

RESEARCH

**REPORTS**

RECOMMENDATIONS

VALENTINA FRANCA

# THE WASTE SECTOR IN SLOVENIA

## CHALLENGES OF ORGANISING AND COLLECTIVE BARGAINING

**INSTITUTE OF  
PUBLIC AFFAIRS**

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# **THE WASTE SECTOR IN SLOVENIA**

CHALLENGES OF  
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COLLECTIVE BARGAINING

INSTITUTE OF PUBLIC AFFAIRS  
Social Policy Programme

This report is one in a series presenting the findings of research carried out in Bulgaria, Czechia, Croatia, Estonia, Latvia, Lithuania, Hungary, Poland, Romania, Serbia, Slovakia and Slovenia as part of the project CEE CAW ‘Challenges for Organising and Collective Bargaining in Care, Administration and Waste collection sectors in Central and Eastern European Countries’, which was led by the Institute of Public Affairs (Warsaw). The other partners were the: Bulgarian Academy of Sciences (Sofia), Central European Labour Studies Institute (Bratislava), Lithuanian Centre of Social Sciences (Vilnius), and Centre for Democracy Foundation (Belgrade).



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## 1. Methodological preface

The report was compiled through extensive desk research, primarily from reports and data published on reputable professional websites. Additionally, it includes a brief examination of the legislative framework, encompassing the current Collective Agreement for Public Utility Services, which holds nationwide validity for the waste sector. This collective agreement involves four parties: two representative trade unions and two employers' organisations. Interviews were arranged with these entities, via Zoom in February and March 2024 each lasting approximately 45 minutes, for collaborative research purposes. Regrettably, one trade union representative declined to participate, citing the inability to contribute to the substance of this report. Further, one representative from the employers' organisation provided written responses to the questions posed. Following these interviews, transcripts were prepared and meticulously analysed in alignment with the key objectives outlined in the project guidelines.

## 2. General characteristics of the sector

The companies which operate in the waste sector in Slovenia are limited liability companies, mostly owned by local municipalities, namely public companies according to Slovene legislation. These companies must adhere to regulations governing public procurement, including the mandate to purchase a certain percentage of emission-free vehicles as per the Green Public Procurement Regulation. However, the higher costs and operational limitations of such vehicles, especially in mountainous regions, pose challenges. Last year's August floods highlighted the limitations of electric vehicles during power grid failures. As a result, widespread adoption of emission-free vehicles in municipal services is currently limited to ensure the continued provision of essential services.

In addition to public enterprises, there are privately owned companies engaged in waste collection and recycling. Both privately and publicly owned companies apply the same employment legislation, namely the Employment Relationship Act and the Collective Agreement for Public Utility Services. Companies may also conclude collective agreements on a company level, but it is not mandatory.

Based on the data of the Statistical Office of Slovenia in 2023, there were more than 10,000 workers in public utility services (including in the areas of water supply, wastewater drainage and treatment, public space maintenance and cleaning, and funeral services); among those, around 4,000 workers are estimated to work in the waste sector. Wages in the waste sector are generally slightly below average. In 2022, the average net monthly salary in Slovenia was 1,424 Euros, while it was 1,332 Euros per month in the sector. Unfortunately, this trend does not depend on the level of education as the trend applies even to those with a high level of education in the sector.

The Covid-19 pandemic minimally impacted municipal waste collection systems, with heightened safety measures among workers and alterations in household waste management practices. Additionally, biodegradable waste processing in biogas plants remained unaffected. Hungary's ban on sludge imports from Slovenian wastewater treatment plants during this period led to a surplus of unmanageable sludge. Consequently, a greater quantity of sludge was redirected to biogas plants for processing into biogas and digestate, which could then be exported to Hungary due to differing waste classification codes.

Employers recognise that they must adhere to minimum standards set by European Union legislation. Public companies refrain from making investments deemed unnecessary due to political pressure to maintain the lowest possible prices. Similarly, private companies operate under a comparable framework, as indicated by a regular comparative study conducted by the Chamber of Public Utilities of Slovenia.

### 3. Major problems and challenges in the sector

In Slovenia, the waste sector is facing a severe **labour shortage** for several reasons, such as the nature of the work being dirty and inhumane. Some workers are retiring, while others are leaving for better-paying jobs and improved working conditions. To address this trend, employers are increasingly turning to task automation and robotisation. However, many tasks still rely on manual labour, posing a challenge for finding future workforce solutions in this sector. There is a push to promote employment within the sector and highlight automation advancements, demonstrating that not all work is done manually. Despite promotional efforts in schools, results

remain limited, with employers struggling to pinpoint whether low wages or the waste sector's poor reputation are to blame. Nevertheless, employers remain actively engaged in promotional activities. The existing workforce is **ageing**, with the average age of workers being 45 years, partly due to limited success in promoting employment within the sector.

Regarding foreign workers, there has been a longstanding trend of workers from **ex-Yugoslavian** countries, which continues today. However, employers are observing a decline in this workforce pool and anticipate the need to explore alternative sources, possibly from the Far East, in the future. Similarly, trade unions observe a decreased motivation among these workers to work in Slovenia, as the wage difference is not as significant as it used to be. As a result, workers are returning home. Trade unions highlight **low wages** as the biggest issue in the sector, which is closely linked to the low job satisfaction of workers. This is further exacerbated by the shortage of workers, placing an additional burden on existing employees, both less educated workers and professionals alike.

Concerning **health and safety**, interviewees acknowledge varying levels of risk across different tasks but emphasise their commitment to ensuring a safe working environment. Few accidents have been reported, indicating proactive safety measures implemented by companies.

