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1. Contextual background

1.1. Beginnings of industrialisation

Despite being a relative latecomer to industrialisation, Slovakia has nevertheless eventually come to be characterised by a strong industrial base, notably in the automotive sector. Initially characterised as the poorer part of Czechoslovakia, Slovakia saw rapid economic growth and industrialisation until the late 1970s.

Industrialisation initially concentrated around heavy industry, automotive, and arms manufacturing, providing fertile ground for the eventual influx of the automotive industry during the later post-socialist transition period. In the immediate aftermath of the Second World War, however, the initial nationalisation of industry and collectivisation of agriculture occurred concurrently with the process of socialist industrialisation, redirecting significant amounts of the formerly agricultural labour force into industry. As part of the state-directed five-year plans, Slovakia saw rapid industrialisation, achieved at the cost of the decline of the agricultural sector and living standards. Nonetheless, the fast tempo of industrialisation continued well into the 1950s, despite the relatively modest levels of investment in comparison to Czech lands, concluding in the following decades (Teich, Kováč, and Brown, 2011).

As a result, in 1989, there were 1.1 million industry and construction employees, up from about 315,000 in 1948 (Teich, Kováč, and Brown, 2011). Despite this degree of industrialisation, the socialist economy performed relatively poorly due to a failure to adopt new production technologies and other shortcomings in production quality. Thus, uncompetitiveness and misallocation of resources remained a fixture of production in this period, spurred on by the embargo on technology from the West, among other factors. Thus, after the fall of the regime in 1989, the economy was in a disadvantaged position vis-à-vis more developed west European markets.

1.2. Post-socialist transformation

With the advent of the regime shift in 1989, Slovakia began the difficult transition from a centrally planned economy to a market economy. Socially, the aftermath of the regime shift expressed itself in profound socio-economic consequences, including high levels of unemployment, high inflation, initial deindustrialisation, and a decline in the standards of living. Slovakia struggled to surpass its 1989 GDP levels, only managing to climb back after a decade after initiating the transition (Sokol, 2001). Unemployment remained high, peaking at 20% in 2000 and falling from double-digit numbers only around 2006 and increasing again due to the world economic crisis after 2008/2009, stabilising after 2013. In the last decade, Slovakia experienced more stabilisation on the labour market, and the majority of employers reported severe labour shortages in both industrial production and services.



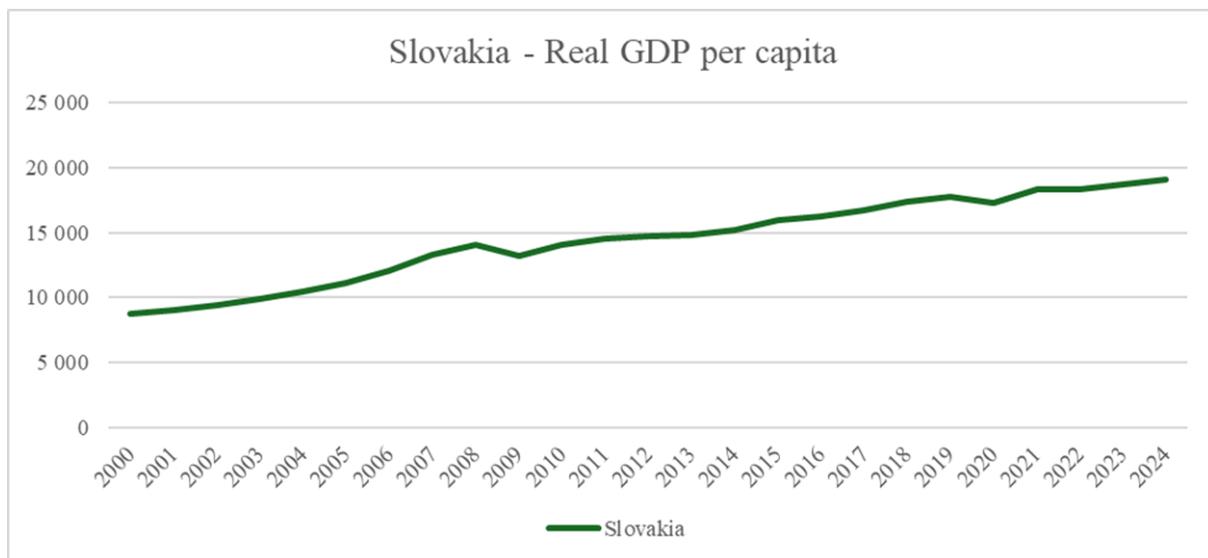
Source: Statistical Office of the Slovak Republic (2025)

The economic transformation involved a drastic reconfiguration of the economic model of the country. Among the most dramatic changes were those of privatisation attempts, with the scale of these changes being astronomical; in 1990, private ownership as a percentage of GDP was 5 per cent in Czechoslovakia, while in 1995 it was 65-75 per cent (Williams and Balaz, 1999). Privatisation was likewise one of the key ways in which competitive pressures were introduced into the formerly centrally planned economy, with private ownership being ascribed increased efficiency and returns to stakeholders.

This privatisation took place in two stages: small scale (retail units, restaurants, small services, manufacturing, and similar) and large scale (large- and medium-scale enterprises), with both domestic and foreign actors competing. In Slovakia, large privatisation took a coupon form with hundreds of former state enterprises privatised in this manner. Following this form, the state moved to privatisation through direct sale of enterprises to ‘government-friendly’ purchasers for extremely low prices, nominally substantiated by the desire to form domestic champions (Bohle and Greskovits, 2012; Williams and Balaz, 1999). As Williams and Balaz (1999) point out, the first and second privatisation waves involved only weak regulation and governance which directly contributed to a third wave in which interest groups accumulated power and used control over networks of companies to receive substantial property rights.

The desire to enter the European Union further bolstered reform attempts, supporting the adoption of a general liberalisation and privatisation program (Hardy, 2014). State policy eventually became firmly oriented toward the attraction of foreign direct investment (FDI), as

a means of development, leveraging Slovakia’s skilled industrial workforce and its industrial base. Comparatively very low labour costs and a free movement area of the EU membership made the country an attractive destination for foreign capital, along with massive state subsidies offered to investors. While initially hostile to FDI and privatisation, seeking to adopt approaches focused on domestic champions, Slovakia started to focus on FDI attraction, resulting in significant investment inflows, including the acquisition and transfer of a large number of firms from domestic to foreign ownership.



Source: Eurostat (2025)

This investment was particularly pronounced within the automotive industry. Reacting to the contemporary crisis of automotive manufacturing in Europe, expressed through saturation of domestic markets, overcapacity, and competition from Asian manufacturers, automotive investment flowed into Slovakia and other post-socialist countries that entered the EU. In particular, the investment frenzy became spurred due to the geographical proximity of Slovakia as a Central and Eastern European state with close proximity to the home bases of many automotive firms, its existing industrial base, and due to access to relatively cheap-yet-skilled labour.

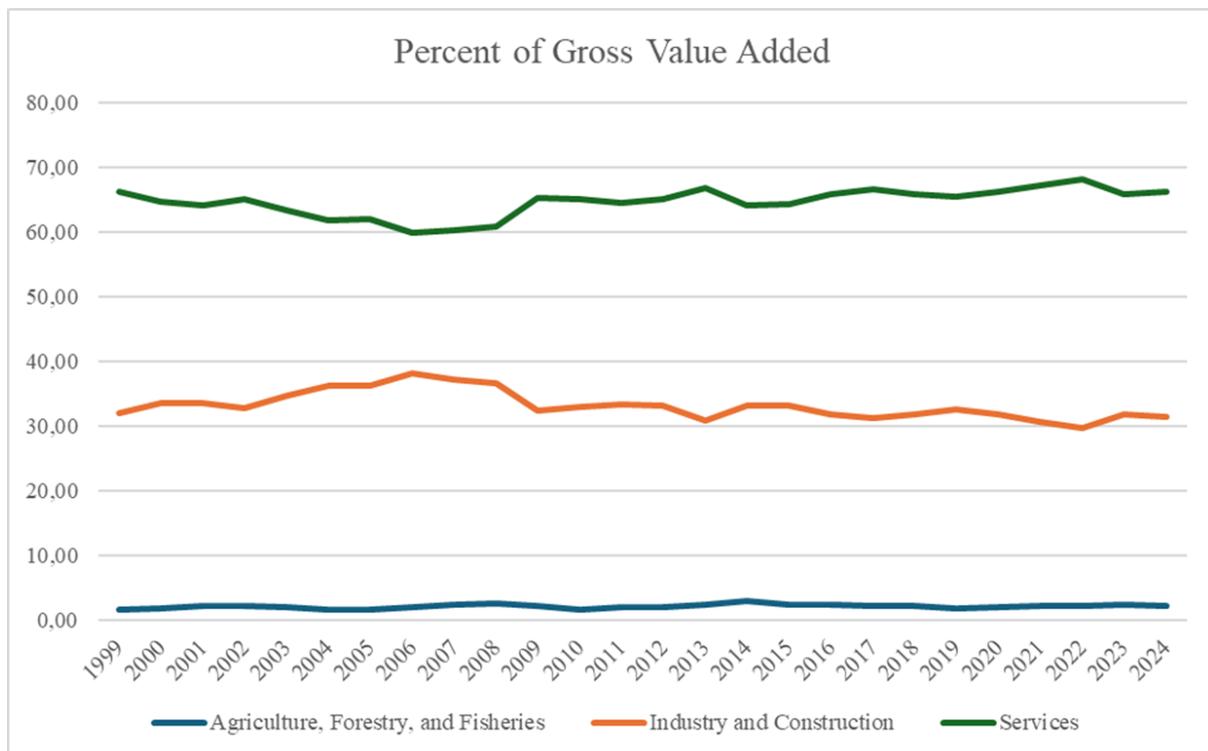
Perhaps more importantly, the government supported these inflows through targeted incentives and state support for incoming firms, when it entered the bidding competition with neighbouring countries, Czechia, Poland and Hungary. As a result, the state support per one workplace created by the investment in KIA was 75,000 EUR, while for Hyundai in Czechia it was 32,000. EUR. Similarly, investment in Jaguar Land Rover was boosted by 45,000 EUR, but additional expenditures on infrastructure for this company reached almost 214,000 EUR per workplace created (Martišková, 2018; Kolesár 2007; Pavlínek 2017).

As a result, the automotive sector has become a permanent fixture within the economy of Slovakia, metamorphosing into one of the primary engines of economic growth for the country. By the early 2010s, Slovakia became the 19th largest automotive manufacturer and the largest producer of automobiles in the world per capita, reflected in rapid GDP growth between 2001

– 2011 (Pavlínek, 2016). Nonetheless, FDI inflows entered an abrupt freefall with the global financial crisis and never recovered to prior levels. Despite this, the automotive sector remains the flagship sector of Slovakia’s export-oriented economy, accounting for approximately 10.4 percent of GDP and approximately 40 per cent of all national exports in 2023.

Other than the automotive sector, the country saw growth in the service sector in the immediate aftermath of the transition, but maintained its industrial basis. Gross value added by the service sector remains approximately 69 per cent, while industry accounts for approximately 32 per cent. These sectoral shares have remained relatively stable ever since the early 2000s.

In regard to other key indicators, unemployment gradually returned to lower values after the global financial crisis and the global pandemic. Despite these low numbers, regional disparities in unemployment remain, with Eastern Slovakia having higher values than the national average (7.35 per cent for Eastern Slovakia compared to 4.96 per cent national average) (Slovak Statistical Office, 2025).



Source: Eurostat (2025)

Labour market

Given the rapid developments in the economy in the last 30+ years, the employees experienced all negative and positive consequences of the economic restructuring. Remarkable was the high increase of unemployment at the beginning of millennium, when many privatised companies owned by domestic capital went bankrupt, either due to their uncompetitiveness on the local and international markets or due to serious asset stripping and illegal practices, leading to company collapse. The price competitiveness basically erased the textile industry in the country

due to the Asian competition, while heavy industry or electronics faced restructuring problems related to the quality of products and production efficiency, or a lack of capital for investments.

For workers, these changes typically meant the loss of jobs and their entrance into unemployment. The compensation payments were low, and active labour market measures were underdeveloped; thus, only after the foreign capital inflow did the unemployment decline. It is important to highlight that the experience of stakeholders was such that the economic restructuring was not accompanied by supportive mechanisms and only the low unemployment payments were offered, while requalification or other supportive measures were mostly absent.

Post-1989 decline in trade union membership in the context of economic transformation and labour market reform

Labour unions have had a relatively difficult position in Slovakia's system of social dialogue ever since the country's formation in the 1990s. The country initially saw the institutionalisation of social dialogue and collective bargaining, after which the subsequent position of labour unions became tested by consecutive challenges.

A sharp decline in trade union membership occurred immediately after 1990. Several key factors significantly influenced union organisation following the political changes of 1989. These included the overall transformation of the economic system, enterprise restructuring, and shifts in ownership relations – namely, de-statization and privatisation. Additionally, the dissolution of the Council for Mutual Economic Assistance (which led to the loss of traditional markets), the conversion of arms manufacturing, and the general downturn in several industrial sectors (particularly mechanical engineering, metallurgy, electrical engineering, and the garment industry), as well as structural changes in agriculture and the subsequent decline in agricultural production, all contributed to this trend (Bariery členstva I.).

The economic development of the post-1989 period was marked by comprehensive labour market reforms, characterised by ongoing liberalisation, flexibilisation, and deregulation. This period involved a threefold transformation: toward capitalism, democracy, and a reformed national state. Closely linked to these shifts was the privatisation of state-owned enterprises. These changes led to the bankruptcy of numerous companies and a significant rise in unemployment (Müller, Vandaele and Waddington 2019).

