Platform Reps

SLOVENIA: Country report 2022







With the financial support of the European Union

1. Context: Social dialogue and work in platforms

According to Eurofound, the overall quality of social dialogue in Slovenia is slightly above the EU average (see **Figure 1** below).

Figure 1: Industrial Relations Index (2013-2017)¹



Source: Eurofound Industrial Relations Index

It is important to note that, measured as a share of the adult population, work in digital labour platforms (hereafter referred to as "platforms") in Slovenia is significantly (three percentage points) higher than the EU average, amounting to 11.5% (**Figure 2**).

Figure 2: The share of workers in platforms in the adult population (2021)²

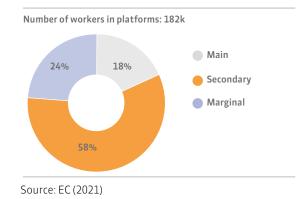


Source: EC (2021); Eurostat.

According to 2021 estimates, up to around 182,000 people might have engaged in work in platforms in Slovenia more than sporadically, i.e., at least 10 hours a week or contributing to

more than 25% of their income (**Figure 3**).

Figure 3: Number and categories of workers in platforms (2021)³



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1. The index measures the overall quality of the "collective and individual governance of work and employment" across four categories, based on 47 indicators. See: Eurofound (2018). Measuring varieties of industrial relations in Europe: A quantitative analysis. Publications Office of the European Union, Luxembourg., p. 1.

2. The numbers cited are an upper-bound estimation based on 2021 survey results. They cover all types of work in platforms from low- to high-skill and from on-location (e.g., transport, delivery) to online work (e.g., ICT, data entry, creative work). See: EC (2021). Study to support the impact assessment of an EU initiative to improve the working conditions in platform work

3. Main workers work through platforms for at least 20 hours a week or receive at least 50% of their income therein. Secondary workers spend between 10 and 19 hours per week or receive between 25% and 50% of their income from work in platforms. Marginal workers spend less than 10 hours a week working via platforms and get less than 25% of their income via platforms.

2. Current legal framework

2.1. LABOUR LAW

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In Slovenia, the Employment Relations Act regulates the most important mutual rights and obligations between employees and employers. It defines a worker through the lens of an employment relationship (Article 4(1)):

An employment relationship is a relationship between the worker and the employer whereby the worker voluntarily participates in the employer's organised working process, in which he, in return for payment, continuously carries out work in person according to the instructions and under the control of the employer.

A worker and an employer enter the employment relationship with the signing of an employment contract (which must be concluded in written form). However, **the key elements of a valid employment relationship are based on a de facto relationship between the parties,** which includes five key elements deriving from the definition of the employment relationship:

- Integration into an organised work process
- Performing the job in person

- Performing the job continuously
- Subordination (i.e., working according to the instructions and under the employer's supervision)
- Remuneration

Furthermore, Article 18(1) of the Act confirms the presumption of the employment relationship if the elements of an employment relationship are present:

In case of dispute on the existence of employment between the worker and the employer, it shall be assumed that employment exists if the elements of an employment relationship are present.

This means, however, that workers must first prove the existence of the elements of the employment relationship before the court.⁴ Individual or collective disputes related to employment status are resolved under the specialist Labour and Social Court, while the Labour Inspectorate (IRSD) supervises the proper execution of laws, collective agreements and other acts. A 2017 amendment to the Labour Inspection Act extended the powers of the IRSD, enabling it to compel an employer to enter an employment relationship with a person if IRSD establishes the necessary elements of employment relations.⁵

The Slovenian legislation also stipulates that work may be performed under a civil law contract, but only when the employment relationship criteria are not met (Article 13 of the Employment Relations Act). In such cases, workers are self-employed and enter a client-provider relationship with the company based on a civil law contract. Such a contract should cover the delivery of a certain good or service (a specific transaction) based on the provider's performance and for a fee. Despite these limitations, work in platforms based on employment contracts is rare,⁶ and **most workers in delivery platforms** are deemed to be self-employed (i.e., work under a civil law contract).⁷ Alternative arrangements also exist, including:

• **Student work:** Enrolled college and university students can work via a special type of contract with lower social security contributions. This status is often abused either by enrolling at university (which is free in Slovenia) or working under someone else's student contract; and

6. For example, a national delivery platform Ehrana offered employment contracts to its riders but was then acquired by Glovo.

_____7. Interview results

^{4.} Interview results; IUS-INFO (2022). Ali obstajajo elementi delovnega razmerja?

^{5.} Previously, in the case of a disguised employment relationship, IRSD could have only prohibited the continuation of work. See Eurofound (2017). <u>Slovenia: New measures against misuse of the</u> <u>employment relationship</u>.

Limited liability company (LLC): Some workers set up their own LLC as an alternative to registering as self-employed. This requires a capital contribution (€7,500) but involves a more favourable tax regime.⁸

2.2. PLATFORM-SPECIFIC LEGISLATION

One related piece of legislation in the area of transport law that became a point of contention involved passing amendments to the Road Transport Act in June 2021, which **opened the door for ride-hailing companies to enter the Slovenian market** (previously banned).

