

CELSI Research Report No. 9

BARGAINING FOR SOCIAL RIGHTS AT THE SECTORAL LEVEL: THE CASE OF SLOVAKIA

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Introduction

The transition from state socialism to market economy and democracy, internationalization of production, the EU accession and the economic crisis facilitated important changes in the dynamics of labour markets across the EU member states in Central and Eastern Europe (CEE) including the Slovak Republic. The rapid economic growth in Slovakia in the 2000s, closely connected to technological innovations on global markets, have accelerated the organization of the Slovak economy around flexible production forms and the increasing role of services. Such macro-level changes lead employers to address their greater need for flexibility also in their relation with employees, and produce a growing importance of market forces at the workplace. In result, the trend in the EU member states but also in other industrialized countries like the US has been a growing precariousness of work.

Kalleberg (2009: 2) defined precarious employment as “employment that is uncertain, unpredictable, and risky from the point of view of the worker”. In a micro-level perspective, precariousness may produce inequality, instability, and insecurity because people lose their jobs easily or fear losing their jobs, lack alternative employment opportunities, or lack opportunities to develop or maintain particular skills (ibid.). From a macro-level perspective, the growth of precarious employment produces a dualized, segmented or fragmented, labour market in the formal economy, where fixed-term contracts, part-time contracts, dependent self-employment, temporary agency work and casual work are crowding out the standard employment contracts (c.f. Sala and Silva 2009, Mrozowicki et al. 2013).

The strong emphasis on market-driven solutions in the employment relationship has also important implications for the workers’ collective voice (Standing 1999). In the past century, Webb and Webb (1897(1965)) argued that collective bargaining has superseded individual contract in regulating employment conditions. However, the growth of precarious employment implies a return to individual contractual arrangements (Gallagher and Sverke 2005). Employers face a double-pressure for market competitiveness and work flexibilization, while trade unions seek new ways of coping with precariousness and the interest representation of precarious employees. While trade unions struggle to improve the working conditions and social rights of precarious employees, they simultaneously try to reduce precarious employment forms and defend the standard employment relationship with decent working conditions, pay and job security.

Slovakia is no exception in the above trends. However, the available empirical literature on the phenomenon of precarious work in Slovakia and other CEE countries is marginal (Bernaciak and Jepsen 2013). The aim of this report is to shed more light on the challenges of precarious employment, and analyze the actions that trade unions and employers have developed in addressing precarious employment in Slovakia. Being part of a larger international study, the

focus is on four economic sectors, including healthcare, construction, temporary agency work and industrial cleaning. In particular, this report provides answers to the following questions:

- What are the trends in precarious work in general and in the selected sectors in particular?
- Which forms of precarious work are the most obvious in each sector?
- What factors have underlined the rise of precarious employment in each sector?
- What initiatives have employers and trade unions as sector-level social partners taken in response to the trend of labour market flexibilization and the rise of precarious employment forms?
- How effective is their action and what are the implications for the extent and type of precarious employment, for governmental employment policy, for the future of sector-level bargaining institutions and for the strength of collective voice of employees and employers in these sectors?
- What comparative conclusions can be drawn from the sectoral case studies?
- What are positive and negative experiences in terms of dealing with precariousness through industrial relations? What are the conditions for positive cooperation across the studied sectors?
- What do we learn in general terms about precariousness and industrial relations?
- What solutions, ideas and principles to deal with and reduce precariousness emerge from the analysis?

The analytical tool used in this study derives from earlier work of an international team of researchers in the BARSORI project and the BARSORI report on Slovakia (c.f. Kahancová and Martišková 2013). A two-dimensional matrix of precariousness is applied and evaluated in qualitative terms using evidence from each of the studied sectors (see Table 1).

This two-dimensional approach allows mapping sectoral differences in the most important forms and trends in precarious employment and to identify and compare the focus of social partner responses to particular dimensions of precarious work. For example, while precariousness,

Table 1 Two dimensions to precariousness

		Quality of working conditions dimension				
		Wages	Working time	Job security	Social security	Voice
The formal employment status	Open-ended contract					
	Fixed-term contract					
	Part-time contract					
	Marginal part-time contract					
	Work agreement contract					

	Temporary agency work					
	Bogus self-employment					

insecurity and vulnerability of employment in the healthcare sector develops around wages and occupational wage discrimination, in construction the most important dimension of precariousness is the lack of social security and quality of work because of widespread bogus self-employment.

The authors have collected original evidence for this report in 2013-2014. We have conducted 19 interviews with sectoral social partner representatives in each sector (see Table 2). All interviews were conducted in person, recorded and transcribed upon consent of the respondent. If the respondent did not agree with recording, interview notes by the authors provide for evidence. Second, we have benefitted from an updated version of our earlier work on the BARSORI study (Kahancová and Martišková 2013) and an ILO study on legislative changes and their impact on industrial relations in Slovakia (Bulla et al. 2014). Third, we have collected relevant statistical evidence on employment trends and forms in Slovakia, and have mapped the recent media coverage since 2010 on bogus self-employment, the case of negotiating wages in the healthcare sector, current discussions and legislative proposals in the temporary agency sector, and other relevant materials.

The study is structured as follows. The first section briefly outlines the most important statistical and legislative trends in precarious employment, which helps identifying the major challenges in precariousness from a policy perspective and from the perspective of social partner responses. The second section explores the incidence of precarious work in four sectors and analyzes the responses and initiatives of sectoral social partners. The third section provides comparative evidence on sectoral findings, draws conclusions and implications for EU-wide perspective on addressing precarious work through the action of social partners.

Table 2 Overview of interviews conducted in Slovakia

Label	Sector	Category	Organization name	Interview respondent position	Date	Topic	Interview
TAW1	TAW	Trade union	OZ Kovo	Vice-president	February 11, 2014	Overview of the sector, legislative changes current strives for improved regulation	Recorded and transcribed
TAW2	TAW	Trade union	OZ Kovo	Vice-president	August 26, 2014	Update of the situation, employer and trade union initiatives in the TAW sector	Recorded and transcribed
TAW3	TAW	Employers	Zväz strojárského priemyslu (ZSP), Federation of Mechanical Engineering Industry, requested to bargain on behalf of temporary work agencies	Chief negotiator	February 6, 2014	Overview of the sector, current problems, employer initiatives, legislative changes	Recorded and transcribed
TAW4	TAW	Employers	Asociácia poskytovateľov služieb zamestnanosti (APSZ), Association of Providers of Employment Services	Vice-president APSZ and Edymax	March 13, 2014	Overview of the sector and employer associations structure, legislative changes, employer initiatives, attempts to launch collective bargaining	Recorded and transcribed
TAW5	TAW	Employers	Aliancia personálnych agentúr Slovenska (APAS - new), Alliance of Staffing Agencies of Slovakia	Chairman of the Board & CEO, president of APAS	August 19, 2014	Current challenges in the TAW sector and employer initiatives	Recorded and transcribed
TAW6	TAW	Employers	Asociácia personálnych agentúr Slovenska (APAS - old), Association of Staffing Agencies of Slovakia	APAS representative and Country Manager Adecco	September 9, 2014	Overview of the sector, current developments, legislative changes	Recorded and transcribed
CON1	Construction	Trade union	Integrovaný odborový zväz (IOZ), Integrated Trade Union Federation	President and chief negotiator	February 17, 2014	Overview of the sector, legislative changes, trade union initiatives to avoid flexibility and precarious work	Recorded and transcribed
CON2	Construction	Trade union	Integrovaný odborový zväz (IOZ), Integrated Trade Union Federation	President and chief negotiator	May 23, 2014	Forms of precarious work, reasons and consequences, union strategies	Recorded and transcribed
CON3	Construction	Employers	Zväz stavebných podnikateľov Slovenska (ZSPS), Federation of Construction Entrepreneurs of Slovakia	President	February 4, 2014	Overview of the sector, current problems, employer initiatives, legislative changes	Recorded and transcribed

CON4	Construction	Employers	Zväz stavebných podnikateľov Slovenska (ZSPS), Federation of Construction Entrepreneurs of Slovakia	President	September 17, 2014	Precarious work in the sector, flexibilization, employer strategies	Recorded and transcribed
HEALTH1	Healthcare	Trade union	Odborový zväz sestier a pôrodných asistentiek (OZSaPA), Trade Union Federation of Nurses and Midwives	President	March 3, 2014	Precarious work in the sector, flexibilization, employer strategies	Recorded and transcribed
HEALTH2	Healthcare	Trade union	Odborový zväz sestier a pôrodných asistentiek (OZSaPA), Trade Union Federation of Nurses and Midwives	President	May 30, 2014	Precarious situation of nurses, reasons, union initiatives for solutions	Recorded and transcribed
HEALTH3	Healthcare	Trade union	Slovenský odborový zväz zdravotníctva a sociálnych služieb (SOZZaSS), Slovak Trade Union Federation of Healthcare and Social Work	President	January 31, 2014	Overview of the sector, current problems, trade union goals, employment conditions and precarious work	Recorded and transcribed
HEALTH4	Healthcare	Employers	Asociácia štátnych nemocnic Slovenskej republiky (AŠN SR), Association of State Hospitals of the Slovak Republic; and the F. D. Roosevelt Hospital in Banská Bystrica	AŠN representative and head of Human Resource Management Department at the F. D. Roosevelt Hospital	February 28, 2014	Overview of the sector, employer attitudes to current legislation and recent changes in pay regulations and working conditions of nurses	Notes taken
HEALTH5	Healthcare	Employers	Asociácia štátnych nemocnic Slovenskej republiky (AŠN SR), Association of State Hospitals of the Slovak Republic; and the F. D. Roosevelt Hospital in Banská Bystrica	AŠN representative and head of Human Resource Management Department at the F. D. Roosevelt Hospital	July 3, 2014	Precarious work in hospitals, situation of nurses, employer responses to legislative changes and budget constraints, impact on working conditions	Notes taken
HEALTH6	Healthcare	Employers	Asociácia nemocnic Slovenska (ANS), Association of Hospitals of Slovakia and Svet Zdravia	Affairs Director, member of the Board Svet Zdravia, a.s. and vice-president of ANS	September 11, 2014	Precarious work in hospitals, employer initiatives	Notes taken
HEALTH7	Healthcare	Expert	Independent health policy expert	Former representative of the Healthcare Surveillance Authority	July 1, 2014	Part-time work and marginal part-time in hospitals	Recorded and transcribed
CLEAN1	Cleaning	Employers	Edymax	Head of the company's cleaning division	June 18, 2014	Overview of the sector, current problems, working conditions, precarious work	Notes taken
CLEAN2	Cleaning	Trade union	Discussion with IOZ, OZ Kovo and the trade union for service sector workers	Various trade union representatives	May - June 2014	Searching for evidence on interest representation of workers in the cleaning sector	E-mails and personal communication

1. Legislative developments and trends in precarious employment

Precarious employment in Slovakia mostly takes the form of legal, but alternative, employment forms, which comprise lower level of social security and labour rights than a regular full-time open-ended employment contract. This section briefly reviews the most important developments in the legally stipulated precarious employment forms. Since 2011, several important legislative changes were implemented as a response to the post-crisis increase in employment flexibility. The majority of these changes aim at reducing precariousness or at least introducing more specific regulatory tools to address alternative employment forms.

The Labour Code (LC) is the principal law, which regulates employment conditions and labour relations in Slovakia. The importance of the LC is demonstrated by its frequent changes, which derived from political preferences of incumbent governments in the past decade. In result, the LC underwent 19 amendments between 2002 and 2010 and further 10 amendments between 2011 – 2014. Because of the enormous amount of the amendments, this report will concentrate on the amendments between 2011 and 2014, which influenced the state of precarious employment in the Slovak labour market and to some degree represent a response to crisis-induced labour market changes. Together with the legislative changes we also briefly present the current statistics about particular forms of precarious employment. Most of these forms are further described in the second part of this report in the context of sector-specific case studies.

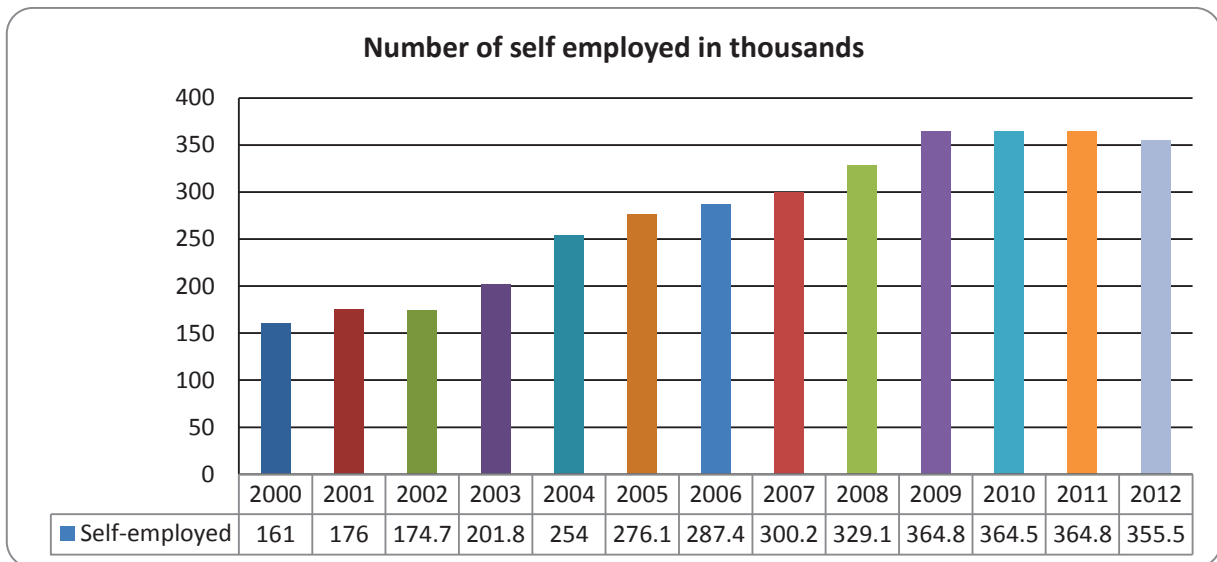
Definition of dependent work

The number of self-employed grew in the last decade from 161 thousands in 2001 to 355 thousands in 2012.¹ In response to the growing number of self-employed, from which considerable part is ascribed to bogus self-employment, the social democratic government introduced changes to the legally stipulated definition of dependent work adopted in 2007. Originally, the precise definition of dependent work contained 10 criteria: work carried out personally by employee for an employer, according to employer's instructions, in the employer's name, for a wage, during assigned working time, at employer expenses, using the employer's production premises and with the employer's liability, and also consisting mainly of certain repetitive activities. Since the post-2012 government saw this definition ineffective for decreasing bogus self-employment, an amendment was introduced in 2012. The definition now consists of 6 defining characteristics: salaried work, carried out personally by an employee who is in a relationship of subordination vis-à-vis the employer, upon the employer's instructions, in its name and in the working hours specified by the employer. The amendment also clarifies that dependent work may be carried out only by way of employment under the LC and not under the terms of some other forms of civil or commercial contractual relationships.

¹ Source: Eurostat.

However, this regulation still fails to prevent extensive bogus self-employment; and it rather offers a legal framework for the small number of labour court cases. The inefficiency of the law is also depicted in statistics, which shows that the 2007 and 2012 amendment did not influence the number of self-employed significantly (see Figure 1). The only reason for the decrease of self-employed was the post-2009 crisis when many self-employed lost their jobs. Self-employment is concentrated especially in the construction sector, IT sector, media and retail. Since 2010, the Slovak Statistical Office (*Štatistický úrad Slovenskej Republiky, ŠÚSR*) launched data collection on bogus self-employment as part of a household survey.² Evidence reveals that the number of the bogus self-employed has increased from 78,500 in 2010 to 107,600 in the third quarter of 2013.³

Figure 1 Self-employment in Slovakia (2000-2012)



Source: Eurostat

Work performed outside a regular employment relationship

The Slovak legislation recognizes employment contracts outside of a regular employment relationship, called also *work agreements*. Work agreements are considered to be one of the most precarious employment forms. Until 2013, these contracts were neither subject to social security deductions nor to health insurance contributions. Therefore, workers with a work agreement as their main source of income were not entitled for any social security benefits including pensions, unemployment or sickness benefits. Because of the virtually no social contributions (only 0,4 per

² The survey incorporates two questions, which help distinguishing regular self-employment from dependent (or bogus) self-employment. Source; SME, 15. 12. 2013, Fiktívnych živnostníkov namerali najviac od roku 2010 [The highest number of bogus self-employed recorded since 2010], at <http://ekonomika.sme.sk/c/7040557/fiktivnych-zivnostnikov-namerali-najviac-od-roku-2010.html> [accessed 29.9.2014].

