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# HOMWORKING IN SLOVENIA: SERVING THE INTENDED PURPOSE?

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## Povzetek

*Prispevek obravnava obseg, značilnosti in naravo dela na domu v Sloveniji. Tako v Sloveniji kot v tujini je le nekaj empiričnih raziskav o delu na domu, kar je povezano s pomanjkanjem zanesljivih evidenc o tej obliki dela. V tem prispevku zato analiziramo delo na domu na podlagi več podatkovnih virov, vključno z Anketo o delovni sili, ki jo izvaja Statistični urad Republike Slovenije, Anketo o uporabi IKT v gospodinjstvih in pri posameznikih, katere vir je Eurostat, in Evropsko raziskavo o delovnih razmerah, ki jo izvaja Eurofound.*

*Po podatkih za leto 2018 v Sloveniji redno ali občasno dela na domu okoli 10 % delovno aktivnih prebivalcev, kar je nekoliko nad povprečjem EU. V zadnjih letih se je število delavcev, ki delajo od doma, povečalo, kar lahko pojasnimo (a) s spremembami Zakona o delovnih razmerjih v letih 2007 in 2013; (b) napredkom na področju IKT; in (c) večjimi pritiski na trgu za zagotavljanje prožnejše in (s tem) cenejše delovne sile. Pričakovano, pojavnost dela na domu je večja med visoko izobraženimi, delavci z višjimi dohodki, zaposlenimi materami, delavci z več otroki in v panogah, kot so informacijske in komunikacijske storitve, finančne in zavarovalniške storitve ter poklicne storitve. Med razlogi za delo na domu večina delavcev navaja preobremenjenost in lastni interes. Nadalje empirični rezultati kažejo, da skorajda ni razlik v pojavnosti dela na domu glede na vrsto pogodbe o zaposlitvi ali delovni čas. Delo na domu pogosteje opravljajo samozaposleni oziroma zaposleni v manjših podjetjih.*

*Iz empiričnih ugotovitev je mogoče sklepati, da delo na domu v Sloveniji, vsaj do neke mere, odstopa od tradicionalne vloge, ki jo ima na drugih (bolj razvitih) trgih dela EU, tj. večja fleksibilnost in boljše usklajevanje poklicnega in zasebnega življenja. Prav tako ugotavljamo, da se fleksibilnost delovnih razmerij ne odraža v večji fleksibilnosti glede lokacije dela.*

**Ključne besede:** trg dela, fleksibilnost, delo, delo na domu, Slovenija

## **Abstract**

*The paper addresses the incidence, specifics and nature of homeworking in Slovenia. There is lack of empirical research on homeworking, both in Slovenia and internationally, which might be related to the lack of reliable records of homeworking. In this paper we therefore analyse homeworking by combining different survey datasets, including Labour Force Survey, the Community Survey on ICT Usage in Households and by Individuals and the European Working Conditions Survey. We find that the incidence of homeworking in Slovenia is close or little above the EU average, but it is not being used "in accordance with the homeworking purpose", i. e. higher flexibility and a better work-life relationship. Although the incidence of homeworking is higher among higher educated, workers with higher incomes, mothers, workers with children and in industries such as information and communication services, financial and insurance services and professional services (i. e., among workers for whom the homeworking might be more attractive), most of homeworkers engage in this type of work either to finish the work that was not done during the regular worktime or of own interest.*

**Keywords:** *labour market, flexibility, work, homeworking, Slovenia*

## 1 Introduction

Working from home is the phenomenon whose incidence is increasing, driven by development in the information and communication technology (henceforth referred to as the ICT) and improvement of the work-life balance of employees (Eurofound 2017). It brings several positive effects both for workers and companies, such as reduction in commuting time, greater working time autonomy and by that better working time organisation, better overall work-life balance, higher productivity, lower turnover of workers and reduction in the need for office space and associated costs of firms. The disadvantages of the homeworking are tendency to lead to longer working hours, to create work-home interference, and to result in work intensification (Eurofound and the International Labour Office 2017).