Road Transport Act

The 2021 amendments to the Road Transport Act (Zakon o prevozih v cestnem prometu) allowed ride-hailing platforms to operate within its framework, opening the door for Uber in Slovenia. The amendments require workers in these companies to obtain taxi licences, and abolish the mandatory use of taximeters. The Ministry of Infrastructure and Uber also signed a letter of intent to promote cooperation between the company and state agencies. The government has justified this measure as a way to provide better choice, more modern services, and lower prices for users.

Source: Visionary Analytics, absed on Eurofound (2021). Slovenian Road Transport Act. Nevertheless, the amendments did not address the issues of status or working conditions of workers, although the infrastructure minister at the time promised that "all drivers, regardless of whether they use a taximeter or an app, will need to have an employment relationship under the valid labour law".9 Trade unions had opposed the Act amendments to prevent increasing precarity and the deterioration of working conditions for drivers, which tends to happen when Uber is welcomed under its terms and without an established regulatory framework that ensures decent working conditions in the sector.¹⁰ Eventually, after the government changed, a new law was passed in 2022 that cancelled these amendments. Therefore, ride-hailing platforms have not yet entered the Slovenian market. The new government's Ministry of Labour, Family, Social Rights and Equal Opportunities has also announced that Slovenia would implement the EC Directive draft, not waiting for the finalisation of the legislative process at the EU level. The Ministry promised to cooperate with trade

unions, listen to their suggestions, and likely push a more ambitious regulation than envisioned in the current EC proposal.¹¹

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8. Interview results
9. See STA (2021). Unions oppose uber in <u>Slovenia, while infrastructure minister argues in favour</u>.
10. Interview results
11. nterview results

3. State-of-play of workers' rights

Workers enjoy different access to labour rights, depending on their status, as summarised in **Table 1** below.

Worker status	Legal basis	Social security	Union representation	Collective bargaining
Employee	Labour law	~	~	~
Student work		✓*	~	✓ **
Self-employed	Civil law	✔ (self-paid)	~	×
LLC		×	×	×

Table 1: Worker statuses and corresponding labour rights

Source: Visionary Analytics.

Note: *Social security contributions cover only pension and disability insurance, while the university provides health insurance;

** Mladi Plus – the trade union of young workers represents student workers at the national level.

The approach of platforms was to provide good working conditions when they entered the country, including relatively high net pay (although mostly due to long working hours and low social security contributions). Work in platforms was also appreciated during the pandemic when workers managed to keep their jobs in delivery platforms or get a job there after losing their previous employment. However, **working conditions have been deteriorating** as platforms established themselves more firmly and ensured a good supply of workforce, including a shift to remuneration by delivery rather than per hour in some platforms, lower wages in general, and/or lower work availability (due to an oversupply of workers, which decreases the amount of work per rider).¹²

The misclassification of workers is, by far, the most crucial issue. Although particularly acute in the platforms, it has been recognised as a policy problem by the government in the whole labour market. A 2017 reform introduced measures against "illegal uses of atypical labour forms" and "disguised employment relationships", including the extended powers of the IRSD and higher fines. ¹³ Nevertheless, trade unions have

emphasised that the legal framework is clear and comprehensive enough to ensure access to rights for workers – it simply needs to be better enforced.¹⁴ In this context, the Ministry of Labour is preparing further changes to the labour inspectorate mandate to enable easier and quicker enforcement. However, the resources and capacity of the inspectorate remain problematic, too.¹⁵

Another challenge faced by the Slovenian trade union movement is that, because of the advocacy of platforms, some workers – under the per-

12. Interview results

13. Eurofound (2017). Slovenia: New measures against misuse of the employment relationship.

14. Interview results

15. For example, the 2020 IRSD Annual Report emphasizes the staffing challenge. In December 2020, 89 inspectors were employed at the IRSD, including 52 at the Employment Relationships Inspection Service. See: https://www.gov.si/en/state-authorities/bodies-within-ministries/labour-inspectorate/about-the-inspectorate. ception that being self-employed offers more flexibility, autonomy, and higher net pay – may prefer to maintain this status. More broadly, there is a trend or a narrative to favour alternative forms of employment against the "traditional" employment relationship, which the liberal political fractions and employer organisations sometimes portray as "old-fashioned".¹⁶

Labour inspectorate sanctioning GoOpti

The Slovenian courts have not ruled yet on the misclassification of workers' status, and workers are reluctant to go the judicial path, even with the support of trade unions. Nevertheless, in 2015, the labour inspectorate ruled that GoOpti's practice of hiring self-employed drivers is a misclassification of the employment status. The platform then started to subcontract hiring of drivers to "transport companies", while still selecting the drivers and retaining control over their work. On paper, GoOpti requires the transport companies to employ drivers, but the labour inspectorate's check in 2017 confirmed that some transport companies hire self-employed workers contrary to law. GoOpti commented on the issue, explaining that the company has "only limited possibilities for sanctioning subcontractors".

Source: Visionary Analytics, based on De Groen, et al. (2018). Employment and working conditions of selected types of platform work.