Deindustrialisation – the shift of former employees from manufacturing industries to the service sector – generally resulted in the loss of union membership. Many workers left unions after losing their jobs, a trend unions were unable to prevent, as people had not been historically prepared for unemployment. In general, after 1989, trade unions maintained membership primarily in state-owned enterprises and public services, while membership declined in the private sector and in newly established companies. The unfavorable environment of the 1990s persisted into the early 2000s, with a continued decrease in union membership. Additionally, trade unions became increasingly fragmented, and sectoral-level collective bargaining weakened. This broader neoliberal transformation of the labor market and society was most pronounced under the then right-wing government, which further deepened labor market

liberalization and diminished the influence of tripartite negotiations (Kahancová & Sedláková 2018).

The Slovak system of social dialogue and collective bargaining involves a collective process of decision-making involving the government and representatives of employers and employees, either in a tripartite form on the national level and a bipartite form on sectoral and company level. Despite the formal presence of collective bargaining on multiple levels, in practice, the company level remains dominant. This is the case, for instance, in the automotive sector, where the absence of a collective agreement leads to the necessity to engage in company-level bargaining in regard to working conditions (Šumichrast & Bors, 2023; Drahekoupil et al, 2019). Further complicating the situation is the minimalist nature of a large number of collective agreements, wherein the agreement copies the legal regulations. Similarly, a key role in this situation is played by a somewhat disadvantaged negotiating position of the trade unions, owing to structural constraints upon their agency (Holubová, 2024b; Benedeková & Čambáliková, 2023). Despite the existence of such constraints, in general, the national level, the metalworkers' union, OZ KOVO, and several local trade unions do manage to negotiate efficiently.

Moreover, sectoral bargaining often yields weak outcomes or is outright not established in some sectors (Kahancová, Martišková & Kostolný, 2021). As engagement in bargaining on the sectoral level frequently yields weak outcomes or is outright not established in some sectors, labour unions turned toward policy-making and legislative solutions on the national level in the past (Kahancová, Martišková & Kostolný, 2021; Kahancová and Martišková, 2017). In practical terms, for instance, this has meant a focus on the increase of national minimum wage in the absence of progress in other forms of bargaining.

On the side of trade unions, the principal actor on the national level is the Confederation of Trade Unions of Slovakia (KOZ SR), within whose structure other unions operate mostly independently. Of particular relevance is also its sectoral-level member union, OZ KOVO, which represents the metalworking sector and is the largest sectoral union in Slovakia. However, other unions have also established themselves outside of the bounds of the KOZ, whether in industries that would fall under the metalworking sector, services, or others (Kahancová, Martišková & Sedláková, 2019).

Lastly, the situation of trade unions is underlined by a relatively low level of union density and collective agreement coverage. According to OECD data, union density has been on a steady decline for some time now, from a relative high of 34 percent in 2000 to 11.3 percent in 2018 (OECD, 2025). Similarly, collective bargaining agreement coverage remained at around 25 percent.

2. Overview of selected industries

2.1. Automotive production

As mentioned in the above sections, the automotive sector has been a staple of industry in Slovakia in the past decades. Its history goes back to Czechoslovakia, most notably to the tradition of manufacturing started by Škoda Auto in Czech lands and the Bratislava Automobile Works in Bratislava. The latter was founded in 1971 and focused mostly on the manufacture of Škoda vehicles.

However, automotive manufacture rapidly intensified post-revolution with the arrival of several global automotive manufacturers and their suppliers. Bratislava Automotive Works were acquired by Volkswagen, with investments soon coming also from Stellantis, KIA, Jaguar Land Rover, and the most recently announced investments by Volvo. The factories of these manufacturers are located around Bratislava, Trnava, Žilina, and Košice, and together with their suppliers provide for major hubs of employment in the country.

All in all, the economic significance of the sector for the country remains extremely high, accounting for 9.2 percent of GDP and employing approximately 170,000 employees directly, and 255,000 both directly and indirectly. Despite this, the sector faces a number of challenges, both globally and at home. First, labour shortages complicate the situation within the sector and its operations; as it stands, manufacturers often circumvent local labour through hiring third-country nationals from countries with cheaper labour costs or by using a more flexible agency workforce. In some cases, trade unions attempt to limit the share of agency workers relative to the overall company workforce, and they also tend to take a generally critical stance towards the use of third-country nationals.

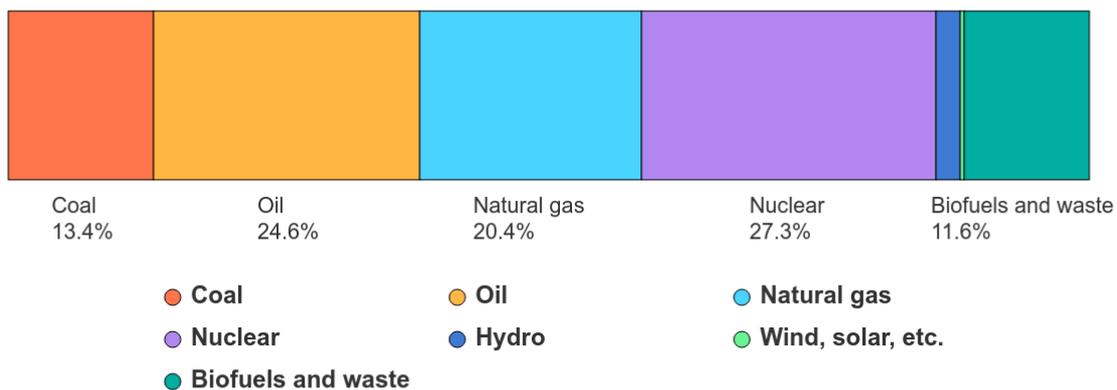
Furthermore, the transition to electric vehicle production represents potential problems. As production of these vehicles is less labour intensive and requires a different skill set, transition to their production risks job losses without equivalent job creation (Pavlínek, 2023; Martišková, 2022). Currently, attempts are underway to somewhat alleviate this issue through attraction of investments into battery production. A gigafactory focused on battery production is currently under construction near the city of Šurany, with an estimated eventual capacity of 40 GWh of production (Ministry of Industry of Slovakia, 2024). The investment is expected to materialise approximately 1,300 direct jobs and at least some level of local indirect employment (Ministry of Industry of Slovakia, 2024). Yet, these investments have been subject to public controversy and hotly contested by citizens worried about the environmental impacts of battery production in their locale. Moreover, pursuit of this strategy disregards the alternative pursuit of industrial upgrading within the sector, leading to a ‘fix’ of the existing economic model, rather than the pursuit of a new one (Martišková and Lukáčová, 2024).

2.2. Energy production

Being home to a large number of energy intensive sectors, such as automotive, steel and iron, pulp and paper, chemicals, and others, Slovakia requires significant amounts of energy to fuel this production.

Energy production is dominated to a large extent by nuclear energy within Slovakia, with a lesser role for other sectors. In 2023, nuclear accounted for 61.6 percent of domestic energy production, with biofuels and biowaste accounting for 25.4 percent (IEA, 2025a). A significant portion of the energy mix is imported (57.3 percent of energy supply in 2023) and Slovakia is dependent on foreign supplies of energy sources. The country has its own resources only in brown coal, lignite, and gas, yet their consumption is decreasing (Martišková and Gažo, 2023).

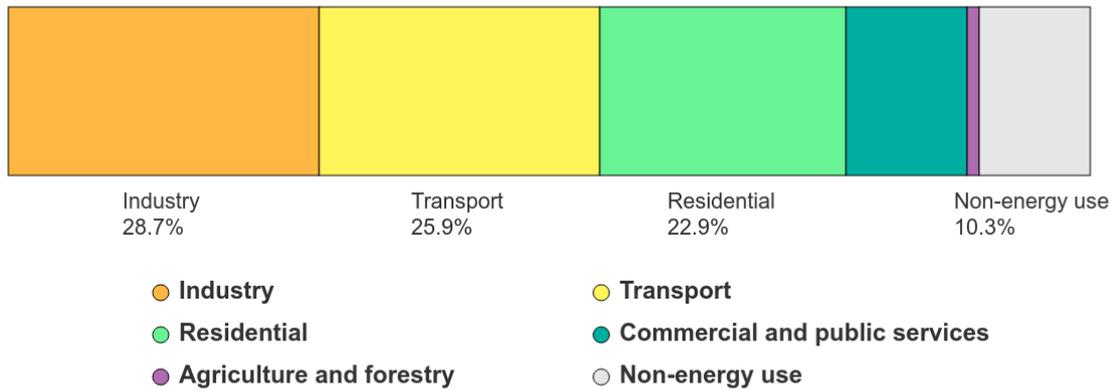
Total energy supply, Slovak Republic, 2023



Source: International Energy Agency. Licence: CC BY 4.0

Energy use is highest in industry at 28.7%, followed by transport at 25.9%, residential use at 22.9%, and all other categories (IEA, 2025). When compared to the year 2000, final energy consumption has been declining in all areas, with the exception of transport, which has seen an approximately 100% increase in energy consumption (IEA, 2025). Concretely, 91% of total final consumption in the transport sector remains constituted by oil products, while final energy consumption in residential use, industry, and services incorporates relatively high amounts of natural gas, at 45%, 25%, and 38% respectively (IEA, 2025).

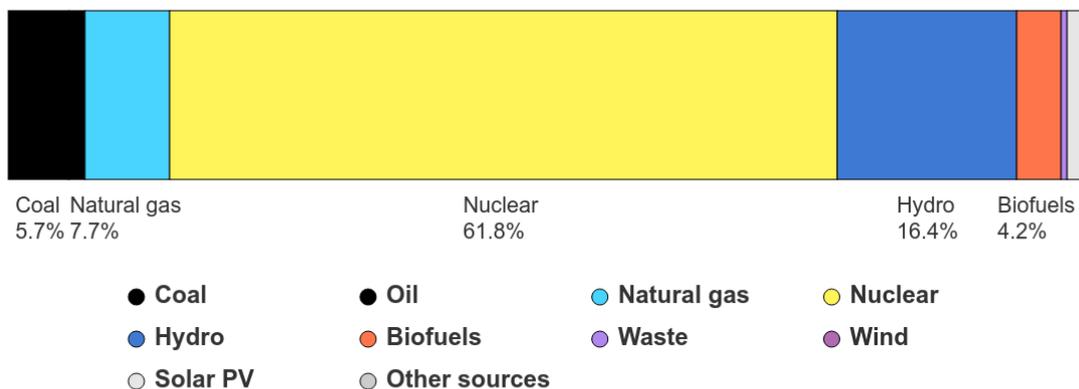
Total final energy consumption, Slovak Republic, 2023



Source: International Energy Agency. Licence: CC BY 4.0

In regard to electricity production, the sector is dominated by nuclear and renewable energy, with nuclear generating 61.8 percent of electricity, while renewables and biofuels account for approximately 22 percent. The beginnings of use of nuclear energy goes back to the 1950s when construction started on the first nuclear power plants in Jaslovské Bohunice, joined in the 1980s by the nuclear power plant in Mochovce. Ever since this period, nuclear energy has remained the dominant source of electricity production. As for renewables, hydroelectric power plays a relatively large role in electricity production as well, representing the bulk of renewable energy in the country. Solar panels and wind turbines have, so far, not achieved widespread use, although the situation is slowly changing.

Electricity generation sources, Slovak Republic, 2023



Source: International Energy Agency. Licence: CC BY 4.0

As for fossil fuels, there are two coal power plants in the Horná Nitra coal region, as well as in Eastern Slovakia. The Horná Nitra region further contained the entirety of the coal electricity

production value chain, from mining to burning, which was closed in 2023. As Slovakia plans to phase out coal by 2030, and it has closed its biggest coal burning plant, the transformation of the energy sector is already ongoing and we describe the processes in detail in the case study on Horná Nitra.

2.3. Care services

Slovakia has a family-based long-term care system, with long-term care involves informal personal care by relatives with a measure of funding provided by the state (Holubová, 2024a; Holubová, 2024b). In regard to other forms of care, childcare follows a similar pattern, while formal care is mostly dominated by residential care. This is underlined by a number of factors; shortage of long-term care workers, residential and semi-residential care provided in dedicated facilities, non-public nurseries, and aging childcare staff (Holubová, 2024a).

Moreover, home care services are frequent, provided both by public and private facilities, most for assisted care for people in need, with a majority of recipients being elderly. With an aging demography, the number of such facilities is likely to increase substantially in the future. As a result, the sector's 'care deficit' - the number of people in need of long-term care who are not receiving any - is expected to further increase. Further intensifying these effects is the ongoing drain of care workers, who leave for better pay abroad, often ending in precarious working conditions.

The labour shortage is further deepened by inadequate working conditions and low pay, as well as precarious employment. In general, almost every segment of the care sector suffers from underfunding, whether it is long-term care, childcare, healthcare, or others.

What is more, the state of the healthcare system has become a recurring structural challenge in recent years, both in terms of financial sustainability and staffing levels. Difficult, if not inadequate, working conditions, relatively low pay and an associated drain of healthcare workers abroad combine to form a persistent shortage of doctors and nurses. From an industrial-relations perspective, the sector remains comparatively unionised, yet representation is fragmented across occupational groups and institutional settings, which shapes bargaining strategies and often shifts union activity towards public campaigning and political pressure rather than workplace-based organising (Holubová, 2024a; Brunnerová-Hanulová et al., 2025).

2.4. On-demand transport

The on-demand transport sector in Slovakia remains a relatively new and still largely deregulated segment of the transport market. The on-demand transport sector in Slovakia has grown steadily, driven by digitalisation and increasing demand for flexible transport options. Platforms like Bolt and Uber operate in major cities such as Bratislava and Košice, offering alternatives to traditional taxis and public transport.

