

Personal and household services in Slovenia

Improving working conditions and services through industrial relations

Project PERHOUSE



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Policy Brief

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The main characteristics and challenges of the personal and household services

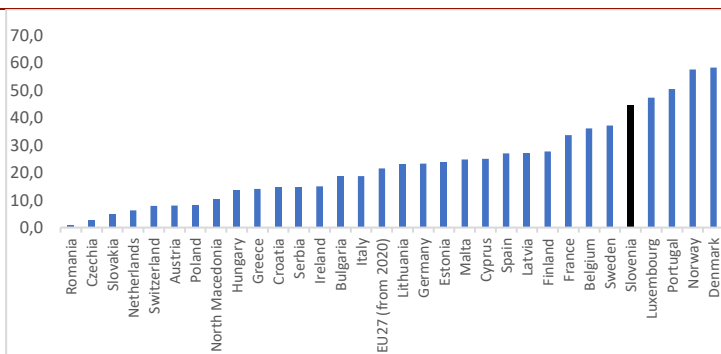
Main characteristics of PHS in Slovenia

- **A heterogeneous PHS sector:** childcare, care for the elderly and people with disabilities, household support services
- **Common characteristics:** low pay; poor working conditions, predominantly female workers; affective relations in PHS care services; economic dependence on husbands in the cleaning sector.
 - a) in care for the elderly and people with disabilities: high demand and a variety of PHS services insufficiently provided by the public sector; care mostly provided by unpaid informal caregivers, generally female family members, the central pillar of formally provided elderly care is institutional care; the lack of PHS provision and low wages are the drivers of undeclared work
 - b) the small size of childcare PHS (largely based on undeclared work) due to the high quality and affordable publicly funded institutional pre-school education
 - c) precarious arrangements, such as personal supplementary work and undeclared work predominate in cleaning
- **Prevailing types of employment:** Regular employment is most widespread in care for the elderly and persons with disabilities, while childcare and cleaning are often provided in the form of personal supplementary work (ODD), self-employment and most often undeclared work. The largest share of care is provided informally by family members and undeclared work.
- **Working time:** Stable working time arrangements in the cleaning sector and negotiated in childcare, unpredictable schedules and unsocial working hours in care for elderly and persons with disabilities, especially in home-based care.
- **Training and education:** varies across sectors and types of employment. A lack of training and education in cleaning services, regularly provided training by employers in the area of care for the elderly and persons with disabilities; self-provided in childcare PHS sector. A lack of training in self-employment and undeclared work.

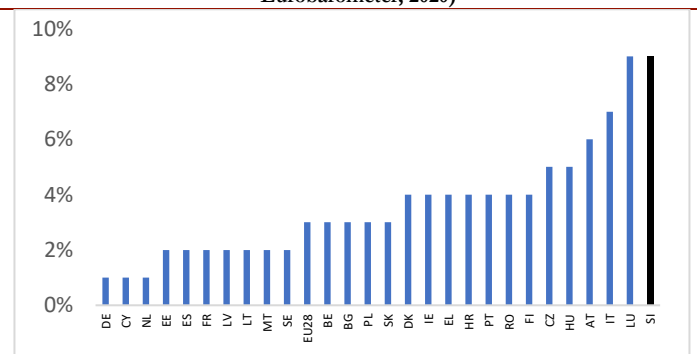
Main challenges in PHS in Slovenia

- **Inaccessibility and unaffordability** of PHS services beyond publicly financed ones.
- **Supply and demand gap:** The undeveloped PHS sector does not mean there is no need for these PHS services: unpaid informal carers who work full-time jobs bear the brunt of care work. Unmet needs for PHS due to affordability issues.
- **A lack of social security** for a large share of workers who provide services in the form of undeclared and non-standard employment arrangements. Differences between public and private sectors.
- **Low pay:** Workers in PHS can hardly afford a living wage and depend on their family members and other sources of income.
- **Risks for worker's health and safety:** high workload, physically demanding work, esp. heavy lifting in care for adults; chemicals and risk of falling from a height in cleaning.
- **Need for training and education:** training provided for workers in standard employment, but lacking for self-employed, precarious and undeclared workers.
- **Labour shortages** especially in care for the elderly and persons with disabilities given the high workload and low pay. Heavy reliance on unpaid informal caregivers, typically female family members, underscores the need for more accessible and affordable formal publicly provided PHS as well as institutional care.
- **Weak social dialogue** in cleaning; government and formal employers **avoiding social dialogue in personal assistance** in order to cut the costs of services.

Graph 1: Share (in %) of children in formal childcare, less than 3 years, 30 hours or more weekly 2019 (source: Eurostat)



Graph 2: Share of "Assistance for a dependant or elderly person" in total self-reported purchase of services based on undeclared work (source: Eurobarometer, 2020)



The main challenge in the PHS sector in Slovenia is the insufficient public provision of PHS resulting in unaffordability and a shortage of workers who provide socially important, yet highly demanding services involving health risks but low pay and limited social security