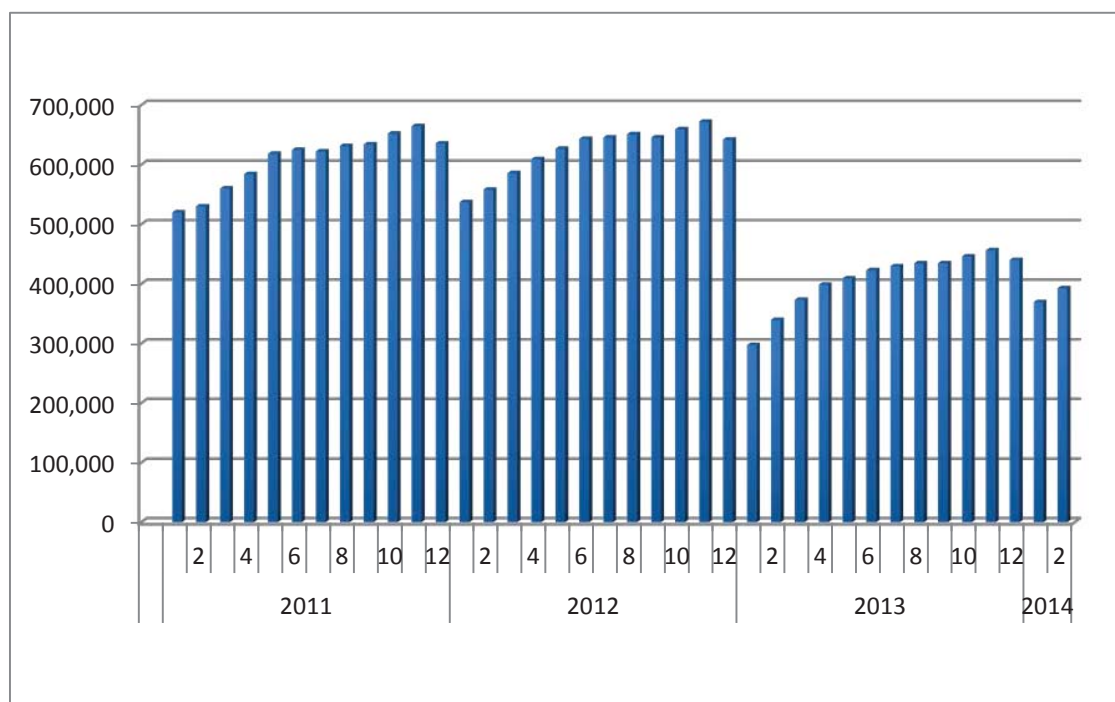
³ Source: *ibid.*

cent to the Guarantee Fund), this type of employment yielded agreement workers very attractive for employers in some sectors. While in cleaning and temporary agency work (TAW) agreement contracts were used to replace standard employment contracts, among medical professionals in the healthcare sector agreement contracts were (and still are) widespread as an additional source of employment besides standard employment contracts.

Inspired by the post-crisis austerity, the negative balance of the Slovak Social Security Authority (*Sociálna poisťovňa*), and political goals, the social-democratic government introduced obligatory social security and health insurance contributions on agreement contracts after January 2013. These deductions approximate the same level as deductions for employees with a regular contract. Therefore, agreement contracts lost their attractiveness to employers and their use dropped sharply since 2013 (see Figure 2). Despite improved access to social security benefits and healthcare services, employees with agreement contracts as their main employment form are still considered precarious, because some of their working conditions remain inferior to the standard employment contract (shorter dismissal notice of 15 days, no right for meal vouchers, holidays, limited maximum working time, no dismissal pay). The number of hours worked for one employer regularly per week cannot exceed 10 hours per week or 350 hours per year. Therefore, these contracts most usually do not provide for a decent living standard unless serving as a supplement to a regular employment relationship. In the TAW sector, agreement contracts have been explicitly forbidden through legislation.

Statistics of the Slovak Social Security Authority further reveals that the average number of work agreements per one person is 1.3. This suggests that most usually workers do not have only one work agreement, but are exposed to several precarious jobs at the same time.

Figure 2 *Employment under work agreement contracts (January 2011 – February 2014)**



* number of registered agreement contracts. Since January 2013, the Slovak legislation distinguishes between work agreement contracts with regular income and work agreement contracts with irregular income.

Source: Social Security Authority (*Sociálna poisťovňa*), monthly data.

Similarly to job sharers, agreement contracts offer the advantage of higher employability. If not abused and used in addition to stable regular jobs, agreement contracts allow employees to increase their professional experience and thus enhance their professional development. There are no specific data on how agreement contracts influence different types of employees, for example women.

Job sharing

Inspired by the experience from other countries including Denmark, Germany and Hungary, the Slovak Labour Code amended in 2011 accommodated several new provisions with the aim to increase labour market flexibility in Slovakia. The introduction of job sharing (*Delené pracovné miesto*) was one such provision. The idea behind the bill was to bring more labour market flexibility to the already known employment forms in Slovakia. In contrast to Denmark, where the primary motivation for job sharing was to mitigate the effects of the financial crisis (Jørgensen, 2011), the main reason behind the introduction of job sharing into the Slovak regulation was to institutionalize the possibility for this kind of employment for employees unwilling or unable to engage in full-time employment (e.g., working parents).

Even though the social partners and other stakeholders were involved in negotiations about the LC amendment, they did not specifically engage in discussions about job sharing regulations. The reason behind such marginal involvement was the combination of lack of their interest and information. Trade unions supported the implementation of job sharing, however, they expressed concerns about possible misuse of this legal provision by employers that could officially hire two people for shared position and then expect them to work full-time or more than agreed. Moreover, questions were raised about control mechanisms for job sharing itself, since in practice it is up to the job sharers to ensure smooth work operations.

Statistical evidence does not document the use of job sharing, and the government's estimate is that its use is marginal. Job sharing is not specifically promoted or supported through governmental labour market policies. According to the Ministry of Labour, the possibility of job sharing remains largely unknown to both employers and employees.⁴ One of the reasons is the existence of work agreements discussed above, which are widely used and to some extent crowd out other flexible employment forms.

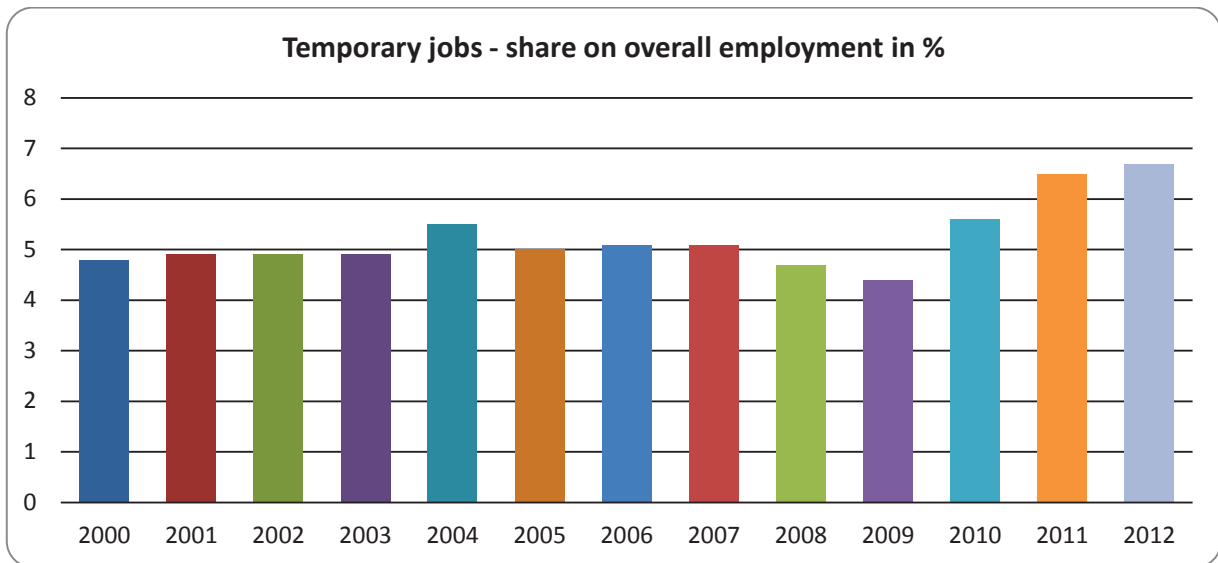
Fixed-term contracts

Legislation on fixed-term contracts has been subject to several LC amendments. Until 2007, the maximum length was 3 years with an indefinite number of prolongations. This provision reduced job security and mobilized the social democratic government to change the provision to one extension within 3 years. In 2010, another amendment stipulated two prolongations within two years. The next amendment one year later allowed for three prolongations in three years. The latest amendment of the LC, valid since 2013, reintroduced the number of prolongation as in 2010.

Evidence on temporary employment shows increasing shares on overall employment (see Figure 3). The share of involuntary temporary contracts has also increased since 2007 and reached 84.6 per cent in 2012 (see Figure 4). The main reported reason of (involuntary) temporary employment is the inability to find a permanent job. The share of involuntary temporary employment in Slovakia significantly exceeds the EU-28 average.

⁴ Source: interviews at the Ministry of Labour, Social Affairs and Family of the Slovak Republic and the Slovak Trade Union Confederation for the study on new forms of employment, commissioned by Eurofound (May 2014).

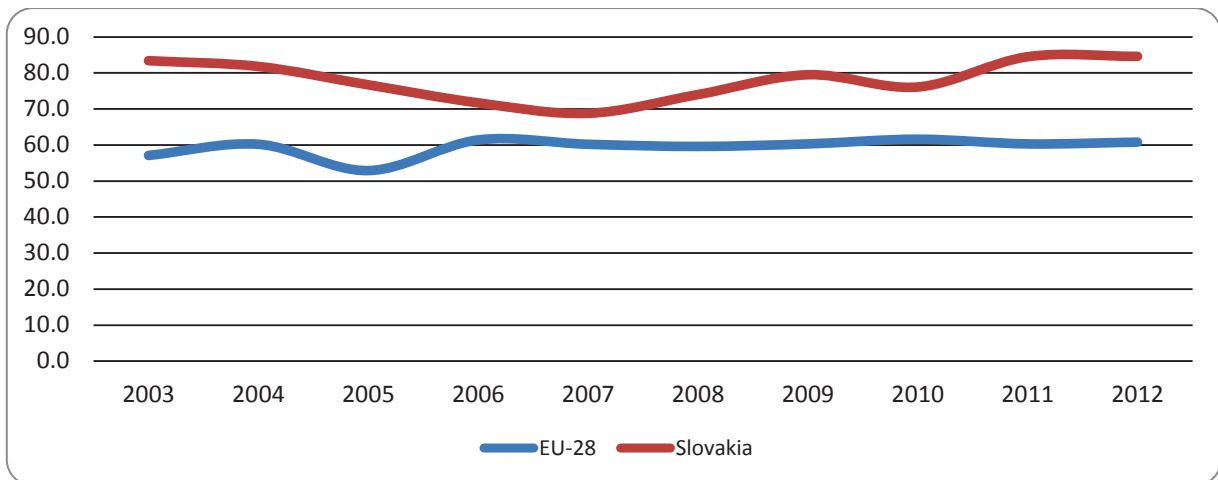
Figure 3 Trends in temporary employment in Slovakia (2000 – 2012)*



* Including temporary agency workers. The estimated share of TAWs is from one half to two thirds of all temporary workers.⁵

Source: Eurostat

Figure 4 Reason for temporary employment: could not find permanent job



Source: Eurostat

Temporary agency work

The increase of TAW occurred hand-in-hand with production changes in the mechanical engineering, automotive industry and electronics before and after the crisis. Being a relatively

⁵ Source: interview TAW4, 13.3.2014.

new employment form in Slovakia, the practice of TAW called for responses on the legislative side. A legislative response became even more urgent in the post-crisis years when TAW has been increasingly used as a flexible but precarious employment form. In result, several important legislative changes followed since 2011 and further changes are expected in the coming two years. The two major legal acts, the Labour Code and the Act on Employment Services (No. 5/2004), underwent several amendments. The most important regulatory changes include the introduction of the principle of equal treatment of regular employees and TAWs working at an end user company. In 2011 the principle on equal treatment of temporary agency workers was narrowed in the Labour Code by allowing only positive deviation from the specified equal conditions. Next, TAW has been restricted to regular employment contracts between employees and the temporary work agency, thus limiting the use of work agreements in TAW already before 2013. This change came as a reaction on the common practice of agencies to employ workers on work agreement contracts instead of regular employment contracts. Work agreements are precarious because of a shorter notice period of 15 days, and lack of any social and healthcare insurance prior to 2013.

Finally, legal changes were adopted to better regulate the operation of temporary work agencies, in order to increase their credibility and limit unfair employment practices. Following the EC Directive 2008/104/EC, also the Act on Employment Services was amended. This law explicitly forbids agencies to charge employees for assignment to end user employers, or to terminate the temporary assignment after concluding the contract with user employer. Moreover, temporary agency workers should be granted access to training and other benefits provided by the end user employer.

Further motivation for legislative changes was the high number of registered agencies. The aim was to prevent bankruptcies of agencies and illegal employment practices vis-à-vis agency workers. The Amendment of the Act on Employment Services from May 2013 obliged the agencies to document possession of capital in at least the value of 30,000 EUR on an annual basis. The same stipulation applies to registration and licenses to new agencies. This should prevent existence of small agencies with low equity capital, which could be easily exposed to bankruptcy without clearing their obligations towards their employees.

The Central Office of Labour, Social Affairs and Family (*Ústredie pre prácu, sociálne veci a rodinu*, ÚPSVaR) is obliged to withdraw the license of a temporary agency in case the annual report on activity is not submitted, when the agency does not assign any worker to an end user employer within a period of one year, or if the agency engages in illegal employment practices. In spite of these regulatory changes, the number of registered agencies did not significantly decrease in the past three years.⁶

⁶ Source: interview TAW4, 13.3.2014.

To sum up, recent employment trends in Slovakia suggest that flexible (and precarious) employment forms have been gaining importance in Slovakia in the post-crisis years. The incumbent governments and parliaments adopted a responsive approach and introduced several legislative changes. The only relevant change that directly translated into statistical trends has been the introduction of obligatory social security and health insurance contributions from work agreements. This produced a sudden drop in the use of these employment forms, which were widespread and commonly used prior to 2013. This legal step also resembles an end to the most precarious employment form without any social, pension, sickness and unemployment entitlements prior to 2013. Furthermore, the fact that the legislative change increased employment costs for workers with a work agreement, employers turned their attention to other forms of flexible employment. In result, TAW and self-employment have been gaining importance. The overall evaluation of legislative changes is that while these changes are strongly politically motivated, in the post-2011 period most regulatory stipulations operated towards decreasing precarious employment and stabilizing working conditions.

2. Precariousness and social partner initiatives in the sectors

This section explores in greater depth the incidence of precariousness and responses of employers' associations and trade unions thereto in particular sectors. While evidence is largely based on the views of relevant social partners interviewed for this project, for comparative purposes we follow the analytical tool outlined above in order to identify the main forms of precarious work in particular sectors. In this process, the opinions of key informants, supported by statistical sources and evidence from the media, help contextualizing the reasons why one form of precarious work is more evident in one sector than in the other; and the fact that the dimension of precariousness of the same kind of employment form may differ across sectors.

In each sector, we attempt to cover the following research questions:

- What are the trends in precarious work in general and in the selected sectors in particular?
- Which forms of precarious work are the most obvious in each sector?
- What factors have underlined the rise of precarious employment in each sector?
- What initiatives have employers and trade unions as sector-level social partners taken in response to the trend of labour market flexibilization and the rise of precarious employment?
- How effective is their action and what are the implications for the extent and type of precarious employment, for governmental employment policy, for the future of sector-level bargaining institutions and for the strength of collective voice of employees and employers in these sectors?

The case studies are structured as follows. After an introduction to the sector's basic employment characteristics and trends in the past decade, we evaluate the incidence and types of precarious employment forms. Next, we present social partner initiatives to address precariousness or to regulate employment conditions in the sector. We conclude with evaluating the trends in each sector and in particular the effects of social partner initiatives.

2.1 Temporary agency work

The importance of temporary agency work has grown in recent years, especially with the development of automotive and electronic industries. The crisis gave another boost to the TAW sector; and despite the still marginal share on total employment, the number of agency workers rapidly increased after 2008 (see Table 3). The growth of the TAW sector is not only documented by the growth of agency workers, but also by the growing number of licensed temporary work agencies. In February 2014, the state authority for licensing agencies reported over 1,200 valid licenses (see Table 4). This is a high number given the size of Slovakia's economy and labour market. The high number of agencies suggests that the landscape of agencies is fragmented into a

high number of small agencies and only a few larger multinationals in the sector (e.g., Trenkwalder, Adecco, Manpower, Edymax).

Table 3 Employment and revenues in the TAW sector⁷

	2007	2011	2013
Individuals employed as temporary agency workers	10,828	49,700	81,400
Revenues in the sector	31 millions EUR	n/a	500 millions EUR**
Share of end user companies using TAW	n/a	n/a	1.3%* 5-6%**

Source: Employment: Eurociett (2014) for 2007 and 2011, ÚPSVaR for 2013.

Revenues: Eurociett (2011 report) and TAW4 interview, 13.3.2014.

* Eurociett (2011 and 2014 reports).

** Estimate, source: interview TAW4, 13. 3. 2014.

Employers' demand for increased workforce flexibility, combined with pressures on cost containment, are identified as the main drivers of the agency work increase. Next, there is also a strong legislative reason underlying the growth of agency work in the most important sectors of the Slovak economy. TAW became an attractive alternative to other precarious and flexible employment forms especially after the two latest Labour Code amendments in 2011 and 2013. These amendments contained the flexibility of fixed-term employment and increased costs to agreement contracts, therefore yielding TAW the most feasible for large firms in the automotive and electronics industries. Suppliers to the automotive industry from the textile, cable or leather industry comprise another large group of end users for TAW. While smaller supplier firms developed strong dependence on the large assembly firms (including Volkswagen, Peugeot-Citroën and Kia Motors), a high level of employment flexibility is the key goal of these forms' employment policies. The persistence of TAW is supported not only by end user demand, but also by employees and job seekers. In regions with limited number of other job opportunities, temporary agency work is in high demand. As one of the interviewed trade union representatives claimed, those employees *“are happy to work at least there”*.⁸

Temporary agency work lacks recognition as a distinct sector in Slovak legislation and statistical monitoring. The only state authority that monitors the number of TAWs is the The Central Office of Labour, Social Affairs and Family (*Ústredie pre prácu, sociálne veci a rodinu, ÚPSVaR*), which is also responsible for issuing licences for temporary work agencies. Evidence provided by

⁷ Source: ÚPSVaR. There are very few official statistical data available regarding the number of registered agencies and temporary agency workers. Official data are collected by ÚPSVaR from annual reports submitted by agencies, but not all agencies fully complete these reports or fail to submit them at all. Therefore, social partners do not treat the presented data as particularly reliable.

⁸ Source: interview CON2, 23.5.2014.

