



## **Independent Workers and Industrial Relations in Europe**

### **WP3. Country case study: Slovenia**

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## **Part I. General overview of the country on new autonomous workers**

### **1. Definition of the national framework on new autonomous workers**

#### **Introduction**

As is the case in other European countries, Slovenia has been facing dramatic changes in the labour market and in understanding of employment relationships during the last two decades. Although the concept of autonomous workers was present in the past (e. g. "traditionally" in the culture sector), we are witnessing an increase in the number of autonomous workers on an unprecedented scale. While the issue of the (social) security of the autonomous workers (especially in comparison with benefits of permanent workers) would pop out in the mass media occasionally in the past, we can say it is one seen daily in the media today. However, the omnipresence of the problem did not lead to its resolution or at least it is being solved at much slower pace and on much smaller scale as it is being generated. In the media as well as among the experts the issue of the autonomous workers has been intertwined with its precarious features for at least a decade now.

Because there is no single 'type' of new autonomous worker, the debate around this issue in Slovenia seems somehow 'fragmented;' usually not focusing on all the new forms of independent workers, but rather on one form or presenting just one story. Majority of available sources that touch upon the 'new autonomous worker,' mention workers in arts, journalists, student work and self-employed predominately within the legal, contractual or social aspect of their work, which is characterized as precarious. Based on desktop review,<sup>1</sup> a conclusion can be drawn that in Slovenia, the topic of "new autonomous worker" is currently developed mostly within the precarious work debate. The materials dealing with the unions and representation in social dialogue in relation to diverse types of "new

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<sup>1</sup> Desktop research covered the systematic search of public sources, backed up with series of interviews. Public sources search was done through search in Google, Slovenia's largest bibliographical database (COBISS – Virtual library of Slovenia) and Google scholar. The search included the English term, limited with condition of region Slovenia or/and Slovene language. If number of returned results was low, the search was repeated without limiting search conditions. English sources/hits were counted, Slovene sources were first examined by source title, and in later stages thoroughly reviewed if brief overview uncovered the content relevant within the report topic.

autonomous work" started to be more present only recently, however we could not say the debate to be widely present in the Slovene media.

Ten years ago, the labour market analyses in Slovenia and elsewhere in the world pointed to the need of increased flexibility of labour and employment and consequently the need to implement the concept of flexicurity was identified. Recent analyses indicate that changes in many European countries, including Slovenia, in the last decade took the opposite direction of lower prospects of flexicurity work exposing particularly young people to risk of flexibility without security (i. e. precarious work) (Kanjuo-Mrčela and Ignjatović 2015).

Current policy and political focus, too, is predominately revolving around the issue of precarious nature of non-standard employments and contingent work. Different scholars dealing with the topic of non-standardized work from the field of social sciences (Kanjuo-Mrčela and Ignjatović 2015, law (Senčur Peček 2015b; Senčur Peček 2015a; Senčur Peček 2011; Kresal 2014) as well as policy programs (Ministrstvo za delo, družino, socialne zadeve in enake možnosti 2016) focus on the problems related to growing extent of non-standard work types – especially contingent work and the related problems of increased precarization.

The review also showed that not only is the topic of "new autonomous worker" subsumed within the topic of increased precarious nature of contingent work forms, but also that certain types of non-standard work forms first need to be (formally) recognized or even defined. For instance; the desktop research did not manage to locate any documents related to I-Pros, crowd workers, precog workers or project workers. Informal discussion revealed that some terms yet need to be translated.

## Mapping the forms of new independent/autonomous workers

### *Flexible employment forms in Slovenia*

Comparison of the three most common forms of flexible employment in the EU and Slovenia - part-time, fixed-term employment and self-employment - shows that only the share of temporary employees is already above the European average (2016, Eurostat). The total share of all three forms of flexible employment in Slovenia is in the second half of the EU countries. This can lead to the conclusion that the Slovenian labour market compared to other markets in the EU is relatively rigid and inflexible. However, by observing the shares of employees in certain forms of flexible employment in Slovenia during 1991- 2015 period, one can conclude that certain important shifts in the Slovenian labour market have occurred (Kanjuo-Mrčela and Ignjatović 2015).

According to Statistical Office of the Republic of Slovenia (henceforth referred to as SURS) data, during the 2008-2014 period, Slovenia recorded a 10% drop in absolute number of fixed-term employees. Even larger decline (of almost 13%) happened amongst the employees on permanent contract (full-time employees). On the other hand, during the same period there is a significant increase in the absolute number of self-employed (18%). In relative terms, the share of self-employed increased from 9.7% in 2008 to 12.6% in 2014. During the same period, the share of fixed-term employees increased from 8.1% to 10% as well as the share of part-time workers which increased from 9.2 to 11.5%.

**Table 1: The number of self-employed, fix-term and part-time employees**

Leto	self-employed (% within active)	Fix-term employees (% within active)	part-time (% within active)
2008	9.7	8.1	9.2
2009	10.7	9.5	10.7
2010	12.3	10.3	11.7
2011	12.6	9.5	10.7
2012	12.2	9.0	10.0
2013	12.0	9.3	10.2
2014	12.6	10.0	11.5

Source: ('SI-Stat Podatkovni Portal' 2013).

### *Part-time work*

According to part-time work prevalence, Slovenia is in a group of countries with the least developed part-time work. The Article 64 of the Employment Relation Act (henceforth referred to as ARA) considers part-time as the working time shorter than the full working hours in force with the employer.<sup>2</sup> The part-time trend in Slovenia also exhibits growth: from 5.3% in 2000 to 11.5% in 2014 (Statistical Office of the Republic of Slovenia 2016). Trend development was stable regarding gender, but comparison in 2014 shows that part-time work is slowly but surely feminizing. The share of men working part-time (among all employees) in Slovenia (7.6%) was slightly lower than the EU-28 average (8.9%), while the share of Slovenian women working part-time was significantly lower (14.8%) than EU-28 average (32.4%) (Eurostat, 2015).

The prevalence of “regular” part-time work in Slovenia is relatively low because there are four additional sources adding to part-time workers statistics. The two main reasons for part-time employment in Slovenia, according to the labour force survey, are training/education and disability/sickness. Education/training is pointed out as the reason for around 30% of part-time employment, while an additional 20% of part-time employees pointed to illness or invalidity (Kajzer 2012). The 'education and training' reason relates to the student work. The second group was composed of disabled workers with reduced working capacity, who have the right to benefit from part-time work and, since 2003, the right to partial disability pensions. The third group of part-time workers consists predominately of mothers by means of the Parental Protection and Family Benefit Act (introduced in 2007), which gives parents with small children the right to work part-time. Ignjatovič and Kanjuo Mrčela (2014) also note that in Slovenia both for employers and employees specific cultural patterns still dominate, which were characteristic for a time when the prevailing type of employment was fixed-term full-time employment.

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<sup>2</sup> Official statistics on the other hand follow the ERA article 142, stating that full working hours shall not be shorter than 36 hours a week, designating everybody working less than 36 hours a week as a part-time worker.

### *Fixed-term employments*

Slovenia has experienced a significant increase in the proportion of its workforce working on fixed-term contracts in comparison to EU trend developments, being in a group of countries with the highest share of fixed-term work. In 1995, in the first years after the transition, only 8.4% of those employed in Slovenia had fixed-term work (Lah and Svetin 2011), with their percentage increasing to reach 17.3% in 2010 (EU: 14.5%). In 2015, the share of temporary employment in Slovenia as a percentage of total employment is still above the average of EU-27. The latest amendment of labour legislation LRA of 2013 has somewhat restricted the fixed-term employment.

Youth represent a significant share of those with fixed-term employment. Almost  $\frac{3}{4}$  of temporary employees are younger than 25 years old (EUROSTAT, 2016). This increasing prevalence of flexible employment among youth is connected to the prevalence of so-called “student work,” with 30% of fixed-term work being accounted for by student work (Lah and Svetin 2011; Kajzer 2012). Student work is significantly contributing to age related segmentation of labour market. Gender structure of fixed-term employees is fairly balanced. Among labour active men in second quarter of 2014 there were 11.9% of employees on fixed-term in comparison to 11.7% share of women.

### *Self-employment*

During the last twenty years the proportion of self-employed in Slovenia remained with minor fluctuations at a relatively high level (14.1% in 1991, 11.1% in 2001 and 13.3% in 2014), being close to EU average (15.0%) (EUROSTAT 2016). After an initial rise, the proportion of self-employed was in decline until 2009, but then began to rise again, reaching peak in 2014. 2013 has recorded increase in the number of self-employed (8890 in total), or 5.1%, representing the highest growth rate during the 2000–2013 period. The highest growth was recorded in sectors of arts, entertainment and recreation, catering and other diverse business activities. Construction and transport sectors on the other hand faced decrease. In 2014, the growth rate of self-employed decreased (787 or 0.4%). The number of self-employed has increased in the information and communication sector (13.3%), in arts, entertainment and recreation (9.8%) as well as in water supply, sewerage and environmental concerns (of 9.1%). The greatest decrease was recorded in mining and

quarrying (9.5%), transport and storage (4.8%) and health and social work (3.9%) (SURS, 2014).