#### 4. Characteristics of social dialogue organisations in the sector

In the waste sector, there are four main stakeholders. On the employers' side, there is the Employers Association of Slovenia, as well as the Chamber of Public Utilities of Slovenia. Representing employees are two trade unions: the Trade Union of Public Utilities, Security, and Real Estate Workers of Slovenia (a member of the Association of Free Trade Unions of Slovenia) and Neodvisnost — The Confederation of New Trade Unions of Slovenia. All of these organisations are representative of the waste sector (according to the Representativeness of Trade Unions Act), although there is no official data on their membership. They collectively negotiated the Collective Agreement for Public Utility Services in 2021, with two minor amendments in 2022 and 2023, which has *erga omnes* validity in the waste sector.

#### 4.1. Challenges of organising employees

Acquiring new members is challenging. There are several reasons, but according to a union representative, the fundamental reason is that the collective agreement has *erga omnes* validity, and consequently, workers **do not see added value** of membership. At the same time, they are aware of their shortcomings, such as not organising collective assemblies or attracting workers to the union. More effort needs to be invested in recognising the benefits of the union among workers. Smaller companies face greater difficulties in organising workers, where there is a lower awareness of the importance of the union, and the union representatives themselves lack sufficient knowledge and awareness of the importance of their work. According to the union representative, this is a result of poor leadership by the Union President, which should be improved in the future.

#### 4.2. Good practices for organising employees

The most highlighted good practice was regular email updates on news, reflections, and planned steps. This makes it easier to reach other workers and recognise the benefits of the union, which should be strengthened to gain a more inclusive membership.

#### 4.3. Characteristics of employer representation

The actual base for representation of the employers constitutes mainly all the public companies in the waste sector and the private companies yet with a lower degree of interest. Although membership in the Chamber of Local Public Economy is voluntary, its representatives assess a 95% membership rate. They add that this high level of participation is facilitated by the fact that all members face similar challenges, which fosters a strong sense of unity among them: “If companies are facing serious problems, then membership remains stable, and there are no issues with them”.

### 5. Collective bargaining and other forms of social dialogue in the sector – characteristics

According to the opinions of the interviewees, social dialogue proceeds smoothly in the sector. This is largely attributed to the individuals involved

in the process, with some residual influence from socialism (particularly in public companies), and favourable terms of the collective agreement for employees.

The Collective Agreement for Public Utility Services extends its coverage to all workers and employers in the sector, as mandated by the Collective Agreements Act and under the decree of the Ministry of Labour, granting it *erga omnes* validity. In addition to sectoral bargaining, social partners have the option to negotiate collective agreements at a company level. A collective agreement was agreed upon for five years and is valid till 2026.

### 5.1. Content analysis of collective agreements

The Collective Agreement for Public Utility Services, in its initial section, establishes the personal, territorial, and temporal scope, as well as the rights and obligations of all parties involved in the agreement (contractual obligations). The sector-specific section, the normative part, outlines the rights and obligations of both workers and employers. The collective agreement complements the statutory regulations but within the framework of a traditional understanding of labour relations. However, it cannot be said that it introduces innovative and modern approaches to collective bargaining. In the wage annex, the amounts of minimum basic wages, reimbursement of work-related expenses, and other personal benefits related to work are specified. The weakness of the collective agreement, which does not significantly differ from other sectoral collective agreements, lies in the large number of salary supplements, leading to considerable opacity and unmanageability of salaries. However, this is a problem of the entire salary model in Slovenia, both in the public and private sectors. The system of low wages with numerous supplements is indeed a reflection of the outdated socialist system and needs to be reformed. However, any changes must be made through social dialogue. As of now, no significant debates or conclusions have been reached, leaving uncertainty about whether and how the wage model will be changed in the future. The Ministry of Labour made promises to initiate the debate, but so far, no concrete actions have been taken.

### 5.2. Other forms of social dialogue

In companies with more than 20 employees, a **works council** may be elected. The companies operating in the waste management sector are all eligible



to have a works council, although the decision to elect it is totally upon the workers' decision, according to the Worker Participation in Management Act. There is no official data to confirm the presence of works councils in companies. Based on the interviews and our knowledge of employee participation it can be assessed that works councils are mostly present in **bigger** companies, like the largest water waste company in Ljubljana (*JP Voka Snaga*). Works councils have the right to be informed, consulted and co-determined, as well as the possibility of a veto, but their influence depends on several factors, similar to companies in other sectors.

### 5.3. Impact of European sectoral social dialogue

The interviewees evaluate that the European sectoral social dialogue has had little impact on the national sectoral social dialogue. While they participate in meetings with European social dialogue bodies, of which they are members, and monitor developments at a European level, implementation at a national level is practically non-existent. This observation is similarly noted among academics (Kresal Šoltés et al. 2014; Franca, 2017).

## 6. Conclusions and recommendations

To enhance the social dialogue, it is essential to attract more workers to the trade union, which could strengthen their position. Even employers' representatives agree that it is essential to strengthen not only social dialogue but also trade unions, as they observe that unions often assist directors, even in communication with the municipality. Undoubtedly, it is necessary to commence discussions on a new wage system as soon as possible, one that considers existing shortcomings and attempts to alleviate issues in the labour market and specifically in the industry.

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## About the Author

Valentina Franca, PhD, works as an associate professor and researcher of labour law and social security law in the Faculty of Public Administration at the University of Ljubljana, Slovenia. Her research includes numerous studies, books, and articles in the field of collective labour relations, digitalisation in labour relations and new forms of work. She is a member of editorial boards of scientific journals and participates as a national expert in international associations, such as the Worker Participation Network at the ETUI Institute in Brussels and CEELEX at the International Labor Organization. She is also an active researcher in national and international projects for various organisations, such as Eurofound, EIGE, OECD, and EC among others, and a lecturer at various professional and scientific conferences.