ÚPSVaR greatly differ from the estimations of our interview respondents. While ÚPSVaR documented 81,400 TAWs in 2013 (see Table 3), our respondents estimated only 40,000 of agency workers. Evidence on employment and revenues in the TAW sector for earlier years has been offered by Eurociett (2011 and 2014). Most of these workers were assigned to large end user companies with above 500 employees. The average length of stay at one end user employer was 1-3 months. Finally, we can approximate the trends in TAW through the trends in fixed-term contracts, which also covers TAW as the most common form of fixed-term employment.⁹ The number of fixed term contracts grew between 2009 and 2013 by 2.5 percentage points (expressed as the percentage of all employees), which represents a 57% increase in the share of fixed term contracts, from 84.9 to 133.5 thousands.¹⁰

Table 4 Licensed temporary work agencies in Slovakia

Valid licenses	1221
Suspended – punitive	2
Suspended – on the motion of the agency	18
Cancelled – punitive	9
Cancelled - on the motion of the agency	123

Source: ÚPSVaR, data for end of February 2014.

Since TAW encompasses a complex structure of employment relations that spread across various sectors, industrial relations in TAW are also more complex than in the other studied sectors. First, until recently, a clear trade union representation of TAWs has been lacking. The earlier BARSORI report (Kahancová and Martišková 2013) found that trade unions organized along sectoral principles were reluctant to represent agency workers because of their diffusion throughout many sectors, and the volatile character of TAW. However, as temporary agency work was gaining importance and brought an increase in unlawful employer behaviour, trade unions realized the opportunity to encompass the interests of the agency workers in their activities. This is one of the most important shifts in trade union strategies and responses to ongoing labour market challenges in Slovakia since 2011. Since TAW is especially widespread in the automotive and electronics industries, OZ Kovo, the strongest trade union federation in industry, launched initiatives to represent agency workers. In early 2014, in cooperation with sector-level employers' associations, sector-level bargaining structures in the previously unorganized TAW sector started to form.

While employers initially supported the idea of negotiating with the trade union, the more complex structure of interest representation and fragmentation among employers' associations complicates the development of social dialogue and bargaining in the sector. Employers are represented by three different associations (see Table 5). Only one of them, the Association of Providers of Employment Services (*Asociácia poskytovateľov služieb zamestnanosti*, APSZ) is a legal person eligible to bargaining with trade unions. The other two associations share the same

⁹ Source: Eurostat and ŠÚSR.

¹⁰ Source: Eurostat.

acronym “APAS”. For the purpose of this study, we refer to the Association of Staffing Agencies of Slovakia (*Asociácia personálnych agentúr Slovenska*), established in 2002, as the “old APAS”; and to the Alliance of Staffing Agencies of Slovakia (*Aliancia personálnych agentúr Slovenska*), established in 2013 as the offspring of the “old APAS”, as the “new APAS”. Apparently, the ongoing conflict about the relevant political positions yielded one of the “old APAS” leaders to leave the organization and establish the “new APAS”. While both APSZ and the “old APAS” expressed interest in negotiating with trade unions, currently OZ Kovo only engages in finding shared point of interests with the “old APAS. The “new APAS” does not consider collective bargaining as a relevant issue for the current situation in TAW sector.

Table 5 Structure of employers’ associations in the TAW sector in Slovakia

Name	Number of member organizations	Legal status	Affiliation to a peak-level employers’ organization
Association of employment services providers (<i>Asociácia poskytovateľov služieb zamestnanosti, APSZ</i>) ¹¹	12 members (7 are temporary work agencies)	Independent legal entity established according to the Act No. 83/1990 Coll. On Association of Citizens, as amended, with full bargaining rights	Federation of Employers’ associations (<i>Asociácia zamestnávateľských zväzov a združení, AZZZ</i>)
Association of staffing agencies of Slovakia (<i>Asociácia personálnych agentúr Slovenska, APAS</i>) ¹² – established in 2002	10 members	Established as an association of legal entities pursuant to sec. 20f of the Civil Code (Act no. 40/1964 Coll.)* According to the Act no. 2/1991 Coll. On Collective Bargaining only organisations constituted pursuant to the act No. 83/1990 Coll. On Association of Citizens are entitled bargain collectively.	National Union of Employers (<i>Republiková únia zamestnávateľov, RÚZ</i>)
Alliance of Staffing Agencies of Slovakia (<i>Aliancia personálnych agentúr Slovenska, APAS</i>) – established 2013	7 members	Established as an association of legal entities pursuant to sec. 20f of the Civil Code (Act no. 40/1964 Coll.)	The Republic’s Union of Employers (<i>Republiková únia zamestnávateľov, RÚZ</i>)

¹¹ Source: Extract from the official *Evidence of Civil Associations*, section of Trade Union Organisations and Employers Associations, <http://www.ives.sk/registre/detailodz.do?action=uplny&formular=nazov&id=199140> [accessed 28. 3. 2014].

¹² Source: Extract from the official *Registry of Interest Associations of Legal Persons*, <http://www.ives.sk/registre/detailzpo.do?action=uplny&formular=nazov&id=151469> [accessed 28. 3. 2014].

Source: authors' own research and Bulla et al. (2014)

* According to the Act No. 2/1991 Coll. on Collective Bargaining only organizations constituted pursuant to the Act No. 83/1990 Coll. on Association of Citizens are entitled to engage in collective bargaining.

The fragmentation and conflict over political interests among employers associations is mirrored also at the national level through memberships in different peak-level employers' associations. APSZ is member of both peak-level associations *Asociácia zamestnávateľských zväzov a združení* (AZZZ) and *Republiková únia zamestnávateľov Slovenskej republiky* (RÚZ SR). The purpose of dual affiliation derives from strategic political interests of large staffing agencies. While AZZZ has closer links to the social democratic party SMER (currently in government), RÚZ SR is closer to center-right parties. Agencies find these political connections highly important in order to influence legislation for TAW under changing governments. As we outline below, the legislative channel is the most important channel of influence to regulate the functioning of temporary agencies and working conditions in the TAW sector.

Identifying precarious work in the TAW sector

Despite trends to improve the legal regulation of TAW outlined in the first section, several dimensions of precariousness persist in agency work (see Table 6). The possibility to employ agency workers on other contracts than regular employment contracts has been prohibited. However, interview respondents still report cases that some agencies employ their labour force on assignment contracts. Another dimension of precariousness in TAW is the temporary character of work and related long-term job insecurity and security of income. Finally, the most important dimension of precariousness in TAW derives from practices of unlawful employer behaviour in order to minimize labour costs. According to the interviewed employer representatives, one of the reasons for agencies not respecting legal regulation is the pressure from end user firms.¹³ End users do not realize that obtaining high flexibility through agency work comes with additional costs, and exert pressure onto agencies to lower labour costs. In turn, agencies often find innovative ways how to avoid legal requirements e.g. in pay issues or the types of employment contracts for agency workers. The expectation of personnel cost reduction through hiring agency workers thus offers space especially for small agencies to operate at dumping prices.

Dumping prices in the TAW sector derive from several practices of law infringements, which directly influence the working conditions of the agency workers and raise precariousness in the TAW sector. All of these practices relate precariousness to power asymmetry between the employer (agency) and the employees. As already mentioned, workers often voluntarily inform the unlawful employers' practices, because they prefer to have a job to unemployment, or they trade off higher cash payments for future social security. Below we review the most common forms of law infringements in the TAW sector.

¹³ Source: interviews TAW4, 13.3.2014 and TAW5, 19.8.2014.

Table 6 Temporary agency work and precariousness

Quality of working conditions						
	Incidence	Wages	Working time	Job security	Social security	Voice
Full-time open-ended contract	<ul style="list-style-type: none"> - Almost non-existing in TAW sector. 	<ul style="list-style-type: none"> - No regulation at sector level - Minimum wages set by law - follow user employer conditions 	<ul style="list-style-type: none"> - Equal treatment guaranteed by law - In many aspects equal treatment not implied, e.g. access to subsidized catering if provided by employer - over-time work common 	<ul style="list-style-type: none"> - at the discretion of the agency or the employer 	<ul style="list-style-type: none"> - high, in accordance with legal stipulation - some entitlements only after 2 years of work (e.g. unemployment benefit) 	<ul style="list-style-type: none"> - Low (low level of organization because of inherent fluctuation of TAWs across different sectors) - on employers side (many agencies, interest fragmentation among larger and smaller agencies) - initiatives to establish collective bargaining in the sector - recent trade union initiatives on behalf of TAWs despite a low organization level
Fixed-term and part-time contracts	<ul style="list-style-type: none"> - fixed-term contracts widely used in TAW sector - Discussion whether temporary agency worker working several times for the same user employer should have a direct contract with user employer. - Part-time contracts: usage depends on user employers' requirements on temporary workers. 	<ul style="list-style-type: none"> - No regulation at sector level - Minimum wages set by law - follow user employer conditions 	<ul style="list-style-type: none"> - Equal treatment guaranteed by law - In many aspects equal treatment not implied, e.g. access to subsidized catering if provided by employer - over-time work common 	<ul style="list-style-type: none"> - low job security; flexibility in hiring and firing is one of the highly appreciated advantages of temporary agency workers 	<ul style="list-style-type: none"> - high, in accordance with legal stipulation - some entitlements only after 2 years of work (e.g. unemployment benefit) 	<ul style="list-style-type: none"> - Low (low level of organization because of inherent fluctuation of TAWs across different sectors) - trade union try to limit the number of fixed-term contract prolongations in legislation
Marginal	Not relevant in the TAW sector					

Formal employment status

part-time contract	<ul style="list-style-type: none"> - explicitly forbidden by law since 2011 for TAWs; trade unions claim that still used in practice 	<ul style="list-style-type: none"> - competitive (provides high flexibility recruitment) 	<p>Working time limited by law, in practice used at maximum allowed level</p>	<ul style="list-style-type: none"> - low; allow for high flexibility 	<p>Comparable to a part-time employment relationship, in accordance with legal stipulation after the 2013 legislative changes (highly precarious with low social security prior to 2013)</p>	<ul style="list-style-type: none"> - Low; (low level of organization on employees side because of inherent fluctuation of TAWs across different sectors) - Low level of organization on employees side (many agencies, interest fragmentation among larger and smaller agencies) - initiatives to establish collective bargaining in the sector
Bogus self-employment	<p>No incidence found in the TAW sector</p>					

Source: media coverage and interviews in the TAW sector

First, many temporary workers do not work under regular employment contracts but under more flexible work agreement contracts despite that this has been prohibited by law. This practice somewhat decreased after the 2013 amendment of Labour Code according to which working agreements became subject to social contributions in the same extend as the regular contract, but they still exist. In this case of law breaking, agency employees do not benefit from standard job security, because their dismissal period is shortened to 15 days, there is no entitlement to severance pay, and employees possibly also face insecurity about their contract duration.

Second, many temporary agencies decrease the costs by paying only minimum wages from the regular contract and pay the rest as travel reimbursements, which are not subject to taxation, or social security and health insurance contributions.¹⁴ This decreases the employees' social security entitlements including maternity leave, sickness benefits or pensions (see Table 7). Also, the stability of the income is deteriorated and access to mortgages is almost impossible.

Table 6 Example of wage replacement through travel reimbursements and per diems in the TAW sector

Impact of unfair practices on the employee		
	Employment in an agency paying the proper amount of wages (in EUR)	Employment in an agency substituting part of the wage by travel reimbursements and per diems travel (in EUR)
Employee payments		
Gross monthly wage	600	338
Deductions for social security	215	121
Meal vouchers by law	36	36
Travel reimbursement and per diem	0	188
Total labour costs	851	682
Markup for the agency	113	458
Total monthly price for the end user employer	1132	1132
Employee entitlements		
10 days paid holiday	275.99	155.34
Sickness benefit for 5 working days	79.89	44.96
Monthly unemployment benefit entitlement	295.89	166.54

Source: Pluska 16.5.2013, in <http://www.pluska.sk/spravy/ekonomika/sokujuce-fakty-personalne-agentury-sklbu-ludi-plate-dochodku.html> [accessed 28.9.2014].

Third, there is a discussion on the correct transposition of the EU directive on agency work into the Slovak legislation. Despite the maximum prolongation of the definite contract of two times within two years, temporary agency work is an exception and the LC allow for indefinite number of prolongations. The Act on Employment Services (No. 5/2004) regulates the maximum number of times an agency worker can work for one employer before receiving a regular employment contract from the end user employer; however, according to the representative of the employers'

¹⁴ Source: interviews TAW1 11.2.2014, TAW2 26.8.2014, TAW4 13.3.2014.

organization APSZ, this stipulation does not prevent the current practice of indefinite prolongations of temporary contracts for agency workers:

“I consider this regulation as inapplicable in practice. Who would register and control how many times one temporary employee worked for user employer through agency?”¹⁵.

Therefore, this provision keeps temporary agency workers’ perspectives on stable employment considerably distanced. Trade unions already announced their intention to change this provision and in case of being unsuccessful they are ready to submit this case to European court authorities¹⁶. Trade unions also expressed their suspicion that a high number of agencies does not operate under a valid permission necessary for providing staffing services, but operate on the basis of work contracts pursuant to the Commercial Code instead of the LC.

Recent legislative changes approved in 2014 try to react to these incidents. Valid from 2015, temporary agencies will face stricter regulations, which should *“protect temporary agency workers but also narrow the competition in the sector”*.¹⁷ Changes concern the length of fixed term contracts in TAW, regulation of per diems and increase of responsibility of end user employers. According to the amendment, the length of temporary assignment should be explicitly listed in the agreement between the agency and the end user company. Prior to this rule, the length of temporary assignment could have been defined as the length of user employer order, which was in many cases unknown and temporary assignment could have finished at any time. This meant a high degree of uncertainty for temporary workers on the length of their assignment.

Further, the amendment also reacts on the common practice of payments through per diems and travel reimbursements instead of regular taxable pay. Per diems can be now paid only on the request of the end user employer, which should limit the extent of per diems payments. Also, user employers should be held responsible for paying the salaries of agency workers if the agency fails to do so.

Finally, the above-mentioned cases when the operation of temporary agency work is not based on the LC, but on the Code, will be abolished as well. It is defined that any assignment should follow the regulation relevant for temporary work agencies regardless of the legal entity form of the agency.

Social partner initiatives to address precarious work in the TAW sector

The positions of social partners on the above legislative changes differ. Trade unions welcome the protection rise and claim that *“if we cannot ban the temporary agency work completely, we*

¹⁵ Source: TAW4 interview, 13.3.2014.

¹⁶ Source: Webnoviny media coverage, <http://www.webnoviny.sk/ekonomika/clanok/636213-oz-kovo-chce-napadnut-slovensko-pre-agenturne-zamestnavanie/> [accessed 15.9.2014].

¹⁷ Source: News media coverage, <http://spravy.pozri.sk/clanok/Docasne-pridelenie-zamestnanca-ma-trvat-najviac-dva-roky/274786> [accessed 15.9.2014].

try to regulate it such that it provides decent working conditions at the level of regular workers, at least."¹⁸

On the other hand, there is a disagreement amongst employer representatives on the extent of regulation that the TAW sector needs. Some employer representatives perceive regulation as being against the constitution, especially the responsibility of the end user employer for payments to hired workers in case of agency insolvency.

*"This is unacceptable for us. User employer once paid to agency for the services, why should he pay double if the temporary agency is bankrupt? We consider this ns inadequate burden transfer from state control mechanisms to employers."*¹⁹

Others, especially representatives of larger transnational employers organized in the "old APAS" see regulation as a necessary step in improving conditions in the TAW sector and thus limiting the number of staffing agencies that do not adhere to the legal regulation.

Trade unions representatives maintain that the regulatory environment should support the end user employers in contributing to a functioning and fair TAW system. This means that end user employers shall be more conscious when hiring temporary agency workers and not only follow the principle of lowest costs. The legislative developments are a direct reaction on the situation in the sector described above when user employers expect to pay less to temporary agency workers, which has produced fierce price competition and social dumping in the sector.

Besides the different positions of social partners over the extent of responsibility of user employers, many other issues seems to bring the social partners to bargaining table. Most importantly, the above mentioned cases of cost decreasing illegal actions drive their common perceptions and initiatives. Both the OZ Kovo trade union and employers' organizations APSZ and the "old APAS" expressed their willingness to launch negotiations that shall lead to formalized bargaining processes and eventually a conclusion of a sector-level collective agreement for temporary agency workers. Currently OZ Kovo only has an active relationship with the "old APAS". Interest in establishing bargaining institutions in a previously unorganized sector without any sector-level institutions therefore resembles an important shift in social partner's strategies to deal with the precariousness of the agency work. Until 2011 the strategies of the trade unions at the company level were rather exclusive towards TAWs. The reason was their temporary presence at one workplace, which did not motivate trade unions and temporary workers to cooperate. This company perspective was partially compensated by the trade union's legislative effort at the national. The main aim of the trade unions was to reach the status of equal rights of temporary agency workers and regular workers. Strategies of employers preferably targeted flexibilization of the labour market, including a wider spread of TAW. The proposed collective agreement is supposed to give a framework and „set a benchmark“ for agency

¹⁸ Source: interview TAW2, 26.8.2014.

¹⁹ Source: interview TAW5, 19.8.2014.

employment in Slovakia. The idea of OZ Kovo is that the agreement has a sector-wide coverage through the legal possibility of extension onto all relevant temporary work agencies. Even though employers claim that further regulation is necessary to stop illegal practices and competition through social dumping in the TAW sector, they do not expect the collective agreement to be the right tool to introduce greater changes.²⁰ The main reason for the limited prospective of a collective agreement's regulatory scope is the diversity of agencies and their conditions. Another reason is that employers fear that increased employment protection through a collective agreement would increase labour costs, which could result in layoffs and thus higher unemployment. In contrast to employers, trade unions would like the anticipated collective agreement to introduce more encompassing and significant changes to the current practice of temporary agency employment.

Since a compromise between the social partners is necessary, the agreement will likely comprise only several and rather modest regulations on TAW. For instance, employees over 50 years should be entitled to three-month severance payment in case of dismissal. Furthermore, since there is no control mechanism from the state²¹, a collective agreement would establish a sectoral control mechanism and set a benchmark for fair employment practices for employers to follow. The lacking state control on the operation of agencies has been highlighted by an employer's representative: The Labour inspection authority uncovered 51 thousands of labour law infringement cases, but only 200 subjects were fined. Moreover, fines are considerably low with average of 150 EUR.²² The newly established sectoral control mechanism should include the establishment of a commission monitoring and reporting law infringements.