One of reasons behind the growth after 2009 was the active labour market policy (henceforth referred to as ALMP) measure of the Employment Service of Slovenia offering a subsidy (a grant of EUR 4,500 if the person remains self-employed for at least two years) for becoming self-employed. Due to concerns about the impact on poverty, this subsidy was abolished in 2014. Second reason behind a growing number of self-employed are new employers' practices. Instead of entering an employment relationship with the employee, employer rather 'convinces' a worker to establish the formal status of self-employed and enters in the contractual agreement with employer. This is in fact the form of "bogus" self-employment when an employee is paid through a contract for services, enabling faster contract termination of contract and the transmitting of all risks and social security protection to a worker. Recent figures of AJPES (The Agency of the Republic of Slovenia for Public Legal Records) reveal that just in October 2016, 1601 new self-employed statuses were registered. Third reason that could at least partly explain the enormous growth of the number of the self-employed in Slovenia in the last years is the taxation policy of the self-employed (or sole proprietor) after January 1, 2015. As it is written in the publication 'Taxation of individuals' (Ministry of Finance, 2016), there exists a "simplified" way of taxation of small businesses which are only starting to operate or businesses with the small scale of operations, generating revenues (determined according to accounting standards) that did not exceed 50,000 euros in the previous tax year. The owner can choose to pay the tax on the basis of revenues and standard expenditures in the amount of 80% of the revenues if the revenue (determined according to accounting standards) of a business does not surpass the amount of 50,000 euros (Ministry of Finance, 2016). Income from small business is taxed at the flat rate of 20%, which is at least for some self-employed a very favourable taxation (de facto, it totals in 4% of the yearly revenue). It is assumed that this led to many persons acquiring the self-employment status besides their full-time employment with another employer in order to profit from paying lower taxes in comparison of, for example, receiving the payment through copyright contracts. Besides taking advantage of convenient tax payment, it is also assumed that to some extent obtaining the self-employment status serves as (higher) tax (rate) avoidance (e. g., a person becomes self-employed besides being full-time employed by another employer (which is possible and legal in Slovenia) as doing a favour for some other small business owner, who does not want to report exceeding the 50,000 euros yearly revenue (and thus pay higher taxes) but shifts his trade/business revenue to other small business owner.). Thus, we need

to bear this in mind when seeing the rise in self-employed numbers in Slovenia in the last two years or so. We did try to obtain the information on numbers of those with self-employment status who are at the same time employed by another employer, however unsuccessfully. We are still trying to obtain these figures.

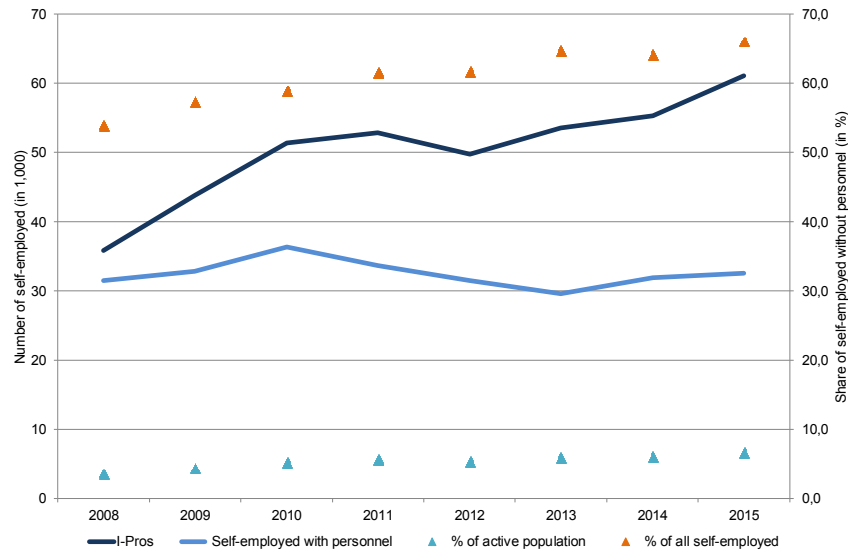
### *I-Pros in Slovenia*

Slovenia has over the past years recorded a remarkable growth of autonomous workers. Taking over the Rapelli's (2012) definition of I-Pros, the number of self-employed workers without employees has almost doubled – in 2008 36,000 workers were self-employed without personnel, representing 3.6% of active population, whereas in 2015 their number increased to 61,000 (i.e., 6.7% of active population). Their share among all self-employed (not including farmers) is steadily increasing and it reached 67% of all self-employed, which is 12 percentage points higher than in 2008 (see Figure 1).

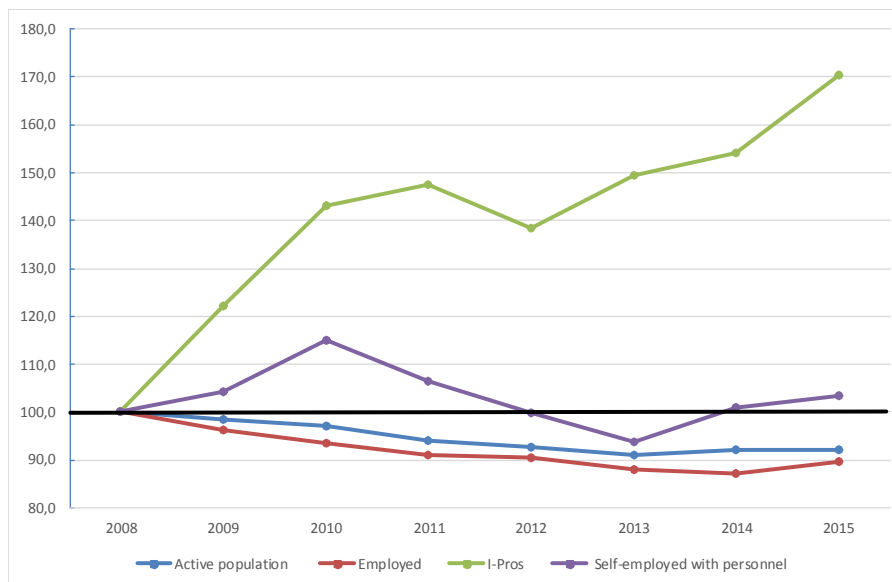
As shown in the Figure 2, the population of I-Pros increased since 2008 by 70.4 percentage points. On the other hand, during the same period the population of employed and self-employed with personnel declined, whereby active population experienced slight hike in 2010 followed by decline until 2013 and recovery to 2008 level in 2015. I-Pros growth is even more remarkable if we take into consideration the Rapelli's (2012) finding that the growth rate of I-Pros in Slovenia comes second only to Romania (78.15 p.p. in 2008-2011 period) within EU.



**Figure 1: The number of self-employed and the share of self-employed without personnel in active population and among all self-employed**



**Figure 2: The growth trend of I-Pros within Slovenian workforce**

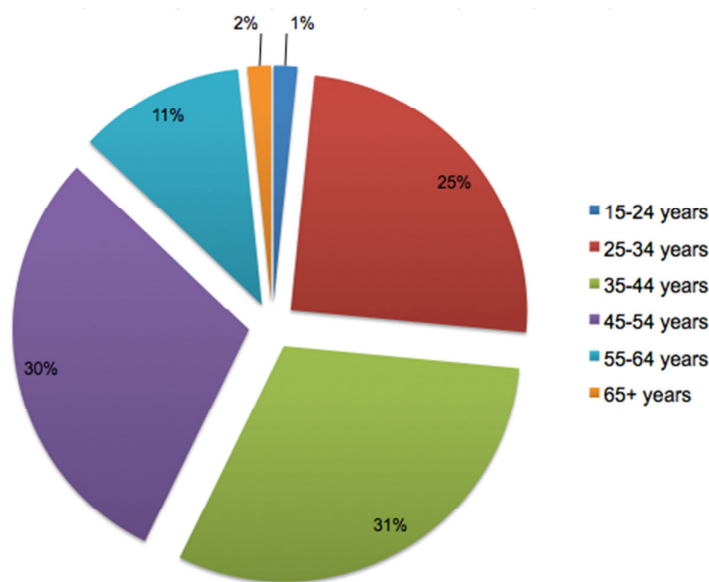


Note: Data on self-employed do not include farmers. I-Pros were selected following Rapelli's (2012) definition. Source: SURS, LFS.