Trends show a growing adoption of on-demand transport in Slovakia, with companies like Bolt reporting thousands of daily rides in Bratislava alone, though exact numbers are not

publicly available. This growth is supported by a tech-savvy population and a high smartphone usage rate, enabling easy, flexible transport options for young professionals, students, and tourists. Given the current trends, the sector is expected to continue expanding.

From the perspective of industrial relations, this remains a largely underdeveloped area with virtually no structured social dialogue. Trade unions have so far been unsuccessful in organising platform workers, and no stable collective-representation initiatives have emerged. Platform companies (e.g. Wolt or Bolt) generally do not perceive themselves as employers and therefore tend to reject participation as social partners. While trade unions initially expected stronger support from the EU Platform Work Directive, its final, more limited provisions on employment status, together with the emphasis on national-level implementation, mean that it is unlikely to substantially strengthen collective organising efforts in the near future. The sector also employs a significant number of foreign workers, particularly as taxi drivers.

3. The wave(s) of creative destruction in Slovakia

For Slovakia, initial processes of creative destruction were associated with the regime shift and transition from state socialism to market capitalism in the 1990s. These transitions involved the exposure of formerly state socialist enterprises to market forces and competition, with varying results. In addition, as mentioned above, some cases involved state-led policy of acquisitions and mergers, essentially eliminating existing enterprises and taking over their venues. Both of these types of change represent drastic alteration of existing working processes, with impacts on how enterprises produce and on their operating logic. Second, the global financial crisis represented a second moment of substantial pressure upon the Slovak economy, likewise resulting in drastic changes.

3.1. Bratislava Automotive Works and Volkswagen

As with other representatives of the automotive industry in the country, the Volkswagen plant near Bratislava is the result of the flows of foreign capital into the country in the 1990s. Volkswagen's presence originated in the initial acquisition of the Bratislava Automotive Works and thus established the presence of the first large foreign automotive company in the country. Volkswagen has become an important manufacturer both for Slovakia and for Volkswagen's own production network; it has produced for two different vehicle types on different platforms and production lines as well as producing for five distinct brands within the Volkswagen group (Haipeter and Jo, 2021).

Bratislava Automotive Works was founded in 1971 with the goal of boosting the insufficient production of automotive vehicles across the then Czechoslovakia. Throughout its history, plans for it involved production of multiple models of Škoda vehicles, as well as a brief period of consideration regarding joint production of Alfa Romeo with Italian partners, later deemed infeasible.

The first major shift came in 1991, when Volkswagen acquired a 80 percent stake in the Bratislava Automotive Works, acquiring the remaining 20 percent later and combined the

acquisition of these new premises with technology and equipment investments (Jakubiak, Kolesar, Izvorski, and Kurekova, 2008). Simultaneously, on the micro level, the acquisition process meant major differences in technology and resource utilisation, as well as enterprise operations when compared to the former model of state-run manufacturing. On the macro level, the acquisition became one of the first major steps in the transformation process, representative of the broader move from state socialism to capitalism.

The second major shift arrived during the advent of the global financial crisis, when the heavily hit Volkswagen requested a dedicated state approach to alleviating the pressures it was facing. Accordingly, the government introduced a number of measures to boost demand, while introducing measures to maintain threatened jobs through increased flexibilisation (Martišková and Uhlerová, 2016). This allowed for the maintenance of jobs at the cost of reduction of working hours and pay, originally as a temporary measure in the legislation, but later becoming a permanent possibility for the company (Martišková and Uhlerová, 2016). The second key flexibilisation change was the widespread use of temporary agency work, particularly potent in the automotive industry (Martišková and Uhlerová, 2016). Thus, in reaction to the crisis, novel forms of employment which were much more ‘flexible’ and precarious proliferated, contributing to dualisation of the labour market with core full-time workers and the flexible margin.

Trade union response to the crisis initially involved a noticeable lack of opposition; both in regard to the introduction of flexibilisation measures (which they initially supported in their temporary version) and to the hostile actions of the new government which came to power in 2010 (Martišková and Uhlerová, 2016). While political involvement with one of the major political parties represented simultaneously a strong asset and a liability, trade unions did not scout an opportunity and failed to reach out beyond their traditional tools. In their lack of substantial challenge to the introduction of new flexibilisation measures, union prioritisation of employment at the expense of working conditions resulted in a further weakening of their position (Martišková and Uhlerová, 2016).

Post-crisis, gradually, production and complexity of manufacture increased and the plant has become one of Volkswagen’s most modern production facilities. These factors eventually resulted in the first major industrial conflict of Volkswagen in Slovakia, where tensions between unions and the employer reached a boiling point in 2017. In reaction to this increased complexity and tempo of production, as well as inadequate working conditions resulting from these, union leadership demanded appropriate wage increases and betterment of working conditions. Moreover, one of the central union arguments was that of catching up to German workers wage-wise (Haipeter and Jo, 2021). When Volkswagen’s leadership declined to accept these demands, the unions called for the first strike in the company’s history, involving thousands of Volkswagen employees and lasting for 6 days, with eventual success.

The strike is a key moment for several reasons. Considering the rarity of strikes in Slovakia owing to structural factors limiting their performance, the strike represents a rare, delayed outburst in reaction to the intensification of production and lacking rewards. This is more so the

case, given the long-standing positive relations between the union and the employer before this; the crisis was partly a result of inter-union disagreements on approach toward the employer, resulting in the unions splitting into OZ KOVO and Moderné odbory Volkswagen (Modern unions Volkswagen), with the later favouring a more fiery approach. Second, the crisis remains a response to the intensification of strain upon labour through the introduction of ever increasing demands of production, associated with new technologies and new ways of organisation of production.

3.2. Mine closures in the region of Horná Nitra

Slovakia has recently phased out the coal mining and also coal burning in the region of Horná Nitra which was the only place where the coal mining was still operated. In this case study, we describe the broader context of the mining industry in Slovakia, which was massively subsidised from 2005 to 2023. The regional transformation included a long-term decrease of the mining workers, and the growth of other industries, mostly facilitated through foreign direct investments, to which the workforce accommodated. Social partners mostly focused on the protection and compensations for mining workers. The case is the example of energy sector transformation and shows the dominant role of state and EU level policies and the limited role of social dialogue

In 1993, the state enterprise Slovenské uhol'né bane split into seven independent state enterprises, which were privatised in the following years, from which only one, Hornonitrianske bane Prievidza, a.s., have survived to the present day. In an effort to ensure energy sufficiency in Slovakia, the government subsidised coal mining since the beginning of 2005. After the accession to EU in 2004, the Slovak government notified EC about the state subsidies to the coal production in Hornonitrianske Bane a.s. and another two smaller mines in Slovakia, where it mostly subsidised their closure (EC, 2006).

According to the regulation, brown coal mined in Horna Nitra was subject to compulsory purchase by Slovak Power Plants (SE), which burns it in the Upper Nitra Nováky Power Plant (Elektrárň Nováky - ENO) under the so-called general economic interest (GGE). ENO was by government decree, the primary consumer of brown coal mined by HBP - consuming 94% of their production (European Commission, 2018). The ENO was closed in 2023. Until then it was the second largest polluter in Slovakia and the 18th in the whole EU after the U.S. Steel plant in Košice (European Commission, 2018).

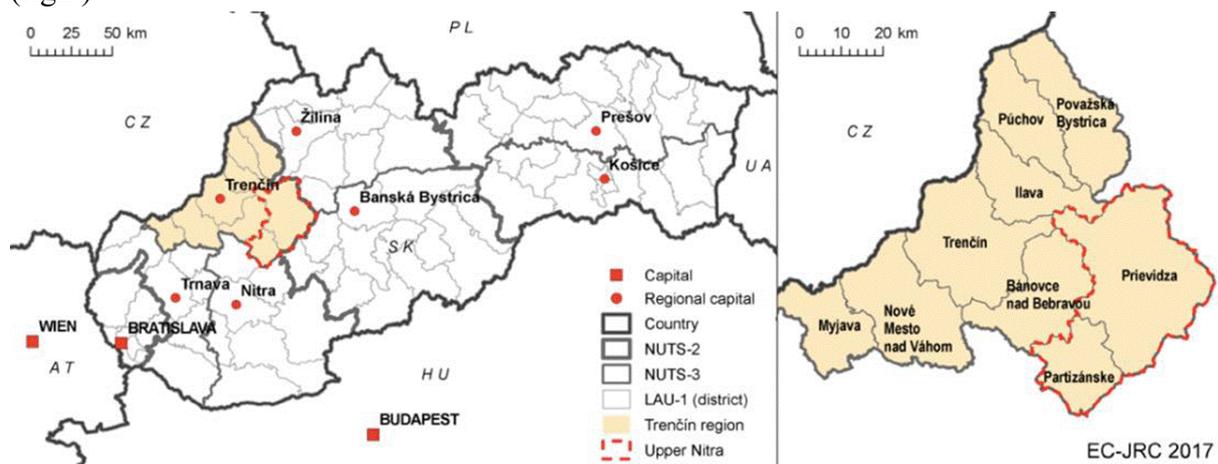
Since 2005, Slovakia has been spending about 100 million euros a year on subsidizing the production of electricity from domestic coal. In relation to general decarbonisation efforts but also unprofitability, in 2018, the government decided to stop the subsidy and thus to end the mining and burning of coal in the region in the coming years. Slovakia thus saves 3-5% of its emissions by halting coal mining and burning in the Upper Nitra region, resulting in total economic benefits of up to 605 million euros (CEPA, 2023).

After 114 years, brown coal mining in Upper Nitra concluded on December 20, 2023, when the final tonne was extracted from the Nováky mine. Simultaneously, the last brown coal boiler

at the Nováky power plant was deactivated. According to the environmental policy strategy released by the Slovak Republic in February 2019, the complete phase-out of coal as an energy source in Slovakia is expected to be finalized by 2030.

The mining sector in Horná Nitra was integral to the entire value chain of coal mining and electricity generation power plants in the region. Upper Nitra is one of the pilot regions of the EC initiative for coal regions in transition. The total allocation for Slovakia from the Just transition fund (JTF) is 440 million euro, of which 226 million is intended for Upper Nitra (CEPA, 2023).

Figure 1: Location of Trenčín region (left) and Upper Nitra and the districts of Trenčín region (right)



Source: (European Commission, 2018)

Alongside mining, the region experienced the growth of chemical and rubber industries in the past. In addition to heavy industry, the Upper Nitra has a tradition in light industry, particularly in the form of traditional shoemaking in the Partizánske district and furniture manufacturing in the Prievidza district. From the 1970s, there has been a natural decline in mining, and since 2000, the economy in the Upper Nitra has further diversified. Over the past eight years, the region has witnessed a decline in unemployment, a trend attributed to the presence of new multinational investors, particularly in the automotive industry's supplier sector (PwC, 2020).

Employment

In 2018, approximately 4,000 jobs were directly tied to the Upper Nitra Mines - Prievidza (HBP), one of the primary employers in coal mining, with another 3,000 indirectly supported by coal-related sectors such as energy, rubber, engineering, transport, and food industries (European Commission, 2018, p. 59). Despite the ongoing diversification of economic activities, HBP remains the predominant employer in the region. In 2018, together with its subsidiaries, the company employed approximately 4,000 individuals, while in 2022 it was 1851 and in 2023 it further decreased to 1514 in the middle of 2024 it was 1258 (HBP, 2023). The phasing out of coal mining and power generation has so far resulted in the loss of 2,700 jobs. Consequently, with the gradual decline and phasing out of mining activities in the region,

concerns naturally arose regarding a potential significant increase in the unemployment rate. However, due to the gradual nature of this process, a noticeable increase in the regional unemployment rate has not yet been observed (Marcinčin et al., 2023), partly because of the high demand for workers in the automotive industry.

Between 2007 and 2016 the Slovak government subsidized more than 3000 job creation investments, mostly in automotive and electronics sectors in the wider region of Horná Nitra (European Commission, 2018)

The coal phase-out in the region is coinciding with the ongoing energy crisis, which is expected to adversely affect employment in the Upper Nitra region. Fortischem, a major chemical company and a significant employer in the area, announced substantial layoffs in September 2022, citing escalating energy prices as the cause, which led to the elimination of over 350 jobs. It is anticipated that other companies in the region may face similar challenges. Notably, the process of layoffs began before 2020, exacerbating the overall impact on employment (MIRRI, 2022).

Generally, employees from both the mining and chemical industries possess skills that make them employable even without supportive measures, particularly those with technical expertise and professionals in the energy sector. However, the group facing the highest vulnerability comprises low-skilled workers from the mining sector in Upper Nitra (Mráz et al., 2023). Projections by the Office of Employment, Social Affairs, and Family in Prievidza indicate a challenging outlook. Only 10% of miners and 20-30% of those directly associated with mining activities are expected to find alternative employment. The repercussions of the mine closure extend beyond immediate job losses, highlighting the need for targeted support and retraining initiatives (European Commission, 2018, p. 59).

Both HBP and Slovenské elektrárne (Slovak Power Plants) are expected to revitalise. This transformation might offer new job opportunities to employees in green and renewable energy projects. Nevertheless, the ongoing projects are not yet public and this investigation of ongoing transformation will be needed within the WP4 research..

3.3. Chirana - health equipment manufacturing

The case of the biggest company in health equipment manufacturing in Slovakia is one of the few examples where trade unions played a role in restructuring processes and social dialogue ensured the continuation of the production until today. It also demonstrates the painful processes of transformation and creative destruction, and the effects of privatisation and the role of domestic capital in the transformation processes. This case has now been covered in research for the first time; the updated account builds on media coverage and publicly available sources, complemented by interviews with trade union representatives and managers (for detailed case study see the WP2 output T2.2.).

