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Under Pressure from Migrant Labour: Challenges of Deregulation, Reregulation and Industrial Relations in Estonia, Slovakia and Slovenia

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Data availability statement

To guarantee confidentiality and anonymity of interview participation, full interview data cannot be made available upon request. Interview summaries could be shared upon request.

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Abstract

The growth of immigrant labour in Central and Eastern Europe (CEE) has put pressure on labour market institutions and actors shaping industrial relations. Estonia, Slovakia and Slovenia – countries representing different models of capitalism – have adopted different regulatory strategies to address the growing need for temporary migrant labour. In some sectors, the high presence of migrant workers on temporary contracts puts pressure on wages and working conditions, creating conditions for sectoral and company-based migrant labour regimes (MLR). Starting with the thesis on the divergence of industrial relations in the EU's eastern periphery, we investigate the roles of employers and trade unions in Estonia, Slovakia, and Slovenia in addressing the issues arising from the temporary employment of migrant workers. While there are convergences towards similar outcomes, there are also clear differences: from the near-absence of trade union action to help migrant workers to new forms of employee representation. In all three countries, the driving force behind the increased reliance on migrant labour has been some employers' economic need to fill low-paid jobs. Our article shows that trade unions and employer organisations are involved to varying degrees in the national regulatory processes concerning changes to the labour market access of TCNs. However, their influence on sectoral or company-level migrant worker employment practices is low to non-existent. While these sector- and company-based MLRs are growing in significance, trade unions in particular are caught in a vicious cycle of deregulation and reregulation.

1. Introduction

Especially since 2016, Eastern EU member states have experienced labour shortages, which have increasingly been addressed by employing migrant workers from neighbouring non-EU countries and, more recently, further afield. These migrant workers have predominantly been employed in specific sectors of the economy, typically through temporary work arrangements. Regarded as a convenient source of disposable labour, little effort has been made to facilitate these migrants' social integration (e.g. Meszmann et al., 2023). Labour market segmentation scholarship informs us that the uneven and concentrated presence of migrant workers in certain sectors puts pressure on employment standards, wages and working conditions (e.g. Bonacich, 2019). Building on the thesis of diverging industrial relations (IR) in the Eastern EU periphery (Bohle and Greskovits, 2012) and the growing importance of migrant labour, this paper investigates the regulatory role of social partners, particularly trade unions in Estonia, Slovakia and Slovenia, in addressing the employment of migrant workers. It also looks at trade unions' responses to emerging sectoral and company-based migrant labour regimes (MLR). Our article shows that in all three countries, the driving force behind the increased reliance on migrant labour has been employers' complaints over labour shortages. Trade unions and employer organisations are involved to varying degrees in the national-level regulatory processes concerning changes to the labour market access of third-country nationals (TCNs). However, their influence on sectoral or company-level migrant worker employment practices is low to non-existent. While these sectoral and company-based MLRs are growing in significance, trade unions are caught in a vicious cycle of deregulation and reregulation.

In the comparison between countries, we show first how trade unions and employers shaped the regulation of migrant workers' access to the labour market and responded to emerging forms of temporary migrant work. Here, we rely primarily on reports, secondary sources and documentation of national-level social dialogue on migrant work. In the second step of our analysis, we provide examples of sectoral or company-level MLRs where the reinforcing factors of a high number of vulnerable migrant workers and pressure on wages and working conditions are present: Estonian and Slovenian retail, and Slovak automotives. In these sectors, migrant workers are employed in relatively large numbers and on temporary contracts, but they are also

underpaid and subjected to difficult working conditions. We look at general union responses, including the level of unionisation and the presence of collective bargaining. We provide sectoral examples of how employers, especially trade unions, have dealt with emerging MLRs at the sectoral and company levels. Here, we rely on reports, statistical data, secondary sources, and interviews with employers, trade unions, non-governmental organisations and migrant workers. We conducted 25 interviews with migrant workers in the retail sector: 13 in Slovenia and 12 in Estonia. In Estonia, the retail firms in which interviewees worked ranged from different supermarket chains and petrol stations to small stands selling a limited range of products. In Slovenia, the interviews covered all major retail chains. For Slovakia, we rely on 13 interviews with migrant workers from two large car producers and their suppliers and on five interviews with trade unions and other actors. In the final section, we discuss our findings and draw conclusions.

2. Conceptual background

Our study builds on three strands of literature. First, we build on the work of MacKenzie and Martinez Lucio (2019), who emphasise the effect of labour market regulations on IR with changing regulatory roles and new actors. We argue that IR is a dynamic field evolving due to the growing presence of migrant workers in labour markets, interconnected with driving the proliferation of new employment forms in national markets and the emergence of new regulatory actors.