The incidence and the nature of homeworking as one of the most important flexible forms of employment – also from the historical perspective – (Watson 2017) is rather difficult to assess and evaluate. Namely, there is a lack of research on homeworking, both in Slovenia and internationally, and, despite legal requirements, homeworking fails to be officially recorded. Estimates of how many employees are working from home are usually based on the (national) Labour Force Survey (henceforth referred to as the LFS) data, which are often treated as the most reliable data source on homeworking. For the European countries, two surveys are also of great importance for a detailed insight in homeworking, i. e., the Community Survey on ICT Usage in Households and by Individuals (Eurostat, 2019) and the European Working Conditions Survey (henceforth referred to as the EWCS), implemented every five years since 1991 by the Eurofound (2015). The second set of estimates of homeworking is based on the surveys of human resource experts or managers like in the CRANET research (Reichel and Kohont 2017; Cranet Cranfield Network 2011). The data obtained by the CRANET research seem to provide different results than the before mentioned surveys due to different sample and methodology applied. As homeworking should be declared to the Labour Inspectorate of the Republic of Slovenia, a third data source on homeworking are the official records and reports of the Labour Inspectorate. However, when analysing the Labour Inspectorate homeworking data, one needs to keep in mind that this data is fundamentally unreliable, since – as presented later in the paper – the enforcement of this legal provision is flawed. This is also being realized by the Labour Inspectorate which states that the incidence of homework is surprisingly low.

Homeworking is not well researched in Slovenia, although – as presented later – still surrounded with some policy relevant issues. There are only few studies available that predominately focus on legal aspects of homeworking (Franca, Arzenšek, and Laporšek 2018;

Bečan et al. 2016; Bagari 2018) and even fewer (ad hoc) studies addressing the question of incidence of homeworking and exploring its nature and specifics of working population and employers involved in homeworking. Ad-hoc survey research – a master-degree research from Faganel (2016), – for instance, observes (dis)advantages of homeworking and the experiences of those engaged in homeworking on the convenience sample of 201 respondents.

The aim of this paper is (a) to provide an overview of research on homeworking in Slovenia and (b) to update existing empirical findings on homeworking incidence and its nature, putting Slovenia also in the international comparative perspective. The empirical analysis of the homeworking in Slovenia will be mainly based on the LFS data (both national (SORS 2017) and of Eurostat, (2019)), the data obtained by the Community Survey on ICT Usage in Households and by Individuals (Eurostat 2019) and the EWCS data (Eurofound 2015).

The research evidence leads to rather surprising conclusion that homeworking in Slovenia is not being used (engaged in) “in accordance with the homeworking purpose”. By observing the reasons for engaging the homeworking, the flexibility and a better work-life relationship do not seem to be in the foreground. Rather the homeworking is being used to either finish the work that was not done during the regular worktime or to earn some additional income. In addition, the lack of empirical evidence is evident, preventing conclusive research.

The text is structured as follows. First the legal evolution of homeworking is presented, accompanied with a brief summary of homeworking legislative specifics. We continue with an overview of the specifics of homeworking in Slovenia and comparing them with the EU. In discussion we expose the policy challenges related to the homeworking in Slovenia and provide some policy guidelines.

## 2 Legal provisions of homeworking in Slovenia

In Slovenia, homeworking represents an atypical, flexible form of work, based on the employment contract aligned with the International Labour Organisation (henceforth referred to as ILO) Home Work Convention No. 177 (1996). It is defined as a special form of an employment contract, which allows the employee to work elsewhere than the domicile of the employer. The legal basis for concluding the employment contract for performing work at home is stipulated in the Employment Relationships Act (Official Gazette of the Republic of Slovenia No. 21/2013, 78/2013, 52/2016, henceforth referred to as ERA-1), which sets homeworking as a form of employment relationship regulated by the employment contract concluded between the employer

and the worker. Although in the ERA-1 only five articles deal exclusively with homeworking, the situation of a worker engaged in homeworking cannot differ materially from the situation of other firm workers due to the equality principle. Although Slovenia has not yet ratified the ILO Home Work Convention No. 177 (ILO 2019), the legislator has over the years actively pursued international and contemporary trends and therefore almost entirely adopted the provisions of the ILO Convention. In the same manner, by the provision added to the old Employment Relationships Act from 2007, the legislator took into account the Framework Agreement on Telework (2002).