Chirana Stará Turá is a prominent manufacturer of medical technology with a long-standing tradition dating back to 1935. The foundations of mechanical production in Stará Turá were laid by Czech industrialist František Michera, who founded the Presná mechanika (PREMA) factory in 1935 to produce components for water and gas meters. During World War II, the factory shifted to armament production, which led to a period of growth. However, after the war, the company faced an economic downturn and massive layoffs.

After World War II, the company evolved from a small manufacturer of water and gas meters into a significant producer of medical equipment under the state-socialist regime in Czechoslovakia. Over time, the plant specialised in the production of medical devices, including syringes, sterilisers, and other instruments. In 1965, the medical equipment manufacturers in Czechoslovakia were consolidated into a single legal entity called Chirana, Health Technology Enterprises, a union business based in Stará Turá, which encompassed seven production units. Stará Turá accounted for approximately 40% of the company's capacity and became the headquarters for the general management. In 1975, Chirana adopted a conglomerate structure (Chirana Conglomerate). By mid-1989, shortly before the Velvet Revolution, the entire Chirana industrial and economic unit employed 13,018 people, with 4,821 based in Stará Turá.

After 1989, the company went through a challenging period of transformation, restructuring, and workforce reduction. In 1991, the state-owned enterprise Chirana was converted into a joint-stock company, marking the beginning of the privatization process. The organization was divided into five separate business units. The Stará Turá plant temporarily retained some of its manufacturing and research units, though these eventually left. The company was privatized in 1993 during the first wave of voucher privatization and was renamed Chirana-Prema, aiming to continue the tradition of the PREMA brand (Poľanská 2018; Vrabec 2009).

During the 1990s, Chirana-Prema sought to adapt to market conditions, and although the company demonstrated strong management and achieved success in foreign trade, it faced declining sales and stagnant production. As a result, it was forced to introduce a shortened workweek and reduce its workforce (Fidrmuc 1997).

Over time, the company came under the control of a financial group connected to the Slovenská kreditná banka, which itself collapsed in 2000. Under this group's influence—marked by harmful management interventions and the siphoning of financial resources—Chirana-Prema continued to struggle financially, further exacerbated by broader market pressures. In 1998, the Bratislava Regional Court declared bankruptcy on Chirana-Prema in Stará Turá. Around the same time, the OZ KOVO trade union declared a strike alert due to management's failure to uphold the collective agreement and address key operational issues, aiming to reestablish dialogue (SME 1998). Unlike other factories that did not survive the privatisation experiments, production in Stará Turá was preserved even after bankruptcy. Several new companies were established, continuing the long-standing tradition of medical equipment manufacturing (Vrabec 2009).

The development, however, was not without difficulties. Conflicts arose between the newly established companies, the owners of the former Chirana-Prema premises, and the OZ KOVO metalworkers' union, which was actively trying to preserve jobs. By 2001, the conflict deepened. In March, ST-IB—current owner of the former Chirana-Prema premises, now leased to Chirana Injecta—sent a private security service to occupy the company's sterilisation unit, interrupting syringe production. ST-IB claimed it acted to protect its property from unauthorized construction that was allegedly causing significant damage. Instead of pursuing the matter in court, which it argued would take years, ST-IB opted for direct action. The move triggered a new strike alert from OZ KOVO, which condemned the intervention as a threat to worker safety, especially given the presence of hazardous ethylene oxide. The union gave both sides a short deadline to resolve the dispute, warning that protests would intensify if no agreement was reached. The situation also raised concerns about damaging talks with a potential German investor (SME 2001a; SME 2001b). In the same year, trade union members at Chirana in Stará Turá successfully blocked an attempt to remove production machinery from the company's premises. The equipment had been sold at auction, but the union intervened to prevent the disruption of production and potential job losses for the 650 employees. While the new owner proposed relocating the machines and continuing production elsewhere, the union insisted that operations remain in Stará Turá and called for negotiations to keep the equipment on site (SME 2001c).

Following persistent financial difficulties in 2001, Chirana's management launched a comprehensive restructuring plan aimed at preserving both production and the Chirana brand in Stará Turá. The manufacturing operations were divided into separate legal entities—most notably Chirana Medical, a.s., Chirana T. Injecta, a.s., Chirana, s.r.o., and others—forming what is now Chirana Holding Stará Turá. Some production was also spun off outside the holding, such as Elster s.r.o. (now Honeywell), and in 2000, Leoni Cable Slovakia (now Bizlink Industry Slovakia s.r.o.) established operations within the Chirana industrial site (Poľanská 2018). The overarching goal of the restructuring was to maintain the long-standing tradition of medical technology manufacturing. From the perspective of later transformation outcomes, the industrial zone in Stará Turá remained an important employer, but with a substantially reduced workforce compared to the state-socialist period.

In 2002, the group secured the rights to the Chirana trademark, and since 2016 it has operated officially under the name Chirana Holding. From 2001 onward, domestic investments focused on the development of new products and modernization of manufacturing technologies, including the acquisition of NC and CNC machines, robotic workstations, and the construction of a new production hall. The restructuring process was completed in 2005, marking the beginning of a phase of sustained growth. Revenue steadily increased, with 95% of production destined for export markets.

In 2008, the management of Chirana T. Injecta in Stará Turá announced plans to lay off approximately 200 employees, attributing the decision primarily to intense price pressures from Asian competitors in the disposable syringe market, rising energy costs, and the strengthening of the Slovak koruna against the euro. Union representatives, however, criticized the company's

leadership for inadequate communication and insufficient efforts to prevent the layoffs, suggesting that poor management decisions significantly contributed to the situation. Despite the announced layoffs, the company indicated that it was striving to minimize the number of affected employees. The trade union representatives stated that if they found the entire layoff to be speculative, they would not rule out declaring a strike alert or taking pressure actions (SME, 2008).

During the following year, Chirana Medical, producer of dental, anaesthetic and breathing equipment, has announced it will dismiss 192 out of its 373 employees. Trade union representatives expect that redundancies will affect fewer workers, as it was the case of nearby Chirana Injection. The reason given for the dismissals was lower orders from regular customers in Russia, Hungary and Poland (Eurofound 2009).

Chirana Holding is currently the largest manufacturer of medical equipment in Slovakia, specializing in dental units, dental chairs, instruments, and devices for anesthesiology and intensive care. In 2024, Chirana Medical employed around 250 people, generating revenues of €17.36 million and a profit of €884,313; 95% of its production was exported. Chirana Injecta employed almost 300 employees, and the importance of both companies increased during the COVID-19 pandemic, when they supplied hospitals with breathing units and disposable syringes.

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Contents

Contents	2
Case study Slovakia	4
Negotiating transformation without stable social dialogue	4
Introduction	5
1. Creative destruction and restructuring processes in the CEE region	7
1.1 The role of the social dialogue in the transformation period.....	11
1.2 Social dialogue and protest between 1993 and 2001	14
2. Introducing the Chirana case	15
2.1. History of the company.....	18
2.2. Phase I: Struggles to maintain production	20
Chirana T-Injecta	20
Chirana-Dental	23
2.3. The role of the social dialogue during the 1990s and early 2000s (Phase I)	25
2.4. Phase II: Crisis in 2008 and 2009	26
Chirana T-Injecta	26
Chirana Medical.....	27
3. Outcomes of the transformation	28
3.1. Character of negotiations	31
3.1. Actors and coalitions.....	33
Conclusions	35
References	37

Case study Slovakia

Negotiating transformation without stable social dialogue

Abstract

This case study examines the role of social dialogue during Slovakia's economic transformation from state socialism to capitalism. It focuses on a company that underwent privatization and was dissolved into smaller companies, yet remained an important employer in the region. Despite this successful restructuring, the company's workforce was reduced by half during the transformation period and continued to decline thereafter. The study therefore analyses how social dialogue shaped the transformation process, focusing on negotiations between trade unions and management and how both the initial restructuring and later challenges were addressed.

The paper provides an analysis of Chirana's developments from the perspective of the role of social dialogue during Slovakia's post-socialist transformation for the first time. It demonstrates that the stable presence and active involvement of trade unions were particularly important during the 1990s, when company was dissolved into smaller units in which ownership and management changed frequently, and decision-making was highly unpredictable. In this turbulent context, trade unions played a key role in mediating uncertainty and representing workers' interests. We follow these processes in the selected two successors of Chirana company, Chirana Medical, producer of dental chairs, and Chirana Injecta, producer of syringes and other medical equipment.

The study concludes that negotiations in the 1990s were largely uncoordinated and distributive in nature, and that the absence of dialogue occasionally resulted in radical forms of worker action. In contrast, later periods were characterised by more stable management that enabled cooperative relations and integrative bargaining. The case is relevant for current transformations as it highlights both the importance of workplace-level trade union presence and the need for adaptive negotiation strategies in periods of economic turbulence.

Introduction

In this historical case, we examine the role of social dialogue at the company level during the transformation period following the fall of state-socialism in 1989 in Czechoslovakia (since 1993 divided into Czechia and Slovakia). The case focuses on the medical supplies producer Chirana in the city of Stará Turá, of around 10 ths inhabitants, located in the western part of Slovakia in the region with limited economic activities and distanced from the significant economic center. The company's history dates back to the 1930s, when it was established as a private enterprise. It continued operating during and after WWII as a state-owned company, and during state-socialism it grew and became an important innovator in the field of medical equipment and the production of water and gas meters. In the field of exports, Chirana was among the few companies that conducted direct foreign trade during the state-socialism and it also cooperated with manufacturers of medical equipment in Western countries (Michálek et al., 1983). Such forms of international cooperation were not unusual in the late-socialist period, as enterprises in Czechoslovakia often operated within overlapping global networks that connected them to both socialist and Western partners (Johnston 2025). This experience gave them an advantage in operation in open markets after the fall of socialism.

In this case, we are interested in the role of social dialogue during the company's transformation in the 1990s and in the 2000s. Alongside the chaotic and uncoordinated restructuring policies of that period, the company also needed to re-establish social dialogue processes itself, which had taken on different forms and purposes under state-socialism compared to those required in a capitalist context. Before we introduce the case of company restructuring itself, in what follows, we provide contextual information about the transformation processes and their impacts on the economy.

The theoretical underpinnings of the Egruien project and of this paper are in the Schumpeterian concept of creative destruction, which suggests that the innovation process is associated with the creation of something new, meaning the technological product or process, while the older product or process is abandoned. Thus, while one process creates jobs, it is also associated with job destruction and thus worker replacement. The concept can be applied to the transformation period of the CEE region after the fall of state-socialism when companies needed to restructure and reorient to new markets and upgrade their products.

While from today's perspective we can say the process was successful because economies fully integrated into the global economy and are a full part of production value chains, critics highlight that the process of the transformation was painful, paying little attention to impacts on workers or it did not respect the countries industrial pathways and for too long stayed in the “destruction” mode (Katte et al., 2009). In other words, the process was unnecessarily painful and largely destructive throughout the 1990s, whereas the creative component did not fully unfold until the late 2000s (Katte et al., 2009). Moreover, the restructuring was mostly attained through the inflows of FDIs, which brought foreign management practices and demands for the flexibilisation of the labour market regulation. All this challenged the position of labour and structurally weakened the labour market institutions, including collective bargaining, as we show in the following part.

The way how processes of transformation were negotiated remains understudied. We aim to shed a light on this aspect of transformation by building on the concept of labour negotiations distinguishing negotiations processes into integrative and distributive bargaining, intra-organisational and attitudinal bargaining (Kochan & Lipsky, 2019; Walton & McKersie, 1965). While under the integrative bargaining the two parties seek the common ground to resolve the issue, under the distributive bargaining, each party follows its own maximum utility and attain to gain as much as possible. The intra-organisational bargaining refers to the fact that even with the parties that are organisations representing the structure of people, or other subjects, there is a need for negotiations inside their structures. Attitudinal structuring addresses the perceptions of each other which predetermines the bargaining results. While the negotiation theory assumes there is negotiations between the parties of social dialogue, in our case some of the outcomes were reached without negotiations. This points out to the facts that some of the transformation processes were simply not negotiated through social dialogue but resulted directly in outcomes through one party's action neglecting the interests of the counterpart.

1. Creative destruction and restructuring processes in the CEE region

The restructuring process in Czechoslovakia was driven by privatization, which took various forms throughout the 1990s. Unlike many other post-socialist countries, Czechoslovakia—and later Slovakia—did not prioritize foreign direct investment at the outset, instead favoring the transfer of state-owned assets to domestic actors, with the aim to building “national capital.” This was pursued through voucher privatization of large enterprises, auctions of smaller firms, and later politically mediated direct sales of strategic assets, particularly during the period of prime minister Vladimír Mečiar in the period of 1994–1998 known as “Mečiarism.”

Initially, the Czechoslovak government—and after 1993, the Slovak and Czech governments—implemented voucher privatization. Under this scheme, vouchers were distributed to most citizens, enabling them to buy shares in previously state-owned companies. In Slovakia, 678 companies were privatized this way. At the same time, the privatization strategy in Slovakia—initially within Czechoslovakia—largely excluded meaningful forms of employee ownership. The chosen model offered little to no opportunity for employees or managers to become internal owners, prioritizing instead broader, non-insider forms of privatization (Earle and Estrin 1995). This contributed to exclusion of social dialogue as a platform for negotiating the changes at the company or national level.