Besides the intended collective agreement, both employers and unions expect an improvement through further legislative amendments. Trade unions claim to advance their effort to assign more responsibility to end user employers for temporary employees who work for them. Some employers, however, criticize this measure because of viewing it as a cost-increasing and flexibility-reducing measure, which is possibly against the Slovak Constitution. This measure would impose user employers to be responsible for salaries of agency workers in case the hired temporary agency fails to pay. Another proposal would oblige the temporary work agency and the user employer to agree on the exact length of TAW. According to AZZZ this is against the Directive and Agreement of the ILO about temporary agencies, where the flexibility of this form of employment is highlighted.²³

A further initiative of the sectoral employers' organizations is an effort to reduce the number of licensed agencies. Employers' organizations claim that many of the licensed agencies are small organizations that engage in the above-described law infringements. One of the ways how to

²⁰ Source: interview TAW6, 9.9.2014.

²¹ Source: interview TAW3, 6.2.2014.

²² Ibid.

²³ Source: minutes from the tripartite council meeting, http://hsr.rokovania.sk/data/att/145835_subor.pdf, page 6 [accessed 24.9.2014].

reduce the number of agencies is strengthening the conditions for license acquisition, e. g. requiring a minimum collateral before issuing a license. Although employers push for this legislative change, they remain rather sceptical on its overall effect. They do not expect a significant reduction of temporary agencies, because of the existing informal networks among politicians and ministry clerks with competences to issue or retract the agencies' licenses. A further direction from which legislative changes are proposed is the ÚPSVaR, currently responsible for issuing agency licenses. Debates over a brand new legislation on temporary agency work have started; however, a proposal of a new law is not available yet.

Although the majority of social partner initiatives target the national and sector levels, trade unions also aim at taking action on behalf of the agency workers at the company level. These initiatives concern the legal guarantees of equal treatment of agency workers and regular workers. These concern, i. e., equal access to payments, perks and motivation payments. In some cases, unions try to bargain a collective agreement for temporary workers, despite the fact that unions find it difficult to recruit agency workers. Especially in the regions with excessive unemployment, accepting temporary work with more precarious or even illegal working conditions is preferred to unemployment. Since trade unions aim to represent agency workers despite low chances of increasing union membership, we argue that this initiative stretches beyond short-term interests of trade unions. At some workplaces, especially in large companies where number of temporary workers climbs to 20 per cent, unions find it unavoidable to deal with this issue.

Conclusions

Despite its overall low share on employment in Slovakia, TAW experienced rapid growth in the post-crisis years and remains concentrated in Slovakia's most important economic sectors. Hand in hand with the increase of TAW came a series of employer responses, which fuelled further legislative changes and again employer responses. Most of these refer to the wide spread practice of law infringements in order to contain the costs of TAW or to increase agency profits. The growth of weakly regulated TAW practice has also produced a response on the side of employers' associations and trade unions. The most important developments in the TAW sectors can therefore be summarized as follows. First, trade unions shifted from an exclusive to inclusive strategy vis-à-vis agency workers and started engaging in national, sectoral and company-level initiatives to increase the employment protection and social rights of agency workers. Second, employers started to mobilize against the unfair practices of some agencies. Their preferred instruments include legislative action and lobbying for legislative changes with support of trade unions. Finally, trade unions and some employers' associations launched debates over concluding a sector-wide collective agreement for the TAW sector. Although the fundamental ideas of social partners about the aim and extent of regulation via collective agreement differ, this is a major development in a previously unorganized sector. Establishing bargaining institutions in the context of overall declining bargaining coverage, with weak representation at both employers and

trade union sides, and decentralization trends in labour markets in CEE countries, is a unique development in the field of industrial relations.

2.2 Healthcare

The healthcare sector has been exposed to major reforms in the past 15 years, which aimed at strengthening individual responsibility, introduction of market principles and a regulated competition. From the perspective of work and working conditions, the most important change concerned an organizational decentralization and corporatization of selected healthcare providers (Kahancová and Szabó 2014). This process, known as corporatization, first concerned smaller, regional, hospitals, in mid 2000s, but was put on halt under the 2006-2010 social democratic government. After 2010, the right-wing government coalition attempted to resuscitate corporatization efforts. This time, the process was stopped by organized trade union action and professional chambers' negotiations with the government. In result, a full marketization of healthcare was not completed, and the halfway liberalisation reinforced variation in organizational forms of public hospitals and their access to public finances. Since mid 2000s, large university hospitals enjoy better access to finances in case of debt accumulation, while smaller, so-called regional, hospitals were transformed into publicly-owned 'corporations', motivated to act like private market actors. The state no longer bears bailout responsibility for regional hospitals. In result, regional hospitals face hard budget constraints while their income from health insurance companies is strictly regulated at the central level.

The differentiation in access to public finances also brought important consequences for working conditions and opened space for the emergence of precarious work in hospitals. First, the gap in working conditions and wages between large state-owned university hospitals and the regional hospitals was increasing despite the average increase of overall wages.²⁴ Second, the slower wage growth and limited perspectives for improved working conditions in the regional hospitals fuelled migration of nurses and care personnel to better paying employers in Slovakia and abroad. Finally, regional hospitals with greater budgetary constraints experienced shortages of health personnel, which had consequences for the quality of care but also employee satisfaction (Kaminska and Kahancová 2011).

Despite the above trends, employment in healthcare is relatively stable, without great exposure to dismissals and the need for employment guarantees and employability measures. While employment trends show a minor employment decline after 2011, wages in healthcare continued to rise (see Table 8). Employment decline in employment can be explained by pressure for hospital efficiency in the post-reform period, but also wage rises for doctors since 2011 and nurses since 2012 endorsed through legislation. The imposed wage rises without the income side

²⁴ Source: Statistics of the National Centre for Health Information (*Národné centrum zdravotníckych informácií*).

secured from public funds pressurized especially the smaller hospitals in their efforts to seek efficient economic performance.²⁵ Such employer responses fuelled changes in working conditions, contracts and working time organization for various occupational groups, but most importantly for nurses.

Table 7 Employment and average wages in public healthcare

	2009	2011	2012	2013
Number of employees in public healthcare	54,569	55,417	54,608	54,308
Average wage in public healthcare	765 EUR	812 EUR	925 EUR	958 EUR

Source: SOZZaSS calculations using the statistics of the National Centre for Healthcare Information (*Národné centrum zdravotníckych informácií*).

During the reform years, industrial relations in healthcare have stabilized at the sector level, with a high organization rate and bargaining coverage (see Table 9). Initially covered by bargaining in the public service sector, the healthcare sector developed its own bargaining structure after 2006. In the first years after mid-2000s, fragmentation on the side of employer representation dominated the industrial relations trends. This resulted directly from the diverging interests of large state-owned hospitals (often privileged by governments through bailout packages and similar policy measures), and of the corporatized regional hospitals facing hard budget constraints. After the landscape of employer associations stabilized, the past five years brought cleavages on the side of trade unions along occupational groups. Two trade union organizations, one representing broad employee interests of all occupational groups (SOZZaSS) and one representing medical doctors (LOZ) saw the rise of a new trade union representing nurses and midwives (OZSaPA) who felt misrepresented by the other trade unions. OZSaPA was established in 2012 and focused its capacities on public actions, protests, negotiations with governments and municipalities. This focus derived from their weak recognition and uneasy penetration into the established bargaining structures where SOZZaSS has been enjoying a strong bargaining position since the early 1990s. Currently, at the sectoral level, the two employers' associations, representing larger state-owned hospitals (ASN SR) and smaller regional hospitals (ANS) conclude collective agreements independently with the relevant trade unions (SOZZaSS and LOZ). OZSaPA strives for becoming part of sector-level bargaining but does not enjoy great support by other trade unions in this effort.²⁶ At the hospital level, bargaining takes place with relevant unions established in particular hospitals. Here the position of SOZZaSS also dominates, and employers prefer to bargain with SOZZaSS because this union has broad interest representation coverage.²⁷ Second, upon the public initiatives of LOZ and OZSaPA in various years since 2011 (e.g., a wage rise campaign of doctors in 2011 accompanied by threats of job

²⁵ Source: interview HEALTH6, 11.9.2014.

²⁶ Source: interviews HEALTH1, HEALTH3.

²⁷ Source: interviews HEALTH3, HEALTH4, HEALTH6.

retreats of hundreds of hospital doctors; a wage rise campaign for nurses, public protest of nurses in response to government policies, etc.), doctors and nurses obtained wage rises through the legislative process. The new laws on wage rises for doctors and nurses pre-empted the employers' interest to further bargain at the sectoral or hospital levels about working conditions of doctors and later also nurses. Nevertheless, the initiatives of OZSaPA remain crucial from the perspective of precarious employment and will be analyzed below.

Table 8 Industrial relations in public healthcare (hospitals)

Trade unions	Slovenský odborový zväz zdravotníctva a sociálnych služieb (SOZZaSS) Lekárske odborové združenie (LOZ) Odborové združenie sestier a pôrodných asistentiek (OZSaPA)
Estimated trade union density in the hospital subsector	51% (2006)
Trade union density with regard to the sector*	SOZZaSS: 46.5% (2006) LOZ: 4.2% (2006) OZSaPA around 2,000 members (2014), estimated density n/a
Employers' associations	Asociácia štátnych nemocníc Slovenskej republiky (ASN SR), 24 members (2014) Asociácia nemocníc Slovenska (ANS), 57 members (2014)
Dominant bargaining level for collective agreements	Sectoral/multi-employer level (ASN SR and ANS separately) and establishment level Sectoral tripartism with the Ministry of Healthcare – without collective agreements
Sectoral bargaining coverage**	95% (2006)

Source: Czírta (2009b), interviews with sectoral social partners.

* Estimated density of particular unions within the healthcare sector.

** Percentage of employees in the sector covered by a multi-employer (higher-level) collective agreement

Identifying precariousness in hospital employment

The standard employment pattern in Slovak hospitals is working under full-time employment contracts.²⁸ This pattern remains stable despite the above reforms. Shortages of medical staff help maintaining full-time employment contracts and the little exposure of hospital employees to work insecurity. However, while hospitals prioritized the stabilization of employment and the quality of healthcare provision, the above situation did create some space for the rise of precarious employment. These emerged in consequence of several factors:

²⁸ Source: interviews HEALTH1, HEALTH2, HEALTH3, HEALTH5.

- hospitals/employers seeking to offer a broad scale of healthcare services covering all medical professions
- hospital owners, e.g. regional administrative units, the state, municipalities but also private providers seeking more flexibility and efficiency in order to decrease hospital debts or avoid debt accumulation
- medical employees, especially doctors seeking additional contracts besides their permanent full-time contract, and seeking flexibility to work in several hospitals to gain better access to lifelong education, skill development using various equipment and experience with different kinds of patients

These factors produced more flexibility and choices in hospital employment, but not necessarily precarious work as defined in the introduction. Typical precarious employment forms, including temporary agency work, bogus self-employment, fixed-term work or part-time work, exist in Slovak hospitals only to some limited extent (see Table 10). Part-time work or work under work agreements are common in hospitals, but not necessarily precarious. The reason is the choice-based preference of some medical professionals, most commonly doctors, to engage in such types of employment forms in addition to their standard employment contracts. Serving as an additional source of income and offering flexibility, access to equipment, additional skill development and lifelong learning, we argue that (marginal) part-time contracts or work agreements of medical doctors cannot be classified as precarious employment.

In other occupational groups, standard employment contracts with high job security (due to staff shortages in hospitals) are the most common employment form.²⁹ Based on the presented developments in healthcare and evidence in Table 10, we conclude that job security, social security and employee voice are reasonably established in hospital care, and do not suggest a major trend towards exposure to precariousness. While job security and social security can be considered as factors of external employment flexibility (Atkinson 1984), we argue that trends toward precarization of hospital employment originate in internal forms of flexibility. These relate to working time, work organization and pay of particular employee groups. In other words, within stable full-time employment positions with high social security, some occupational groups become increasingly vulnerable to work reorganization, pay decreases or pay differentiation, lose access to lifelong learning and training, or feel discriminated against in pay regulation. While these outcomes often emerge as consequence of policy changes, the recent complex case of nurses' pay rise and subsequent employer pressures for changes in nurses' contracts resulted from the action of social partners. While nurses as such cannot be considered as a precarious occupational group, recent developments suggest precarization of some crucial aspects of their working conditions, namely, working time, pay and work organization. These changes increase the vulnerability of nurses to precariousness and shape their decision to stay or quit their jobs in

²⁹ Bogus self-employment is widespread in spa facilities, especially in physiotherapy occupations (source: interviews HEALTH3 and HEALTH5, see Table 10). The analysis of the spa subsector is beyond the scope of this report.

Table 9 Hospital employment and precariousness

Quality of working conditions						
	Incidence	Wages	Working time	Job security	Social security	Voice
Full-time open-ended contract	<ul style="list-style-type: none"> - Most common employment form in hospitals, especially for nurses and other care personnel. 	<ul style="list-style-type: none"> - collective wage regulation – constant issue of disputes - doctors – reasonable wages after recent legislative rises; - nurses – unsatisfied with wages and wage regulations/negotiation processes 	<ul style="list-style-type: none"> - Issue of employer-unions-government dispute, - high overtimes (also undeclared overtime); - nurses protest against legislative regulation of shiftwork and overtime payments 	<ul style="list-style-type: none"> - High, market driven (staff shortages in hospitals) 	<ul style="list-style-type: none"> - high, in accordance with legal stipulation - some entitlements only after 2 years of work (e.g. unemployment benefit) 	<ul style="list-style-type: none"> - High (reasonable level of organization, high bargaining coverage) - Recent changes in some occupations – e.g. the nurses case (excluded from bargaining coverage)
Fixed-term and part-time contracts	<ul style="list-style-type: none"> - fixed-term contracts common upon job entry for the first 1-2 years. Same strategy for doctors and for nurses, at the discretion of hospitals. - Fixed-term contracts for shorter periods than 2-3 years ago, high bargaining power of doctors produced a change in employer attitude in large hospitals. * - Part-time contracts: medical doctors often have several part-time contracts** 	<ul style="list-style-type: none"> - collective wage regulation – constant issue of disputes - doctors – reasonable wages after recent legislative rises; - nurses – unsatisfied with wages and wage regulations/negotiation processes 	<ul style="list-style-type: none"> - Issue of dispute, high overtimes (also undeclared overtime); - nurses protest against legislative regulation of shiftwork and overtime payments 	<ul style="list-style-type: none"> - High, market driven (staff shortages in hospitals) 	<ul style="list-style-type: none"> - high, in accordance with legal stipulation - some entitlements only after 2 years of work (e.g. unemployment benefit) 	<ul style="list-style-type: none"> - High (reasonable level of organization, high bargaining coverage)
Marginal part-time contract	<ul style="list-style-type: none"> - very common choice-driven especially among medical doctors working simultaneously for 	<ul style="list-style-type: none"> - wages competitive but risk of intransparency due to complex calculations (considering the hours actually worked, 	<ul style="list-style-type: none"> - can generate large overtime if marginal part-time used in addition to other contract types 	<ul style="list-style-type: none"> - High because marginal part-time contracts used in addition to other contracts 	<ul style="list-style-type: none"> - High because marginal part-time contracts used in addition to other contracts 	<ul style="list-style-type: none"> - high because employees using marginal part-time contracts are normally full-time employees in other

Formal employment status

	several healthcare providers, e.g. extra nightshifts	entitlements to days off, and standby duty)*	- employees see overtime as source of additional income – lack of interest on all sides to more stricter overtime controls	Various degrees: – high; market driven (in case of staff shortages - inpatient care); – exposure to lower security if hospital seeking high flexibility, e.g. when restructuring, concerns mainly outpatient care	Comparable to a part-time employment relationship, in accordance with legal stipulation after the 2013 legislative changes (highly precarious with low social security prior to 2013)	hospitals - extension of collective agreements apply to all employees
Work agreement contract	- very common in hospitals especially among medical doctors, some incidence among nurses. Incidence depends on particular hospitals - work agreements are often a choice of doctors, employers accept this choice	competitive (especially for doctors and private healthcare providers) - but if agreements used to substitute overtime payments then wages precarious and below legal standards	Working time individually negotiates between employer and employee; general challenge: too many contracts per person general uncontrolled overtime, impact on the quality of healthcare and patient treatment	High (reasonable level of organization, and high bargaining coverage). Unions do not explicitly focus on agreement contractors, but hospital-level collective agreements are extended to all employees. Some limitations apply to agreement contractors, but market forces (shortages) account for their reasonable working conditions.		
Temporary agency work	TAW is common in hospital cleaning services, but cleaning employees are not subject to employment regulation in healthcare.					
Bogus self-employment	Common in spa facilities but not in hospitals	Comparable to other employment forms	Individually negotiated between employer and employee	Determined by market forces (staff shortages) rather than regulation	Individual responsibility of the bogus self-employed	SOZZaSS claims to represent all healthcare professionals, but self-employed are formally not employees thus institutional constraints to collective regulation of their working conditions

Source: interviews with trade unions and employers in the healthcare sector; earlier studies by the authors (Kahancová 2010, Kahancová 2011, Kahancová and Sedláková 2014, Bulla et al. 2014)

* Source: HEALTH5 interview, 3.7.2014

** Source: HEALTH7 interview, 1.7.2014

Slovak hospitals. Given the shortages of skilled personnel that Slovak hospitals experienced since the EU enlargement (Kaminska and Kahancova 2011), and the decreasing number of nurses entering the profession each year³⁰, employment conditions of nurses (especially in the regional hospitals) remain among the most serious and debated issues in the Slovak healthcare. The reason why nurses' pay has raised extensive attention of policy makers, media, the public and social partners include two important factors:

- shortages of nurses, with direct implications for the quality of provided healthcare³¹
- nurses constitute the largest occupational group within healthcare, therefore any wage increases significantly raise the budgetary constraints on the state and employers. Despite the size of this group and its relevance given shortages, unlike doctors nurses do not enjoy a strong bargaining position.