I-Pros are predominately men. Nevertheless, the share women is increasing – in 2008 their share among all I-Pros was 25.2%, whereas in 2015 31.4%. Around 60% of all I-Pros are 35–54 years old (see Figure 3). However, in the last years we can observe a hike in the number

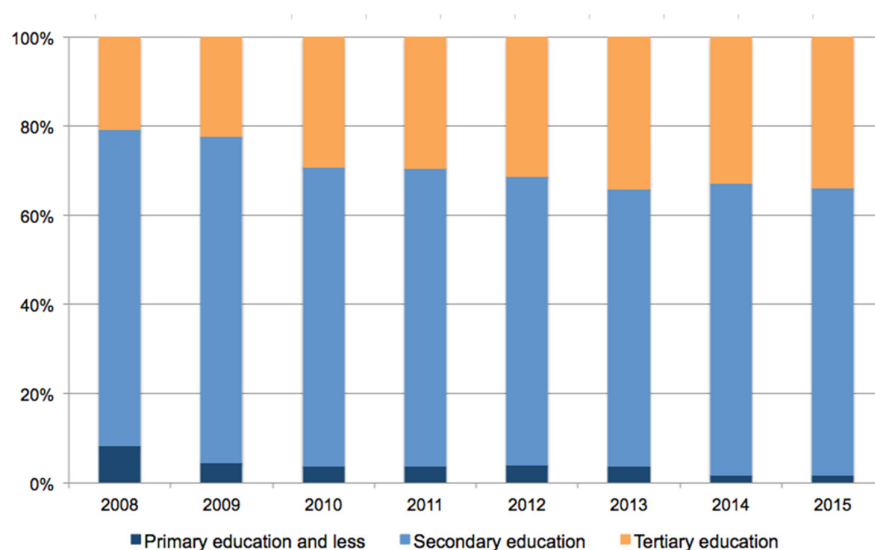
of young I-Pros, aged 25–34 years. In the period 2008–2015 the number of young I-Pros more than doubled (from 7,000 to 15,000). In terms of shares, young I-Pros presented 19% of all self-employed workers in 2008, in 2013 their share increased to 29%, whereas in 2015 it fell to 25%.

Figure 3: Self-employed without personnel by age, 2015, in %



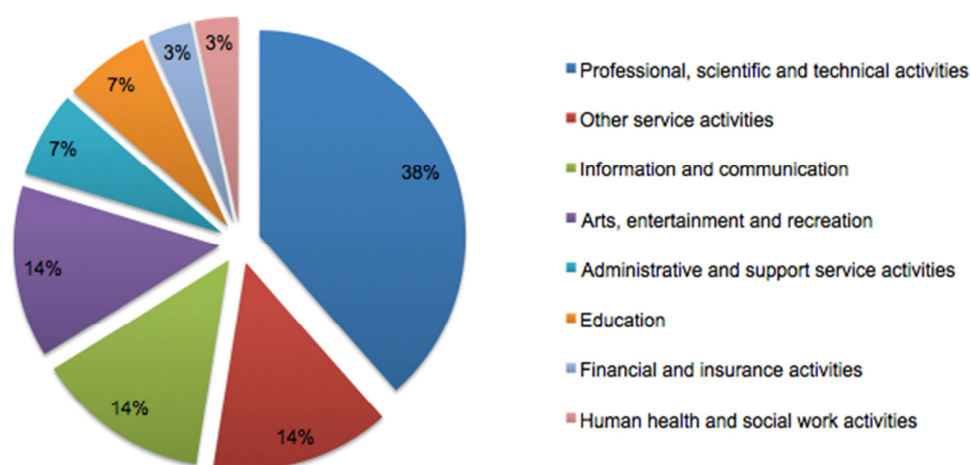
Note: Data on self-employed do not include farmers. Source: SURS, LFS.

Majority of I-Pros has secondary education. However, over the past years we can observe a slight shift in educational structure of autonomous workers, as the share of college or university educated self-employed is increasing. As shown in Figure 4, in 2008 21% of self-employed without personnel had a tertiary education (i.e., 7,500 workers), whereas in 2015 33.4% (i.e., 20,400 workers).

**Figure 4: Self-employed without personnel by education, 2008–2015, in %**

Note: Data on self-employed do not include farmers. Source: SURS, LFS.

As regards the sector of economic activity (see Figure 5), I-Pros in Slovenia are mostly concentrated in the professional, scientific and technical activities (38% of all self-employed without personnel in 2015 was working in this sector), followed by other service activities (14%), information and communication (14%) and arts, entertainment and recreation (14%). Data on I-Pros' types of contracts are currently not available.

**Figure 5: Self-employed without personnel by economic activities, 2015, in %**

Note: Data on self-employed do not include farmers. Source: SURS, LFS.

## **I-Pros' career paths**

It would be difficult to outline a typical I-Pro's career path, since the forms of engagement in nonstandard employments are numerous. However, we will try to outline the situation in Slovenia presenting several cases discussing the situation of autonomous workers in different occupations and presenting one of the typical nonstandard employments (self-employment).

### *Journalists*

The situation within the field of journalism can be described with following statistics: ('Novinarji Med Brezposelnostjo in Prekarnim Delom – PREKARNO DELO – NOVODOBNO SUŽENJSTVO?' 2016): there are 2,277 journalists in Slovenia; 1,540 of these are full-time employed, 737 self-employed and fewer than 200 under the age of 30. One third of Slovenian journalists haven't got a regular job and they work in precarious conditions. In the media register there are 2021 media registered. The Slovene Association of Journalists and Commentators explained that in recent years many different media dismissed a large number of regularly (full-time) employed journalists and cut down correspondence network. Labour Inspection Service has revealed violations in the media, but, unfortunately, all "bogus" self-employment reporters will not regain full-time employment, as employers are constantly looking for new ways to bypass the legislation and rarely anybody gets sanctioned.

The Slovene Association of Journalists and Commentators described the unregulated status of journalists in its Annual Report in 2015 as follows:

The status of Slovenian journalists remains problematic. There are many journalists who, even after several years, still work for media companies (even the largest ones) on copyright contracts. The media companies will not employ them despite the fact that their work has the exact same characteristics of full-time employment. Namely, they work at the employer's premises, use the employer's equipment, and work 8 or more hours per day. As these journalists are afraid of losing their jobs, they do not bring an action against their employer, and the employer continues to exploit their position. Labour Inspection Services could prevent this, but the current situation shows that such inspections are obviously not effective enough.

Journalists are often forced to enter self-employment, become sole proprietors, even though they work for one media house exclusively and at their premises. In this

manner, these employers lower their costs, for they do not have to employ the journalist who has become sole proprietor nor do they have to pay his taxes and contributions.<sup>3</sup>

### *Self-employed in the field of culture*

The number of self-employed in culture is constantly rising through the last decade; the trend can be observed in Table 2.

Table 2: Number of employed and self-employed cultural workers in Slovenia, 2005-2013

<b>Year</b>	<b>Employed persons in culture</b>	<b>Self-employed persons in culture</b>	<b>Total employed workers in culture</b>
2005	17 480	3 942	21 422
2006	17 975	4 154	22 129
2007	18 401	4 366	22 767
2008	19 248	4 986	24 234
2009	19 080	5 556	24 636
2010	18 889	5 977	24 866
2011	18 629	6 203	24 832
2012	18 314	6 179	24 493
2013	17 743	6 693	24 436

Source: IFFACA, WorldCP, 2015 (<http://www.worldcp.org/slovenia.php?aid=429>)

Although the total number of the persons employed in culture is rising, the number of standard employments has been dropping since 2008, whereas the number of the self-employed in the field has almost doubled since 2005.

The problems the self-employed or contractual workers in culture very often face is the unsteady flow of income, which makes their living and working difficult. Another problem are defaulted obligors, among which very often public institutions are listed.

Their work is very often of project-type, which implies long planning and design phase (usually not publicly seen) and shorter performance phase. However, nature of this work can result in a discrepancy between the actual duration of the entire artistic production and of reduced financial resources for a specific artistic project. A lot of time is also allocated for administrative purposes (e.g. project applications) and usually not considered when artists'

<sup>3</sup> Source: <http://www.znp.si/english-texts-mainmenu-27/431-annual-report-of-the-association-of-journalists-and-commentators-znp-on-the-situation-in-the-media-field-in-slovenia-in-2015>

fees are calculated by the contracting authority. In this way, the artists become multitaskers performing many different tasks, which in an organization would be done by different workers (Pernarčič, 2012).

### *IT specialists*

Description of new ('bogus') self-employed in IT sector is based on an interview describing not so rare career path of an IT worker. This person was working for an IT company providing IT solutions to banking sector and selling the hardware components. Before the economic crisis the company employed somewhere between 450–500 employees. During the crisis, our interviewee estimates, many employees got fired, and somewhere from 10–20% of employees were 'pushed' into self-employed status. In the case of the interviewee too, he was well aware of the economic situation, of the current organizational culture and the fact that he hasn't not concluded one part of the training – which, he knew might be used as aggravating circumstance against him. Also knowing that he is the only one within the company possessing the skills for certain tasks, he did not want to go into the conflict and decided to take the self-employment path and to continue to work for his existing clients. Majority of his fellow employees when confronted with option of being fired versus accepting the 'bogus' self-employed status rather followed the first path, since they were entitled to the severance pay and unemployment benefits. Nowadays there is a change 'in the air' because the employers would rather prefer for their previous employees to open Ltd company, because by doing this, employers can completely avoid any legal consequences if labour inspector finds the case of 'bogus' employment.