Homeworking appeared for the first time in Slovenia in 1961, when a special law on homeworking was adopted, defining the homeworking as an atypical form of employment. Later, labour legislation did not bring any significant changes to the regulation of homeworking. New arrangement of this form of work first appeared in the old Employment Relationships Act from 2007, and in 2013 with the new ERA-1, where homeworking is regulated in Articles 68 to 72. The indirect regulation is also found in the Constitution of the Republic of Slovenia Act (Official Gazette of the Republic of Slovenia No. 33/91-I and later changes) in the provisions of Articles 36 to 38, which govern the inviolability of dwellings and the protection of the confidentiality of letters and personal data. Since the treatment of a worker who works at home, due to the principle of equality, must not differ materially from the treatment of a worker who works with the employer, other laws that determine the rights or obligations of workers also apply.

To summarise the homeworking provisions in Slovenia, one can conclude that the atypical nature of this form of work is reflected in the fact that workers work outside the premises of the employer, at the worker's home or elsewhere. Labour legislation is rigid in this respect, since it regulates homeworking as a peculiarity of the employment contract and does not differentiate, imposing the same conditions for all. The place of the work only effects the regulation of specific labour law institutes. In general, a non-discriminatory treatment of workers working at home is provided. Article 69 of the ERA-1 stipulates that a worker who performs work in his home or in the premises of his choice in agreement with the employer has the same rights as a worker working at the employer's premises. We can assume that the worker working at home has: (1) the right to engage in workers participation and collective bargaining, (2) the right to protection against employment discrimination, (3) the right to safety and health at work, (4) the right to equal pay, and (5) the right to social security and the protection of motherhood (Bečan et al. 2016, 398).

An employment contract for performing homework may be concluded for a fixed or indefinite period, full or part-time (also as a complementary work). The worker can

carry out all work that belongs to the registered business activity of an employer. In the Article 68 of the ERA-1, it is specified that working from home can also be done only few times a week, with the remaining days spent at the head office of the employer, depending upon the agreement between the employer and the worker.

There are no special provisions in the ERA-1 regarding holidays and breaks for homeworkers. Moreover, there are also no exceptions in respect to overtime arrangement (see The Labour and Social Security Registers Act (Official Gazette of the Republic of Slovenia No. 40/2006)). This means that employer is obliged to record daily data on the number of hours, the total number of hours worked, and the hours worked during the overtime work for each worker working from home. In general, occupational health and safety arrangements for homeworking should be the same as for the firms.

Working premises are a particularity which needs to be specially stipulated and specified in the employment contract. The work can take place in the worker's home, or in other places of his choice. Since 2007 working at distance is also treated as homeworking, implying that work premises can be located almost everywhere. When selecting premises, the worker and the employer must pay attention to meeting the safety at work conditions, as the labour inspector may prohibit the homeworking – a provision which cannot be not implemented in praxis. The Article 3 of the Health and Safety at Work Act (Official Gazette of the Republic of Slovenia No. 43/2011) stipulates that the employer is obliged to provide the worker working at home the same protection as to the worker working at the firm's premises, taking into account any special features of the work. The equal treatment principle of workers working at home also applies to many other by-laws that regulate occupational health and safety in various fields, in normatively ensuring a high level of protection for the workers working at home. In accordance with Article 19 of the Health and Safety at Work Act, the employer is also obliged to inspect the working environment of those working at home. However, since homeworking (mainly) takes place at home of a worker, this provision clashes with the constitutional right of inviolability of dwellings. Thus, in order to employer, worker's representative or government authority to inspect work premises, a worker's consent and preliminary announcement is needed. In practice these provisions are not implemented (Faganel 2016, 129).