For many firms, voucher privatization did not yield successful results. In many cases, management was replaced by less-experienced external asset managers, companies faced difficulties accessing capital, and some were even subjected to asset stripping by new owners. Consequently, many firms went bankrupt, leading to an increase in unemployment, but those remaining were also decreasing the number of workers, often due to a lack of financial capital to innovate (Beblavý & Marcinčin, 2000; Olsson, 1999).

From the workers' perspective, the notion of employee ownership was often used in a purely rhetorical manner, serving political objectives or facilitating privatization in management's interests rather than genuinely empowering employees (Olsson, 1999). In practice, employees frequently functioned as a nominal cover for ownership transfers that ultimately benefited external investors. Trade unions were acutely aware of this dynamic

and therefore questioned the substance of their involvement in privatization processes. They further suspected that the prevailing privatization model reduced employees to a legitimizing front, even though unions at times supported management- and employee-led privatization initiatives when these appeared to offer tangible advantages to the workforce (Brzica, 1998).

Voucher privatization in Slovakia, initially aimed at democratizing economic ownership, ultimately led to disillusionment due to institutional unpreparedness and widespread corruption, reinforcing skepticism towards privatization and state ownership (Myant & Drahokoupil, 2013). The scheme's failure contributed to ideological debates about the need for more comprehensive market reforms and the return of neoliberal policies (Ivančík, 2024).

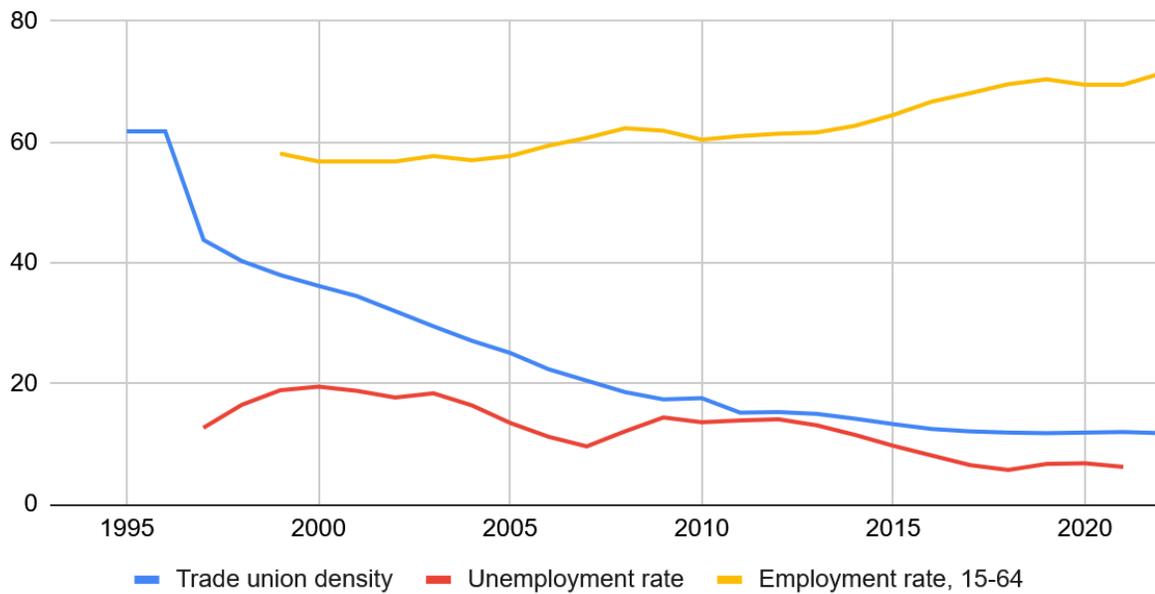
Following the end of voucher privatization in 1995, more traditional forms of privatization—primarily sales to external managers or to internal managers and employees—became favoured by the Slovak government. Selling to domestic managers, however, often presented significant challenges, as companies were frequently taken over by individuals with limited or no management experience, being qualified only thanks to their ties to ruling government (Katte et al., 2009; Olsson, 1999).

During the privatisation period, unions formally participated in consultations on privatization schemes but increasingly perceived employee ownership as rhetorical, often serving to legitimize ownership transfers that ultimately favored management or external investors (Olsson, 1999). By the mid-1990s, as voucher privatization was drawing to a close, trade unions began to engage more actively with emerging management- and employee-led buyout initiatives (MEBO), viewing them ambivalently as both a potential tool to preserve employment and as mechanisms vulnerable to managerial dominance. Employers' associations, by contrast, treated MEBO (or MBO) primarily as a pragmatic and selective instrument of privatization rather than as a strategic priority. While social partners had played a role in evaluating privatization projects during the early 1990s, their engagement with MEBO/MBO intensified only around 1995, when these schemes entered the policy agenda as part of the broader post-voucher shift toward direct and internally mediated privatization (Brzica 1998).

Despite these concerns, the management–employee buyout approach provided an opportunity for insiders to gain control over company operations and represented a viable privatization strategy. Djankov and Pohl (1998), in their study of 21 Slovak companies privatized through MEBO, demonstrate that this method could lead to successful outcomes. However, even this form of privatization was commonly accompanied by rapid labour reductions as a primary cost-cutting strategy. The prevalence of large-scale layoffs was strongly associated with the weak position or absence of trade unions in Slovak firms and a lack of social dialogue in the process (Carlin et al., 1995; Claessens et al., 1997). Djankov and Pohl (1998) report that companies reduced their workforces to approximately one-third of their 1991 levels. Notably, even profitable firms engaged in downsizing, a trend attributed both to efforts to improve production efficiency and to the limited bargaining power of trade unions. This development is confirmed by overall statistics, although partly incomplete, from the 1990s, showing the rising unemployment rates during this period, peaking at the beginning of the 2000s with unemployment reaching 20% in 2000 and 2001 (see Figure 1).

Figure 1 Trade union density and labour market indicators, Slovakia, since 1995

Trade union density and labour market development in Slovakia (1998-2022)



1.1 The role of the social dialogue in the transformation period

During the state state-socialism in Czechoslovakia, the unionization rates were high, because the membership in the state-controlled Revolutionary Trade Union Movement (Revolučné odborové hnutie, ROH) was not formally obligatory but in practice often automatic or strongly expected (Drahokoupil & Kahancová, 2019; Myant, 2017; Pokorný et al., 2020). As one of the respondents pointed out: *“Before 1989 the hero was who was not in the trade unions, now the hero is who is in the trade union”* (INT2).

Regarding collective bargaining, the relationships between trade unions and managers at the company level were primarily administrative rather than autonomous interest representation. Moreover, collective agreements primarily defined social programmes aimed at supporting workers’ well-being and motivating them to meet production targets set by the Communist government; they did not include wage negotiations (Pokorný et al., 2020). For these reasons, trade unions were also responsible for organising workers’ leisure-time activities and operating large accommodation facilities for employees’ holidays, as well as running summer camps for their children, while their negotiation skills were limited and had to be learnt in the 1990s (INT2).

Consequently, company-level trade unions functioned more as instruments of the Communist Party for achieving productivity goals than as advocates for workers’ rights (Pokorný et al., 2020). These two distinct features of trade unionism under state-socialism—limited collective bargaining and a strong focus on organising free-time activities—shaped the unions’ capacities in the period following the fall of state-socialism in 1989.

At the beginning of the 1990s, trade unions were born in the new market economy with insufficient tacit knowledge of negotiations necessary for the emerging market economy and a difficult position towards changes in the workplace (Myant, 2010). Often, while protecting the interests of workers, they were accused of slowing down the transformation and innovations because of their efforts to protect workplaces (Pokorný et al., 2020). But during the 1990s they still could rely on significant associational power of the organized workforce, which was estimated at 80% at the beginning of the 1990s, and firstly officially recorded at 62% in 1995 (OECD/ICTWSS database, see Figure 1). Moreover, transformed trade unions inherited material assets from the ROH, such as premises and facilities for

leisure activities (hotels and other recreational facilities) at the company, sector, and national levels (Pokorný et al., 2020).

Sharp decline in membership after the fall of state-socialism is in the literature attributed to 1) economic restructuring accompanied by mass layoffs (Offe, 1991), 2) internal restructuring of trade union organizations (Myant, 2010; Pokorný et al., 2020) and 3) inflow of foreign investments after 2000s with, in many cases, limited interest in social dialogue and collective bargaining (Myant, 2023) 4) flexibilization of the labour market in the 2000s (Kahancová, 2016).

At the same time, trade unions got a significant institutional power that enabled them to influence the transformation through the Tripartite committee during the 1990s, thanks to the General Agreements signed between the government, employers, and trade unions. In the 1990s, trade unions were also able to mobilize against ongoing privatization of strategic companies at the beginning of 2000s (Pokorný et al., 2020).

Structures of social partners were rebuilt. On the trade union side, the former Czechoslovak ROH was transformed into the Czechoslovak trade union confederation, which in 1993 split in two successor organisations: the Slovak Confederation of Trade Unions (Konfederácia odborových zväzov Slovenskej republiky, KOZ SR) and the Czech–Moravian Confederation of Trade Unions (Českomoravská konfederace odborových svazů, ČMKOS). KOZ SR inherited ROH’s material and personnel resources on the Slovak side. The legacy of ROH’s former role also influenced the subsequent strategies of trade unions in relation to their members, employers, and the government under the new democratic regime (Kahancová & Uhlerová, 2023). Later, some smaller independent trade unions emerged, but in Czechia only one managed to survive, while in Slovakia, the competitor to KOZ emerged only in recent years.

While trade unions were rebuilding their structures, on the employers’ side, the sectoral and national structures needed to be developed from scratch. The emergence of employers’ associations were marked by the interest to exert leverage towards the government, much less recognizing the participation in collective bargaining at the company or sectoral level as an obligation (Drahokoupil & Kahancová, 2019). One of the largest employers’ associations—the Federation of Mechanical Engineering (Zväz strojárskoho priemyslu, ZSP), —was established in 1990 as one of the country’s first

industry-level employers' organisations. More broadly, employers developed a sectoral and confederal structure of associations coordinated by the peak-level Association of Employers' Federations (Asociácia zamestnávateľských zväzov a združení, AZZZ), which was later joined by another peak-level body, the Employers' Union of the Republic (Republiková únia zamestnávateľov, RÚZ) (Drahokoupil & Kahancová, 2019).

As suggested, during the transformation, trade unions made efforts to preserve jobs and, more broadly, tried to shape the policies of privatisation and labour market reforms during the 1990s, to some extent in cooperation with employers and the government through social dialogue at the national and sectoral levels. Their institutional and associational power eroded in the wake of neoliberal reforms during the 2000s, which opened Slovakia to foreign investors, facilitated changes in labour market legislation, and weakened the role of tripartite negotiations to merely non-binding consultations on government proposals. This period is commonly understood as the completion of the transformation process initiated in 1989, during which market institutions stabilized and the basic contours of the Slovak capitalist economy were firmly established.

At the company level, the negotiations in the 1990s had a character of “learning by doing”. *“It was also a period of “learning” for both sides how to act and proceed within these rules. When both sides were well prepared, they often conducted (and continue to conduct) a tough but fair dialogue within the framework of rules laid down by law and, to a lesser extent, by the rules agreed upon by the contracting parties at the outset of their own collective bargaining (CB)”*, described the relations one of the former trade union representatives of OZ KOVO who was also involved in negotiations in Chirana (INT1).

Interestingly, more prepared for negotiations were trade unions, because they received trainings from IG Metall and Friedrich Ebert Stiftung or other organisations: *“Overall, however, it can be stated that from the very beginnings of the new form of collective bargaining and the conclusion of collective agreements, the employees’ side—the trade unions—was more proactive and better prepared. In the conditions of OZ KOVO, this was primarily due to knowledge gained from experience and practices acquired through contacts with foreign trade union organizations (IG Metall). In many cases, the trade union side actually taught the employer side how to negotiate (in the case of employers who respected employees’ rights).”* (INT1).

1.2 Social dialogue and protest between 1993 and 2001

The political and economic transition in Czechoslovakia, and later Slovakia, brought rapid institutional changes similar to those across the former Eastern Bloc, including the formation of new industrial relations structures. A new collective bargaining legislation was introduced, permitting strikes and establishing a legal framework for labour relations. At the same time, the Labour Code significantly increased dismissal flexibility, and trade unions reluctantly accepted the need for large-scale downsizing in state-owned enterprises (Flanagan, 1998). Using 1989 as the pre-transition benchmark, Slovakia experienced one of the sharpest declines in real wages among transition economies, with real wages falling by approximately 30–40 per cent by 1993. These losses disproportionately affected low-skilled manual workers. Despite the introduction of collective bargaining, neither newly established bargaining structures nor labour negotiations prevented the emergence of a more dispersed wage structure (Rutkowski, 1996).