Previous employer does not take any initiative or demands in respect to required knowledge or training. The company does not even want to go that far, because this can then be an element upon which an existence of bogus employment can be established. On the other hand, this company, due to business specifics does not need most recent programming knowledge. According to the interviewee, the work conditions are a big plus, since he is determining his own pace and the amount of work. Of course, he is well aware that he is deadline bound and that he is liable with his own assets. He is less limited and can also accept the clients from abroad, and generally thinks that now he works less for the same payment. Another positive aspect is that it is up to him to decide, how much funds he will allocate for his social security. He has chosen the route of minimal required social and health contributions, due to disbelief in state's pension system. Instead, he is intentionally

saving money for later times. In this respect, the taxation system of 80–20 (explained above), works in his favour.

### *Bogus self-employment status*

As evident from described cases, the pending issue in Slovenia is the issue of bogus self-employed workers. Namely, it is a widespread practice in Slovenia the employees being forced to the self-employment status by the employers in order to keep the working position (but not the same benefits as before on a permanent contract, of course). Although some initiatives have been launched mainly in the area of government control, the problem remains huge (as does the employers' imagination). The LFS data shows that in 2012 18 % of I-Pros worked mostly for only one client and 8% of I-Pros worked mostly in the working space provided by client. Those shares increased by 2015, whereby already 23% of I-Pros worked for only one client and 12.5% worked predominately in the working space provided by client.

## **Potential benefits and risks for independent/autonomous workers**

In Slovenia, autonomous workers very often report lower wages than average. Since they are often in a subordinated position, they will accept working conditions that in a 'standard' job would not; e.g. travelling far to do the job, working longer hours for a longer period of time etc. Generally, the self-employed report long working hours and little or no free time (in order to cover the fixed expenses and earn some living money). When they have a lot of free time, their earnings are usually scarce. Skills development very often presumes extra expenses for e.g. different courses, education process etc.; these expenses are often avoided. One of the problems they mention is also the uneven income/payments flow, which makes planning and organizing even more difficult. We could say they see themselves in an unequal position compared to workers on a permanent contract, since the latter are very often given the opportunities for skills development, higher education titles acquisition etc. The amount of the work to be done is very often larger (for the same salary) compared to the workers on a permanent contract (reported by those, who shifted to self-employment).

Generally speaking, social protection of autonomous workers in comparison to workers on a permanent contract is lower. Their position is insecure, especially in the case of illness (e.g. if they are ill less than 45 days or 30 working days, they need to pay all their social security and other expenses, however they are not entitled to any compensation for the lost income for that period). Very often, their social protection is not perceived as favourable, since they depend on insecure market conditions, serve as employers' cost reducing means, compete with many workers in similar position, and do not feel supported by the government.

However, regarding the social protection there are 1819 self-employed workers<sup>4</sup> in the culture field (whose work represents an exceptional contribution to culture) who are entitled to paid contributions for mandatory pension and health insurance from the national budget under the condition that his or her income does not ensure normal conditions for work.<sup>5</sup>

They are not entitled to many other benefits besides mentioned above; e. g. 'standard' workers are entitled to paid annual holiday (min. 20 working days), holiday allowance, paid meal per working day, paid holiday days, compensation for lost income in case of illness, reimbursement of travel expenses to and from work etc. They risk lower pensions, since they usually pay lower mandatory contributions during their working years. If the non-standard form is that of the self-employment, one of the biggest risks comes from the fact that they respond to their obligations with all their assets.

According to the Statistical Office of the Republic of Slovenia (year 2015), the at-risk-of-poverty rate for the self-employed is almost double the at-risk-of-poverty rate for the average Slovenian resident and nearly five times that of the at-risk-of-poverty rate for the employed person (22.4%, 14.3%, and 4.7% respectively) (Statistical Office of the Republic of Slovenia, 2016).

## **2. Legal and institutional framework**

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<sup>4</sup> Data obtained from Ministry of Culture in November 2016.

<sup>5</sup> Source: [http://portal.unesco.org/culture/en/ev.php-URL\\_ID=40132&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/culture/en/ev.php-URL_ID=40132&URL_DO=DO_TOPIC&URL_SECTION=201.html)



The main act regulating employment relationships is the Employment Relationships Act (henceforth referred to as ERA). ERA provides a legal basis for employment contracts, regulates most aspects of employment relationships and provides for the minimum labour rights. Several particular topics are regulated by other acts, namely the Collective Agreements Act, the Occupational Health and Safety Act, the Labour Market Regulation Act, the Worker Participation in Management Act, the Strike Act, the Prevention of Undeclared Work and Employment Act, the Labour Inspection Act, sector-specific collective agreements are also important sources of law.

The legal basis for carrying out work in Slovenia is an employment contract. A standard form of employment is permanent employment. It means that employment contracts should be, as a rule, concluded for an indefinite period of time. The non-standard forms of employment are only allowed in cases explicitly stated in the ERA. The non-standard forms of employment according to ERA are: 1.) fixed-term employment contract, 2.) employment contract between the worker and the employer who carries out the activity of providing workers to another user (agency work), 3.) employment contract for the provision of public works, 4.) part-time employment contract, 5.) employment contract on home work, 6.) employment contract with managerial staff. Other contract types falling under contractual obligations are also relevant: work contract, contract for a copyrighted work. In addition to non-standard forms of employment are still relevant: contract work, student work and self-employment.

Pursuant to the ERA, an employment relationship is a relationship between an employee and an employer whereby the employee integrates voluntarily into the employer's organised working process and in which the employee, in return for remuneration, continuously carries out work in person according to the instructions and under the supervision of the employer.

In cases of evident elements of the employment relationship (i.e. inclusion in employer's organized workflow, work under the direction and supervision of the employer ...), ERA explicitly states that the work should not be carried out on the basis of civil law contracts and an employment contract must be entered. Persons who perform work under civil law contracts and their relationship with the employer does not have the elements of employment relationship, are not entitled to the rights provided for by ERA. The ERA also states the exceptions and conditions required to enter the fixed-term employment contract and part-time work contract. Here it needs to be noted that both fixed-term contract and part-time employment contract provide workers with the full range of labour protection.

As already described, permanent employment contract is a standard legal basis for carrying out work in Slovenia. Self-employed workers without employees are either sole proprietors or are often being employed as economically dependent employees of a company (bogus employment). Self-employment is (historically) not a new legal form for conducting work. Self-employment is a work activity carried out independently for more clients/contract users, whereby the sole proprietor autonomously determines the price of her/his work. Self-employed persons perform their work under civil contracts. According to the Companies Act (henceforth referred to as the CA – ZGD-1) sole proprietor is "a legal person who independently carries out gainful activity on the market within a regulated company, " and "shall assume responsibility for their liabilities with all their assets." Social Security Contributions Act regulates the payment of social contributions. Self-employed workers need to pay all social security contributions for themselves. There are no type-specific/sector-specific rules on self-employment.

In mid-April 2013 amendments to ERA and Labour Market Regulation Act (henceforth referred to as LMRA) came into force. One of the objectives of this recent labour market reform was to reduce the segmentation between fixed-term contract and permanent contracts. With the recent amendment to the ERA Slovenian legislation has incorporated economically dependent workers category due to the (alarming) spread of "bogus" self-employed work. An economic dependent worker is a self-employed person who on the basis of a civil law contract performs work in person, independently and for remuneration for a longer period of time in circumstances of economic dependency and does not employ workers. Economic dependency means that a person obtains at least 80% of his or her annual income from the same contracting authority (Article 213 of the ERA-1).

An economic dependent worker, after the termination of an individual calendar or business year, is obliged to notify the contracting authority on whom he is economically dependent of the conditions under which he operates by submitting to the contracting authority all evidence and information required for the assessment of the existence of economic dependency. This is important, because it is economically dependent worker who is entitled to limited legal job protection related to the prohibition of discrimination, provision of minimum notice period, prohibition of cancellation of a contract in cases of unfounded reasons for cancellation, enforcement of liability for damage and assurance of payment for contractually agreed work (Article 214 of the ERA-1).

Article 35 of the Personal Income Tax Act also addresses economic dependent relation defining it as:

- employment relation and

- any other contractual relationship where: 1.) supervision and guidance relating to the provision of labour or services, 2.) the way of performing work or services, 3.) payment for work done or services, 4.) provision of resources and conditions for carrying out the work or services and other rights and responsibilities of individuals and employers show depending contractual relationship between the employer and a natural person.

### *Regulated professions*

There are many regulated professions and (business) activities in Slovenia. Regulated professions or (business/economic) activities are those for which the individual or company that wishes to engage in, must fulfil the conditions specified by law or regulation of different kind. Regulated profession (according to Article 3 of the Directive 2005/36/EC) is *a professional activity or group of professional activities, access to which, the pursuit of which, or one of the modes of pursuit of which is subject, directly or indirectly, by virtue of legislative, regulatory or administrative provisions to the possession of specific professional qualifications; in particular, the use of a professional title limited by legislative, regulatory or administrative provisions to holders of a given professional qualification shall constitute a mode of pursuit.*

In the register of regulated professions of the Ministry of Labour, Family, Social Affairs and Equal Opportunities (henceforth referred to as the MoLFSA) there are currently 261 regulated professions ('VPPK> Records regulated professions' 2016). Among them are, for example: pharmacy specialist with master's degree, specialist registered nurse, physiotherapist, primary school librarian, court interpreter, land surveyor, oral hygienist, tourist agent, tourist guide, driving instructor, attorney ...