The second strand of literature that we build on comprises analyses that utilise the broad conceptual frameworks of labour regimes and MLRs. IR actors manage a regulatory space that includes multiple factors at national, sectoral and company/workplace levels. We use the concept of an MLR to analyse these scalar spaces interwoven with regulation. The MLR concept shows similarities with the concept of “labour regimes”. The latter denotes “the core of networked, scalar systems of economic integration and production ... a combination of social relations and institutions that bind capital and labour in a form of antagonistic relative stability in particular times and places” (Baglioni et al., 2022: 1). This is particularly applicable to analysing labour in globalised production and local services. Following Bal, we understand a MLR as “a more specific mode of macro-level labour control based on the construction of migrant worker

powerlessness as a means to inhibit the political contestation of labour” (Bal, 2016: 7). In this study, we use the MLR concept to analyse the institutionalised regulatory spaces in which the conditions for the over-exploitation of migrant workers are set via two reinforcing factors: migrants’ insecure labour market status due to administrative dependency – on both employers and the state – and the establishment of employment forms and practices that maximise net income and go hand-in-hand with the “deterioration of working conditions through ‘flexibilisation’ and ‘segmentation’” (e.g. Raess and Burgoon, 2015; Ruhs and Anderson, 2010). In addition to the importance of the state in the field of IR, as pointed out by Bal (2016), we must also consider the regulatory role of employers and trade unions in the MLR regulatory space.

Third, related to migrants’ labour market appearance and status, we apply the actor-centred approach, which has a significant tradition in economic and industrial sociology. As Michael Piore (1979) masterfully pointed out, the appearance of migrant workers is fundamentally shaped by employers’ demand for certain jobs and their desire to achieve greater labour market flexibility. Migrant workers typically fill jobs that are unattractive to locals due to poor working conditions and low prospects for upward mobility. This key assessment has been confirmed by scholarship, including more recent critical studies in the EU on employers’ demand for specific migrant workers (Eurofound, 2024). Employer-initiated immigration has led to an increase in low-paid migrant jobs, which has resulted in a downward spiral and the deterioration of working conditions (Raess and Burgoon, 2015).

Marino et al. (2017) conceptualised the three-tiered approach of trade unions towards the employment of migrant workers in national labour markets. The first dilemma for trade unions appears at a national level before migrant workers enter the labour market. The question they face is whether to limit or open up employment to migrant workers. The second and third trade union dilemmas arise when migrant workers are already present in the labour market. Do they organise migrant workers? And if so, do they develop special services for them? The effects of immigration on flexibility may be mediated by institutional conditions at the enterprise, industry or country level (Marino and Keizer, 2023). Thus, our premise is that MLRs appear in sectors and companies via two reinforcing factors: first, the availability and/or presence of a high number of vulnerable migrant workers and second, the pressure on wages and working conditions.

Our main research question is, therefore, how migrant labour is mediated via the institutions of IR and social dialogue at the national level, and how trade unions and other actors are dealing with sectoral and company-level MLRs. These questions and dilemmas that IR actors face translate well into scalar analysis. At the national level, we investigate how state regulation came about and how employers and trade unions shaped migrant workers' access to and participation in the labour market. At the sectoral level, we analyse how employers and trade unions have dealt with the emerging (temporary) forms and practices of employment – the attempted construction of sector-specific MLRs. The national level thus paves the way for a sectoral assessment of regulatory spaces (i.e. MLRs), which are understood as a “deterioration of working conditions through ‘flexibilisation’ and ‘segmentation’” (Raess and Burgoon, 2015; Ruhs and Anderson, 2010, cited in Marino and Keizer, 2023: 160).

The framework has been applied to three small CEE states – Estonia, Slovakia and Slovenia – that have experienced a significant increase in migrant labour presence and adopted different regulatory solutions to entrench temporary, circular labour migration in their labour markets. Migrant workers are unevenly distributed and more concentrated in certain sectors in all three countries, albeit with some variations. Labour law violations are more prevalent in sectors with TCN presence, such as agriculture, domestic work, food production and platform work (Masso and Roosaar, 2024). In Slovakia, major employers of migrants include the automotive sector, food production and social care, and migrant workers are relatively less prevalent in retail (Brunnerová et al., 2024).

The IR structures of the three cases represent the three varieties of capitalism identified by Bohle and Greskovits (2012): Estonia is neoliberal, Slovenia is neocorporatist and Slovakia represents an embedded neoliberal transnationalised capitalist model. Regulation of migrant labour via the institutions of IR leads to two areas of enquiry. The first concerns the regulatory dynamics before and after the increased inflow of migrants in 2016: How did employer organisations and trade unions in Estonia, Slovakia and Slovenia shape the regulatory space and migrant workers' access to and status in the labour market? Second, how did trade unions articulate their action in relation to the increased inflow of migrants? The scale of the latter question is sector and company specific: we analyse how they dealt with emerging (temporary) forms and practices of employment, i.e. with the (attempted) construction of sector-specific MLRs. We also assess

conditions for the institutionalised over-exploitation of migrant workers, considering their (insecure) labour market status and administrative dependency on employers and the state, as well as labour practices based on employment forms that drive maximisation of net income-earning opportunities while going against regulations.