Key findings on social dialogue in personal and household services

- **Overall context:** Gradual and partial dismantling of the neo-corporatist system of industrial relations in Slovenia since the mid-2000s, leading to a decline in unionisation and collective bargaining coverage rates. Collective bargaining remains relatively widespread on the sectoral level.
- **Role of trade unions:** Trade unions play a crucial role in negotiating working conditions and wages, focusing on improving standards and norms in PHS, especially in the segment of care for the elderly and persons with a disability and negotiate employment regulation in PHS on the national level. Weaker role of unions in childcare PHS and domestic cleaning.
- **Influence of other organisations:** Organisations representing users in the PHS sector engage in civil dialogue, participate in working groups, and lobby government bodies to address sector-specific issues.
- **Involvement of employers' associations:** Employers' associations participate in social dialogue, albeit with varying degrees of engagement. Some are involved in collective bargaining and most provide inputs on regulations affecting PHS workers by negotiating employment regulation on the national level, setting occupational standards and certification processes, price regulation on a voluntary basis etc.
- **Care for the elderly and persons with disabilities:** The largest union represents and organises all occupations in this segment of PHS. Collective bargaining covers home-based care and community nursing.
- **Challenges in the personal assistance:** No social dialogue in personal assistance. The trade union of personal assistance (SOA) faces challenges due to the government's refusal to negotiate as it is formally not an employer while formal employers are unwilling to engage in negotiations due to the limited control over employment terms, pointing to government regulations as determinants of employment conditions.
- **Childcare:** There is limited, less pronounced social dialogue in PHS. The trade union does not organise workers in PHS childcare due to workers' lack of interest in unionisation and the small share of PHS workers, reflecting the highly developed institutional childcare system and stakeholders' focus on strengthening the public sector. Trade unions support the development of institutional preschool education rather than home-based childcare. They also support restrictions on the lightly regulated personal supplementary work that prevails in PHS.
- **Household support PHS (cleaning):** PHS services are mostly provided by small businesses and in the form of undeclared work. Employers are well organised, while trade unions' capacities need to be strengthened and an extension of the collective agreement must be considered.

PHS in elderly and disability care are represented by unions to a certain extent; in personal assistance, social dialogue is lacking as the government and employers' organisations avoid negotiations. In childcare PHS, unions support institutional preschool education over home-based childcare. In the non-care PHS sector, union capacity must be strengthened and an extension of the collective agreement needs to be reconsidered.

Solutions and policy implications

- **Ensuring public funding for PHS:** Formal PHS in Slovenia has reached a better level of development where they are provided as a public service, the rest being largely inaccessible and unaffordable, except for those with relatively high incomes. Our first policy proposal is **to ensure the public funding of the provision of PHS to make them affordable on either a universal basis or according to the ability to pay.** The expansion of PHS, that as a rule supplements rather than substitutes for the work of unpaid informal carers, must not come as a cost-saving device for replacing institutional care, which is well established in Slovenia, but as a genuine choice offered to households.
- **Addressing the quality of PHS, labour shortage, and gender inequality:** The low pay and poor working conditions in PHS add significantly to labour shortages, hindering the expansion of service accessibility and quality. As the majority of workers in the studied PHS are women, the impact of the low pay and poor working conditions also exacerbates gender inequality. **Wages thus need to be increased and working conditions improved.**
- **Addressing health and safety risks:** In areas where health and safety risks are more pronounced, such as home-based care or personal assistance, additional benefits, especially **inclusion in compulsory supplementary pension insurance enabling workers to retire early,** should be considered.
- **Expand public provision of PHS:** Considering the better working conditions observed in publicly provided PHS compared to market-based provision, policymakers should consider expanding the public provision of PHS services. This could help tackle issues related to undeclared work and assure better quality and more stable employment conditions for workers. To tackle the issue of undeclared work and ensure better working conditions, we propose **expanding the provision of PHS organised as a public service.** In addition, as stakeholders largely exposed, the idea of a voucher system is seen as a threat to the public system.
- **Strengthen trade union representation: Trade union capacity should be strengthened, notably in the household support PHS sector** such as cleaning, as well as in childcare PHS in case of the expansion of service provision in this area. Policymakers should encourage social dialogue and collective bargaining in **all segments of the PHS sector to address the labour shortages, maintain service quality, and improve working conditions.**
- **Extending Collective Agreements – Covering all publicly financed workplaces:** To improve working conditions and avoid the negotiation refusal seen in publicly financed personal assistance, where provider organisations (i.e., employers) are not formally part of the public sector (which is the government's argument when refusing social dialogue in this area), and where formal employers claim that the government effectively regulates all relevant aspects (and thus reject social dialogue as irrelevant), **all publicly financed workplaces need to be covered by public sector collective agreements to improve the working conditions of workers.**
- **Extend collective agreements – Sectoral collective agreements to cover household support PHS:** In household support PHS, while a sectoral collective agreement for craft and small business exists, it lacks *erga omnes* application. In order to regulate this segment, **improvements in the working conditions for non-care PHS should be included in collective bargaining and the application of the extension mechanism to the collective agreement for craft and small business** should be considered.
- **Regulate household support PHS occupations and combat undeclared work:** To prevent downward competition, acknowledge the skills needed, and improve labour standards as well as service quality, **consider regulating the occupation of home cleaning by means of educational qualifications.**

Project information

Project outputs include a comprehensive report on personal and household services and social dialogue in Slovenia and a comparative report for 12 Central European Countries. All project outputs are available at <https://celsi.sk/en/projects/detail/209/>. Funded by the European Union. The views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union. Neither the European Union nor the granting authority can be held responsible for them.