The campaign for higher wages of nurses – facilitating precarization and fragmentation

Between September and December 2011, medical doctors organized by the LOZ trade union united for an open campaign on quitting hospital jobs if union demands are not met by the centre-right government.³² Wage increases and a halt to hospital corporatization of large state-operated university hospitals were among the central issues of this campaign. At the doorstep of a collapse of the hospital system, the government was pushed against the wall and agreed to gradual wage increases. The goal was to raise doctors' wage levels to exceed the average wage in the economy up to 2.3 times in the period of two years since 2012. Following this action, other occupational groups in healthcare, most notably nurses and midwives, raised their discontent against the preferential treatment of doctors. Led predominantly by the Chamber of Nurses and Midwives (SKSaPA), nurses and midwives launched their own campaign pointing at degrading working conditions and the precarization of their jobs through lack of wage increase and demanding working time in shift work. The nurses' campaign not only differed from the doctors' in instruments chosen, but also in structural terms. First, unlike open threats of quitting jobs, nurses campaigned through memoranda, petitions, and negotiations with the government. Second, nurses felt insufficiently represented by the dominant trade union SOZZaSS having the largest membership and occupational coverage in the healthcare sector. The professional Chamber of Nurses and Midwives played the most important role in lobbying for wage increases. At the same time, a new trade union, OZSaPA, emerged in Spring 2012 soon before nurses reached a victory of legally stipulated wage increases in all public and private hospitals and other healthcare

³⁰ Source: statistics of the Chamber of Nurses and Midwives, www.sksapa.sk

³¹ According to OECD statistics, the average number of nurses per 1,000 individuals is 8.8. In Slovakia, OECD reports 5.9 nurses for 1,000 citizens. Hospitals claim the number of nurses is satisfactory, but trade unions point to the fact that this is reached by large overtime, nurses' exhaustion, and consecutive quality implications for patients. Source: Pravda 12.1.2014, in <http://spravy.pravda.sk/domace/clanok/304980-nemocnice-tvrdia-ze-viac-sestier-nepotrebuju/> [accessed 16.9.2014].

³² The summary of the wide media coverage on the campaign can be found at <http://tema.aktuality.sk/vypovede-lekarov/> [accessed 15.9.2014].

providers. Act No. 62/2012, enforced from April 1, 2012, specifies wage tariffs for nurses and midwives according to education and years of experience.

The original aim of the wage campaign of nurses and midwives was a legislatively anchored improvement in working conditions, which brought implications for the bargaining position and power resources of this occupational group. However, the wage campaign of nurses and midwives launched a chain of reactions on the side of employers, trade unions and the state, which had further consequences for working conditions and bargaining coverage of nurses and midwives in Slovak hospitals.

The legally enacted wage increases for nurses and midwives were not left without employer responses. Unlike on trade union side, employer action mostly occurred through individual adaptation strategies to changed conditions. Initiatives of sector-level hospital associations remained marginal, except public statements and press releases by the ANS criticizing the new law. However, individual hospital responses followed the same pattern and thus had a sector-wide impact on nurses' working conditions and their precariousness. The fact that obligatory wage rises came without the income side secured from public finances produced wide scale dissatisfaction among employers, concerning especially smaller regional hospitals with limited access to public funding and no bailout options by the state. Employers had two months to adjust the employment contracts of nurses along the new regulation. Some hospitals complied, but many sought alternatives to this enormous cost increase. The financial burden on hospitals was even greater because of its unfortunate timing, when hospitals were already short of resources for legally stipulated wage increases for doctors after the 2011 organized action of the LOZ trade union. In result, the immediate effect of the law aiming to improve working conditions of nurses was their further precarization and growing power asymmetries between employers and employees.³³ As insecurity in hospitals and fears of financial collapse escalated, hospitals (with support of the ANS employers' association) opted for redundancies and limits to healthcare provision, halt to payment of payroll taxes and social security contributions for their employees, or further debt increases. Facing the challenge of nurses' shortages and aiming to avoid redundancies, the most common employer response was internal adjustment through work organization and working time reorganization. Adjustments of nurses' contracts were often involuntary and brought decreased working time, work re-allocation, splitting contracts between patient-oriented and administrative tasks, and similar.³⁴ This process attracted large media attention and heated debates focusing on nurses' pay, vulnerability of their working conditions and little power vis-à-vis employers. The debates were fuelled by the nurses' claims to be forced to sign new contracts avoiding pay rises under threat of dismissal.

³³ Source: Pravda 30.3.2012, in <http://spravy.pravda.sk/domace/clanok/173842-v-nemocniciach-vladne-neistota/>, [accessed 16.9.2014].

³⁴ Source: *ibid.*, <http://www.pravo-medicina.sk/aktuality/696/mzdove-naroky-zdravotnych-sestier--naozaj-nezmenene> [accessed 16.9.2014],

The employers' explanation of the above adjustment strategy derived from lack of other options unless the state-regulated increase in expenditures comes along with a state-driven income-side policy.³⁵ The case of the hospital in Žiar nad Hronom illustrates these developments.³⁶ From among 150 nurses in the hospital, three refused to sign the amendment to their employment contract, which would divide their work to 35% of patient care and 65% of patient administration. In consequence, these three nurses were dismissed in April 2012 and filed a court case against their former employer. They argued that the true reason for their dismissal was their refusal to sign modifications to their employment contracts. In 2014, the court ruled in favour of the nurses.

The non-corporatized state hospitals found themselves in less financial insecurity regarding nurses' pay rises than the regional hospitals. Therefore, most of the large hospitals did not have to opt for such radical changes in nurses' working conditions as described above.³⁷ In large hospitals, increased labour costs, and thus the protection of nurses from growing precariousness, came at a price of increasing hospital debt (see Figure 5). Although it is likely that internal coordination between members of the hospital association ASN SR developed, the ASN SR officially remained silent in publicly voicing its dissatisfaction with the new law.

Figure 5 Debt of state hospitals in mil. EUR (2009 – 2013)*



*The 2011 decrease in debt relates to the state bailout offered to state hospitals.

Source: Ministry of Healthcare of the Slovak Republic, published in *Hospodárske Noviny* 6. 5. 2014, <http://hn.hnonline.sk/ekonomika-a-firmy-117/dlhy-nemocnic-atakuju-rekordnu-hranicu-617005> [accessed 5.9.2014].

The silence of the sector-level hospital association ASN SR did not imply member satisfaction with the nurses' wage increases. Besides financial reasons, their critique targeted the government for radically interfering into the remuneration systems of hospitals without differentiation between skills and education. High wage increases applied predominantly to employee groups

³⁵ Source: interview HEALTH6 11.9.2014.

³⁶ Source: Pravda, 28.3.2014, in <http://spravy.pravda.sk/domace/clanok/313026-prepustene-zdravotne-sestry-zo-ziaru-nad-hronom-definitivne-vyhrali/> [accessed 16.9.2014].

³⁷ Source: interview HEALTH5, 3.7.2014.

that are least relevant for employees from the perspective of skills and further development. Employers criticize that older nurses received largest wage increases, while their work performance often remains below their younger colleagues (e.g., lower productivity and higher rate of sickness leaves).³⁸ Employers claim that such wage discrepancies increased tensions between individual employees especially where teamwork is required, e.g. in performed hospital surgeries.³⁹

Employers' and trade union responses to nurses' wage increases also brought relevant implications for sector-wide bargaining and collective agreement coverage. First, given the fact that doctors' and nurses' wages were subject to specific legal regulation, collectively agreed wage increases no longer apply to doctors and nurses/midwives. For example, the 4% wage increase for healthcare employees, stipulated in the 2012 amendment to collective agreement between ASN SR, LOZ and SOZZaSS in 2014, did not apply to doctors and nurses.⁴⁰ In other words, a high share of medical professionals lost their bargaining coverage on the most important topic of collective bargaining. This step could potentially undermine the stability of sector-level collective bargaining institutions in Slovak hospitals. At the enterprise level, some hospitals copied the wage tariffs into their collective agreements, while others could not reach an agreement with trade unions. In two large state-owned hospitals, in Banská Bystrica and Košice, employers proposed to condition the nurses' wage tariffs in the collective agreement by the validity of the Act 62/2012.⁴¹ Trade unions refused to accept this proposal before reaching a consensus with the employers to modify the original text from Act 62/2012 to be included in their collective agreements.

Next to employers' responses, the campaign for wage rises of nurses and midwives saw a crash of solidarity between various occupational groups in healthcare. The Chamber of Medical Doctors, closely involved in the doctors' wage rises campaign in late 2011, filed a constitutional court case on the unconstitutionality of Act No. 62/2012 because positively discriminating nurses and midwives in their wage claims against other healthcare personnel. In consequence, the Constitutional Court of the Slovak Republic ruled Act No. 62/2012 unconstitutional in July 2012, only three months after the act's enforcement. This relevant court rule produced further social partner responses and yielded long-term consequences for nurses' working conditions, collective voice and bargaining coverage.

Only three months after the above turbulences caused by the new Law's validity, employers, their associations, and trade unions again faced the challenge of uncertainty in seeking adaptation strategies. It was not clear which steps employers are expected to take in the new situation. Hospitals that already increased nurses' wages faced a moral challenge and trade union pressures

³⁸ Source: interview HEALTH5, 3.7.2014.

³⁹ Source: *ibid.*

⁴⁰ Source: *ibid.* and Pravda 13.1.2014 <http://spravy.pravda.sk/domace/clanok/305102-mzdy-zamestnancov-statnych-nemocnic-sa-budu-zvysovat/> [accessed 16.9.2014].

⁴¹ Source: interview HEALTH5, 3.7.2014

to maintain the increased wage levels despite the withdrawn legal obligation. From the perspective of collective bargaining, collective agreements in hospitals that already incorporated the stipulations from Act No. 62/2012 remained in force; and nurses were at least formally protected from the risk of wage decreases to the original levels. In other hospitals that did not yet incorporate the new wage tariffs into their collective agreements, nurses were exposed to individual decisions of their employers as to maintain or decrease their wage levels. In the state hospitals, the 2014 amendment to the 2012 collective agreement between ASN SR, SOZZaSS and LOZ secured the nurses' wages to stay at the levels stipulated in the Act No. 62/2012 despite the Constitutional Court's rule on recalling this piece of legislation. In other hospitals, employers and trade unions sought individual compromises, because sector-wide wage decreases would cause labour unrest, shortages, and further political pressures for legislative changes. Some employers remained generous in maintaining the increased wage levels, while others openly negotiated wage decreases to the original level through hospital-level collective bargaining. The Bojnice hospital attracted greatest media attention after the management's proposal to decrease nurses' monthly wages by 130-200 EUR in order to align hospital income and expenditures, and align costs to comparable hospitals.⁴² After one year of bargaining, social partners found a compromise on a 7% decrease in base wages, compensated by other payments to nurses derived from their years of experience.

While employers did not engage into visible collective action through sector-level employer associations, e.g., in adopting coordinated strategies about the wage levels of nurses and their bargaining coverage, trade unions came with several sector-level initiatives to decrease the vulnerability of nurses and their exposure to frequent changes in their contracts, wages, working time and work organization. The nurses' trade union OZSaPA launched several campaigns to protect nurses' rights for decent work and wages after 2012. In contrast, the largest trade union SOZZaSS focused on collective bargaining with agreed wage increases of 2-4% sector-wide instead of public action. The main difference in SOZZaSS's strategy vis-à-vis OZSaPA is the strong legitimacy of SOZZaSS in bargaining structures at all levels, combined with this a strategy to represent all occupational groups.

OZSaPA was not satisfied with individualized and decentralized solutions to the post-2012 situation. While the Ministry of Healthcare guaranteed wage levels according to the unconstitutional Act 62/2012 in state hospitals, OZSaPA called for a solution and wage guarantees for nurses in all hospitals, including regional and private ones. At the same time, the union highlighted the fact that some hospitals did not stop the practice of forced amendments to nurses' employment contracts and excessive overtime as a strategy to avoid wage increases or

⁴² See the 2014 case on Hospital Bojnice's collective bargaining round, various media sources, e.g., <http://prievidza.sme.sk/c/7167569/vyjednavanie-o-kolektivnej-zmluve-v-bojnickej-nemocnici-pokracuje.html>, <http://www.teraz.sk/zdravie/bojnice-vyjednavanie-zmluva/86453-clanok.html>, <http://prievidza.dnes24.sk/nova-kolektivna-zmluva-v-bojnickej-nemocnici-takto-sa-tu-upravia-platy-180991> [accessed 16.9.2014].

contain labour costs.⁴³ Nurses called the Ministry of Healthcare to negotiate and continued lobbying for a new act regulating wages of nurses and other healthcare professionals. While the Minister Zuzana Zvolenská promised to elaborate such piece of legislation, the nurses, led by OZSaPA and the Chamber of Nurses and Midwives changed their strategy to increase public support and draw attention of the prime minister, government as a whole and other political actors. Their first campaign from October 2013 brought open protests in front of the Government's office,⁴⁴ followed by a billboard campaign targeting the prime minister's promises just before his candidacy for presidential elections in February-March 2014.⁴⁵ This change in OZSaPA's strategy resulted from losing trust in established bargaining institutions dominated by SOZZaSS. Moreover, this union strategy possibly derived from earlier cases of public protests, strikes and threats, used by the doctor's trade union LOZ (2011) and the teachers' trade unions (2012), which brought more success for wage increases than collective bargaining.

The government, through the Ministry of Healthcare, responded to these public trade union campaigns by publishing minimum, maximum and average wage levels of nurses and doctors in selected hospitals in high-impact media. According to these data, the lowest wage of a nurse was 563 EUR, but the wages of the majority of listed nurses exceeded this sum and reached up to 2404 EUR.⁴⁶ The government's aim was to seek public support in the argument that healthcare wages are reasonable and nurses' wage claims are thus unjustified in the current situation of public sector austerity. The published wage table cause unrest and critique not only on the side of OZSaPA, but also among the doctor's trade union and healthcare professionals in general. A citation of OZSaPA's president is illustrative:

“Evidence published by the Ministry is not objective. We do not know how many overtime hours did those nurses work, whether they have a management position, and how many duties they served. [...] Nurses in Eastern Slovakia commonly earn 530 EUR after 20 years of experience.”⁴⁷

For comparison, evidence from the National Centre of Healthcare Information, analyzed by the SOZZaSS trade union, shows that in the first three months of 2013, the average base wage of a nurse reached 565.60 EUR, while the average base wage of a midwife reached 572.40 EUR.⁴⁸

⁴³ Source: Pravda 2.10.2013 <http://spravy.pravda.sk/domace/clanok/294808-co-pride-po-stanovom-mestecku/> [accessed 16.9.2014].

⁴⁴ Source: ibid. and Pluska 2.10.2013, <http://www.pluska.sk/spravy/z-domova/zdravotne-sestry-stanuju-prinutia-vladu-k-zvyseniu-platov.html> [accessed 16.9.2014].

⁴⁵ Source: Webnoviny, 4.2.2014, <http://www.webnoviny.sk/spravy/clanok/786211-sestry-cez-bilbordy-vyzyvaju-roberta-fica-na-plnenie-slubov/> [accessed 16.9.2014].

⁴⁶ Source: Pravda, 20.2.2014, <http://spravy.pravda.sk/domace/clanok/309167-co-sa-skryva-za-vysokymi-platmi-lekarov-a-sestier/> [accessed 15.7.2014].

⁴⁷ Source: ibid.

⁴⁸ Source: SKSaPA Press Release, 13.8.2014, <http://www.sksapa.sk/z-cinnosti-komory/sestry-su-v-navrhu-novej-legislativy-trestane-pre-ich-vysoky-pocet.html> [accessed 10.9.2014].

Moreover, OZSaPA interpreted the government's strategy as an attack against trade union claims after the billboard campaign and hiding the recent scandals in healthcare.⁴⁹ In response, OZSaPA continued to push for a new act solving the wage situation of nurses, requesting wage regulation guaranteeing a nurse entering the labour market a wage of 925 EUR (1.15 times the average wage in the economy), with wages proportionally rising with specialization, skills, education and experience up to 2,000 EUR. Regulation covering all nurses in Slovakia regardless of the healthcare provider is the main concern of trade union efforts, without extensive attention paid to re-installing nurses' bargaining coverage. Currently nurses remain excluded from collective wage increases, because of the existence of an exclusive piece of legislation governing their wages, despite that this piece of legislation has been claimed unconstitutional.

On the employers' side, formal sector-level coordination is missing, partly because of diverging employer interests and partly because of employers' frustration from frequent legal changes, which also undermines their capacity for collective bargaining.

*“At a workshop of the ASN SR at the Ministry of Healthcare, hospital representatives were angry because the philosophy of remuneration is constantly changing. We need stability for concluding collective agreements.”*⁵⁰

In the conditions of high legislative uncertainty, employers adopted a responsive strategy to wait for the next legislative proposal healthcare wages by the Ministry. Particular strategies regarding employment contracts of nurses, work organization, and working time issues (the issue of excessive overtime) would be clarified only after the legislative proposal.⁵¹

Because employers rely heavily on legislation as their main resource for employment policies, they do not expect a re-integration of nurses and midwives into bargaining coverage of sector-level and establishment-level collective agreements. Once the legislative road has been taken for shaping nurses' wages and working conditions, collective bargaining as a resource has been weakened.

As both employers and trade unions expected, the government announced its new legislative proposal on an encompassing tariff structure for healthcare occupations. The stipulated wage levels again caused dissatisfaction on the side of nurses' trade unions. A recent press release of the Chamber of Nurses and Midwives (SKSaPA) argued that *“the new legislative proposal degrades the profession of a nurse to the same wage level as a nutrition advisor or dental assistant.”*⁵² In the view of SKSaPA and the OZSaPA trade union, nurses are discriminated

⁴⁹ Source: SME, 19.2.2014, <http://ekonomika.sme.sk/c/7109371/ministerstvo-zverejnilo-platy-sestry-za-tym-vidia-utok.html> [accessed 15.7.2014].

⁵⁰ Source: interview HEALTH5, 3.3.2014.

⁵¹ Source: interview HEALTH5, 3.3.2014.