3. Regulation and social partner responses to migration in Estonia, Slovakia and Slovenia

Our analysis is based on five comparative categories: three are regulatory and two are organic elements of MLRs. On the regulatory side, we first investigate the evolution of temporary contracts in protectionist labour market regulations. Second, we shed light on the disciplinary nature of temporary contracts. Finally, we assess the capacity of labour market institutions to implement and/or enforce standards. At the sectoral/workplace level, we portray how regulation sets an MLR into motion via the interrelated increasing number (including trends and dynamics) of migrant workers *and* whether migrant workers face worse or deteriorating working conditions and wages than locals. As Table 1 demonstrates, IR regulations differ among the three countries, but temporary contracting and the number of migrant workers are on the rise in all of them, as can be seen in our example sectors.

Table 1. Key indicators for the labour market and migrant workers in three countries

Country level	Estonia	Slovakia	Slovenia
Share of migrants in total employment	10.20%	4.00%	14.30%
Collective agreement coverage	19.1% (2021)	27.6% (2024)	83.1% (2016)
Trade union density	5.6% (2023)	11.8% (2022)	15.3% (2022)
Main bargaining level	Enterprise	Sector and enterprise	Sector
Share of all temporary work agency workers in the country, 2024 (in brackets for 2023)	NA	5.8% (5.0%)	5.9% (5.6%)
The role of intermediaries – share of migrants in temporary work agencies (NACE Section N, Administrative and Support Service Activities)	50.00%	27.40%	17.40%
Organisation of migrant workers/existence of migrant worker organisations	Congress of Ukrainians in Estonia, Ukrainian Women’s Union in Estonia	NA	Counselling Office for Workers; Independent Workers’ Union of Slovenia; INFODC; Cedra

Restrictions on immigration	Quota system	Labour market test system; “quota” for short-term visas since 2021	Labour market test system with exemptions for deficit occupations
Bilateral agreements	No	No	Bosnia and Herzegovina, Serbia, the Philippines
Sectoral level	Estonia (retail)	Slovakia (automotives)	Slovenia (retail)
Employment share in total employment (2023)	7.30%	22.10% (2022)	12.40%
Employment change (2016–23)	–2.40%	15.00% (2022)	9.30%
Share of migrant workers in total employees	6.40%	4.10% (for total manufacturing)	7.90%
Gross monthly wage (retail/automotives) 2023	€1,333.35 (NACE G47)	€1,924	€1802.35 (NACE G47)
Percentage of overall national average wage	73%	137%	81%
Main unions	Estonian Trade Union of Commercial and Servicing Employees	OZ KOVO	Retail Workers’ Trade Union of Slovenia
Level of collective bargaining	Firm	Company	100%
Estimated union density	Less than 1%	20%	15%
Sectoral-level collective agreement	No	No	Yes

Source: Eurostat, national sources, OECD/AIAS ICTWSS database, Gažo et al. (2024), Lassur and Viia (2025)

3.1. Estonia

In Estonia’s liberal model, social partners have a symbolic role in decision-making, partly due to state regulations. Only about 5–6 per cent of employees were members of the small and financially scattered Estonian trade unions in 2019 (Kallaste, 2023). The state fixed the quota for long-term residence permits (allowing access to the labour market) since its inception in the 1990s, at 0.1 per cent of the permanent population of Estonia annually. Changing the quota radically (or replacing it with a points system) has not been considered an acceptable solution by policymakers, partly due to discrepancies between the standpoints of the ministries of economic affairs and the interior (Toomsalu and Jeskova, 2025). Instead, over time, exemptions to the quota have been added, such as for workers in information and communications technology or startups.

The Estonian Trade Union Confederation (EAKL, Eesti Ametiühingute Keskliit) is an umbrella organisation that does not coordinate or influence the work of its sectoral trade union members. However, right after the influx of Ukrainian refugees in 2022, EAKL followed the example of governmental organisations and invited Ukrainians to information seminars (Toomsalu and

Jeskova, 2025). EAKL participated in discussions about setting the wage criteria for immigrants even before 2016 and has a soft advisory role without institutional powers to actively demand changes in immigration-related laws (Toomsalu and Jeskova, 2025). Employers have been actively lobbying for the relaxation of the migration quota.¹ Social partners are formally consulted in the development of migration regulations (draft laws), but their agreement is not required for the passage of the laws. In general, EAKL admits that migrants are needed in the labour market, but also stresses that conditions equal to local workers need to be provided.

