to be paid at least the minimum wage.
- Part time workers – paid proportionate share of minimum wage
- It is MONTHLY PAY FOR FULL TIME WORK!
PROBLEMS OF 2006 LAW:
- Minimum wage was increased in August each year for forecasted inflation – it was not re-adjusted if inflation at the end of a year was higher.
- In 2007 real growth of minimum wage was negative (inflation 5.7%)! Employers did not agree to additional increases.

WHY CHANGES WERE NEEDED?
- MINW was too low and did not ensure a decent standard of living for a worker and to his family.
- It stood at 460 EUR net (597.42 EUR gross).
- Trade unions demanded increase from 2007 onwards, unsuccessfully.
- Then organised huge demonstrations in 2008 and 2009.
November 2009

Demand for DECENT minimum wage
RESULT:
On ZSSS demand the Government (Institute for Economic Research) calculated the „Living wage“ – 562 EUR!
The government passed the Law in 2010
- minimum wage increased by 23 % (nominal increase + adjustment of personal income tax to reach 562 EUR)
- automatic adjustment for inflation incorporated
- gradual adjustment in 2 years for companies if needed

CONSEQUENCES
- Employers opposed and threaten with massive unemployment

REAL OUTCOME
- Poverty reduction
- Increase of productivity
- Decrease of state burden for social welfare benefits
- Increased social contributions paid and increased public revenues
- Other wages increased by 2.1%
- Increase in equality and compression of wage structure
- Only few losses of employment (1%)
2. UNEQUAL TREATMENT OF MINIMUM WAGE EARNERS

NEXT PROBLEM OF SLOVENIAN MIN. WAGE WAS:

IT’s DEFINITION

- It was a salary for **full time**; includes all the extra payments for working conditions (except overtime):
  - related to the distribution of working time (Sunday work, night work, work on holidays...)
  - related to special burdens at work, unfavourable environmental influences...

- **According to the Employment relationship act (ERA) all employees have the right to this supplements** (not only the ones who are better paid)!

- **ZSSS and other Trade union Confederations proposed changes of legislation in this regard – with the Public Initiative Procedure (we put the law to the Parliamentary procedure)**

- Elimination of unequal treatment of employees, working under equal conditions!
CAMPAIGN FOR EXCLUSION OF EXTRA PAYMENTS 2015
MINIMUM WAGE IN EU COUNTRIES

All Countries have some kind of MINW; but huge differences among them:
- determined by law, by collective agreement;
- coverage of employees,
- coverage of sectors;
- age differences;
- hourly, monthly, weekly pay;
- methods of adjustment;
- key actors determining minimum wage (government, social partners, independent commissions);
- sanctions in case of noncompliance;
- levels in EUR, PPP;
- ratio avg wage or mean wage vs minw;
- number of employees receiving it.
Council of Europe: European Committee of Social Rights stipulated: Fair and decent wage is at least 60% of the average net wage:

**PROBLEM:** In many MS the minimum wage is set very low or at below subsistence level

The aim or goal of the European social partners and politicians should be that every worker in Europe receives a fair and decent wage for her/his work.

We need to define common standards or norms for national minimum wages (living wage, 60% of median wage,...)

**TASK of European minimum wage policy** would be to coordinate national minimum wage policies in such a way that the fundamental social right of an equitable wage would be realised in all EU countries.
Thank you for your attention!!