One needs to separate the regulation of professions from the regulation of (business) activities that determine the conditions that must be met by those wishing to pursue an activity (i.e. sole proprietor or legal entity). In Slovenia, there are also many regulated activities. Certain (business) activity should not be carried out and the customer should not be invoiced until the conditions required by the regulated activity are being met/fulfilled. Control over the issued invoices and the fulfilment of the conditions for the provision of regulated services are verified by financial inspectors. Control over the fulfilment of conditions for carrying out certain regulated activities, however, lies within individual state authorities (ministries, agencies, inspectorates), responsible for overseeing certain areas ('Kaj Je Regulirana Dejavnost? - Podjetništvo, Ustanovitev Podjetja, Računovodski Servis| Data D.o.o.' 2016).

Slovenia ranks among the top EU countries by number of regulated professions (Zirnstain and Franca 2012). However, the level of regulation differs from industry sectors and (business) activities. The highest number of regulated professions is in the field of craft and retail. Least regulated professions are in the finance sector. The extent of regulation was recognised as obstacle to country development. Thus, since 2010 there are deregulation efforts in place.

In Slovenia, there are no specific economic/employment/contractual standards for self-employed nor any legislative framework to regulate the relationship between the public administration and the self-employed.

2013 labour market reform had the main objective of reducing labour market segmentation between the fixed-term employment and employment on permanent basis. Despite the regulation clearly stating a permanent employment contract as main employment relationship type and the explicit list of exceptions to the rule for allowing the fixed-term contract, in practice exactly the opposite is happening. 2013 ERA amendment (agreed with social partners) did not exclusively focus on introduction of restrictions, but has also introduced a set of measures seeking to eliminate or at least limit the reasons for which employers prefer fixed-term employments. 2013 labour market reform also introduced the category of "economically dependent workers."

Three years later, the MoLFSA concludes that the 2013 labour market reform brought positive effects - the proportion of permanent employment has increased. Yet in the labour market during the reform of the appearance of new structural challenges - increasing gap between employees who are engaged under a contract of employment (contract for a definite period of time or permanent contract), and those who work (legally or illegally) in other forms of work. Consequently, in 2016 MoLFSA prepared a program document entitled "For decent work" outlining the range of measures that may provide "a breakthrough for decent work for all citizens" (Ministrstvo za delo, družino, socialne zadeve in enake možnosti 2016). The proposed measures should present a comprehensive approach tackling increasing precarization of work, while striving to respond to the challenges in relation to the future work set in the labour market.

### **3. Public policy to support new autonomous workers**

#### **Social security system: the national framework.**

This whole section is summarized from Kresal (Social protection systems in Europe: Slovenia, Kresal 2016).

Social protection in Slovenia forms a very complex system. It is based on public compulsory social insurance schemes for different social risks as a consequence of the tradition of the Bismarck type of social security. The historical development of the social protection system goes back to 1887. However, from 1991 onwards after gaining independence, the Republic of Slovenia adopted new acts in the field of social security: the new legislation on unemployment insurance in 1991 and in 1992, the new legislation on health care and health insurance, pension and invalidity insurance as well as social assistance, whereas the new legislation on parental insurance was enacted in 1993. During the last twenty years the social security legislation went through numerous changes.

Public servants or employees in the public sector are covered by the same social security legislation as other employees; they are included in the general schemes of social insurance. There are some exceptions for certain professions or areas (for example police or defence forces etc.), however, in general, there is only one integral social insurance and social security system in Slovenia, covering employees, self-employed, public servants and other groups of population. The right to social security is explicitly recognised as a human right in the Constitution.

The structure of social insurance contributions for the employed persons, including the public servants, is the following:

	<b>EMPLOYEE</b>	<b>EMPLOYER</b>	<b>TOTAL</b>
<b>HEALTH INSURANCE</b>	6.36%	6.56% 0.53% (for occupational injuries and sickness)	
<b>PENSION AND INVALIDITY INSURANCE</b>	15.50%	8.85%	
<b>UNEMPLOYMENT INSURANCE</b>	0.14%	0.06%	
<b>PARENTAL INSURANCE</b>	0.10%	0.10%	
<b>TOTAL</b>	<b>22.10%</b>	<b>16.10%</b>	<b>38.20%</b>

Workers' rights in different forms of employment engagement are summoned in

**Table 3, as well as some employers' obligations (mainly as expenses).**

**Table 3: Workers' rights and employers' obligations in various forms of employment**

	Standard employment (full-time, permanent contract)	Non-standard employment			Work contract	Contract for copyrighted work	Student work	Sole proprietor (s.p.)
		fixed-term	Part time	Agency work				
Social Security	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
- pension and invalidity insurance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
- health insurance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
- parental insurance	Yes	Yes	Yes	Yes	No	No	No	Yes
- unemployment insurance	Yes	Yes	Yes	Yes	No	No	No	Yes
- occupational accident ins.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
contributions employer (%)	16.10	16.34	16.10		6.36	6.36	15.74	
contribution employee (%)	22.10	22.10	22.10		9.38	9.38 <sup>6</sup>	15.50	38.80
Paid meal per working day	Yes	Yes	No	Yes	No	No	No	No
Commuting expenses	Yes	Yes	Yes	Yes	No	No	No	No
Paid holiday	Yes	Yes	Yes	Yes	No	No	No	No
Payment for annual leave	Yes	Yes	Yes	Yes	No	No	No	No
Severance right	Yes	Yes	Yes	Yes	No	No	No	No
Notice period	Yes	No	Yes	Yes	No	No	No	No
Probationary period	Yes	Yes	Yes	Yes	No	No	No	No
Internship	Yes	Yes	Yes	Yes	No	No	No	No
Night work	Yes	Yes	Yes	Yes	No	No	Yes	No
Breaks and rest periods	Yes	Yes	Yes	Yes	No	No	Yes	No
Disciplinary liability	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Liability to payment of compensation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Arko 2016

Also relevant are other contract types falling under contractual obligations: work contract, contract for a copyrighted work. In addition to non-standard forms of employment are still relevant: employment under a contract, student work and employment sole proprietor status (self-employment).

As mentioned above (section Potential benefits and risks for independent/autonomous workers in terms of) self-employed in the field of culture can apply for the government to pay their mandatory (social security, health...) contributions, however only if their work is

<sup>6</sup> If the income comes from other contractual relationships (not from the current employer) the copyright work contracts contributions is 21.86%.

of exceptional contribution to culture and they do not earn a specific amount of money on an annual level (e. g. in 2015 not surpassing 20,163.87 € gross earnings).

Autonomous self-administrative social institutions administer social insurance schemes. Territorial organization of these institutions is well developed and spread over the whole territory of Slovenia; they have regional units and local offices. Rights from the parental insurance, family benefits and social assistance are dealt with by the Centres of Social Work.

### **Main arrangements concerning new independent/autonomous workers in the social security system**

To some extent, the information asked for here is given also in the 1st chapter, section Potential benefits and risks for independent/autonomous workers. We will focus on the information not described there.

The most 'common' form of the employment engagement for the new autonomous workers in Slovenia is self-employment, therefore their situation will be described. In the case of **illness**, the self-employed are not entitled to any compensation for the lost income if they are ill less than 30 working days and are not excused from paying the mandatory contributions. In the case illness is of longer period, the self-employed are entitled to 80% compensation, calculated from the her/his average mandatory contributions paid in the previous calendar year (higher contributions meaning higher compensation). In the situation of longer illness, the Slovenian Health Insurance Office pays his/her mandatory contributions. In the case of self-employed child is sick this '30 working days' rule does not apply and she/he is entitled to the compensation and mandatory contributions paid by the government in the following way: for children aged 7 or less - the maximum of 15 working days is covered; for older children (till 18 years) the maximum of 7 working days is covered.<sup>7</sup>

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<sup>7</sup> In the case of child sickness, the official policy does not make any differences between self-employed and 'regularly' employed persons. However, because of the compensations being quite low (based on the low contributions paid by many self-employed) it is less common for the self-employed to take sick leave in the case her/his child is ill than for the 'regularly' employed. The fact which puts self-employed in less favourable working conditions.



Regarding the **maternal/paternal leave**, the self-employed situation is very similar to the situation of those in standard employment - at least in formal sense. They are entitled to parental benefits (compensation) if they had social security insurance the day before the start of the maternal/paternal leave or have been insured for at least 12 months in the last 3 years. The parental compensation is calculated on the basis of the contributions for parental protection paid in the last 12 months prior the application for maternity leave. Parental compensation cannot be lower than 55% of the minimum wage (approx. 260 € net income). The government pays mandatory contributions for those self-employed on paternal leave. However, in the real life situation, many self-employed don't see any point in paying higher mandatory contributions, since the smaller increase in compensations (be it in the case of illness, paternal leave, unemployment etc.) are not reflecting the much higher increase of the costs of the contributions should they opt for it.