The increased employment of (short-term) migrant workers has been facilitated by the gradual increase of the maximum stay for “short-term” work, with the latest changes in 2023 allowing residence permits for up to two years after migrants have worked in Estonia for at least nine months (Masso and Roosaar, 2024). Generally, an employer must pay at least the annual average gross monthly salary to a migrant worker for full-time, short-term work. Ukrainian war refugees are entitled to temporary protection, equal to other third-country citizens with a residence permit in Estonia (Temporary protection, 2024). Atypical seasonal and temporary employment forms not subject to the quota are increasingly frequent: Nearly one-third to half of the companies in the industrial sector use or plan to use workers from temporary work agencies (TWAs) (Kaldur et al., 2024). Posting may help to save on wage costs by avoiding the requirement to pay at least the Estonian national average wage and only the national minimum wage (Masso et al., 2021), may extend the posting chain to make it more difficult to track (Kall et al., 2020) and, in retail, TWA work helps get around the language requirements (Püttsepp, 2025). TWAs and posting have created difficulties in monitoring the working conditions of TCNs working in Estonia, and the relevant authorities lack resources to change the situation by merging various registries (Toomsalu and Jeskova, 2025).

As highlighted in Table 1, the share of foreign workers in the retail and wholesale sector was 6.4 per cent in 2023 (Lassur and Viia, 2025). The sector is unionised, with only a few migrant union members (Püttsepp, 2025). Foreign workers, in the view of unions, are uninterested, afraid of sanctions by employers, and consider themselves temporary or, like locals, tend to leave the union after receiving the needed information (freeriding) (Kangur, 2015).

¹ In February 2024, the Estonian Employers’ Confederation suggested increasing the quota at least three times, stating that the exceptions from the quota are insufficient due to an ageing workforce and the lack of employees with certain skills needed to support economic growth.

In retail services, despite the administrative issues accompanying the employment of TCNs, employers highly value migrant workers' contributions and loyalty (Masso et al., 2021). However, workers' dependency is high as work residence permits are pegged to contracts with a specific employer. This may force them to agree to poor working conditions and to not fight for their rights out of fear of being asked to leave (Vask, 2025). According to the unions, the sectoral MLR is driven by such dependent migrant workers, agreeing to work on jobs and in sectors with lower wages and working conditions that are unattractive to the locals, such as shift work or cold temperatures (Toomsalu and Jeskova, 2025). Migrants with short-term contracts do not have health insurance if their declared social tax remains below the mandatory minimum. In certain areas with fewer vacancies (e.g. Narva), our migrant worker informants were unable to find an alternative with a long-term contract. One of the seasonal short-term workers even admitted to accepting cash wages for two months, until the employment contract was finalised at her demand.

Trade unions in the retail sector have evidence of migrant workers who fail to fully understand their employment contracts and they are often offered worse conditions – lower salaries and less favourable work schedules – compared to locals (Püttsepp, 2025). Nevertheless, the interviews did not indicate unequal treatment of migrants, at least not in larger organisations. Still, even though relationships with coworkers are generally positive, migrants tend to be more socially isolated at the workplace level, and this may affect their career prospects (e.g. locals are preferred for internal vacancies). Interviewees were concerned about relatively low wages; often, their salaries were only slightly higher than the minimum wage. On the positive side, interviewees mentioned that occasional non-monetary bonuses, such as a free hot meal, are provided at the workplace. In terms of poor working conditions, several interviewees mentioned that their jobs were physically demanding, for example, involving lifting heavy loads or standing all day, leading to health issues. Supportive and kind colleagues and managers help make monotonous work tasks more tolerable. Exchanging shifts and covering for each other in unexpected circumstances are crucial topics for employees (some employers leave such issues to a large extent to the employees to solve). Usually, sickness leave or leaving early for a doctor's appointment was not a problem. However, in more than one supermarket chain, the interviewees felt that it was unfair that if some workers fall ill, they have to pick up the slack (and working days can be very intense) without any increase in pay. In the opinion of unions, working

conditions would improve if the employers did not have the option of using migrant workers (Vask, 2025).

Some interviewees were actively searching for better-paid jobs, but other options were not available in their areas. Some stated that everybody is paid poorly in retail. Usually, trade unions were not mentioned in the employees' interviews, and interviewees preferred to start discussing their problems directly with their managers. Exit was the primary coping strategy, especially if more serious or persistent problems arose.

A major driver of the MLR in Estonia is migrants' lack of knowledge of the Estonian language, which isolates them from both society and higher-level jobs (even if they have acquired the necessary education). Migrants from the former Soviet Union, primarily Ukraine, can interact using Russian in certain jobs and regions due to the large Russian-speaking community in Estonia (about 30 per cent of the population). While the existence of such a community may have partly affected the decision to move to Estonia, improving their Estonian language skills (several free courses are available) definitely improves migrant workers' bargaining power and options in the labour market. For migrants not from former Soviet Union countries, the need for Russian language skills in retail often serves as an additional challenge.

