

A Seller's Market? On buying and selling labor power these days in Slovenia

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It's a seller's market!

I speak of the Slovenian Labour Force Market, "sellers" being workers selling their labour power. Statistically speaking, the country's unemployment rate is at a record low level: 7,2 percent as of September. Compared to almost twice that number at the peak of the last financial crisis in 2013/14, this all appears to be very encouraging. Yet like paintings, statistics are beautiful only if we admire them from the appropriate distance. Come too close and things get skewed pretty quickly. Of course, we will now do exactly that.

Since the country has been enjoying solid economic growth over the last couple of years, employers are facing a shortage of workers. Demographic changes are doing their part; the population is getting older. By reforming the pension system, the state is trying to motivate people to stay in their jobs longer, one such measure being the so-called "double status." This allows individuals to start receiving a portion of their pension while still being employed and also getting their salary. Of course, the precondition is that they are already fulfilling their requirements for the work age. This policy already came under scrutiny, and many see it beneficial only those not working in physically demanding jobs. The latter, because of health problems, usually have difficulty achieving retirement age as it is, but more on that a bit later.

Though almost 70.000 have registered as unemployed, the possibilities for expanding the scope of the domestic labour force, though existent, are very limited. One would have to look among the ranks of the long-term unemployed and others whose return to the labour market is otherwise difficult. The Institute of Macroeconomic Analysis and Development (IMAD), a government office, therefore, predicts that only a significant net migration of workers into Slovenia will be able to provide a sufficient labour force in future years. To completely neutralize the diminishing numbers of Slovenia's labour force, a net migration of at least 10.000 workers annually will be needed. The majority of the country's foreign reserve army of labour, of course, comes from the republics of former Yugoslavia. The lion's share of these, almost 40 percent, come from Bosnia and Herzegovina.

For such net migration to work, profound systemic changes will have to be necessary. The country, its policymakers and population will have to change their attitude towards foreigners and stop keeping them at arm's length. It is actually the state that desperately needs these workers, and not the other way around. Among other necessary changes, the state will need to lengthen the Slovenian language course that it offers new migrants, which is currently quite short. This deprives people of the possibility of actually learning the language, in turn hindering their employability, access to health care and other services. The result is to impoverish these foreign workers, relative to their native counterparts; for the most part, foreign-born citizens are already living in overcrowded apartments.

Another two factors will also have significant impact on this as well as all the other labour force markets: automatisisation and robotisation. Though these technological developments can temporarily

ameliorate workforce shortages, IMAD warns that in the long term such innovations actually create more jobs than they make redundant. Still, according to OECD estimations, Slovenia's labour market will be especially vulnerable in the first phase of these changes as up to a quarter of all jobs are under the threat of obsolescence. One should also keep in mind that the three quarters of positions that survive these changes will also come out on the other end much changed.

At the moment, there is no sign that any systemic changes that will better the living and working conditions of foreign workers are on the political horizon. On the contrary, if anything, fear mongering about immigrants is virulent, especially among the right-wing parties. Of course, one should not forget that it was actually the liberal political center that built the razor wire on the border of Slovenia and Croatia and is still deaf to appeals to bring it down. That said, policies aimed at activating the older population, such as raising the retirement age, are at the forefront of actual discussion.

Since media and public discourse is usually built on some very problematic underlying assumptions, it is worth taking a closer look at the whole situation. Following these discussions one inevitably gets the impressions that people's eagerness to retire as soon as possible is a sort of anomaly in itself. The discussion usually revolves around changing individual workers' attitudes. Either through carrot or stick, the work horse needs to keep pulling the cart, they demand. Ominously absent from consideration are the conditions the workers are facing, which are the major factor of their (in)ability rather than their (un)willingness to continue with their work.

On average, older workers in Slovenia have worse working conditions than younger ones, in a way that distinguishes Slovenia from other EU member states. [According to The Fifth European Working Conditions Survey of 2012](#), only some 25 percent of workers in Slovenia answered affirmatively when asked if they believe they could do their job up to 60 years of age. The EU-27 average was almost 60 percent. Significantly above the EU average, according to Eurobarometer, is also the discontent with working conditions as well as the experience of stress and other psycho-social risks. As a reason for these, workers usually pointed to the sheer amount of work (number of working hours), organization of work, and the uncertainty of their work position. Fear of losing employment and falling into financial insecurity result in almost 60 percent of workers, the highest number in the EU, attending their workplace despite being ill. Later surveys continue to show that Slovenian workers are among the very top, when asked if they believe that their job negatively affects their health and wellbeing (answering yes) and if they could work up till 60 years of age (answering no).

In a nutshell, the average Slovenian worker is overworked, in poor health, under significant stress and of course eager to break the yoke of wage slavery as soon as possible. One would think that improving working conditions would be the logical thing to do. Well, not if the Chamber of Commerce and Industry of Slovenia has anything to say about it! If anything, they have been consistently adamant in their repeated conviction that the economy is bound to collapse under the burden of workers' rights. That their scope is unbearable and making Slovenia's companies non-competitive, is allegedly evident in the rise of the minimum wage as of January 2020: the gross minimum wage will rise from 886 to 940 euros!

However, what hurts Slovenia's most voracious apologists for capital, is not so much its rise in itself as the fact that since January the 1st all extra payments (for example transportation, overtime, bonuses etc.) will have to be exempt from the minimum wage. Until now, employers have been eager to exploit this loophole to the fullest, which meant that a worker could actually have a significantly lower wage, which would in turn be "enriched" by all kinds of extra payments that would in total amount to the minimum wage. Consequently their social benefits would be much lower (again profiting the employer), having much lower compensation for sick leave and much lower pensions when retiring.

It needs to be clearly stated that this is the most significant victory. Rather than admitting that working people deserve a decent livelihood (after all, why is the minimum wage always the problem, rather than, say, the maximum wage?), the Chamber decided to publish a 101 manual for manipulating the minimum wage. Its goal is to circumvent the exemption of all extra payments from the minimum wage. Trade unions have already responded with a public campaign and have announced that employers who won't respect the law will be facing criminal complaints.

As long as such a mentality confronts the domestic labour force, foreign workers won't be treated any better. The structural deficit the labour market is increasingly facing, however, does offer a ground for stronger workers' bargaining power and transnational workers solidarity.

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