In the case of **unemployment** of the self-employed, they might be entitled to the unemployment allowance as a form of social benefit. However, only those self-employed, who did not become unemployed by their own will or fault, are eligible to apply. As it goes for all the unemployed (no matter the previous type of employment), individuals have the right to financial compensation only after a certain period of paying the social security contributions (e. g. for the younger than 30 years (self)employed for at least 6 months in the last 24 months. In this case, fulfilling the rule she or he did not close business because of their own will, they are entitled to receiving the allowance for two months). The amount they receive is, again, calculated on the average contributions paid for the social security during self-employment.

When self-employed persons retire, their pension is calculated again on the basis of their contributions to the pension fund (through the mandatory payments). The requirements (years of service, age etc.) apply in the same way as for the regularly employed.

The pension and invalidity insurance, health insurance and parental (maternity) insurance are financed by contributions paid by insured persons and employers. There are two contribution rates: the insured person's contribution and the employer's contribution. The self-employed must pay both contributions. For some top performers in the domain of art and culture, the Ministry of Culture pays these contributions.

## **Tax system specifications for the new independent/autonomous workers**

There are no special tax treatments for the new autonomous workers. Besides personal income tax, individuals must pay compulsory social contributions. Both employer and employee must pay contributions, with the contributions withheld by the employer. Self-employed persons must pay social security contributions on their own. There are four types of contributions paid to two social security schemes and to the state budget, as follows:

- for pension and disability insurance, paid to the Pension Fund;
- for medical care and sickness leave, paid to the Health Fund;
- for unemployment insurance, paid to the state budget; and
- for maternity leave, paid to the state budget.<sup>8</sup>

Those independent/autonomous workers with self-employment status and not exceeding the 50,000 euros yearly revenue can choose the “simplified” way of taxation of small businesses (explained on page 7). However, in the case of self-employed taxation system does not depend on the sector – it is the same for craftsmen and other self-employed.

We could say the taxation system is more severe for self-employed than for the employees; in the case of employees, their mandatory social protection and other contributions are divided between employee and the employer, whereas in the case of the self-employed the only payer is the self-employed her/himself. The exception being those self-employed from the culture field, whose contributions are paid by government (explained above).

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<sup>8</sup> Source:

[http://www.mf.gov.si/fileadmin/mf.gov.si/pageuploads/Davki\\_in\\_carine/Angle%C5%A1ki/Taxation\\_in\\_Slovenia\\_2015.pdf](http://www.mf.gov.si/fileadmin/mf.gov.si/pageuploads/Davki_in_carine/Angle%C5%A1ki/Taxation_in_Slovenia_2015.pdf)

#### **4. Collective representation and social dialogue**

The crisis the trade unions are facing in Slovenia in the last decade is characterized with dramatic decline in membership. The SJM research shows that in Slovenia during 1991–2008 period the trade union membership dropped from 66.5% to 26.6% and the economic crisis afterwards only worsened the situation. The proportion of employees in trade unions in Slovenia ranges somewhere between 25% and 30% (Stanojević, 2015). The union structure is fragmented, with ten<sup>9</sup> separate union confederations, although one of them, ZSSS, is clearly dominant. There are no official figures on trade union density. The latest estimate from the ICTWSS database of union membership, puts union density in Slovenia at 24.4% in 2011,<sup>10</sup> while the main union confederation ZSSS states on its website that union density is over 27%.<sup>11</sup> However, there has also been a change in the balance of union membership, with unions in the public sector maintaining membership while the unions in manufacturing losing members ('Trade Unions/Slovenia/Countries/National Industrial Relation/Home – WORKER PARTICIPATION.eu' 2016).

The Slovenian trade union movement is highly fragmented, with ten union confederations as well as several autonomous unions. The largest confederation is ZSSS, which, according to its own information, has 300,000 members, including the unemployed and pensioners. Estimates of Stanojević and Broder (2012), are on the other hand much lower: 155,000 members (Stanojević and Broder 2012). ZSSS is organised in 22 federations: seven in industry, six in private services, six in the public sector and three covering other groups, such as pensioners. The largest federation in ZSSS is SKEI, which organizes in the metal and electrical engineering industry and has 35,000 members. A large part of the public sector workforce is organised in unions outside these confederations, and in 2006 five of the largest unions in the public sector came together to form a new confederation KSJS. In

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<sup>99</sup> Union confederations, that are representative at national level, are seven: Konfederacija sindikatov Slovenije Pergam (KSS Pergam), Zveza svobodnih sindikatov Slovenije (ZSSS), Konfederacija sindikatov 90 Slovenije (KS 90), Slovenska zveza sindikatov Alternativa, Zveza delavskih sindikatov Slovenije Solidarnost, Konfederacija novih sindikatov Slovenije (KNSS Neodvisnost), Konfederacija sindikatov javnega sektorja Slovenije. In addition to this seven, there are three more union confederations: Zveza reprezentativnih sindikatov Slovenije (ZRSS), Konfederacija slovenskih sindikatov (KSS), Konfederacija reprezentativnih sindikatov v medijski dejavnosti.

<sup>10</sup> See <http://www.uva-aias.net/207>.

<sup>11</sup> See [http://www.sindikat-zsss.si/index.php?option=com\\_content&view=article&id=726&Itemid=219](http://www.sindikat-zsss.si/index.php?option=com_content&view=article&id=726&Itemid=219).

addition, there is a large number of autonomous unions, which have membership in specific areas. The seven confederations that are representative at national level are members of the tripartite Economic and social council, the ESS. ESS was established in June 1994 by a special agreement, signed by social partners – employers' associations, trade unions and the government of the Republic of Slovenia – when the Wage Policy Agreement for the non-government sector was adopted. It is the highest-level body representing the social partners in Slovenia, made up of representatives of the unions, employers and the government. Each social partner has eight members in the ESS, and the tripartite composition reflects the equal representation of all three partners.

Stanojevič (2015) recognizes that among the trade unions in Slovenia the logic of narrower, direct interests of trade union memberships is taking over, which corresponds to interest fragmentation, reflecting in increased growth of new (small) trade unions. Lukić (2017) agrees and says there are around 3,200 trade unions and many union confederations in Slovenia. He sees this situation as problematic as it contributes to further fragmentation of union organization – “instead of connecting, they (*unions*) establish another union confederation” (Lukić 2017). Šuštar (2017) and Begić (2017) agree with this view, which is very evident in the field of culture, where many unions and union confederations, associations coexist.

In October 2016, new union was established – the one important for representing the rights of the new autonomous workers who fall into the category 'precarious workers' – the Trade Union of the Precarious.

## Public/political debate

There is an ongoing (periodic) public/political debate on the issue of collective representation of the new independent/autonomous workers, mostly included within the debate of precarious nature of work of certain occupational groups or types of work. ('Samozaposlenim v kulturi ne zna pomagati niti sindikat :: Prvi Interaktivni Multimedijški Portal, MMC RTV Slovenija' 2016). The unions are aware of the problems relating to collective representation of the new independent/autonomous workers who could be identified as precarious workers – in the Slovenian context usually the self-employed – and it has been few years since trade unions have been accepting not just the employees as their members but also others – self-employed, unemployed, precarious workers on different contracts etc.

I-Pros (self-employed ones) can join The Chamber of Craft and Small Business of Slovenia (OZS), which is an umbrella organisation comprising the craft and small business chamber system with 62 chambers of craft and small business.<sup>12</sup> The first (among others) stated core task is representing the members' interests before the government.<sup>13</sup> The membership is voluntary and it ranges from 10 to 27 euros per month. We do not dispose with data on the number of the I-Pros being the members of the OZS, however, in an interview conducted with the director Lamperger, he stated the (self-employed) I-Pros do not represent a significant share in their membership.

Our interviewees<sup>14</sup> (Lukić, 2017; Poglajen, 2017; Funkl, 2017; Šuštar, 2017; Begić, 2017) identified two main problems regarding the I-Pros and their collective representation. The first one is the problem of organization; namely, the I-Pros are working in a highly individualized situation, competing with each other. This is one of the main reasons why it is so difficult to organize them in Slovenia; as Lukić (2017) points out, "competitiveness struck before solidarity." They are likely to perceive their position as being alone in the market as well as not represented by any official body in the social dialog. In this context, they tend to see themselves as those who are supposed to be responsible for their own future, not counting on help of other institutions, associations etc., and trying to avoid (from their point of view) unnecessary financial burdens imposed by the government.

The second problem arises when "I-Pros" are actually not autonomous, independent workers. They are self-employed, however in reality being forced in the self-employment status and can be identified as precarious workers. Funkl (2017) distinguishes between three groups of these workers; the first one would be those in bogus self-employment. The second group is consisted of economically dependent workers. The last group are the

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<sup>12</sup> Source: <http://www.ozs.si/ozseng/Aboutus.aspx>.