3.2. Slovakia

Slovakia was a predominantly emigration-based country until 2016, when it experienced labour shortages for the first time in its history. At that time, the entry and employment of migrant workers was strict and subject to a lengthy labour market testing system. Nevertheless, as labour was needed, migrant workers, especially from Serbia and other EU countries, began to appear on the Slovak labour market. TWAs found a niche in building transnational labour markets between Slovakia and sending countries. They adapted to changing labour demands (at the time, shortages), and strict regulations, while user companies risked illegal or semi-legal employment due to extreme labour shortages (ZEP, 2022: 41). Due to significant pressure from employers, and with the approval of unions, amendments to the legislation were made in 2018: a shortage occupation list was defined, which simplified the process and timeframe for employing TCNs. The law also permitted the employment of TCNs via TWAs: they could hire TCNs for positions on the shortage occupation list, but only for a period of two years. After this time, the company

had to take over and employ those workers directly. After the COVID-19 crisis, between December 2021 and June 2024, the Slovak government formulated and amended unilateral decrees, creating visa liberalisation schemes for the fast-track employment of TCNs, especially in manufacturing.

Regulation of TCNs' access to the Slovak labour market was tabled regularly at national-level meetings of the Slovak tripartite Economic and Social Council (Hospodárska a sociálna rada, HSR). Social partners had the chance to review all legislative acts, draft laws and decrees. However, legislative changes regarding migrant workers were rarely discussed in an in-depth manner. Trade unions and employers could present their standpoints at the meetings, which, according to available evidence, they did not always do. In general, employers found lobbying to be a better strategy to influence legislation than taking the HSR route (ZEP, 2022: 26), where they were mainly concerned with procedural issues related to residence and work permits, and in general, the liberalisation of labour market access for TCNs.

The trade unions, meanwhile, were more concerned with the social aspects of the employment of TCNs, including accommodation arrangements and support infrastructure, as well as the prevention and elimination of exploitative conditions. In governmental decrees on changes in national visas for employing TCNs due to Slovak national interest, unions and employer organisations did not have meaningful space to intervene. The trade union confederation did not oppose the liberalisation of the labour market, but stressed that companies should prioritise the employment of local workers. Employers and trade unions recognised that their opposing standpoints, in combination with the limited consultative influence and decentralised, company-based implementation, discouraged them from a deeper engagement in finding joint solutions (ZEP, 2022: 37). Structurally the HSR faced periodic institutional insecurity due to indirect dependence on political parties supporting its functioning (Kahancova and Martišková, 2023), preventing social partners from mutually engaging and strengthening the institution and its regulatory agenda. In terms of practical implementation and concrete policies, social partners have had limited influence on the work of the Labour Inspectorate, especially when it comes to illegal employment, an issue that has been closely linked to the presence of migrant workers in the labour market (ZEP, 2022). Unions and employer organisations have no authoritative role in suggesting to enforcement authorities where they should focus their efforts, let alone carry out

workplace inspections (ELA, 2023).

IR in the Slovak manufacturing sector, particularly in the automotive industry, tilt towards extreme decentralisation at the company level. Trade unions are concentrated in car-manufacturing companies and larger enterprises. Falling density and coverage have reduced the power and capacity of sectoral unions to counterbalance and influence contracting standards (Uhlerová, 2012). Sectoral bargaining opportunities weakened further as the Federation of the Automotive Industry (*Zväz automobilového priemyslu, ZAP*) opted out of industry-level bargaining structures by changing its legal status from an organisation entitled to bargain collectively on behalf of employers to a non-profit organisation of independent entities, concentrating on participation in decision-making and forums (Kahancova and Uhlerová, 2023; PWC, 2016). The content and agenda of company-level collective bargaining agreements are shallow and typically focus on wage bargaining (e.g. Martišková and Uhlerová, 2016). Trade unions do not influence subcontracting (e.g. self-employed or contracting with temporary agencies) and interviews revealed that they also have no direct communication with temporary agencies. Employment of TCNs, along with their social rights, accommodation and so on, is not an issue in collective bargaining. Still, as a focus group discussion revealed, some unions took the initiative to make housing arrangements for migrant workers. The sectoral and company-level trade unions we interviewed had only a general understanding of the practice of contracting migrant workers and no data on the scale of migrant worker employment. As this bordered on illegality, company management did not share information on (potentially) semi-legally employed migrant workers. Consequently, trade unions could only bargain for wages for a shrinking segment of directly employed workers.