4. State-of-play of union action

In November 2021, ZSSS outlined its position and main policy postulates in relation to the growth of the platform economy. The key issues include:^{17 18}

- Ensuring correct classification of workers' employment status
- Inclusion of all workers in social protection schemes and collective bargaining
- Making platforms abide with their obligation to provide information on their algorithmic management practices and ensuring constant control of the algorithm
- Improved capacity of inspection services to monitor platform business practices (including adequate training and ensuring they have

the capacity to actually perform inspections - currently, they are largely absent on the ground, despite their new legal power)

Nevertheless, the level of trade union action on the ground depends a lot on the sector. Uber has not yet entered the Slovenian market, and drivers in the existing taxi companies are unionised and well-organised. It is important to note, though, that they are often registered as self-employed and work in a platform-like environment. Furthermore, cleaning and healthcare work offered via platforms most likely involves sizable and significant problems, but the visibility of these workers is very low. There have also been few attempts to organise or even identify online gig workers. ¹⁹ However, ZSSS and Mladi Plus focus on reaching out to riders in delivery platforms, even though the progress is rather slow: riders have been little aware and not very eager to organise (partly due to the above-mentioned more favourable working conditions offered by some platforms at the start, as well as fear of retaliation). **However, decreasing pay and worsening working conditions are pushing some riders to seek help.** For example, one of the biggest upsets for the couriers was the implementation of identification numbers by the Mayor of Ljubljana in agreement with both courier companies (Glovo and Wolt). The goal of the regulation

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^{•••} 16. Interview results

^{17.} For example, there were 52 inspectors working at the Employment Relationships Inspection Service of the IRSD in 2020, corresponding to over 221,000 business entities in Slovenia. In 2020, employees received an average of 1.3 days of training. See: IRSD (2021). Work Report in 2020.

was to identify and punish traffic offences. Trade unions organised several actions to support the couriers who disagreed with this rule.²⁰

Overall, the unions have stressed that it is difficult for unionists to "break through" with their message and initiate collective representation and bargaining. However, the unions should make efforts to become visible and recognisable so that "when the time comes" workers know who to turn to ²¹

An awareness-raising campaign

To ensure visibility and awareness among workers and the public, unions in Slovenia focus on organising awareness raising campaigns and events. For example, on the International Day of Decent Work in 2021, Mladi Plus organised an intervention for the riders, where they provided them with benefits that they should have access to as employees (i.e., should be provided by the platform).

This included a space to have rest (sofas), toilet, free meals, coffee and tea, a repair stop to fix their bikes, a "corner" for trade union advice, etc. The event was well-covered in the media.

Source: Visionary Analytics, based on interview results.

The key obstacles to more effective unionisation of workers in platforms are presented in **Table 2** below.

Table 2: Obstacles to unionisation for workers in platforms

Social and cultural	Related to platforms' business model			
opportunities to fight for them is low. - Trade unions need to adapt their practices better and quicker to the	 Workers are dispersed, which requires new approaches and more resources to identify and reach out to them. Workers fear retaliation from platforms. High worker turnover does not facilitate building of sustainable structures. Platforms are considered temporary employment: workers move on to do something else rather than fight when they get dissatisfied. 			

Source: Visionary Analytics, based on interview results.

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5. Action checklist

Potential application of the proposal for a Directive of the EC and/or the ETUC policy proposal

According to the Slovenian unions, the push for a Directive is seen as generally positive since, on the one hand, it addresses a cross-border issue at the EU level (as most platforms are multinational corporations), and on the other hand, it encourages the action at the national level to tackle precarisation of work. However, in reality, in Slovenia, proper enforcement of the existing legal framework is more needed than new regulation. This would require improved capacity of the labour inspectorate, backed by political will to ensure fair working conditions (rather than pushing extreme liberalisation and flexibilisation of markets).

Furthermore, the non-alignment of criteria in the proposal for a Directive of the EC with those enshrined in the Slovenian labour code could be an obstacle. Furthermore, one element included in the ETUC proposal that could be beneficial for the Slovenian status-quo is the application of a judicial or administrative decision to all workers in a platform, rather than to individual litigants. However, it might be beneficial if those rules applied to the whole labour market, rather than only platforms.

Source: Visionary Analytics, based on interview results.

Preliminary suggestions for actions are summarised in **Table 3** below.

Table 3: Action checklist in two main areas **On-the-ground action** Policy - Step up lobbying and advocacy actions to counter powerful lobbying of the platforms - Continue outreach and awareness-raising activities that should (supported by liberal political fractions) and raise awareness among the policy-makers about "pave the way" for the collective organisation that is initiated the precarious conditions of workers in platforms. by the trade unions and not fragmented into several emerging - Push for extending the capacity and pressure put on labour inspectorates to conduct proper movements (e.g., co-ops). investigations where platforms may be breaking the labour law. - Work more closely with unions in countries where collective - Push policy proposals that would make platforms (and employers, more broadly) abide by bargaining is more advanced to learn from good practices and their obligation to provide information on their algorithmic management practices and ensure organise cross-border actions (e.g., international strikes). constant control of the algorithms.

Source: Visionary Analytics, based on interview results.