<sup>13</sup> Source: <http://www.ozs.si/ozseng/Aboutus/Coretasks.aspx>.

<sup>14</sup> In the beginning of the 2017 several interviews in order to gather information for the case studies were conducted. The persons we interviewed were:

Marko Funkl, president of the Movement for Decent Work and Welfare Society and president of the Trade Union of the Precarious; Črt Poglajen, political scientist, journalist, president of the Institute for Precariat Studies; Goran Lukić, president of the Organisation for the Advocacy of Vulnerable Groups – Counselling Office for Workers, ex-trade-unionist, political scientist; Mirsad Begić, president of SUKI – Union Conference of Independent Creators in the Fields of Culture and Informing; Mitja Šuštar, president of GLOSA – the Trade Union of Culture and Nature of Slovenia; Danijel Lamperger, director of the The Chamber of Craft and Small Business of Slovenia.

victims of the dumping in the market place. He mentions the cases of competitiveness amongst translators and architects in Slovenia and comments the situation as a “race to the bottom” (Funkl, 2017).

Pergam trade union confederation is one of the first unions that allowed union membership to workers that perform work on other legal grounds than employment contract (e.g. contract for a copyrighted work, work contract, service contract as a self-employed, student referral, etc.) (‘Informacije za samozaposlene - Sindikat Pergam,’ 2016).

On October 7<sup>th</sup> 2016, the Trade Union of the Precarious was established within the largest trade union confederation ZSSS. Its aim is to protect the rights of precarious workers. The formation of a new union was also supported by the union Young Plus (Mladi plus) – the trade union of students and young unemployed (‘Prekarci se bodo za pravice bojevali s svojim sindikatom :: Prvi Interaktivni Multimedijski Portal, MMC RTV Slovenija,’ 2016). The union will be funded from membership fees and it intends to offer particularly legal security, advice and representation (more in Part II).

There are various (occupational) unions organizing at sectoral level. These unions do not represent exclusively independent workers, but a significant share of their members is self-employed. For example, Glosa Union (Union of Culture and Nature of Slovenia) and SUKI (Sindikalna konferenca samostojnih ustvarjalcev na področju kulture in informiranja - Union Association of Autonomous Creators in the Fields of Culture and Information) unites those employed in the field of art, film, natural heritage protection, cultural heritage protection etc. in order to protect their labour, socio-economic, professional, artistic and other interests (‘Sindikat Glosa - Sindikat’ 2016). They strive to influence the national legislation in order to change the working conditions of workers in cultural sector, being the employed in the public sector or self-employed cultural workers. Also Slovenian Union of Journalists represents its members in relation to media management and owners, state institutions and other organisations; provides free legal assistance and support to its members in disputes between employees and employers; negotiates on behalf of its members on the bases of the Union’s constitution, the general rules of trade unions, measures and programs, adopted by the Slovenian Union of journalists, and on the bases of collective agreement for professional journalists; monitors compliance with the collective agreement by the media enterprises and immediately takes action if breaches of the agreement occur; organises mutual assistance among members; organises labour strikes, if necessary (‘Sindikat Novinarjev Slovenije » English’ 2016).

## **Main actors/organizations/associations for I-Pros' collective representation**

The data available on trade unions are presented in the previous section. We did not find any evidence of employers' associations representing new autonomous workers. Besides temporary work agencies, there are no other LMI's in Slovenian labour market. However, they currently do not provide any collective representation or social security protection to their clients.

Regarding the LMI's in Slovenia (referring primarily to private employment placement agencies and/or temporary work agencies) it can be stated that significant number of these form part of the problem in Slovenia labour market and lead to further precarization rather than to problem solution. The exploitation of workers sent to employers by private agencies is daily covered in Slovene media and is happening on an alarming scale. Most of our interviewees were highly critical of the role agencies play in labour market in Slovenia, Poglajen stating that "from the Slovene point of view agencies are problematic, since they tend to turn every form of work into the precarious one." In his opinion, agencies are market-driven, profit organisations, unlike unions or cooperatives that protect their members, defend them against external pressures. Going even further, agencies are often seen as a means of avoiding employment legislation and cost reducing for the employers. Namely, recently some agencies started to employ workers on a permanent basis (therefore agencies being the employers), however immediately sending them to work for some other employer. In this way, the (final) employers are not breaking the law, however the exploitation of agency workers continues.

Another organization to be mentioned is Asociacija (Association), which unites the NGOs and independent artists in the field of arts and culture. Since 1992 they evolved in an advocacy and service organization.<sup>15</sup>

Those autonomous workers that are self-employed can join the Chamber of Craft and Small Business of Slovenia (Obrtno podjetniška zbornica Slovenije, henceforth referred to as OPZS). OPZS is an umbrella organisation comprising the craft and small business chamber system jointly with 62 regional chambers of craft and small business. OPZS and the regional chambers of craft and small business are independent legal entities managed by craftsmen

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<sup>15</sup> <http://www.asociacija.si/si/o-nas/>

on a voluntary basis.<sup>16</sup> The Chamber strives to improve the conditions for doing business in craft, micro, small and medium-sized enterprises. Craftsmen and their chamber have become an equal partner in the dialogue with the government and trade unions.<sup>17</sup> OPZS as an employers' association is also a member of the ESS – national tripartite Social and Economic Council. The main aims of the OPZS are representing the members' interests before the government, informing their members, offering services to members (e. g., consultation, training, licensing etc.) ... OPZS's financial sources are members' fees (cca. 40%) and commercial activities (60%).<sup>18</sup> Membership fee ranges from 10 to 27 euros. Currently their membership counts cca. 25,000, most members are sole-proprietors with one employee.<sup>19</sup> Members are organized in sectors, most members are from traditional crafts and do not coincide with the I-Pros definition; it was therefore decided not to include the Chamber as a case study for the purposes of the I-Wire project.

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<sup>16</sup> <http://www.ozs.si/>

<sup>17</sup> *ibid.*

<sup>18</sup> Lamperger, 2017

<sup>19</sup> *ibid.*



## Part III. CASE STUDY

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There were several interviews conducted and extensive enquiry done on the possible case studies that would represent the I-Pros situation in Slovenia, however one issue kept arising – as we've mentioned already, in Slovenia the debate on I-Pros ends up as a debate of precarious forms of work. The findings we got with most of the interviews were incorporated in the above text, in this place we present one case (which combines two organisations) that we found as the most interesting and different from the traditional union organisation.

### Movement for Decent Work and Welfare Society (Gibanje za dostojno delo in socialno družbo)

and

### Trade union of the Precarious (Sindikrat prekarcev)

#### Description of the organisation

We have decided to cover two organisations (Movement for Decent Work and Welfare Society and Trade Union of the Precarious) as one case, since the latter originates from the former and it has been only half a year since the Trade Union of the Precarious has been established.

*Movement for Decent Work and Welfare Society (Gibanje za dostojno delo in socialno družbo)*

Movement's website: <http://socialna-druzba.si/>; <https://sl-si.facebook.com/socialna.druzba>

Movement is a non-profit organisation with aims of promoting decent work and welfare state, addressing the problem of precarious work in Slovenia, struggling for the right of exploited people, identifying precarious and exploitative forms of work, mitigating the consequences of precarious work, organising events and campaigns to raise awareness among the public about the dangers of precarious work ... Their activities comprise of workshops, round tables; national conferences and campaigns; critically responding to

current legislation; projects on precarious work and labour market situation; annual summer camps etc.<sup>20</sup>

*Trade Union of the Precarious (Sindikat prekarcev)*

Union's website: <http://www.sindikat-prekarcev.si/>;

<https://www.facebook.com/sindikat.prekarcev/>

The Union was established in October 2016 to unite and represent precarious workers. Trade Union of the Precarious originated in the above-mentioned movement after identifying the need of organising and helping those working in precarious forms (usually in nonstandard employment forms).

- **Origin: When it was established? Describe the process of creation: spontaneously bottom up? Top-down pushed by other organisations?**

The Movement was established in 2011, when the legislation on “small work”<sup>21</sup> was to be enforced. The initiative for the Movement came from unions and student organizations as a response to the situation in labour market. Their first aim was to fight against “small work” and flexible forms of employment, later focusing on decent work and precariat. They’ve encountered a problem how to define this intangible group of workers, how to address them, how to find out what are their main problems. This still remains characteristic of precariat – identification.

The Union was established in October 2016. As mentioned above, it originates from the Movement, which has much broader aim in sense of dealing with (and visioning) the future of work. It has an awareness-raising mission, being present in the broad public debate on decent work and problems of precarious workers, active through campaigns, publications etc. While the formation of the Union was the answer to the needs of people who sought advice and help from the Movement. Because the number of these persons rose, providing free legal aid and other advice was no longer possible by volunteers of the Movement. If they were to provide legal assistance and/or representation, consider taking part in collective bargaining, social dialogue etc., they saw a solution in organising people into the Union (Funkl 2017).

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<sup>20</sup> Information from <http://socialna-druzba.si/>.