The proliferation of micro-companies in Slovak manufacturing and the role of TWAs constrained sectoral union coordination and the provision of a level playing field. In 2023, the share of migrant workers employed at temporary agencies and in manufacturing stood at above 40 per cent. Sixty-one per cent of TCN migrant workers did not have a residence permit (Brunnerová et al., 2024), with ad hoc employer registration necessary to fill temporary jobs, thus increasing their dependency on both the employer and the state. Interviews with workers, union informants and experts confirmed that migrant workers found employment in automotives via intermediaries, especially in the first year(s) of their employment in Slovakia. Later, temporary

agencies were providing services to migrant workers seeking to set up their own micro-companies (*živnost*), a system of bogus self-employment under which migrant workers were contracted as service providers to a company, sometimes to work on an assembly line. The temporary agency sector has remained shady due to insufficient implementation of regulations. Intermediary practices resulted in either wage or social dumping, and exploitative and unfair practices such as deducting part of the salary as a commission for finding a job (Brunnerová et al., 2024; ZEP, 2022: 36).

Migrant worker informants described a high dependency on both temporary agencies as formal employers and direct supervisors at the workplace, which drove them to agree to high qualitative and quantitative flexibility, including acceptance of precarious employment arrangements. At the same time, migrant workers faced dilemmas involving the desire to maximise their income in the short term, and longer-term strategies for job security, decent working conditions and a more secure labour market status. As one informant told us, it was normal for him to be told daily by his superior which line and position he would be working on. For most, complying with such flexibility requirements, especially in the initial period or when employed via intermediaries, increased their job security and prospects of a more stable arrangement.

Trade unions were open to individual migrant worker members on permanent contracts, but could rarely reach out strategically to deal with or break the vicious cycle of exploitation. A significant proportion of TCNs who are undocumented or in an unstable labour market position are registered with temporary employment agencies. They often work illegally for short periods at user companies and are at risk of being sanctioned by labour inspectors. Recent cases of increased and stricter control and inspection activity contrast with periods of production peaks, when high labour demand led to greater tolerance of illegal and semi-legal employment, as many migrant worker interviewees pointed out. Recently, labour market institutions and even the police have lacked the capacity to process applications to extend employment-based residence permits.

3.3. Slovenia

Slovenia is a coordinated market economy, an exception to the general pattern of weak unions and illusory corporatism across CEE (Czarzasty, 2024; Bohle and Greskovits, 2012). Although

IR have shown some signs of “exhaustion” (Breznik and Mance, 2020; Stanojević et al., 2023), social partners still influence the regulatory space for migration. The Social and Economic Council facilitates the collaborative determination of migration policies among unions, employers and the government.

Since the 1990s, migration policies have been pegged to economic cycles and have implicitly supported the temporary and cyclical nature of labour migration. Thus, legal restrictions made migrants’ access to the labour market more difficult during recessions, as in the 1990s and in the 2008–13 period (Pajnik et al., 2010). Conversely, in economic upswings, migration policies facilitated the smooth influx of labour migrants.

Since 2011, social partners have been removing barriers preventing TCNs from accessing the labour market. The quota system was first deactivated in 2011, and bilateral labour agreements were signed with Bosnia and Herzegovina (2012), Serbia (2019) and the Philippines (2025). In 2015, the procedure for obtaining a work and residence permit was simplified, thereby increasing the influx of migrant workers. Employers were still required to verify the lack of local labour before hiring TCNs. The following year, under pressure from employer organisations, the Minister of Labour reintroduced exemptions for shortage occupations, allowing for a quicker response to changes in employer demand for labour. Since 2018, employer organisations have campaigned more resolutely than ever to make it easier to recruit TCNs. The Chamber of Commerce and Industry listed “the removal of restrictions on the employment of foreigners” as one of its key objectives for 2018 (GZS, 2018: 8). Its voice has since become dominant, with the primary focus of social dialogue now being to address labour shortages through measures such as speedier administrative procedures and recruitment campaigns for new migrants. Since 2016, the list of shortage occupations has been updated every six months and, by 2024, it included as many as 19 fields. These interventions enabled a significant increase in immigration, with foreign workers making up 16 per cent of all employees in 2024, up from 7 per cent in 2014.

The Association of Free Trade Unions of Slovenia (*Zveza svobodnih sindikatov Slovenije*, ZSSS, 2017) reported that, during the early 2010s, trade unions significantly contributed to the improvement of the living and working conditions of migrants with respect to accommodation, access to unemployment benefits and administrative procedures. A notable achievement was the

abolition of migrants' personal dependency on their employers in 2011, in particular, the requirement that they be employed by the same employer for two years. Trade unions continue to push for the removal of the restriction, which is limited to one year, but it remains in place for employment under bilateral agreements. Since 2015, the issue of migrant work has disappeared from the priority list of trade unions, and their influence over regulation has diminished (ZSSS, 2017: 11). The report for 2017–22 (ZSSS, 2022: 12) reflects this reduced interest in migration issues.

