

## CELSI POLICY BRIEF 2016 no.5

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# THE RISE OF DUAL LABOUR MARKET: FIGHTING PRECARIOUS EMPLOYMENT IN THE NEW MEMBER STATES THROUGH INDUSTRIAL RELATIONS

## POLICY BRIEF FOR THE SLOVAK REPUBLIC

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### Project Goals

The project uncovers the role of industrial relations in addressing the changing labour market and, in particular, the growth of precarious work. The analysis focuses on the initiatives, responses, and best practices that trade unions and employers' associations developed in addressing precarious work in the post-2008 period. The report uses a qualitative and comparative approach to study the dimensions of precarious employment, including low pay, irregular working hours, job security and representation of workers' rights. The two-dimensional approach to precarious employment allows mapping sectoral differences in the following sectors: construction, healthcare, metal/automotive, retail and temporary agency work (TAW).

### Autor

**Marta Kahancová** is a Senior Researcher in Central European Labour Studies Institute with main focus on sociology of organization and work. She specializes on work practices and social interaction in multinational firms, industrial relations and work-related migration.

## DUAL LABOUR MARKET IN SLOVAKIA

Dualization refers to labour market segmentation where alternative contract forms, self-employment, temporary agency work and casual work are becoming increasingly important. In construction, dualization emerges because of self-employment, fixed-term work and the use of working time accounts (flexikonto) in regular employment contracts. In healthcare, dualization emerges through internal flexibility, where workers' wage demands fuelled work reorganization, non-observance of pay regulations, and threats of dismissals. In metal/automotive industry, dualization relates to flexikonto for permanent workers and an increased demand for TAW. In retail, precarization refers to low wages and internal flexibility through irregular working time and non-observance of working time stipulations. In TAW, precariousness relates to contract length, termination notice and lack of bargaining coverage.

## RESPONSES OF SOCIAL PARTNERS TO PRECARIOUS EMPLOYMENT

Most social partner initiatives to regulate precarious work were channelled through legislative efforts at the national level (especially in construction, healthcare, metal and TAW). Sectoral industrial relations structures played an important role for shaping precariousness in metal and TAW. Social partner initiatives helped reinforcing the dominant forms of precarious work in each sector, thereby contributing to sustainable diversity in flexible

employment forms rather than their convergence towards a few widely used forms.

## POLICY IMPLICATIONS

In Slovakia, social partners actively contribute to reinforcing the key role of legislation for employment regulation. The majority of social partner initiatives and joint efforts to regulate precarious work took place through social partners' efforts to shape national-level legislation. Coordinated collective bargaining plays an additional role in shaping precarious work conditions in the construction, metal/automotive and TAW sectors. In contrast, healthcare saw public protests and resignation campaigns to be more successful for shaping precarious work conditions, especially low wages, than collective bargaining. Protests and campaigns in public healthcare actually undermine the well-established structure of bargaining.