



## **Tina Osvald: Non-standard employment in Slovenia**

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### ***Abstract***

The paper focuses on non-standard and new forms of employment faced by the labour market in Slovenia. Increasing demand for data on student work, self-employed and agency work is a challenge in monitoring these new or non-standard forms of employment in the Labour Force Survey.

The first part presents student work since it is specific for Slovenia. The second part focuses on data on dependent self-employed persons. At the end some reflections on collecting data on new forms of employment are highlighted.

Slovenia has an above average share of temporary employment agency workers, being around 5%–6%, while the EU average rarely exceeds 3%. The main reason behind this high value is student work. Student work is a specific form of temporary employment in Slovenia. As a consequence of student work Slovenia has the highest share of temporary employment in total youth employment, which was 75.5% in 2015 (compared to the EU average of 43.3%).

In addition to student work, a lot of demands for data on the self-employed persons have been addressed to the Slovenian NSI, especially on the so-called dependent self-employed. As a result two additional questions were added to the core LFS questionnaire in 2012 to detect some sort of dependent self-employed. The data on this subject show increasing numbers of dependent self-employed in the recent years.

The final part of the paper highlights main difficulties concerning other new forms of employment such as precarious work, since there is no official definition of this type of employment and there are also no official data on the number of such workers and their share among all employed persons. Some of our attempts to define data on precarious workers are presented.

## **Student work**

Slovenia has the highest share of temporary employment agency workers among European countries, being around 5%–6% in the last years, while in the other EU Member States it rarely exceeds 3%. From 2008 on the EU-28 average has been between 1.4% and 1.7%. The main reason behind Slovenia's high value (5.1% in 2016) is student work.

Student work is a specific form of temporary employment in Slovenia. Every student with the valid student status in Slovenia can work via the student employment agencies. Student work has been one of the cheapest forms of employment since (until 2015) almost no social contributions had to be paid. Therefore, until 2015 student workers did not have any pension period since that type of work did not count as a period of employment. In February 2015 some changes regarding social contributions were introduced. From 1 February 2015 on every student employment agency has to deduct 15.5% for the pension and disability insurance which also counts as a period of employment. The student's pension qualifying period is converted according to the gross amount of student's payment written on the referral. Currently (as of 2017) for every 56% of average monthly salary reached, the student worker is granted one month of pension qualifying period (or period of employment).

Student workers do not have the same rights as the formal employees (e.g. paid annual and sick leave, reimbursement of meals and travel expenses).

Student workers represent almost 80% of all agency workers in Slovenia. As a consequence of student work Slovenia has also the highest share of temporary employment in total youth employment (aged 15–24). Data show that in recent years more than 70% of employees aged 15–24 in Slovenia have been in temporary employment. In 2015 the share was 75.5%, while the EU-28 average was 43.6%.

## **Dependent self-employed**

The share of dependent self-employed persons among all self-employed persons has been increasing in the last few years. Since they are recognised as an economically dependent group of persons in employment, they represent a deviant form of employment with the lack of social protection. They have the status of self-employed persons but have all characteristics of employees in labour relation except their rights as they do not have paid annual and sick leave. While this group of employed persons is growing, a lot of interest in data on dependent self-employed persons comes from labour market researchers and from journalists.

We were informed about the growing numbers of self-employed who were economically dependent, so we were trying to detect this also with the LFS. We then added two questions to our LFS to somehow facilitate the detection of this group of self-employed persons and (initially for internal use) to see their situation on the labour market. Questions follow the question if the self-employed person has any employees:

- Do you work mainly for one client?
- Do you work in the premises of this client?

Based on these questions we try to extract the dependent self-employed – those who do not hire any employees, who mainly work for one client only and who usually work in the premises of this client. Mostly the users define dependent self-employed a little broader, as those working for one client only; however, the second question helps them to narrow the economical dependency.

In the past few years around 70% of self-employed persons in Slovenia did not employ any employees. With 71.5% in 2015, Slovenia was within the EU-28 average (71.8%). In 2016,

12.7% of self-employed persons were working only for one client and 6.3% were working in the premises of this client.

Table 1 shows how the share of self-employed persons working mainly for one client has been rising since 2012 (since the two questions were added to the Slovenian LFS).

**Table 1: Share of economically dependent self-employed (working for one client only) among total self-employed, Slovenia, 2012–2016**

	%				
	2012	2013	2014	2015	2016
Self-employed - total	100.0	100.0	100.0	100.0	100.0
..Working mainly for one client	7.9	9.2	9.8	12.1	12.7
....Working in the premises of this client	3.6	3.7	4.8	6.7	6.3

Source: SURS, LFS

Data on self-employed persons show the decreasing number of total self-employed persons, while the share of self-employed persons working mainly for one client has been increasing. The monitoring of this group of self-employed persons shows to be extremely valuable for our users and data obtained by the 2017 ad-hoc module on self-employed will give us a good insight into measuring the dependent self-employed within the LFS and the comparability of definitions of self-employed. Since the ad hoc module on self-employed has just started and so far we have had no data, the next year's results will be helpful for comparison and the design of questions on dependent self-employed persons in the future LFS.

## Precarious work

The economic crisis, which Europe faced from 2008 until recently, offered many opportunities for exploitation on the labour market. In general, this category includes the above presented categories: student workers (working via the student employment agencies) and dependent self-employed persons who have the status of self-employed persons but have all the characteristics of employees in labour relation (except the rights); as well as employees working part-time and agency workers. Basically precarious work is unstable, temporary, low-paid work.

The monitoring of precarious work is complex since there is no internationally agreed definition on which types of work should be counted as precarious forms of employment.

From the feedback we get from our users of LFS data we prepared two definitions of precarious work:

- Broader definition: temporary employees (including agency workers and student workers), part-time employees, self-employed without employees working mainly for one client.
- Narrower definition: agency workers, student workers, contract workers, self-employed without employees working mainly for one client.

The broader definition probably has some insufficiency since not all temporary jobs necessarily qualify as precarious. Along with the defining precarious work the demanding (dangerous) working conditions, lack of social benefits and low wages should be taken into account.

From the view of the LFS there is no common measure to detect precarious work, which is mainly the consequence of the mentioned lack of consensus on a universal definition. Therefore, also the outputs could vary.

Table 2 attempts to present precarious work: precarious work divided by sub-categories and its share in total employment.

**Table 2: Precarious work, Slovenia, 2012–2016**

	number in 1,000				
	2012	2013	2014	2015	2016
Employed - total	924	906	917	917	915
Precarious workers - total	118	115	117	131	133
.part-time employees	61	59	62	68	71
.student workers	28	27	26	29	31
.agency workers (without students)	12	9	10	12	10
.other workers (contracts)	8	11	8	8	8
.self-employed without employees working for one client	9	10	11	14	14
<b>Share of precarious work in total employment (in %)</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>14.3</b>	<b>14.5</b>

Source: SURS, LFS

Since the number of persons in new forms or non-standard forms of employment has been increasing and the demand for data on these issues has been growing, the biggest challenge we are facing is how to define the basic terms of those new employments and how to detect them within the LFS in order to provide the best possible data to our users.

## Sources

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