In 2010, the ZSSS set up a service offering direct legal assistance to migrants, with considerable success (Meszmann and Lukić, 2024). However, when project funding ended in 2013, the ZSSS decided to stop supporting the service (ZSSS, 2017) and concentrate on the interests of its core local union membership. The void was subsequently filled by new forms of migrant worker representation that began to emerge after 2016. A migrant office was established as an independent Counselling Office for Workers. Concurrently, other newly formed organisations, including the Independent Workers' Union of Slovenia and Cedra, offer institutional support for migrants.

In the Slovenian retail sector, five foreign-owned chains dominate the sector, accounting for over two-thirds of the total revenue. As shown in Table 1, internal sectoral changes have had little impact on IR, as density rates and coverage have remained comparatively high (Bembič, 2023). However, since 2016, the share of the migrant workforce has more than doubled. Almost half of these migrants are from Bosnia and Herzegovina, and recently, an increasing number have come from non-European countries. Few migrants are trade union members. A trade union representative complained that migrant workers live in a parallel world, aspire to maximise their earnings and demonstrate minimal interest in unionisation.

Interviews conducted in Slovenia revealed that migrant workers are unevenly present across the retail sector. Migrant workers are concentrated in warehouses, where few local workers are employed. An Iranian woman observed that “some workers were born in Slovenia, but their parents were migrants”. There are several reasons for the over-representation of migrants in warehouse labour. First, collective agreements have little impact on low wages. Bonuses are calculated on basic wages, and the basic wages of the lowest pay levels are below the legal

minimum wage. Warehouse jobs are therefore poorly paid and working conditions are often harsh, so they do not attract local workers. Second, warehouses occupy a strategic position in the retail sector. The high concentration of workers in one place and the ability to disrupt the entire supply chain have enabled warehouse workers to organise wildcat strikes. After wildcat strikes, some strikers were fired, silencing others. To prevent any future strikes, the companies reorganised the warehouses, distributing them among various subcontractors who, by creating competition among warehouse workers, made worker solidarity impossible.

According to the labour organisation Cedra, retailers employ systematic practices of segmentation by nationality, employment status and subcontracting to prevent labour organising. In addition, workers have to endure high production targets and competition. In retail warehouses, the amount of work to be done constantly fluctuates. When there is not enough work, workers compete among themselves to meet production targets; if they fail, they may be fired. Asian workers who have taken on €12,000 of debt to come to Slovenia cannot afford to be dismissed, as that could result in them losing their work permit and having to return home before even repaying their debt.

Furthermore, new production technologies and language barriers also isolate employees. An Eritrean worker commented: “I’m just scanning ... I have no contact with anyone ... There is no boss, so I don’t know if I’m doing a good job”. Language barriers further contribute to workers’ isolation: In ethnically mixed warehouses, communication is predominantly in parallel Bosnian and English.

This particular MLR is reinforced by agencies that further divide workers. As TWAs are not permitted to employ foreigners entering the Slovenian labour market for the first time, migrants usually arrive in Slovenia via agencies that sell them to companies for a service fee. Migrants are heavily dependent on TWAs or quasi-agencies for later jobs. The Labour Inspectorate admits that it is unable to deal with the large number of intermediaries who are flooding the Slovenian and foreign markets with foreign workers, or who are disguising the lending of workers as business cooperation. However, it is not always the intermediaries but the user companies that violate legislation. A Burundian worker reported an unusually positive experience with an agency, which protected him from an abusive employer. Consequently, that agency immediately lost its

contract.

4. Discussion and conclusion

We began our analysis by emphasising the divergent IR in Estonia, Slovakia and Slovenia, as well as the growing importance of regulating migrant labour in all three countries. We showed that migrant workers are present in national labour markets, but are unevenly distributed, typically working in sectors or companies with lower working conditions. Focusing on regulation changes, we heuristically applied the concept of an MLR to conduct a contextualised, actor-centred analysis. Migrant workers, while strongly represented in national labour markets, are more typically employed under temporary or precarious schemes in all three countries, and are more prevalent in certain companies and sectors, such as automotive manufacturing in Slovakia and retail in Estonia and Slovenia. We demonstrated that the regulation and conditions of employment of temporary migrant workers had become significant for labour market actors in all three countries, albeit with divergent trajectories of social partner interest and involvement. First, on the national level, we examined how social partners, particularly trade unions, in Estonia, Slovakia and Slovenia shaped regulation to address the challenges arising from the temporary employment of migrant workers. Second, we investigated how they responded to the emergence of sector-specific MLRs.