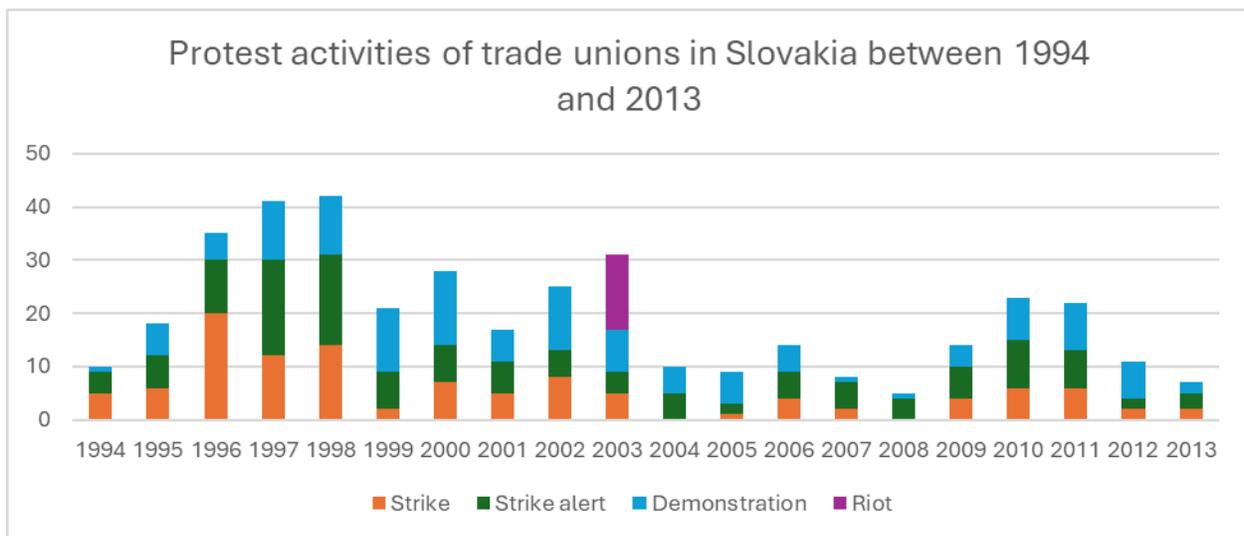
Trade unions struggled to convince workers to make effective use of their new collective bargaining rights and the more favourable legal environment. While unions did not obstruct the transition process, it remains unclear whether this reflected deliberate restraint or their weakened position in the new economic context. Rising unemployment and widespread layoffs limited wage demands and further constrained union influence. Although organised labour played a key role in triggering political change before 1989, its post-transition role was largely confined to participation in tripartite bodies, with limited impact on broader economic outcomes (Flanagan, 1998).

Following the privatization phase, trade unions in Slovakia shifted their focus away from ownership and restructuring issues toward legislative influence, tripartite social dialogue, and labour law regulation. Their influence increasingly depended on political access and the orientation of governing coalitions, making union power cyclical and state-mediated rather than rooted in collective bargaining strength (Kahancová and Uhlerová 2023). This trajectory reflects the legacy of unions' weak position during privatization and explains their subsequent reliance on a legalistic model of social dialogue within a broader framework of politically contingent industrial relations (Uhlerová 2015).

The consequences of the transformation fully erupted during the first Dzurinda government. “In 1999, when the Slovak economy fell into recession (GDP growth of -0.2%), real wages declined (by 3.1%), and unemployment rose year-on-year by almost four percentage points. Real corporate investment in gross fixed capital dropped sharply—by nearly 17% year-on-year across the entire economy, a fall surpassed only by the crisis in 2009” (Karmína, 2017).

We observe culmination of protest activities of trade unions at the end of the 1990s. It was a period when trade unions lost their alignment with the Mečiar government (1993-1998). In 1998, the reformist government of Dzurinda stepped in and effectively abandoned tripartite coordination. All in the situation of growing unemployment and an insecure outlook about the future.

Figure 2 Trade union protest between 1994-2013



Source: IISH Data Collection (van der Velden, 2018)

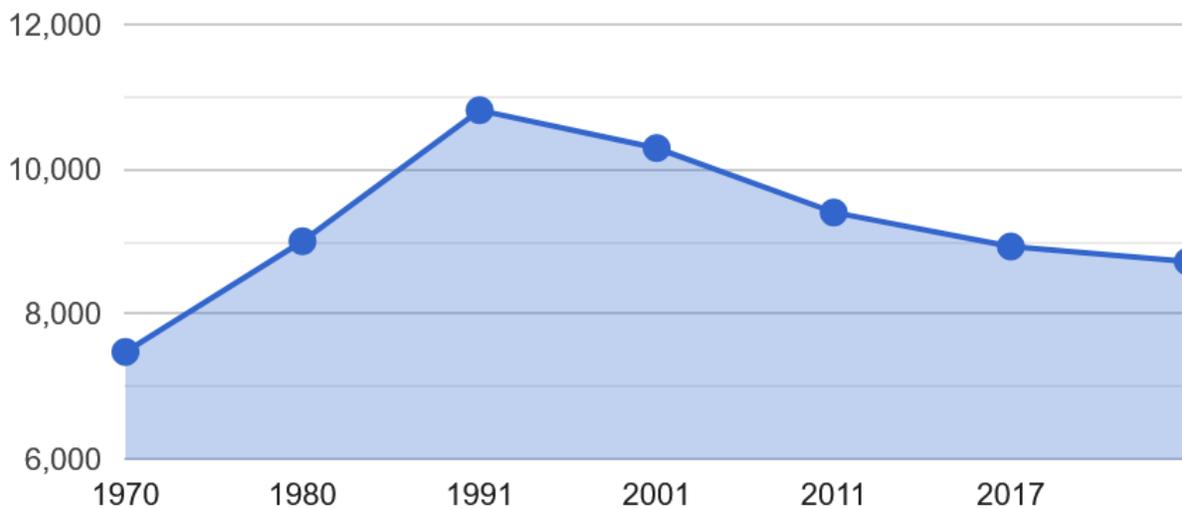
2. Introducing the Chirana case

The case of Chirana, the biggest company in health equipment manufacturing in Slovakia, is one of the few examples where trade unions played a role in restructuring processes during the 1990s, when communism and a centrally planned economy were abandoned,

and the privatisation and restructuring tackled the whole economy. It is a case in which the cooperation between employers and employees ensured the continuation of the production until today, but it also demonstrates the painful processes of transformation and creative destruction, when the company needed to upgrade the products to remain competitive in the global market. It also underwent a painful process of several waves of privatisation and the atomisation of the single large company into several independent business units. In this study, we focus on two companies that produced the core products and employed the majority of employees at the beginning of the transformation: Chirana Medical, which produced dental chairs, and Chirana Injecta, which produced anesthetic equipment and syringes.

The focus of this case study is on the transformation trajectories of the two business units in the industrial park Chirana in Stará Turá. Both companies were established on the basis of the Chirana company, forming a large industrial area near the city of Stará Turá during state socialism. Before the dissolution at the beginning of the transformation, Chirana company was the dominant employer in the city, when out of 10,8 ths. Inhabitants, 4,821, worked in the Chirana industrial area.

Figure 3 Number of inhabitants in Stará Turá (1970-2020)



Source: http://www.sodbtn.sk/obce/obec.php?kod_obce=506524

The fact that the industrial area remains an important employer in the city is notable in light of the many unsuccessful transformation stories of Slovak privatized companies. Another notable fact is that the core products of the former Chirana company continue to be produced in the same area, reflecting continuity of production through innovations and product upgrading. In this case, we follow two such cases, which are today known as Chirana T-Injecta, producing disposable medical equipment such as syringes, and Chirana Medical, producing dental chairs, anesthetics and breathing units for hospital use. Both were formerly part of the Chirana company, were privatized, and remained owned by domestic capital; both underwent a painful process of production transformation. The fact that the two companies managed to survive and successfully transform without foreign capital is a rather rare story of the privatized companies in Slovakia.

In these two cases we uncover the role of the social dialogue during the transformation period. Trade union played a crucial role in saving jobs in both companies, using different strategies in each company. This is interesting, because in both companies, employees were represented by the same trade union organisation which affiliated employees from all Chirana companies and led negotiations in different companies after Chirana’s dissolution. Unlike Chirana company, trade union organisation remained united and coordinated its activities across the companies in the industrial park. It should be noted that this case was never covered by the research, thus we build on media news and publicly available information as well as on interviews with trade union representatives and management (see Table 1).

Table 1 Case study sources

Types of Material	Use in Analysis
Interviews Former members of the trade unions (2) Current members of trade unions (2) Current managers (2)	Collecting complementary information about the role of the trade unions and collective bargaining at that time. Reflexions about changing role of the trade unions after the fall of state-socialism.
Media material Newspaper articles found in digitized databases about the cases of protests and announced redundancies in the company (around 20 articles)	Collecting necessary and complementary information for the reconstruction of the case development Collecting information on actors’ public statements and actions

Company website	<p>Understanding and contextualizing sequences of actions and strategic</p> <p>Understanding the historical development of the company 's ownerships and position on the market</p>
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2.1. History of the company

Chirana Stará Turá is a prominent manufacturer of medical technology with a long-standing tradition dating back to 1935. The foundations of mechanical production in Stará Turá (in west part of Slovakia) were laid by Czech industrialist František Michera, who founded the Presná mechanika (PREMA) factory in 1935 to produce components for water and gas meters. During World War II, the factory shifted to armaments production, which led to a period of growth. However, after the war, the company faced an economic downturn and massive layoffs (Chirana.eu, 2025).

After World War II, the company evolved from a small manufacturer of water and gas meters into a significant producer of medical equipment under the state-socialist regime in Czechoslovakia. Over time, the plant specialised in the production of medical devices, including syringes, sterilisers, and other instruments. In 1965, the medical equipment manufacturers in Czechoslovakia were consolidated into a single legal entity called Chirana, Health Technology Enterprises, with headquarter in Stará Turá, which encompassed seven production units spread across the whole of Czechoslovakia. Stará Turá accounted for approximately 40% of the company's capacity and served as the headquarters for general management. In 1975, Chirana adopted a conglomerate structure (Chirana Conglomerate). By mid-1989, shortly before the Velvet Revolution, the entire Chirana industrial and economic unit employed 13,018 people in 10 different cities in Czechoslovakia, with 4,821 based in Stará Turá.

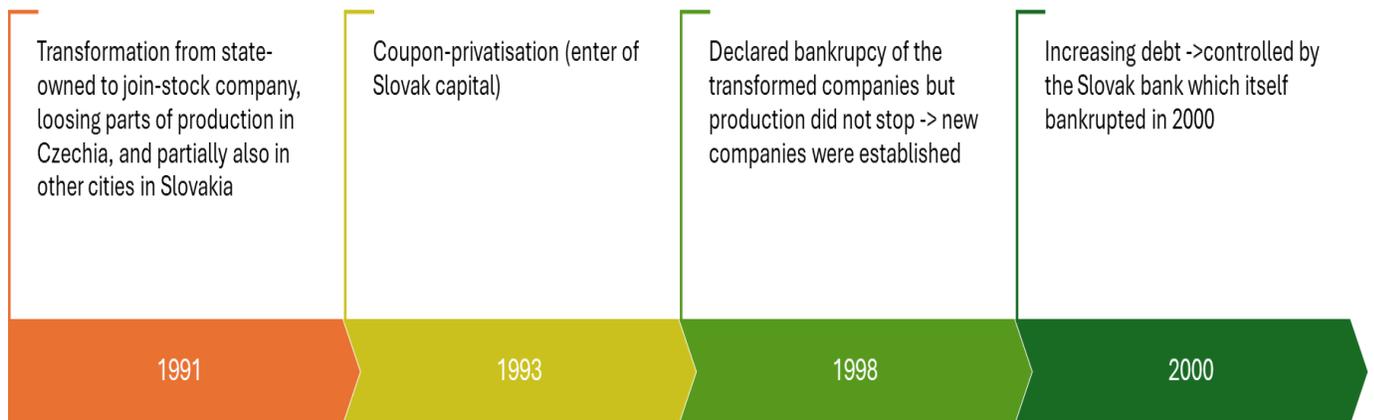
After 1989, the company went through a challenging period of transformation, restructuring, and workforce reduction. In 1991, the state-owned enterprise Chirana was converted into a joint-stock company, marking the beginning of the privatization process. During this process, it was divided into several independent divisions and business units. Manufacturing plants and operations located outside Stará Turá became independent and

pursued their own privatization projects—particularly the Chirana plants in Brno, Prague, Nové Mesto na Moravě (all three located in Czechia), and Piešťany (Slovakia) (Chirana.eu, 2025). Operations in the Stará Turá were also transformed into several independent subjects associated to one holding of Chirana-Prema.

The company was privatized in 1993 during the first wave of voucher privatization and was renamed Chirana-Prema, aiming to continue the tradition of the PREMA brand (Poľanská 2018; Vrabec 2009). The company came under the control of a financial group affiliated with Slovenská kreditná banka, a bank with exclusively Slovak capital and management, and was linked to the Mečiar oligarchs, who had insufficient experience in running a banking business. The bank itself collapsed in 2000. Under this group's influence—marked by harmful management interventions and the siphoning of financial resources—Chirana-Prema continued to struggle financially, further exacerbated by broader market pressures. In 1998, the Bratislava Regional Court declared bankruptcy on Chirana-Prema in Stará Turá. Around the same time, the OZ KOVO trade union declared a strike alert due to management's failure to uphold the collective agreement and address key operational issues, aiming to reestablish the dialogue (SME 1998).

Unlike other factories that did not survive the privatisation experiments, production in Stará Turá was preserved even after the bankruptcy of Chirana-Prema, because many of them were running independently, having different shareholders and management as well as prospects in the market. After the bankruptcy of Chirana-Prema, the physical capacities of the production area remained available also to other manufacturing activities, such as equipment for the automotive industry (cable wires in Leoni, later Bizlink) (Vrabec 2009).

Figure 4 Timeline Chirana (1990s);



Source: own compilation based on the Chirana website

2.2. Phase I: Struggles to maintain production

Chirana T-Injecta

In March 2001, the situation at Chirana-Prema was marked by the presence of newly established companies: ST-IB, the owner of the premises, and Chirana T. Injecta, which leased the facilities for production of syringes. ST-IB, having acquired the buildings through a foreclosure auction, sent a private security service to occupy the sterilisation unit at Chirana T. Injecta, interrupting syringe production. ST-IB claimed it was protecting its property from unauthorized use and significant damage, choosing direct action over court proceedings, which it argued would take years. The conflict was further complicated by a fragmented ownership structure: one actor owned the buildings, another owned the machinery, and each sought to assert property rights during ongoing restructuring.