⁵² Source: SKSAPA Press Release, 13.8.2014, <http://www.sksapa.sk/z-cinnosti-komory/sestry-su-v-navrhu-novej-legislativy-trestane-pre-ich-vysoky-pocet.html> [accessed 16.9.2014].

against because constituting the largest occupational group in healthcare, where wage increases, albeit small at the individual level, constitute a major financial burden for the state budget.

Conclusions

Although healthcare is seen as a sector with stable employment conditions, evidence above has shown that recent reforms yielded major indirect effects on working conditions. The most important effects are the growing gap between working conditions in different types of hospitals (regional vs. state-operated), and between different occupation groups (doctors vs. nurses), as well as fragmentation of interest representation on the side of both trade unions and employers. To illustrate this case, we have presented social partner initiatives concerning the working conditions of nurses.

Our case has shown growing precariousness in various internal aspects of nurses' working conditions, most notably, wage demands that brought sector-wide consequences for changing the types of contracts, increasing uncertainty about jobs, wages, and rising vulnerability of nurses' pay and work organization to frequent legislative changes and to individual employer responses.

What role did the social partners play in this process, and what were the effects of their efforts? We argue that the current situation resulted from a set of subsequent interactions between trade unions, employers and the government. Within the complex structural ownership situation of hospitals, both employers and trade unions followed their rational interests – trade unions in demanding higher wages, employers in seeking financial stability within tight budgets while avoiding dismissals of nurses. The result has been further precarization of nurses' working conditions, especially through internal flexibility and avoidance of decent remuneration for skilled work. The fact that all actors followed their own interests caused further fragmentation in trade union structures and the resources trade unions use for their action. The largest trade union SOZZaSS remained silent on the nurses' issue because representing all healthcare employees. SOZZaSS is well established both at sectoral and hospital levels, and is the preferred bargaining partner for employers. SOZZaSS continues to use collective bargaining at multi-employer level (separate for state-operated hospitals and for corporatized regional hospitals) as its main resource for improving working conditions. In contrast, the OZSaPA trade union, representing nurses and midwives, was not yet able to develop a strong legitimacy for collective bargaining at the sector and hospital levels. Therefore, OZSaPA opted for a different strategy and instruments chosen, namely, public protests, petitions, memoranda, which address predominantly the government instead of employer associations. With this strategy, the union succeeded in drawing attention of the government to nurses' working conditions. However, we argue that particular demands of OZSaPA and the instruments chosen also played a role in the precarization of nurses' working conditions. Remaining distant from bargaining and forcing employers to obligatory wage increases without the income side secured, the victory of nurses through new legislation ended

only three months after the law's approval in 2012. Since then, the nurses' trade union continues in its efforts, but failed to improve its power position vis-à-vis the government and employers, and in gaining wide public support for their claims.

The role of the employers in changing working conditions of nurses can directly be linked to unilateral decisions to change the nurses' employment contracts (often against the nurses' will). While no direct evidence on sector-level coordination on the employers' side is available, representatives from both hospital associations admitted that advice was given to particular hospitals on how to respond to the legislative changes stipulating wage increases for nurses.⁵³ In the remaining issues, individual hospital responses to changing legislation, and lack of visible action (e.g., press releases, lobbying, media articles) for adopting new pieces of regulation/legislation, dominated in employers' strategies.

To conclude, we summarize our argument in three points:

First, although trade unions lobbied against precarization of nurses' working conditions, the action of both trade unions and employers contributed to decreasing job stability, (forced) changes to work organization and employment contracts, exclusion from collective bargaining coverage, and the growing vulnerability of nurses as an occupational groups.

Second, in their action, both sides of social partners heavily rely on legislation as the most important resource for shaping working conditions. Shifting attention away from collective bargaining, recent action against elements of precariousness in nurses' working conditions has targeted the legislative actors. Despite a consensus on the relevance of legislation, none of the social partners is satisfied with the current state or regulation and recent legislative proposals by the government. This reinforces further action of social partners lobbying for legislative changes.

Third, the organized and influential industrial relations structure in healthcare, with established multi-employer bargaining, has suffered under the campaign for improving nurses' working conditions. While still relevant, the sustainability of sector-level bargaining is questionable after the bargaining coverage of the most important occupational groups in healthcare (doctors and nurses) has been squeezed out by legislation.

2.3 The construction sector

Construction underwent a major boom in Slovakia's growing economy over the 2000s. At the same time, the crisis hit the construction sector extensively as demand for construction has been declining. These trends followed from a decrease in public investments, lack of contracts and insolvency of construction companies; which resulted in serious job cuts, including qualified workforce (see Tables 11, 12 and 13). In particular, several large construction companies

⁵³ Source: interviews HEALTH5, 3.7.2014 and HEALTH6, 11.9.2014.

dominate the employer structure besides a high number of SMEs and self-employed (see Figure 6). Due to the decrease in demand for construction, large companies are more eager to accept smaller contracts and thereby crowd out the smaller companies from the construction business.⁵⁴

By 2014, construction has not yet fully recovered from the crisis. However, the social partners maintain that the utilisation of EU's structural funds (e.g. in transport construction) and recent debates in increasing transparency in public procurement aim at supporting the recovery of the construction sector.⁵⁵

Table 10 Employment in the construction sector

Year	2010	2011	2012
Number of employees	183,757	177,308	171,756

Source: ŠÚSR

The construction sector has a fairly established sectoral social dialogue and bargaining structures, with sector-level collective agreements regularly concluded (see Table 12). Social dialogue and collective bargaining is effective and rarely conflicting.⁵⁶ Employers appreciate that trade unions take into account the economic situation in the sector and formulate realistic demands, which underlines mutual cooperation and the sustainability of sector-level bargaining. Multi-employer agreements mainly cover large companies, including multinationals. Trade union membership seems low; however, the sector-level trade union covering the construction sector (*Integrovaný odborový zväz, IOZ*), appreciates the fact that bargaining coverage reaches out to a significantly higher number of construction employees through the extensive membership base of the sectoral employers' association (*Zväz stavebných podnikateľov Slovenska, ZSPS*).⁵⁷ At the same time, IOZ claims that the high number of self-employed and the increasing number of employees with fixed-term contracts negatively affects trade union membership in the sector.

Identifying precarious employment in the construction sector

The interviewed social partners view the public procurement processes, quality of vocational education and related long-life learning as the most problematic issues in the sector. Trade unions also point at the extensive spread of self-employment and some use of undeclared work, which has consequences for the quality of work but also for the production quality of the construction industry.

⁵⁴ Source: interview CON1, 17.2.2014.

⁵⁵ Source: interviews CON1, 17.2.2014, and CON4 17.9.2014.

⁵⁶ Source: interview CON1, 17.2.2014 and CON3, 4.2.2014.

⁵⁷ Source: interview CON1, 17.2.2014.

The growing precariousness of work in the construction sector derives from the post-crisis decreases in construction activities, and the necessary employer responses to these trends. First,

Table 11 Industrial relations in the construction sector

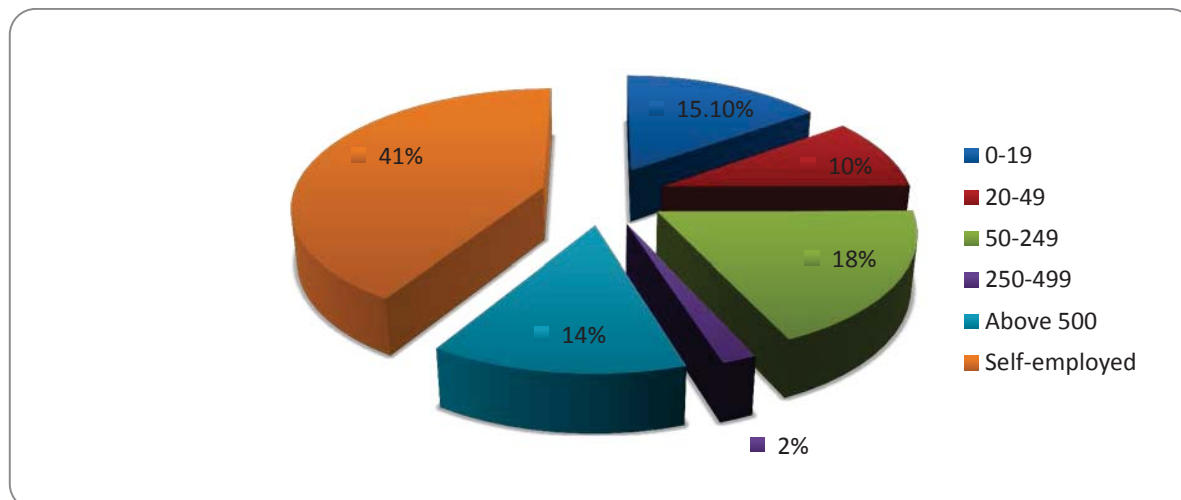
Trade union	Integrovaný odborový zväz (IOZ), construction division (organizing 67 establishment-level trade unions in construction companies)*
Trade union density with regard to the sector	About 5-6% (2011)
Association of employers	Zväz stavebných podnikateľov Slovenska (ZSPS), 110 members (2014)**
Dominant bargaining level for collective agreements	Sectoral level and establishment level
Sectoral bargaining coverage	Estimated at 10-30% 67 companies have trade unions established, in total 207 construction companies covered by sectoral collective agreement (2014)*

Source: Czírja (2013); *CON1 interview 17. 2. 2014, **CON4 interview 17.9.2014.

the pool of stable qualified construction employees (excluding administrative staff) has been gradually narrowed and replaced by a growing number of project-based employees with fixed-term contracts (e.g., hired for a particular construction contract). Employers generally prefer to establish long-term relationships and repetitively hire the same self-employed individuals because of their qualifications, skills and cost containment for training and hiring. In the pre-crisis years, it was more common that a returning self-employed person was offered a standard employment relationship. The IOZ trade union claims that in the past three years such practice became marginal.

Second, employers facing business uncertainty demand increasingly more employment flexibility, which is granted through a widespread practice of self-employed workers. A wide usage of self-employment is an inherent feature of the construction sector. Figure 6 documents that over 41 per cent of employees in the construction sector were self-employed in 2014.

Figure 6 Construction production structure by company size, first quarter of 2014*



*Company size measured by number of employees.

Source: ŠÚSR (2014)

Self-employment as the prevailed employment form in construction has several reasons. First, over the 1990s large state-owned companies were privatized or went bankrupt, which caused huge layoffs. Many employees who lost their job saw an opportunity to return to the labour market as self-employed. Second, self-employment in the construction sector is attractive for employers because of high flexibility within already established networks of suppliers and subcontractors. In the past 20 years, chains of subcontractors have gradually developed and allow for shifting responsibility over quality and terms and conditions from the employers to the self-employed. Third, besides flexibility, self-employment grants lower labour costs to the employers when compared to regular employment relationships.

The decline in the number of self-employed in construction has been more intensive than the decline in the overall employment (see Table 13). The decline most extensively affected the self-employed without employees. This finding points at the existence of a flexible pool of self-employed without employees, which serve as a buffer for construction companies and share their economic successes or declines.

Table 12 Trends in employment and self-employment in the construction sector

	2009	2010	2011	2012	2013
Employment trends in construction	-0.39%	0.31%	-5.45%	-1.19%	-3.29%
Self-employed in construction	14.39%	-1.14%	-2.05%	-5.72%	-7.90%
Self-employed without employees in construction	14.96%	-1.50%	-0.81%	-5.12%	-6.80%

Source: Eurostat.

Interestingly, neither the IOZ trade union nor the ZSPS employers' association perceive self-employment in construction as bogus self-employment, despite media presenting the construction sector as one of the most important sectors with high incidence of bogus self-employment.⁵⁸ Employers argue that self-employment is a natural element in a sector strongly organized along a supply chain principle.⁵⁹ While the trade union would prefer to see the self-employed in standard employment relationships, it realizes that it is unlikely to reverse the long-term trend toward self-employment in the construction sector. Therefore, the union points its efforts at improving the working conditions of the self-employed rather than attempting to eliminate the existence of self-employment. Precariousness of self-employment relates mainly to job security, lack of voice and bargaining coverage, responsibility for the quality of construction services delivered, and health

⁵⁸ Source: SME, 15.12.2013, in <http://ekonomika.sme.sk/c/7040557/fiktivnych-zivnostnikov-namerali-najviac-od-roku-2010.html> [accessed 15.9.2014].

⁵⁹ Source: interview CON4, 17.9.2014.

and safety matters at the workplace. The IOZ Union points to the fact that the high number of self-employed at a construction site causes intransparency in quality control, as well as for responsibility over workers' health and safety. It is unclear who is responsible in case of an accident in the long supply chain and outsourcing. Besides job security, this is one of the major concerns of the trade union regarding precariousness in the construction industry. While employers prefer supplier relationships with the self-employed to regular employment, they acknowledge critique to frequent changes of the labour legislation, which negatively influences the working conditions of the self-employed. In particular, employers highlight that recent legislative changes have increased costs and the administrative burden for the self-employed.⁶⁰ Finally, the union is concerned with losing members with the growing trend of self-employment. Construction employers criticize the frequent changes in the labour legislation, which negatively influence the self-employed with limited capacities in human resource management.

Third, worsening working conditions and thus an increase in precariousness derives from the seasonal character of construction and the irregular distribution of working time throughout the calendar year. Working-time accounts existed in construction companies already before the crisis; and company-level trade unions were satisfied with the established procedures and monitoring.⁶¹ However, the crisis-driven introduction of flexikonto, later merged with the regulation on working time accounts in the Labour Code, have shaken the established company-level procedures. This is because of increased uncertainty regarding workers' workload, wages, and lower incidence of overtime payments. Employers see greater flexibility in the current legislation of working time accounts, while trade unions criticize it. According to trade union representatives,

*"...flexikonto gives even 30 months to clear up the working account, this is very unfortunate. We are trying to pass an agreement to settle [the working account] in 12 months. In some firms, we even managed to clear the working time accounts on a one-month basis. Now with the lack of work it is increasingly difficult, so we try to have working time accounts for a quarter or 4 months at maximum.[...] We think it is also very unfavourable to employers, because they by law have the obligation to register and monitor the hours worked, so it is a great administrative burden for such a long period of time."*⁶²

Table 14 summarizes the incidence of various precarious employment forms in the construction sector.

⁶⁰ Source: interview CON3, 4.2.2014.

⁶¹ Source: interview CON2, 23.5.2014.

⁶² Source: interview CON2, 23.5.2014.

Table 13 Precariousness of employment in the construction sector

Quality of working conditions						
	Incidence	Wages	Working time	Job security	Social security	Voice
Full-time open-ended contract	<ul style="list-style-type: none"> - In the past, the most common employment form in larger construction companies; - Declining share among people physically involved in construction (including engineers and architects) - Gradually replaced by project-based employment and self-employment 	<ul style="list-style-type: none"> - Collective wage regulation – tariffs at sector and company level - Sectoral regulation serves as benchmark also for companies not covered by sectoral collective agreements* 	<ul style="list-style-type: none"> - Standard stipulated, overtime payments, no major disputes - Dispute over working time accounts in legislation – union critique that periods too long and no overtime payment 	<ul style="list-style-type: none"> - Various; due to the decline in construction business share, even large companies no longer keep the stable skill-based employment basis but prefer flexible hiring 	<ul style="list-style-type: none"> - high, in accordance with legal stipulation only after 2 years of work (unemployment benefit) 	<ul style="list-style-type: none"> - High (reasonable level of organization, high bargaining coverage)
Fixed-term and part-time contracts	<ul style="list-style-type: none"> - Growing importance due to: seasonality of construction work; employers seeking flexibility, project-based hiring replaces open-ended contracts - Part-time contracts marginal 	<ul style="list-style-type: none"> - Same as in case of full-time open-ended employment contract 	<ul style="list-style-type: none"> - Same as in case of full-time open-ended employment contract 	<ul style="list-style-type: none"> - At times of construction boom, seasonal security of contract renewal in the new season. - Currently: increased job insecurity* 	<ul style="list-style-type: none"> - Same as in case of full-time open-ended employment contract 	<ul style="list-style-type: none"> - High (reasonable level of organization, high bargaining coverage)
Marginal part-time	- marginal importance in the construction sector					
Work agreements	- marginal incidence for seasonal work, in general not widespread in the construction sector					
TAW	- marginal importance in the construction sector					
Bogus self-employment	<ul style="list-style-type: none"> - wide spread and important form of employment in recent years because of high flexibility in hiring and firing, seasonal work, 	<ul style="list-style-type: none"> - Comparable to other employment forms, - Low pay is not a relevant concern of social partners 	<ul style="list-style-type: none"> - Individually negotiated between the construction firm and the self-employed 	<ul style="list-style-type: none"> - Determined by market forces (demand for construction business) rather than regulation 	<ul style="list-style-type: none"> - Individual responsibility of the self-employed, stricter legal regulation and higher obligatory contributions after 2012 due to the widespread 	<ul style="list-style-type: none"> - Formal representation problem (formally not employees); - union

Formal employment status

					advanced supplier chains; - not necessarily seen as 'bogus' self-employment			practice of bogus self-employment in Slovakia	memberships loss of growing self-employment - union initiatives to regulate health and safety
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Source: interviews with trade unions and employers in the construction sector; Bulla et al. (2014), Eichhorst et al. (2013)

* Source: interview CON2, 23.5.2014.

Finally, from the perspective of pay, employment in the construction sector is not considered precarious, because of regular collective bargaining on wages at the sector level. The stagnating business in the sector drove down wages in small and largest construction companies, but in medium-sized firms and among the self-employed wages increased in 2014 compared to 2013 (see Table 15).