In all three cases, employers were the most active in securing access to temporarily employable migrant labour first from CEE countries, and later from Asian countries. A targeted, fluctuating and later significant rise in the employment of temporary migrant workers in specific manufacturing and service industries with labour shortages resulted in the formation of specific MLRs, where pressure on wages and working conditions also accelerated. The different trade union responses to migration pressures reflected the long-standing differences among the countries and their respective IR systems: liberal, embedded liberal or neocorporatist (see Czarzasty, 2024; Bohle and Greskovits, 2012). In Estonia, for instance, migration regulation largely bypasses social dialogue as agencies, posting firms and increasingly lenient regulations related to short-term employment render protectionist measures ineffective. In Slovakia, social partners are informed about all legal proposals concerning the regulation of labour migration

within the Economic and Social Council, but do not engage in negotiations or coordinate their actions. Solutions have increasingly appeared via unilateral government decrees. In Slovenia too, trade unions had a significant influence on the regulation of labour migration until redefining the priorities of their activities after 2015. Consequently, employers' organisations have dominated social dialogue. In Slovakia and Slovenia, the significance of the tripartite body in decision-making processes deteriorated and at times even became insecure. In Slovenia, sectoral regulation and collective bargaining still have established structures, but unions are losing leverage on the ground. New actors, especially transnational TWAs, have played an increased role in all three countries, creating shady transnational labour markets or finding novel ways to mediate between user companies and migrant workers, particularly in Slovakia. In Estonia, TWAs also secured privileged access to the labour market, as employment of migrant workers via TWAs was possible beyond the strict quota.

At the analysed sectoral and company levels, trade unions and other associations were confronted with the emergence of MLRs involving an increasing number of migrant workers in ethnically diverse workforces and atypical employment such as short-term contracts, bogus self-employment, agency work and subcontracted work. The result was downward pressure on working conditions in the Estonian and Slovenian retail sector and the Slovak automotive industry. Moreover, migrant and local workers are becoming increasingly separated, both spatially and in terms of interests, increasing the challenge for trade unions to mobilise and act on improving working conditions for all. Using the analytical lens of Marino et al. (2017), the outcome is also divergent. While trade unions across the board did not have real say or control over the first dilemma and left the expansion of temporary labour arrangements unchecked, they faced growing numbers of increasingly segmented migrant workers at the workplace. In Estonia, few migrant workers were trade union members. In Slovakia, the numbers were better, but unions rarely experimented with providing special services and never on a permanent basis. Only in Slovenia were unions more involved, but they increasingly left this service to alternative organisations.

We also found evidence suggesting that the increased presence of migrant workers, that is, the entrenchment of sectoral or company-based MLRs, intensified the crisis of trade unionism. Few interviewed migrant workers knew about, let alone were members of, a union. Thus, in all

countries, unions postponed decisions and are still facing major strategic dilemmas related to the presence and organisation of migrant workers. In Slovakia, on the national level, trade unions insisted on being involved in tripartite information sharing and consultation, while at the workplace level, the scope of their action was highly limited. Slovak unions were aware that employers had different standpoints and that direct lobbying of the government was their preferred approach. In Estonia, trade unions monitored developments and were aware of negative practices, but they did not take concrete action. This was also due to language barriers and a lack of integration of language programmes, as was the case in earlier waves of migration in Slovenia. There are also positive examples of unions developing special services for migrant workers in Slovakia and Slovenia. The case of Slovenia demonstrated strikingly how the diversity of the migrant workforce and the possibility for subcontracting can be used by employers for union-busting.

In sum, our findings draw attention to immense pressure on labour market institutions and the related dangers of deteriorating working conditions, not only through the reduced importance of tripartite bodies, but also through the limited unionisation of migrant workers, contributing to the lower share of the workforce having collectively bargained wages. Migrant workers are structurally left to perform the lowest-paid and most exploitative jobs, which creates a drive towards dangerous social segmentation reminiscent of that seen in the Gulf States, where locals are interested in better-paid jobs only (Khalaf et al., 2015). Furthermore, the segmentation of migrant and local workers prompts trade unions to focus on middle-class workers or the petty bourgeoisie, undermining the social legitimacy of trade unions and the meaning of solidarity.

While research on labour market institutions is scarce in the EU's eastern periphery, future research in that area should, inter alia, consider overcoming the challenges caused by MLRs. Still, it is important to highlight the survival of Slovenian exceptionalism (Stanojević et al., 2023; Bohle and Greskovits, 2012) in a new form. Trade unions in Slovenia had started novel initiatives and projects back during the global financial crisis of 2008, but the interest and energy they devoted to these initiatives faded significantly after 2015. Since 2016, a few trade unions have centred their attention on migrant workers and developed new services for them. Thus, entirely new forms of organisations of migrant workers appeared, capable of both efficiently representing individual interests and creating conditions for collective action.

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