The occupation of the sterilisation unit threatened the spoilage of unfinished products and raised serious occupational safety concerns. Trade union representatives stressed that

the presence of armed security personnel in a hazardous production environment constituted a qualitative escalation of the conflict, turning a commercial dispute into a workplace safety and labour relations issue (TU2, TU4). They also warned of the risks associated with improper handling of ethylene oxide.

Trade unions responded by declaring a strike alert across the Chirana Prema companies in Stará Turá and publicly rejected the use of workers as leverage in a dispute between corporate actors (SME 2001a). At the workplace level, union representatives confronted the occupying group and explicitly invoked health and safety risks associated with the sterilisation process, thereby contributing to the de-escalation of the situation (TU2).

After several days, the security service withdrew, but negotiations over the ownership dispute continued. Interview accounts indicate that during this period, an external representative of ST-IB was seen carrying a weapon, and when asked about it, stated that it was intended “for the trade unionists” (TU2, TU4). While formal bargaining continued, it did so under conditions that departed from standard practices of social dialogue.

In the weeks following the March 2001 occupation of the sterilisation unit, ownership conflicts at Chirana T. Injecta shifted from the control of premises to control over production machinery. In late March, a substantial part of the company’s technology was sold at a tax auction to a new owner, while the buildings remained owned by ST-IB and the remaining machinery was divided among several entities. The new owner initially signalled an interest in maintaining production in Stará Turá and retaining the workforce, but also made clear that it was prepared to dismantle and remove its machines if negotiations with other owners failed (SME 2001b). This renewed fragmentation of ownership and the prospect of dismantling the production base created the immediate context for the second major workplace conflict, in which trade unions intervened directly to prevent the removal of machinery and the disruption of production.

The union, by blocking the machines' removal, intervened to prevent the disruption of production and potential job losses for the 650 employees. While the new owner proposed relocating the machines and continuing production elsewhere, the union insisted that operations remain in Stará Turá and called for negotiations to keep the equipment on site (SME 2001c). When trucks arrived to dismantle and transport the machines, workers organised an occupation-style blockade at the factory gate, allowing normal deliveries to

pass but preventing the removal of production equipment. *“I remember I was holding hands of two colleagues-women, while the truck was heading towards us. They were scared but I told them: ‘stay, he will stop’. And he did few meters in front of us”* (INT2). This direct action effectively halted the transfer of machinery and created time for the owners to reach a negotiated settlement, thereby preserving production and employment (TU1).

The owner of the machinery subsequently filed a criminal complaint against the union leader for obstructing the exercise of property rights, but the case was later withdrawn. The union maintained that the blockade was conducted peacefully and prevented potential escalation at a moment when workers feared large-scale job losses (INT2).

The blockade, which lasted only one day, unfolded under tense conditions involving competing owners and private security on both sides, yet remained peaceful due to coordinated stewarding by union representatives. It drew an estimated 400–500 participants, including workers from across the Chirana complex, retirees, and delegations from neighbouring plants—reflecting the strong cross-company solidarity preserved from the formerly unified enterprise union.

Local leaders acted quickly, consulting the national OZ KOVO leadership and mobilising support from regional affiliates, which enhanced the credibility of the action. The unions framed the intervention not only as a defence of production but also as vital to preventing large-scale regional job loss, emphasising that the potential dismissal of 400 workers threatened the livelihoods of far more dependent family members (TU1). The blockade ultimately prevented the removal of equipment, avoided production downtime that could have led to lasting job losses, and demonstrated the organisational capacity of the union to intervene effectively in ownership disputes during restructuring. It should be acknowledged that other companies, such as Chirana Medical, publicly distanced themselves from these developments, given that they likewise operated under the Chirana brand (SME 2001d).

At that time, trade unionists from Chirana also took part in nationwide actions, such as the blocking of border crossings in support of wage increases (IDNES 2001) and protests in front of the Office of the Government of the Slovak Republic, drawing attention to high unemployment (SME 2001e). Following their participation in a symbolic one-hour sectoral

general strike organized by OZ KOVO in 2003, the trade union was evicted from its offices in Chirana's administrative building and relocated to a less accessible and disadvantageous location within the company premises (INT3).

This example demonstrates that, despite attempts to protect employment, outcomes varied and the burden of restructuring was disproportionately carried by rank-and-file workers rather than company leadership. Respondent TU1 also added that, in the case of Chirana Prema in Stará Turá — originally a unified unit — the subsequent division into several smaller independent firms led to duplicated managerial and administrative structures. This proliferation of executive and technical-administrative roles increased overhead costs and reduced economic efficiency. Even routine production became disproportionately expensive, suggesting that the administrative scale expanded beyond operational needs.

Chirana-Dental

The Chirana-Dental company was a part of the Chirana-Prema corporation after the 1991 privatisation. It focused on dental chairs production and it is the second company we follow in this analysis.

Chirana-Prema corporation was mostly facilitating the relationship with customers of different production units during the 1990s. It run international offices in neighbouring countries to facilitate communication with customers and ensure orders for Chirana-Prema affiliated companies. This meant that companies producing the products did not have direct contact with their customers, which proved to be a threat when the corporation was dissolved in 1998. This also affected the management of Chirana Dental, which, after the bankruptcy of Chirana-Prema, appeared without contact with their customers which threatened the production and employment in the company.

Managers of Chirana Dental decided to save the company assets (buildings and machines) and in 2001 bought assets of bankrupt Chirana-Prema and established the Chirana Dental company (under the M.O.C group). They manage to do that with only domestic capital and loan from the bank. The key turning point was that management had a clear restructuring plan that included a product innovation. The local designers, still employed in the company, designed and produced a prototype of later very successful dental chair called

SMILE. *“The key element here was that we designed it as a compact dental chair with a variety of colours for the choice. This resonated with customers and allowed us to preserve the production in Stará Turá”* (INT5). Importantly, this also convinced the bank to provide the loan to purchase the company assets.

Following persistent financial difficulties in 2001, Chirana Dental new management launched a comprehensive restructuring plan aimed at preserving both production and the Chirana brand in Stará Turá. Restructuring included domestic investments focused on the development of new products and modernization of manufacturing technologies, including the acquisition of NC and CNC machines, robotic workstations, and the construction of a new production hall.

During the restructuring, around 200 people had to be laid off by the new management. The role of the social dialogue is limited in this case. Trade unions did not have much space for manoeuvre for negotiations when the restructuring was announced and agreed with the massive lay-offs suggested by the management. Management acknowledged that it was important that trade unions did not undertake radical action in an effort to preserve workplaces. *“It would cause more problems to us as a management, and it would solve anything,”* one of the managers acknowledged the positive role of trade union timidity (INT5). Trade unions confirmed that they did not have any other option than to agree with the layoffs and tried to at least negotiate who would be fired (taking into account family situation) and negotiated decent severance payments for those people. Management confirmed that, despite being in a very difficult financial situation, it agreed with employees on severance payments in staggered installments over a specified period.

The overarching goal of the restructuring of Chirana Dental under M.O.C group was to maintain the long-standing tradition of medical technology manufacturing. *“We needed to rationalise the production, sale volumes were smaller, and some equipment was very old. We threw away a lot of it and vacated the large production space owned by our company”* (INT6). This enabled management to rent the vacant premises to a company that produces cable wires for automotive, which employed some of the laid-off workers back. *“This was a satisfactory moment for us, that we could offer jobs in our premises, although not directly in our company, to our former employees,”* (INT5 and 6). It was around 200 people that found a job in the cable wire company Leoni, later BizLink. This process was not negotiated

with the trade unions ahead and was a result of management effort to capitalize on assets the company had.

In 2002, the group bought the rights to the Chirana trademark, but entered the dispute with its competitors in Chirana in Piešťany, a town 20 kilometers from Stará Turá, where Chirana had its production capacities during socialism (Trend.sk, 2003). Both companies were producing dental chairs. Chirana in Stará Turá won the court only in 2016 and since then it has operated officially under the name Chirana Dental. The restructuring process was completed in 2005, marking the beginning of a phase of sustained growth. Revenue steadily increased, with 95% of production destined for export markets.

2.3. The role of the social dialogue during the 1990s and early 2000s (Phase I)

Initially, Chirana-Prema operated as a corporation with trade union representing employees across multiple units and one collective agreement covering the entire workforce. This unified approach was maintained by trade unions for several years, but further division into specialised firms— such as Chirana Medical and Chirana Injecta— prevented it from continuing. By the late 1990s, collective bargaining shifted from a coordinated enterprise-level model to separate negotiations within each company, resulting in up to nine distinct collective agreements, all negotiated by a single trade union. This transition significantly increased bargaining complexity and administrative workload while reducing the cohesion of labour representation across the former integrated enterprise (TU1). But at the same time, ensured that trade unions were also present in new companies coming to the industrial park later.

Social dialogue addressed wages, working conditions, and conditions for layoffs (the regulation of severance payments and age considerations), but in some cases, frequent changes of management prevented negotiated agreements from materializing, or several rounds of negotiations failed to produce a binding agreement. This inefficiency in negotiations caused trade unions a lot of effort which did not pay off.

During mass layoffs, trade unions had to be consulted under the provisions of the Labour Code. However, their power to stop the reductions was limited, and thus they at least tried

to establish the rules about who could be laid off. For instance, if spouses worked at the same company, trade unions advocated that only one of them will be laid off. Similarly, single parents or people in pre-retirement age were regarded as vulnerable and thus higher protection was demanded. However, with mass layoffs, this was not always possible to maintain, and it was one of the reasons trade unions were losing credibility among their members, as they were unable to protect them against unemployment (TU1). *“Under state-socialism, unions had the power to block dismissals entirely, but this authority disappeared after the transition. Although unions could still raise objections and occasionally save someone’s job or negotiate a swap, the final decision rested with the employer. People, however, continued to believe that unions still had their old powers, so frustrations often fell on the unions. The situation became even more difficult during mass layoffs, which put heavy pressure both on the union and the workers, especially in towns dependent on large employers like Stará Turá on Chirana,”* claimed the former trade unionist in the company (TU1)

Although trade unions' role appears negligible, in cases such as Injecta, they were pivotal actors in protecting workplaces amid the turbulent events of changing ownership and management. Trade unions proved capable of protecting workers' interests through radical action such as the protection of production equipment.

On the other hand, when layoffs were communicated in advance, as in the case of Chirana Medical, the trade union sought to negotiate dismissal conditions that would be favourable to workers. This was appreciated by the management, who were trying to preserve the production. *“If they had protested at that time, that would have been the end of the company,”* claimed the manager (INT5). Recognizing the situation, trade unions thus applied redundancy rules, hoping the situation would improve later, giving trust to local managers in Chirana Medical.

2.4. Phase II: Crisis in 2008 and 2009

Chirana T-Injecta

In 2008, the management of Chirana T. Injecta in Stará Turá announced plans to lay off approximately 200 employees, attributing the decision primarily to the effects of the Great Economic Recession and the associated decline in demand for their products. The case

was cited as a typical example of the effects of the economic crisis and also involved the sectoral trade union representative OZ KOVO, who led talks with the Ministry of Economy and the Ministry of Healthcare (TU1). Union representatives criticized the company's leadership for inadequate communication and insufficient efforts to prevent the layoffs, suggesting that poor management decisions significantly contributed to the situation. Despite criticism, trade unions proposed a solution for the company and actively lobbied for it at the level of the ministry. To resolve the situation, trade unions suggested that Chirana syringes be purchased primarily by Slovak hospitals to ensure job security for Chirana workers. The proposal was not accepted, however.

Trade unions also pointed out that most of the company's employees are women over 50, who may struggle to find employment, and that the dismissal of such a large number of people will affect not only Stará Turá itself but also the entire region and continued negotiations with management (Sme.sk, 2009).

Next year, company laid off 54 workers instead of 200. The situation on the market was stabilised and trade union representatives had a suspicion that the entire layoff was speculative, and they claimed they would declare a strike alert or take pressure actions if this is confirmed (SME, 2010).

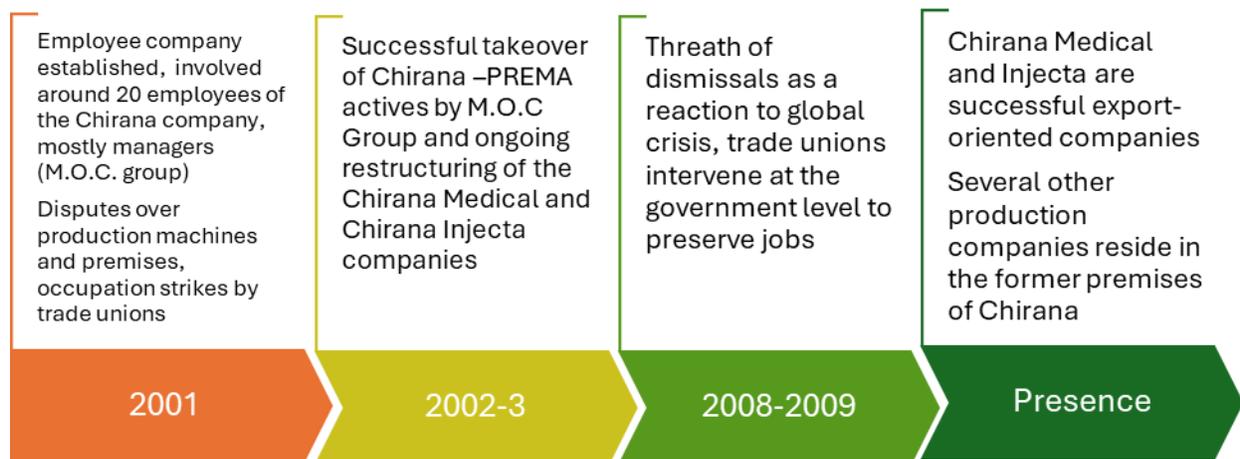
During the following year, the situation on the market changed again and Chirana Injecta sought ways to introduce the 3-shift production, instead of 2. This effectively meant that the night shift would be introduced, and trade unions demanded higher wages and the provision of meals and transportation for workers working night shifts. Management have accused them, however, from blocking the introduction of 24-hour production and company growth. The trade unionists were defending themselves against criticism from the company's management. *"People want to work, but the employer is forcing them to work more for the same wage,"* opposed the union leader.