<sup>21</sup> The law on small work was introduced by government to regulate the work of students, pensioners and unemployed. The law was rejected in a referendum in 2011.

- **Independence: Is it an independent organisation? Is it affiliated to other organisation, confederations?**

The Movement is a non-profit, nongovernmental and independent organisation.

The Trade Union of the Precarious forms part of confederation The Association of Free Trade Unions of Slovenia.

- **Geographic dimension: Local or national dimension? Internal articulation?**

Both Movement and Union are active on national level.

- **Organisational structure and governance: is it hierarchically structured? Do they have formally defined roles? Do they vote for a board of directors through formal elections?**

In Movement, there is virtually no hierarchy (Funkl 2017). It is registered as a society (following the Societies Act). According to the president of the society (Funkl 2017), their meetings are not classic in the sense of fixed agendas, reporters, decision makers ... Instead, every member with paid membership has a vote and can be heard in the meetings. They do have tasks/fields divided between members, however they try to keep the main emphasis on the content, not the functions. In practice it crystalizes fairly quickly, which functions the members take – following the interest fields of different members. The leaders are elected at general assemblies, where all the members vote.

More on the Union's in 3<sup>rd</sup> sector of this chapter.

- **Organisational form: In many cases, the associations are based on voluntary work. Do they have dependent employees on the payroll of the organization? The organisational structure has changed along time (from less to more structured for instance)?**

The Movement is based on voluntary work, it has no employees.

It has not been long since the Union's establishment, so the staff is volunteering. However, they do intend to start paying fees to those working in the Union. This depends on the number of the members – with bigger number it will definitely be easier to introduce fees for the staff.

## 2. Members

- **Kind of independent workers represented: Sectoral, occupational, transversal, heterogeneous composition? Are there different categories of members?**

The Movement as a volunteer association never recruited members very actively. It has 60 to 100 members who pay annual membership. Some of these are supporters, most of them are active, involved members (Funkl 2017).

The Union recruits precarious workers – it does not focus (solely) on the independent, autonomous workers. However, many I-Pros in Slovenia work in precarious conditions,<sup>22</sup> and can therefore be part of the target group the Union addresses. The Union's membership is heterogeneous (with precariousness as a “distinctive feature”), however they have started to organise in occupational sections. They've got three sections till now; architects, translators, taxi drivers, and the forth one in formation (newspaper delivery workers).

- **Members' recruitment: What strategies do they implement to recruit new members? Do they apply a membership fee? How much? What benefits/advantages/services do they provide to your members? As an independent worker, what is the main reason to enroll in the organization?**

The members of the Movement pay the annual fee.

According to the Union's president (Funkl 2017), they have a good recruitment plan and address people where they enter the labour market, for example in the Public Employment Service of Slovenia and the “VEM spots.”<sup>23</sup> They face the problem as do all the organisations dealing with precarious workers – these workers are very atomized, individualized, it is difficult to reach and organize them. Besides, they don't identify as workers in the traditional sense (Funkl 2017).

There are two big groups of precarious workers they focus on. The first one are agency workers. In Slovenia, there is a specific situation where Public Employment Service often send unemployed workers to private agencies which “provide” workers for different employers. They find this practice as highly questionable (from different points of view, however one of the reasons is further precarization and exploitation of workers) and try to remedy the situation by organizing educational activities on workers' rights. The agency workers are usually not organized in unions (since they change their working place often) and the Trade Union of the Precarious tries to address and recruit them in their current

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<sup>22</sup> This was the reason to choose the Trade Union of the Precarious and the Movement for Decent Work and Welfare Society as our case.

<sup>23</sup> This is where individuals can start with registration process of their small businesses.

working places. If or when they change their employment form to a standard one, then the Union “shifts” their membership to the sectoral union.

The second group they focus on in recruitment process are the self-employed (sole proprietors).<sup>24</sup> They try to get their e-mail addresses from official records (preferably soon after the “small business” has been established) in order to reach and inform them, and invite them to join the Union’s free education on the rights of the precarious workers.

The Union membership fee is 8 euros per month for self-employed (sole proprietor), this would count as 1% of the gross income if her or his income would be 800 euros (this is approximately the minimal gross pay in Slovenia). Otherwise (e. g. for those on fixed-term contracts or agency workers) it is 1% of gross income. For those who would like to use the accounting services the Union provides, the membership monthly fee is 36 euros.

By joining the Union members gain legal assistance and accounting services provided by Union. One of the huge problems for independent (and often precarious) workers in Slovenia presents the lack of payment discipline; the Union helps the members with payment enforcement procedures. In the near future, they plan to offer members the possibility to get a loan in a certain bank. Namely, one of the critical issues of precarious workers is their incapacity to get a loan because of their creditworthiness. They also plan to introduce educational activities.

### 3. Collective representation and strategies

- **Strategies of collective representation: What strategies do they implement (lobby in the parliament to define the policy agenda/ negotiation of collective agreements/ servicing such as fiscal consultancy/ intermediation/ marketing/ support in bid preparation/ training/ financial support)? Good practices to export?**

The Movement is not a (typical) organisation of collective representation. Nonetheless, acting in the areas of labour market and welfare state, they do try to change the position of the precarious workers through different activities, campaigns, events which raise general public’s awareness of dangers of precarious work. They take part in different research

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<sup>24</sup> Mainly those, of course, that were forced in this status. Among these they are interested in those below the at-risk-of-poverty threshold (and another 15% - 20% above this threshold). According to Funkl (2017), one third of all the self-employed pertains to this group.

projects, collaborating with many research institutes and faculties and participating with professors and researchers in different publications. The members meet with researchers and professors regularly, they introduce and inform young people on precarization and labour market flexibilization, visiting them and organizing workshops in high schools and faculties. They comment on current legislation with experts' opinions.

- **Strategies of mobilization and involvement: What strategies do they deem as effective to engage the members (traditional strategies, new forms that exploit the visibility of social networks and new technologies)? The membership rate is still a reliable indicator of the strength of an organization? Or otherwise, does the public/political visibility matter more than the membership?**

In Movement, the e-newsletter is prepared monthly and shared among members and interested public. Besides the Movements website different social networks are used (Facebook, Twitter, YouTube). The Movement's activities (numerous roundtables, conferences ...) are well covered by the traditional media. In accordance with the above written on the Movement's membership the public and political visibility and presence in public debates is one of the important strategies how to achieve its goals.

In the Union, the rules on active membership are being prepared. Each member has a voting right, can participate with her or his vote in president and other elections, and has impact on forming the Union's program, if she or he is active and a member for at least three months. Their aim is to encourage members to take active role – in decision making processes, program formation, and taking over the role of local or regional leaders, representatives in their regions and in their fields. The difference between the Trade Union of the Precarious and other traditional unions is, according to the president (Funkl 2017), the way they intend to organize and actively involve the members. While traditional unions usually adopt delegate system, their idea is to involve all members in different activities and in decision making processes. And those involved will count as active members.

- **Political role: Do they qualify themselves as political actors? Do they sit at negotiation table? Are they audited in the parliament?**

Regarding the policy adoption in Slovenia and political decisions Funkl says that in reality the Movement doesn't have a (direct) influence. In March 2015 on the Movement's initiative the Government's Project Group on Precarious Forms in Labour Market<sup>25</sup> was

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<sup>25</sup> In Slovene: Vladna projektna skupina za prekarne oblike na trgu dela.

formed. According to Funkl, this was first attempt to form a working group not in the sense of traditional social dialogue within the Economic and Social Council (ESC). In May 2015, the conference on precarity was organized with the Prime Minister of Slovenia, Minister of Labour, Family and Social Affairs and Equal Opportunities, many experts as well as precarious workers' representatives attending. The event was widely covered by the media and it was agreed to give more attention to the problem of precarious work and to take measures in this field. In 2016, the government published the document "For Decent Work," but, according to Funkl, did nothing concretely to change the situation. After two years, the nongovernmental organizations and unions that formed the working group, disbanded the group in protest due to disagreement with government's steps in resolving the situation of precarious workers, which in the meantime worsened. From this experience, they've learned the Ministry of Labour, Family, Social Affairs and Equal Opportunities is not prepared to start dialogue with groups outside the ESC. This was also one of the motivations for establishing the Union, which can have an active role in social dialogue.

- **Coalitions: Relationships and coalitions with the other organisations? How is the relationship between traditional unions and the other organisational forms? Are there converging/diverging objectives/interests between organisations? Is there room for partnership?**

As mentioned above the Union forms part of confederation the Association of Free Trade Unions of Slovenia. They did not opt for an independent union but rather to collaborate with other unions (instead of further fragmenting the union organization in Slovenia, which consequently leads to weakening of union movement) under the umbrella of the Association. Their goal is to set such a system in which those who would change their employment from the precarious form would also join other sectoral union. They also see advantage in working together with other unions since they share the same problem originating in flexibilization of labour market – the weakening of the union organization of workers in general. Namely, they maintain that "in the long term precarization means lowering standards for all" (Funkl, 2017).

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