Table 14 Production and wages in the construction sector

Size groups by number of employees	Construction production (mil. EUR)*		Average number of employed persons	Average nominal monthly wage of employed persons (EUR)	
	1. - 3.2014	Index**	Index	1. - 3.2014	Index**
		1. - 3.2014 1. - 3.2013	1. - 3.2014 1. - 3.2013		1. - 3.2014 1. - 3.2013
Enterprises					
0 – 19	109,4	97,7	108,7	497	96,0
20- 49	71,6	104,7	101,1	716	100,1
50 – 249	132,8	133,3	92,6	833	103,3
250 – 499	14,1	53,1	68,6	1453	125,3
500 and more	99,6	101,0	83,0	1069	91,0
Self-employed***	299,3	92,7	100,9	398	103,7
Total	726,8	99,8	99,8	566	98,1

* Carried out by own employees, construction establishments of non-construction enterprises excluded

** Constant prices, average of 2010 = 100

*** Estimate

Source: ŠÚSR

Social partner initiatives and precarious work in the construction sector

The construction sector is the only studied sector where the long established and functioning industrial relations structures brought joint initiatives in improving working conditions. Despite the fact that the employers' association ZSPS and the trade union IOZ differ in their fundamental opinions on employment flexibility, extension of collective agreements or criteria on trade union representativeness, they share their concern on the stagnation of the construction sector and impact on employment issues.

The most important issue in construction from the perspective of precarious work is the wide use of self-employment that has replaced and continues replacing part of regular employment contracts. As already mentioned, the social partners do not perceive self-employment necessarily as precarious. Although the trade union would like to see more standard employment in large construction firms, it accepts the fact that the seasonal character of construction requires a high degree of flexibility, which is achieved via extensive self-employment. Therefore, the trade union shifted its attention from attempts to eliminate self-employment to efforts of improved regulation

of the working conditions of the self-employed. Responsibility and health and safety concerns of the self-employed are the most important issues addressed in the initiatives of the social partners. Employer and unions share their perspective on improving health and safety at the workplaces. This issue arises from several recent accidents with fatal consequences at construction sites (e.g., a bridge construction in Northern Slovakia in 2013), which forced the social partners to address issues of responsibility for working conditions at the workplace, and responsibility for the quality of services delivered if a large part of the construction task is outsourced to self-employed.

What steps have social partners taken to address the above issues? First and most importantly, both the employers and trade unions invest their efforts in developing legal resources. Upon a joint initiative, they lobby for the amendment of the Construction Act to include provisions on the hierarchy of responsibility on construction sites. Related to this issue, employers attempt to improve the working conditions of the self-employed by eliminating delayed payments and unfair competition. The so-called secondary insolvency became a major issue in construction especially after the crisis and caused several small firms and self-employed to face bankruptcy. To address this issue, employers engage in legislative proposals of the Business Code to adopt stricter payment conditions in supplier relationships. This initiative also sets a target to increase the transparency in payments in long supply chains and outsourcing chains in the construction sector.

The legislative action in health and safety issues and payment systems is closely related to another initiative of the social partners - to increase the transparency in public procurement processes. Both the unions and employers assign high priority to this goal, in order to eliminate dumping prices and unfair competition. Public procurement is viewed as the major source of construction activities in Slovakia; and ZSPS and IOZ support and undertake joint legislative action through the tripartite council, the Industry Bipartite Council (*Priemyselná bipartita*) and through direct political interactions on the Act on Public Procurement. Besides the general task of improving transparency, employers lobby against the current race to the bottom in price competition. In other words, stricter controls of safety regulations and the implementation of certain standards in employment conditions should be incorporated in the legislation. The president of the employers' federation ZSPS explains that

“... increased transparency is necessary to avoid that some kind of an entrepreneur comes here and says I will do it cheaper, for a dumping price and you should not care how. Then there will be ‘Gastarbeiter’ without helmets and [proper work clothes]. ...The result then is uncertainty about the quality, and the second result is that some costs that should have been paid have not been paid. The investor is pretending he does not see this. He should see that he has paid for something [...], he cannot get it cheaper when there are exact norms that helmets are obligatory.”⁶³

⁶³ Source: interview CON4, 17.9.2014.

In addition to promoting transparency while halting the low-road competition without working standards in public procurement, trade unions push for another aim, which shall facilitate a turn in the recent trend that self-employment crowds out standard employment. In particular, unions request that in public procurement construction companies document what percentage of the construction will be conducted through own regular employees and what share will be outsourced to suppliers and/or self-employed. The IOZ argues that this step would not only motivate employers to revert to standard employment relationships, but would also improve the above-mentioned hierarchy of responsibility and quality in the construction business.

Finally, both employers and trade unions view that education and vocational training relevant for the construction sector should undergo major reforms and improvements. Employers are already actively engaging in interaction with secondary and vocational schools to find effective ways how to better connect education with company-specific skills and experience. In addition, both employers and trade unions support the proposal that licensing for the self-employed in construction should undergo a stricter formal proof of skills (e.g., through a relevant education in the field). This represents a move from between two institutionalized categories of self-employment licensing in the Slovak Republic: from “unconditioned entrepreneurial licenses” (*vol'né živnosti*) to “conditioned entrepreneurial licenses” (*viazané živnosti*).

Conclusions

The construction sector, extensively affected by a downturn in post-crisis years, found its own way through alternative, or precarious employment forms. While self-employment has been crowding out standard open-ended and also fixed-term contracts, neither the trade unions nor employers perceive self-employment in construction as bogus self-employment. Trade unions would certainly prefer to see more standard employment relationships, partly because of a higher base for trade union membership. At the same time, the unions admit that seasonality and flexibility are inherent features of the construction sector and therefore self-employment is unavoidable. Rather than attempting to eliminate self-employment, trade unions joined forces with employers in several legislative initiatives to improve the working conditions of the self-employed. These include efforts to increase transparency in public procurement, balancing the share of regular employees and self-employed and/or suppliers of applicants in public procurement, and improve health and safety regulations for construction workers.

Besides extensive self-employment, seasonal project based fixed-term employment has been gaining importance and replacing part of standard open-ended employment relationships. Other forms of precarious employment, such as TAW or agreement work remain marginal in the construction sector.

The evaluation of the effects of social partners' initiatives in the construction sector will be possibly only in a few years. At the time of writing, it is clear that social partners perceive the

legislative channel as the most important channel of influence for shaping the business environment and employment conditions in the construction sector. As various interests meet at bipartite and tripartite forums, it is likely that further modifications to the legislation will emerge. Therefore, at this stage it is not possible to develop a clear link between the opinions of the construction sector's social partners and the effects of the legislation on the construction business. From a procedural perspective, we argue that social partner initiatives in the construction sector demonstrate tangible results of established long-term relationships and institutionalized bargaining procedures.

2.4 The industrial cleaning sector

Developments in employment in the industrial cleaning sector are closely related to the economic performance of large firms and establishments that outsource cleaning activities. With the economic growth and inflow of foreign direct investments to Slovakia since the 2000s, the cleaning sector also expanded. In 2000, the Slovak Statistical office reported 130 registered cleaning companies, while this number expanded to 850 in 2010.⁶⁴ The largest employers in the cleaning sectors include subsidiaries of multinational firms in facility services, i.e., ISS Facility Services, AB Facility, and Edymax, but also the Slovak company Slovclean, established in 2005. Next to these largest cleaning agencies, a number of smaller cleaning firms operate in Slovakia. While the large firms often criticize the employment conditions and the spread of precarious employment forms among smaller cleaning companies, some larger firms, e.g., Edymax, subcontract part of their cleaning services to smaller firms. This is especially the case of specific cleaning activities, e.g. requiring additional certificates or employee skills (e.g., dangerous work, work in heights, and similar).⁶⁵

The rise of the cleaning industry also brought employment growth in cleaning services (see Figure 7). While the share of women dominates, female employment in cleaning decreased from over 80% in 2000 to 62% in 2010 (Czíria, 2012). With more than 0.6% in 2010, the share of employment in cleaning on the total employment in the Slovak economy remains marginal (ibid).

The trend of growing sales and employment has been offset by the economic crisis and cost-saving measures of customer companies. This has led to decreasing sales and employment in cleaning. ISS Facility Services reported a difficult market situation in Slovakia and a significant drop in revenues in Slovakia and Slovenia in 2012 compared to the previous year.⁶⁶ The decreasing sales were directly mirrored in dropping employment: ISS in Slovakia employed

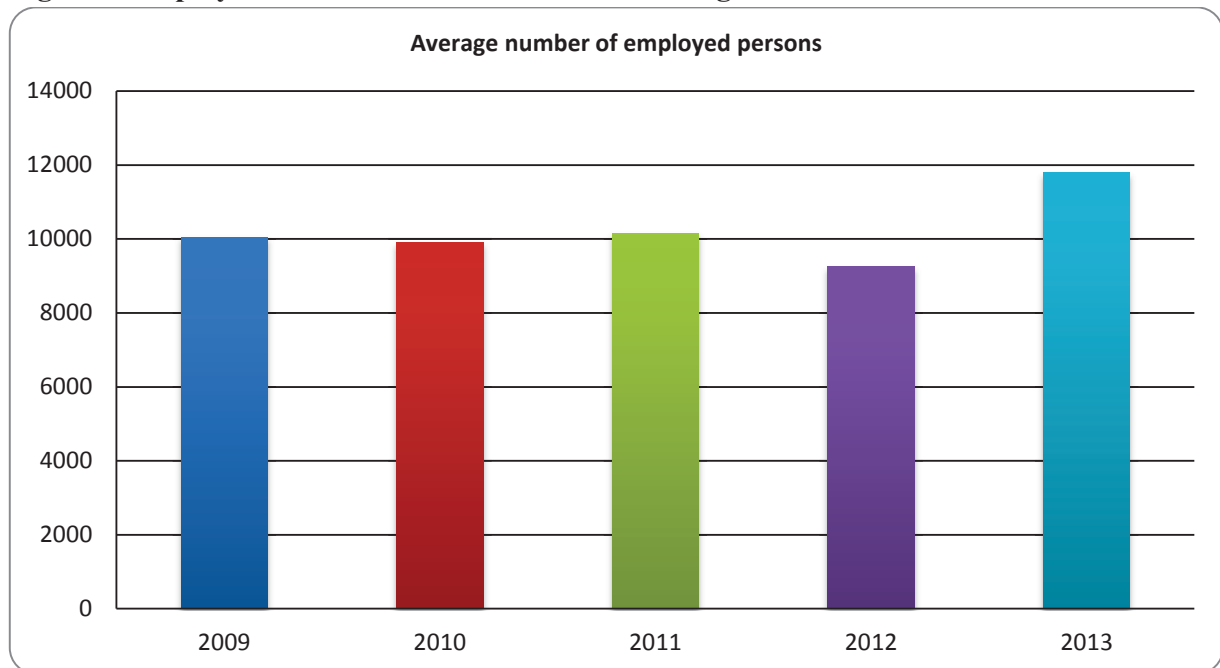
⁶⁴ Excluding self-employment in the cleaning sector. Source: ŠÚSR, in Czíria (2012) <http://www.eurofound.europa.eu/eiro/studies/tn1108048s/sk1108049q.htm>. [accessed 2.9.2014].

⁶⁵ Source: interview CLEAN1, 18.6.2014.

⁶⁶ Source: ISS Annual report 2012.

3,764 employees in 2011 but only 3,055 employees in 2012.⁶⁷ This situation contrasts the firm's performance in Poland and Russia where revenues grew because of customer retention. Slovclean currently employs 1,644 employees in Slovakia;⁶⁸ and Edymax took a decision to hire 100 new employees in addition to its existing group of 300 employees in the cleaning division in Slovakia.⁶⁹

Figure 7 Employment trends in the industrial cleaning sector*



* Data for 2013 from January until September 2013

Source: ŠÚSR.

Cleaning companies operate mostly in long-term relationships with returning customers. For example, the largest steel company US Steel located in Eastern Slovakia offers a cleaning job to 120 employees through a cleaning agency. Next to industry and the banking sector, outsourcing of cleaning services is also widespread among hospitals. Depending on the size of the hospital, the average number of cleaners is 40. Providing cleaning services to a large university hospital, i.e., the Faculty Hospital in Banská Bystrica, requires 70-80 cleaners through a cleaning agency.⁷⁰

Industrial cleaning is closely related to temporary agency work; as cleaning services extend the portfolio of many personnel leasing companies. However, there is a major difference between the regulation of working conditions of TAWS and cleaning workers. While TAWs are leased to an

⁶⁷ Ibid.

⁶⁸ Source: Slovclean website, <http://www.slovclean.sk/sk/o-nas> [accessed 21.9.2014].

⁶⁹ Source: interview CLEAN1, 18.6.2014.

⁷⁰ Ibid.

end user employer (e.g., in the automotive industry) to perform work along standard employees of the end user employer, in cleaning, employees are assigned to work for a specific company exclusively in the form of a service relationship. In the former, the relationship between the agency, the worker and the end employer takes the form of personnel leasing, with hourly wage calculated, where agency workers and regular workers are exposed to each other and often perform the same work tasks, or work in a team. In the latter, the relationship is limited to clear outsourcing and service provision, with fixed prices in business contracts between the customer and the facility services firm. Cleaning employees thus only engage in a formal employment relationship with a cleaning firm (often a temporary agency); they do not develop any formal relationship between the company they are providing services to. While in the TAW sector issues of equal pay, non-discrimination at the workplace and bargaining coverage are legally stipulated or enforced through collective bargaining, these issues are not applicable to the employment situation of cleaning sector employees. For example, a cleaner assigned for an automotive company is not covered by the end user's collective agreements and other labour provision that the automotive company offers to its own employees. Other examples include the lack of exposure of cleaning workers assigned to hospital cleaning services to the regulation of hospital employees' working conditions. Finally, if cleaning is provided to a bank, cleaning employees are not subject to any benefits, collective bargaining coverage, or clauses of non-discrimination and equal pay that apply to workers directly employed by the bank. This contrast to the temporary agency work sector has also implications for the existence and extent of precariousness in the cleaning sector.

Identifying precarious work in the cleaning sector

The most important factors determining the existence, extent and forms of precarious employment in the industrial cleaning sector derive from the type of employment contract and wage levels (see Table 16). First, in terms of employment contracts, the highly flexible 'work agreements' with marginal social protection and health insurance coverage were widely used in the cleaning prior to 2013.⁷¹ The representative of the Cleaning Division of Edymax estimates that from around 50,000 employees with a work agreement contract as of 1.1.2013 about 25,000 worked in the cleaning industry.⁷²

After the 2013 legislative changes and the introduction of obligatory social security and health insurance contributions onto work agreement contracts, employers were forced to take adjustment measures on their employees. The aim was to keep labour costs reasonable and

⁷¹ Source: interview CLEAN1, 18.6.2014.

⁷² *ibid.*

Table 15 Employment and precariousness in industrial cleaning

Quality of working conditions						
	Incidence	Wages	Working time	Job security	Social security	Voice
Full-time open-ended contract	<ul style="list-style-type: none"> - Most common employment form according to employers 	<ul style="list-style-type: none"> - No collective wage regulation - No company-level or sector-level collective agreements - Wages above minimum wages (especially Western Slovakia, due to high worker fluctuation), close to minimum wages in other regions with lack of employment opportunities - Disputes about proper wage payments instead of reimbursements (to save on payroll taxes and social security contributions) 	<ul style="list-style-type: none"> - Increased job security requires improved working management - Longer working hours as a trade off for job security 	<ul style="list-style-type: none"> - High if open-ended contract especially in regions with high worker fluctuation in cleaning - Variable in other regions or when sales decrease and employers opt for dismissals 	<ul style="list-style-type: none"> - With a full-time open ended contract social security is high and in accordance with legal stipulation - some entitlements only after 2 years of work (e.g. unemployment benefit) 	<ul style="list-style-type: none"> - Marginal, no organized voice at the company or sector level - Shop stewards in larger cleaning companies mediate the coordination of work organization and working time and handle cases of employee complaints or suggestions
Fixed-term and part-time contracts	<ul style="list-style-type: none"> - fixed-term contracts common on specific cleaning projects (e.g. a construction site) 	<ul style="list-style-type: none"> - As above 	<ul style="list-style-type: none"> - Increased job security requires improved working management - Longer working hours as a trade off for job security 	<ul style="list-style-type: none"> - Variable and market driven, depending on the number of customers of cleaning firms and the region in which the firm operates - Possibly high in regions with many employment opportunities; but legal limitations to the number of subsequent fixed-term contracts - In general workers appreciate having a job with an employment contract in regions of 	<ul style="list-style-type: none"> - in accordance with legal stipulation - some entitlements only after 2 years of work (e.g. unemployment benefit) 	<ul style="list-style-type: none"> - Marginal, no organized voice at the company or sector level - Shop stewards in larger cleaning companies mediate the coordination of work organization and working time and handle cases of employee complaints or suggestions

Formal employment status

Marginal part-time contract	<ul style="list-style-type: none"> - Less common after the crisis and declining sales in cleaning - Marginal part-time workers supplement the pool of full-time cleaners to increase the flexibility of service provision for the employer (e.g. in case of sickness of full-time staff) 	- As above	- Variable, individually negotiated between employer and employee	<p>high unemployment</p> <ul style="list-style-type: none"> - Variable, at the discretion of the employer - market driven, can establish long-term job security as an additional source of income in regions with high demand for labour 	<ul style="list-style-type: none"> - in accordance with legal stipulation - some entitlements only after 2 years of work (e.g. unemployment benefit) 	- as above
Work agreement contract	<ul style="list-style-type: none"> - before 2013 the most common employment form - after 2013 legislative changes temp agencies are prohibited to hire employees with a work agreement, and this employment form also became less attractive for employers because of increased labour costs on social security contributions - still work agreements are found in the cleaning sector, e.g., morning cleaning in large retail chains through temporary work agencies)* - often a choice 	- as above	- Variable, individually negotiated between employer and employee	<ul style="list-style-type: none"> - Variable, at the discretion of the employer - market driven, can establish long-term job security as an additional source of income in regions with high demand for labour 	<p>Comparable to a part-time employment relationship, in accordance with legal stipulation after the 2013 legislative changes</p> <ul style="list-style-type: none"> - highly precarious with low social security before 2013 	<ul style="list-style-type: none"> - non-existing organized representation

	workers who avoid an employment contract because of debt execution	- as above	- Variable, individually negotiated between employer and employee	- Variable, at the discretion of the employer, temporary agencies can formally employ workers with contracts, which suggests higher job security	- Temporary work agencies can formally employ workers with employment contracts, which suggests higher job security	- non-existing organized interest representation			
Temporary agency work	<ul style="list-style-type: none"> - large employers offering cleaning services often operate as temporary agencies. - Working conditions of cleaners are in many ways similar to TAWs, but there are also important differences (see text) 								
Bogus self-employment	- lack of evidence, but expert estimates suggest bogus self-employment exists especially among smaller cleaning firms	Comparable to other employment forms	Individually negotiated between employer and employee	Determined by market forces (whether demand for labour or regions of high unemployment) rather than regulation	Individual responsibility of the self-employed	- non-existing organized interest representation			

Source: interviews CLEAN1 and CLEAN2; interviews with trade unions and employers' associations in the temporary agency work sector

maintain long-term relationships with customers in conditions of harsh price competition. The large cleaning firms opted for two relevant decisions:

- placing most employees on a formal employment contract, with social security contributions deducted according to the new legal regulation. This step brought increase in total labour costs, which were also reflected in increasing cleaning service fees to customers and thus income. Nonetheless, with declining demand for cleaning services and sharp competition among cleaning firms, the estimated revenues of cleaning firms are about one-half of the revenues 10 years ago. The representative of the Cleaning Division of the Edymax company argues that

“Cost saving measures are so extensive that there is no more room for further cost-saving in the cleaning business.”⁷³

- reducing and adjusting the overall size of staff to keep costs reasonable. Since employers no longer had the opportunity of hiring from a highly flexible pool of labour force with low labour costs, the strategy taken focused on retaining a smaller pool of permanent, full-time employees and increasing their productivity through efficient work organization and exact time/cleaning schedules on a daily, weekly, monthly and quarterly basis.