Chirana Medical

In the same year, Chirana Medical, producer of dental, anaesthetic and breathing equipment, has announced it will dismiss 192 out of its 373 employees. Trade union representatives expected that redundancies would affect fewer workers, as was the case with nearby Chirana Injecta. The reason given for the dismissals was lower orders from

regular customers in Russia, Hungary, and Poland (Eurofound, 2009). “We had a period of high orders preceding the economic crisis and suddenly in 2009 we had no orders, that is why we had to announce redundancies”, claimed the manager (INT5). At the end, the number of workers stabilised at 250. Despite stabilisation, the company reduced the number of employees, largely due to productivity gains enabled by production automation. There was no opposition on the trade union side.

Figure 5 Timeline of Chirana companies development from 2000 till present



3. Outcomes of the transformation

In the Chirana production zone in Stará Turá, currently, around 2000 employees are employed in at least 16 different companies, of which some are built on the foundations of former Chirana divisions and some are new investors occupying the former Chirana premises. In this case study, we followed in detail two successors of the Chirana company, Chirana Medical and Chirana Injecta. Currently, Chirana Medical is the largest

manufacturer of medical equipment in Slovakia, specializing in dental units, dental chairs, instruments, and devices for anesthesiology and intensive care. In 2024, it employed around 250 people, generating revenues of €17.36 million and a profit of €884,313. 95% of its production is exported. Chirana Injecta is currently employing almost 300 employees and is a major supplier of medical equipment in the region. The importance of the two companies increased during the COVID.19 pandemic, when both were supplying important equipment for hospitals – breathing units and disposable syringes.

The restructuring was enabled by the capacity to innovate, upgrade products, and implement more effective production processes. This was significant in the case of Medical, where, in the bankrupting company, management retained the designers and engineers and produced a new, commercially successful product, which enabled them to restructure the company. In the case of Injecta, keeping the competitive product and automating production were key factors in maintaining Chirana legacy in Stará Turá.

What can be assessed as a successful restructuring in economic terms, had its victims in the form of laid-off workers, however. The number of jobs in the economic area of Chirana shrank from 4,8 ths in 1990 to 2 ths in 2025. In most cases, job reductions were negotiated with trade unions, although the agreements primarily focused on compensation measures for dismissed employees (severance payments). Due to dismissals, the trade union organisation was losing members, which further reduced its bargaining power.

Mass layoffs that accompanied the transformation were negotiated with employers, but these negotiations were largely distributive, placing trade unions in a highly defensive position. Through collective agreements, trade unions introduced rules defining categories of employees protected from dismissal to mitigate the impact on families, and negotiated severance payments for those losing their jobs. Later, during the Great Economic Recession in 2008 and 2009, rather integrative negotiations were conducted with management. Both sides were trying to find solutions to the loss of exports and the decreasing demand.

Table 2 Chirana restructuring and outcomes for workers

Chirana	Event	Number of employees Chirana T. Injecta	Number of employees Chirana Medical	Number of employees in the industrial park of Chirana in Stará Turá
1989	Production during the state-socialism			4821
1993	Privatisation			
1995	Controlled by Slovak capital, 1 parent and 6 sister companies and 16 other related companies			4000
1998	Chirana - Prema bankrupted, but other companies established and production preserved		700	Apx. 2000
2001	MEBO company owned by managers, Chirana Injecta, Chirana Medical and Chirosan established,	650	500 Medical	
2009	Dispute with trade unions about productivity increases in Chirana Injecta Chirana Medical announced dismissals of 200 people because of the decline in orders	570	373	3000
2015	MOC group officially transformed to Chirana a.s. Chirana Injecta	440		
2020	Chirana Medical: Covid crisis – increase of revenues due to production of breath ventilators			
2022	Decrease in revenues, investments in R&D		230	
Presence (2025)	90% of production exported, mostly Eastern markets	282	250 Medical (Elster 452; Sensus 164)	2000

Source: own compilation

3.1. Character of negotiations

Both cases, Chirana Medical and Chirana Injecta, cover negotiations over a technological change related to economic restructuring and the maintenance of competitiveness and product demand. In both cases, however, the process of restructuring, resulting in layoffs, is negotiated, while the terms of technological change are not. Thus, collective bargaining addressed the impacts of restructuring, whereas decisions on how to implement it were made by management alone. Thus, our cases show negotiations over broader consequences of economic restructuring, while technological change remains implicit here.

The Chirana Injecta case demonstrates, first and foremost, the importance of a trade union's presence in the workplace. Negotiations, in nature mostly distributive, were in several occasions hard to sustain as the management and owners were changing. What is important to emphasise, however, is that trade unions protected employment through radical action when necessary. We consider this the first learning point from the case: that a trade union at the workplace can serve as a last resort if negotiations fail.

Although negotiations during phase I were largely distributive over dismissals, elements of integrative bargaining regarding layoffs can be identified in the Chirana Medical case. Given the importance of maintaining production in the city, the trade union supported job reductions and refrained from radical action because the restructuring proposed by management was perceived as meaningful. Here, the primary driver of restructuring is attributed to product innovation, secured through internal sources. Trade union recognition of the prospects offered by the management contributed to the integrative nature of the bargaining over the dismissals.

In the 2000s, in both cases, we observe some stabilisation of social dialogue, as the management and owners' structure stabilised. Dismissals continued to be announced at both companies, now due to external market pressures. In this period, we observe negotiations with attitudinal restructuring when parties were in conflict and accused each other of a lack of cooperation and willingness to seek solutions. In 2008 and 2009, employers at both companies invoked market arguments to justify announced layoffs. In both cases, the number of job losses presented as inevitable was exaggerated, and the resulting job losses were lower. Subsequently, when the economic situation improved and

24-hour production was proposed, the trade union was accused of obstructing the company's growth by advocating higher remuneration. The trade union argued that workers should be compensated by a wage increase, given the fact that they will contribute to the company's growing turnover. Although the employer initially accused trade unions of obstructing the company's growth, it ultimately accepted the wage increase. We summarize the negotiation processes in the table below.

Table 3 Key events and negotiation processes

Phases / Key Events	Social partners actions	Negotiation process
1991-1993 Preparation for the privatization, company's breakup into smaller companies	Restructuring on trade unions side, preserving one trade union organisation, now operating in various companies in the Chirana production area. Trade unions and managers are learning how to negotiate	N/A
1993-1998 Holding Chirana – Prema is established, and several companies operate under this group.	Collective bargaining ongoing, centralized for all companies in Chirana - Prema; connected to sector-level bargaining, redundancies with limited negotiations	Distributive (win-lose) bargaining, bargaining about redundancies Trade unions were consulted about redundancies based on the Labour Code but were unable to protect most of the workers
2001 Owners disputes in Chirana Injecta	Trade union undertook radical actions - protect the production machines against their removal from	Single action and radical

	the company premises	
2001-2008 Chirana Medical privatisation into the hands of selected managers (management-employment buyout)	The trade union accepted the restructuring plan with inevitable layoffs, and innovation in the product introduced by the management.	Integrative bargaining
2008 Global recession, decreasing demand for the company ´s products (syringes, but also dental chairs), threat of further redundancies	Trade unions are trying to save jobs by helping management to secure orders by contacting the Ministry of Health and negotiating orders from Slovak hospitals	Interest-based approach
2009 Increase in demand for Chirana-Injecta products, suggestion for 4-shift working time	Trade unions block the proposal and demand higher wages, and the employer accuses them publicly of blocking the company ´s growth	Attitudinal structuring

Source: own compilation

3.1. Actors and coalitions

During the negotiations about layoffs, the most common argument of trade unions against was the impact on workers and subsequently on the region. In fact, the city of Stará Turá grew around the presence of the Chirana company, and before 1989 the company provided not only employment but also cultural and care/education facilities in the city. In the region, alternative employment opportunities were scarce, and trade unions often emphasised this point in negotiations. Women aged 50 and above, the prevailing group in the company, were identified as the group most likely to experience difficulties if laid off. Mass redundancies were also connected to the issue of breadwinners and couples

employed in the company. The trade union negotiated guidelines on mass redundancies, trying to protect vulnerable groups. This is anchored with the municipality's interests in preserving as many jobs as possible and not exposing vulnerable groups to unemployment.

Another supportive group was inhabitants, former employees, and their relatives. When the trade union organised a protest to preserve Chirana's job and against the management in 2001, many people from outside the Chirana production area joined.

Company embeddedness in the city also played a role in efforts to preserve jobs there, as in the case of Chirana Medical. Managers who successfully transformed the company after 2001 were born and raised in Stará Turá. In the interview, they acknowledged that a sense of responsibility for the entire region was a driving force behind their efforts to preserve jobs there. Loyalty of employees towards the employer was also noted as an important factor in successful restructuring (INT5).

Sectoral trade union OZ KOVO played an important role in supporting local level trade union. First, because of the negotiation of the collective agreement at the sector level, which served as a basis for company-level negotiations during the 1990s. Second, because the OZ KOVO representation also engaged with negotiations about redundancies at the company level, due to the personal engagement of the Chirana trade union leader in the OZ KOVO leadership.

Later in 2008, trade unions leveraged their connections at the sectoral and national levels, framing the company's situation as a matter of national importance when seeking assistance to prevent its eventual closure. They approached the Ministry of Health, proposing that Slovak hospitals purchase medical supplies from the domestic producer, even though this conflicted with the principles of free competition. Their argument was based on the need to preserve jobs in a structurally disadvantaged region.

The practical implications of strategies for ongoing struggles are at least twofold. First, the company's location and the extent to which it is embedded in the municipal ecosystem may help exert leverage over restructuring processes. Nevertheless, many of the current foreign companies do not possess this level of embeddedness at the local level. Strategically, addressing the impacts of job losses on the given city or region and finding allies there, might be a viable strategy for trade unions for advancing negotiations.

Second, cooperation between the company and sector levels represents an important nexus to support trade unions at the local level. While in theory, the sector level is supposed to support the local level, in this case, the articulation was mostly from the company to the sector level. Personal engagement in sector-level structures also contributed to the ability to seek new allies, such as national-level ministries.

Conclusions

In this case study, we examined the role of social dialogue during the transformation period in order to draw lessons for current transition processes at the company level. While the case reflects a typical pattern of restructuring in Slovakia, it also demonstrates a successful transition from industrial decline to the renewal of production through internal restructuring. The case can be understood as representative because the privatisation process resembled that of many other Slovak companies, involving frequent management changes during the 1990s and substantial workforce reductions. At the same time, the case stands out because the company, which later transformed into several entities, survived, restructured, and remained competitive in global markets without foreign capital, unlike many companies in Slovakia.

Outcomes for workers were, however, less favourable. Particularly, in the 1990s and 2000s, when the transformation was accompanied by massive layoffs and real wage declines. Nevertheless, the production area retained employment opportunities in the region and continues to do so today. Its local importance and specialised product portfolio contributed significantly to this outcome.

The turbulent company transformation was guided by social dialogue agreements only to a limited extent, and a profound struggle to preserve jobs often occurred outside the bargaining table (as indicated in the Injecta case) or had only a limited impact on how the restructuring was executed (as in the case of Medical). Frequent changes in management and an unclear ownership structure prevented meaningful negotiations. Nevertheless, the presence of trade unions at the workplace, and their active engagement, contributed to the preservation of job places in the Chirana production area. At the same time, negotiations played an important role in setting standards for workers employed in companies, owing to the coordinating role of the single trade union representing all workers in the area.

Social dialogue could not play a decisive role in determining the restructuring pathway due to unstable ownership structure and the loss of associational power of trade unions, and limited interest in social dialogue on the employers' side, reinforced by the weak legislative requirement for co-determination. Unstable management and frequent ownership changes limited the scope for negotiating collective agreements. Second, structurally weak trade unions were unable to bargain for alternative restructuring pathways and prevent layoffs, which led to declining membership and reduced associational power. In the given period, however, unions compensated for this weakness through increased protest activity and by forming alliances at sectoral and local levels.

The lessons learned from this case offer relevant insights for today's green and digital transformations, mostly with respect to social dialogue role and trade union strategies. Institutional arrangements defining the roles of management and trade unions in collective bargaining did not allow co-determination of the transition pathway and resulted in only limited ability to protect workers' interests. Despite the structural disadvantages faced by the trade union, the Chirana cases suggest that even a structurally weak social dialogue made an impact on overall outcomes. The important aspect here is the mere presence and functioning of the trade union organisation. The fact that trade union leadership remained stable and negotiated a single collective agreement for all companies, later replaced by individual collective agreements for specific companies, ensured the continuity of collective bargaining amid changing management. To compensate lack of traditional negotiation structures, unions formed alliances with other actors, including municipal representatives, sectoral trade union officials, and government ministries.

Despite negotiations in the companies, it often interacted with developments at the regional, sectoral, and national levels. Transformation is therefore negotiated not only through company-level social dialogue, but also through broader sectoral and local contexts, including sectoral bargaining and the firm's embeddedness in the local economy. These factors deserve greater attention from company-level actors engaged in ongoing transformations.

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