“The quality of working conditions has also gone down [in terms of pay and contracts], but not in terms of work equipment. Cleaning companies try to save elsewhere, for example, in the adjustment of working time schedules. But there is nothing more to be adjusted. Where we previously employed four cleaners we now have two. In a hospital we reduced the number of cleaners from 70 to 50.”⁷⁴

In sum, the crisis has helped stabilizing the labour market and employment conditions in the cleaning sector. First, the cleaning industry still benefitted from the pre-crisis economic boom in immediate post-crisis years. Demand for labour continued growing; and as employers aimed to reduce the employee fluctuation rate, wages increased (especially in the Western part of Slovakia). Moreover, the cleaning industry had to compete with employers from other sectors in demand of low-skilled labour. Therefore, the wage perspective does not yield cleaning employees precarious low-wage earners. Wages normally exceed the minimum hourly wage levels in the Western part of Slovakia, and remain close to the minimum wage levels in the Eastern part of Slovakia where other job opportunities are scarce. However, an element that increases precariousness of workers in the cleaning industry is the system of wage payments. Within the manoeuvring space offered by legal regulations, employers seek innovative ways of cost-saving. This issue became more pressing for employers after 2013 when mandatory social security and health insurance deductions were introduced on agreement contracts, which were widely spread in the cleaning industry. A recent case that raised media interest in the temporary agency work

⁷³ Interview CLEAN1, 18.6.2014.

⁷⁴ Ibid.

sector and applies also to the cleaning sector relates to the practices that employees are paid only minimum wages and receive cash payments in addition. Alternatively, part of the wage is paid out as travel reimbursement, which is exempt from taxes, social security and health insurance contributions. There are also cases of informal employment among smaller cleaning firms.⁷⁵ Larger cleaning firms claim that unfair wage practices and precarious employment forms are more widespread among smaller employers. In turn, smaller cleaning firms influence the competitive environment in the sector with dumping prices for cleaning services.

From the employees' perspective, in regions with high unemployment cash payments are often the choice of employees themselves. Another reason for preferred cash payments, payments in form of travel reimbursement, or working on alternative employment forms instead of standard employment relates to executions of enforcement in case of debts. If an employee has a debt record with, instalments can be directly subtracted from standard wages through an order or an executor. If the worker receives alternative payment forms, these fail to be traced in the formal system of wages, taxes, and social security deductions of the Slovak authorities.

Beyond the above wage issue, larger cleaning firms acknowledge also benefits to the post-2013 regulation with increased social security contributions and limitations to employ workers with agreement contracts. The benefit is lower employee fluctuation and thus increased job stability. Large cleaning firms attempt to hire the same workers as long as the client is satisfied with the quality of service. For example, in Edymax, employee fluctuation in 2014 remained below 3%.⁷⁶ Prior to 2013, fluctuation was high, and although labour costs were significantly lower, employers found themselves in greater uncertainty for service delivery because of workers not showing up on the assigned day. The trade-off has thus been more job security for higher labour costs.

Social partner initiatives and precarious work in the industrial cleaning sector

Despite its growth in the pre-crisis years of economic boom, the cleaning sector failed to establish sector-level structures of interest representation. The Slovak registry of non-profit organizations documents the existence of the Slovak Association of Cleaning (*Slovenská asociácia upratovania a čistenia*, SACU). In the official registry of the Ministry of Internal Affairs, this organization is listed as a not for profit entrepreneurial association, not as a social partner organization representing employers. SACU formally existed since 2002 and ceased to exist in February 2014.⁷⁷ Currently employers perceive other firms in the cleaning industry as strict competitors and do not engage in any efforts of collective action, initiatives to coordinate their quality of services, or influence employees' working conditions.⁷⁸

⁷⁵ Source: interview CLEAN1, 18.6.2014.

⁷⁶ *ibid.*

⁷⁷ Source: the Slovak Registry of Civil Organizations (Register občianských združení Slovenskej republiky)

⁷⁸ Source: CLEAN1, 18.6.2014.

On the side of trade unions, the union closest to the interests of cleaning employees was the Slovak Trade Union Federation of Service Employees (*Slovenský odborový zväz pracovníkov služieb*). This trade union merged with OZ Kovo, which currently represents employees in the metal sector, transport, broadcasting services and temporary agency work. A 2014 survey among OZ KOVO's member organizations for the purpose of this study did not yield any trade union membership from the cleaning sector.⁷⁹ Union membership is possible on an individual basis, e.g., when a cleaner is assigned to work in a particular retail chain or an industrial company, he/she may join the trade union at this specific company. There is no evidence available whether cleaners in fact join trade unions, but the interview respondents expected a large degree of decentralization of cleaning firms and a marginal union membership.⁸⁰ Nevertheless, since part of the cleaning services is provided through temporary agency work, interest representation is emerging for these workers within the sector of TAW.

In sum, the cleaning sector remains unorganized and without social partner initiatives regarding precarious work at the sector level. Individual employer solutions prevail at the company level. For example, the Edymax company does not have a company-level trade union, but shop stewards serve as mediators between the employer and employees in individual cases. While part of the cleaning workers are likely to be concerned with the initiatives taken in the TAW sector, the majority of the cleaning sector remains outside of the scope of collective regulation of employment terms other than legal regulation.

Conclusions

To some extent, the challenges that employers face in the cleaning sector overlap with those in the temporary agency sector. At the same time, there are important differences between the two sectors, most notably, the fact that in cleaning employees do not establish any formal relationship, or are not covered, by any regulation or collective agreement of the end user (the customer of the cleaning firm). This distinction is a relevant starting point for understanding the trends and employers' responses to precarious employment forms in cleaning.

Employers' responses to precarious work were largely shaped by declining sales, high employee fluctuation rates, and changing legislation. Employers in the cleaning sector face a double challenge – how to retain customers in conditions of sharp competition with other cleaning companies at current price levels, while keeping labour fluctuation low and wages market-driven. To avoid further decline in sales after the crisis, employers continue putting increased emphasis on the quality of work and long-term customer relationships rather than arm's length precarious employment forms. While in the other sectors the crisis contributed to the growing share of precarious work, it is a paradox that in the cleaning sector the crisis helped stabilizing the labour market. While the total size of employment decreased, employment conditions for those who are able to find jobs in the cleaning sector converged towards a standard employment relationship,

⁷⁹ Source: CLEAN2, May 2014; CLEAN3, June 2014.

⁸⁰ Ibid.

with greater job security than in the pre-crisis years, and pay varying across different regions. In other words, instead of increased external flexibility, the trend in the cleaning sector has been more emphasis on internal flexibility through working time reorganization and improved work organization.

Besides the crisis, the government change in 2012 and the subsequent legislative changes served as another highly important push factor for the adjustment of employers' strategies and reduction of precarious employment forms. The legislative influence originates mainly in the introduction of obligatory social security and health insurance contributions on work agreement contracts, which were highly precarious and dominated the cleaning sector before 2013. Currently the most relevant issue regarding precariousness is the system of payments, where part of the wage is paid in alternative payment forms. This has a negative impact on employees' social security entitlements as well as on the state income from taxes and social/healthcare contributions from employment.⁸¹

The above trends and employer responses derive from individual company behaviour, because the cleaning sector in Slovakia lacks any kind of sector-level social partner organization or structures for social dialogue and collective bargaining. Cleaning firms consider each other as strict competitors and therefore the chance of coordinating their employment strategies in the near future is unlikely. On the side of trade unions, the organization level of cleaning employees is estimated to be marginal. The only social partner initiative with potential effect on cleaning employees is the initiative of OZ KOVO, the largest sector-level trade union in Slovakia, to improve the working conditions of temporary agency workers.

3. Conclusions

This report presents the most recent developments in precarious employment and social partner responses thereto in four selected sectors in Slovakia. This concluding section reflects on the distinct developments in each sector, with the aim of addressing the drivers of precariousness and identifying the effects that initiatives of sector-level social partners produced. We frame our findings and arguments around the following questions:

- What comparative conclusions can be drawn from the sectoral case studies?
- What do we learn in general terms about precariousness and industrial relations?
- What are positive and negative experiences in terms of dealing with precariousness through industrial relations?

⁸¹ In the Slovak system of social security contributions and health insurance payments, employees are fully covered for social security and health insurance even if their income is low. Many employees prefer to receive part of their wages in cash. This represents a trade-off between a higher net income today and lower pension entitlements (because of lower contributions to the social security system) in the future. Entitlements from healthcare insurance are not affected by this practice.

- What solutions, ideas and principles to deal with and reduce precariousness emerge from the analysis?

Cross-sector comparison

The sectoral findings suggest that in each sector, some form of precarious work dominates over other forms of flexible employment. Interestingly, each sector found its own distinctive way in using the best-tailored alternative employment form, some of which are more precarious than others. The TAW sector underwent many legislative changes, which made employment in this sector converge around a standard employment relationship, but opened new dimensions of precariousness related to contract length, termination notice and non-observance of rules by establishing a system of alternative payments. In the construction sector, self-employment became an inherent feature of supplier relationships, which intensified in the post-crisis years of declining construction activity. In healthcare, standard employment relationships instead of flexible and precarious alternatives dominate in hospital work. However, recent trends in wage demands increased the vulnerability of particular occupational groups to work reorganization, non-observance of rules in terms of pay, and threats of dismissals. Finally, the cleaning sector in the post-crisis years has converged around standard employment relationships at the price of lowering the overall employment in the sector. In other words, the trade off came in form of stability for a smaller number of core ‘insider’ workers rather than a larger pool of flexible ‘outsiders’.

Comparing the above findings, we argue that in TAW and construction, precariousness has evolved around the external flexibility dimension of employment. In other words, flexible hiring and firing, and related debates over the length of contracts, subsequent numbers of fixed-term contracts, or working conditions of the self-employed, dominated the recent initiatives in these two sectors. In contrast, in healthcare and industrial cleaning, external flexibility through job insecurity is less prominent, and precariousness demonstrates itself through internal forms of flexibility. This is illustrated by work re-organization, increasing workload, changing work content, often coupled with the issue of low pay.

The interesting question is why did each sector follow a distinct road of precarious employment, and why no convergence is observed. We argue that the source of this diversity is in the Slovak legislation, which continues to serve as the most important resource for governing the existing employment forms. The long-term trend of flexibilizing the Labour Code allowed for the survival and institutionalization of a wide range of possibilities of flexible employment forms. This ‘basket of choices’ allowed employers in each sector to find the best tailor-made solution within the framework of existing legislation. The initiatives of social partners contribute to the sustainability of this model, because they target particular flexible employment forms in the respective sectors. In consequence, a convergence in the number and types of alternative and precarious employment forms does not occur; and a variation of legally stipulated alternatives of (precarious) employment forms persists.

Finally, an important issue is the reason why precarious employment forms exist in the first place in each of the studied sectors. While the rise of (international) competition and the crisis play a key role in TAW, industrial cleaning and construction, an equally important factor underlying precariousness in construction and healthcare is the government policy (including public procurement), recent austerity measures (healthcare) and the government openness to social partners' influence on the legislation. These two underlying factors also interact with each other, because the legislation sets the scope and possibilities of precarious employment forms; and employers choose from these forms the best match for reinforcing their competitive position.

The structures and strategies of social partners as reasons for precariousness are less relevant in the Slovak case than market pressures and legislative resources. Social partner strategies helping to shape the trends in precariousness proved important only in TAW and in healthcare. In the latter, social partners' sequential responses to government strategies played a significant role in increasing internal flexibility and thereby precariousness of nurses' working conditions. In the other sectors, social partners do engage in activities to govern precariousness and working conditions, but their actions are rather responsive than pro-active, leaving the final word of influence for the government and the legislation. Finally, the influence of EU-level policies did not directly turned out to be an important driver of precariousness or of social partner responses thereto. The influence of EU-level policies remains only indirect, channelled through national legislation. The most important, albeit marginal, case of EU-level influence on precarious work was the implementation of the Working Time directive and its relevance for working conditions in the healthcare sector.

Precariousness and industrial relations

The above case studies suggest that established sector-level industrial relations structures are an important factor in channelling the forms and dimensions of precarious work. As already noted, social partner initiatives helped reinforcing the dominant forms of precarious work in each sector. Thereby they contributed to the sustainability of diverse forms of flexible employment rather than their convergence towards a few widely used employment forms. Moreover, addressing and regulating precarious work has also influenced the existing structures of sector-level industrial relations. In construction, social partner initiatives to precarious work derived from the established long-term partnership, while in TAW, the initiatives of social partners helped laying the foundations of bargaining structures in a previously unorganized sector. In healthcare, the diversity of stakeholder' interests and related responses to precarious dimensions of employment contributed to a further fragmentation of industrial relations. Finally, in the industrial cleaning sector, where no sector-level industrial relations structures exist, employment issues and working conditions did not serve as a strong motivating factor to establish sectoral social dialogue like in the TAW sector. Rather, the strategy of cost containment on the employers' side reinforced sharp competition and a choice between race-to-the bottom or maintaining certain standards in the quality of cleaning services and employment conditions.

Dealing with precariousness through industrial relations

Construction is the only one of the studied sectors where the social partner responses to precariousness derived from long-term relations and produced shared perceptions and joint initiatives to address precariousness and its underlying factors in the sector. This example represents a positive case of joint social partner responses despite different attitudes towards self-employment as the most common form of precarious work in the sector.

In contrast, the established industrial relations structures in healthcare did not help producing joint initiatives on precarious work. Instead, the diverging interests among unions on the one hand and employers on the other hand increased occupational cleavages between doctors, nurses and other healthcare personnel. Next, we argue that social partner action, in particular, trade union wage claims and employer responses thereto, contributed to a further fragmentation of industrial relations structures and a weakening influence of collective bargaining. The latter is demonstrated by the fact that wage demands of the largest occupational groups – doctors and nurses – have been excluded from sector-level collective bargaining and replaced by legislative regulation. Besides industrial relations outcomes (i.e., wage claims and the coverage of collective agreements), social partner initiatives in the nurses' wage claim campaign influenced the established and well-functioning channel of social dialogue in healthcare. This is demonstrated by the fact that new interest representation organizations found petitions, public protests and direct interaction with the government more influential than the established bargaining channels between employers and unions in the healthcare sector.

While in healthcare and construction the existing industrial relations structures helped facilitating outcomes of social partner responses to precarious work, sector-level industrial relations structured did not exist in the other two sectors – TAW and industrial cleaning. An interesting finding is that in TAW, the extensive precariousness and the non-obedience of rules motivated both employers and trade unions to take initiatives to regulate working conditions in TAW. Their initiatives target the legislation; however, from the perspective of this project, the most interesting finding is their willingness to establish bargaining structures in a previously unorganized sector. This finding can be loosely interpreted within the Polanyian framework of a 'movement and counter-movement' in the society (Polanyi 1944), when the extensive growth of unregulated market practices in the TAW sector produced a counter-response on the side of social partners with the aim of greater embeddedness of employment practices in regulatory measures (both legislative and collective bargaining).

We did not identify a similar trend in the cleaning sector, where market competition has further intensified and produced a race to the bottom competition among employers. However, with changing demand and labour supply in the cleaning sector in the post-crisis years, some large cleaning firms realized the strength of long-term stability in customer relationships through the quality of service at prices as low as possible. To maintain the quality of cleaning services, working conditions in the sector converged around a standard employment contract with some

elements of precariousness (e.g., regionally varying low pay, overtime and unpredictable work organization).

In sum, this report brought evidence of both positive and negative experiences of addressing precarious work through industrial relations. The effect of the positive examples has been the elaboration of demands for regulating precarious employment forms (but not reducing the institutionalized forms of alternative employment), which contributed either to sustainability of existing industrial relations structures (construction) or helped laying the foundations of new industrial relations structures (TAW). In contrast, the negative experience shows that despite trade union efforts to improve working conditions in the healthcare sector, the effect has been further precarization, cleavages among occupational groups, fragmentation of industrial relations, declining bargaining coverage, and crowding out of traditional industrial relations channels of influence through new forms of trade union action.

Emerging solutions

What emerging solutions to addressing precarious work can we identify from the Slovak evidence? We argue that although the industrial relations channel of influence played an important role in addressing precarious work in some of the studied sectors, its relevance is closely dependent on the legislative channel of influence. The majority of social partner initiatives and joint efforts to regulate and influence precarious work did not take place through sector-level industrial relations, but through targeting the legislative process at the national level. This suggests an excessive strength of the legal resources for the operation of industrial relations institutions and for the role of sector-level social partners in present and future initiatives over precarious work. The role of legislation as a key resource for governing employment conditions and influencing social partner actions regarding precarious work is likely to persist also in the future because of the relevance social partners ascribe thereto.

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