In homeworking arrangement an employer and a worker can agree with the employment contract that the worker will be using his own working assets. In such case worker is entitled to compensation for the use of his working assets (Article 70 of the ERA-1). The scope and way of use, wear, rent and other operational costs (electricity and heat, postal services) must be specified in the employment contract. The employer is

not free to determine the amount of compensation for using the worker's assets. It must take into account the provisions of collective agreements, which stipulate that the amount of compensation for the use of own assets must be at least equal to the depreciation of means of work. Depreciation rates differ as they are not defined by law and therefore defined by the employer. One can conclude that the employer must provide the worker with a compensation in the amount of depreciation that is equal or similar to the one applied by the employer with regard to his own resources. The open question remains, what falls under provision of the compensation. If the worker and the employer agree so, the working assets may also be the property of the employer, since Article 43 of the ERA-1 stipulates that, unless otherwise agreed, the employer must provide the worker with all the necessary means and working materials that enable the worker to execute his work. Of course, in this case the worker is not entitled to compensation for the use of his own assets.

### 3 Incidence and nature of homeworking: Slovenia in the international perspective

The overview of the incidence of the nature of homeworking in Slovenia is based on several data sources. First, we use national level micro LFS data (SORS 2017) and combine them with the Eurostat LFS data to get an international, EU dimension. The LFS conceptualizes homeworking in rather broad terms, counting all those who work at home either because of work they were not able to do during regular working time, their own interest, an agreement with the employer, due to additional income, regardless of whether they are employees of the company, organization, craftsman or sole trader, farmer or a person in a liberal profession. Second, for additional insights into the nature of homeworking we analyse the Community Survey on ICT Usage in Households and by Individuals (Eurostat 2019). Although this survey mostly deals with the ICT, it also provides data on work from home, telework and mobility work. The third source we rely on is the EWCS, which is implemented every five years since 1991 by the Eurofound (2015). The later survey deals with the concept of work and enables also an analysis of the homeworkers understanding of work-life balance. As mentioned in the introduction, data on homework are also collected by the Labour Inspectorate of the Republic of Slovenia, but they are unreliable. An interesting source of homeworking data is also the CRANET research (Cranet Cranfield Network 2011; Reichel and Kohont 2017), however we do not study it into detail as the data sources and data gathering methods produce divergent estimates of homeworking incidence, its specific nature and labour market groups and employers involved in it.

### 3.1 Incidence and trends of homeworking in Slovenia and the EU

According to all available data sources, the incidence of homeworking in Slovenia is increasing, although still being low. As shown in Figure 1, 7% of all employed persons in Slovenia were usually working from home in 2018 and 11.1% sometimes.<sup>1</sup> In comparison to other countries, Slovenia is little above the EU-28 average – on average, 5.1% of employed persons was working from home on regular basis and 10% occasionally in 2018. The share of employed persons usually or sometimes working from home is the highest among Western European and Nordic countries – in all these countries, the share is reaching above 20% to 38.1% in the Netherlands. In contrast, the incidence of homework is below 5% of total employment in the new EU member states (Bulgaria, Romania, Cyprus, Lithuania and Latvia) and Italy (see Figure 1). Compared to 2008, the incidence of homeworking increased in Slovenia – the share of those who usually work from home increased for 2.1 percentage points (with declining trend in 2016–2018 period) and of those who sometimes work from home for 5.7 percentage points.<sup>2</sup> This increase is substantially higher than is the EU-28 average (0.3 and 2.1 percentage points, respectively). Among the EU countries, the incidence of occasional homeworking has during the same period at most increased in Luxembourg (17.6 percentage points), Sweden (13.9 percentage points) and Estonia (8.8 percentage points). Moreover, Estonia, Portugal and Finland have during the same period experienced the highest increase in the share of regular homeworkers (for 5.1, 5 and 4.1 percentage points, respectively).

Figure 2 shows the frequency of working from home in the EU countries, In Slovenia, 6% of individuals worked from home every day or almost every day (the EU-28 average 5%), 5% worked from home at least once a week, but not every day (the EU-28 average 5%), 4% worked from home less than once a week (the EU-28 average 6%) and 11% worked from home at least once a week (the EU-28 average 10%).

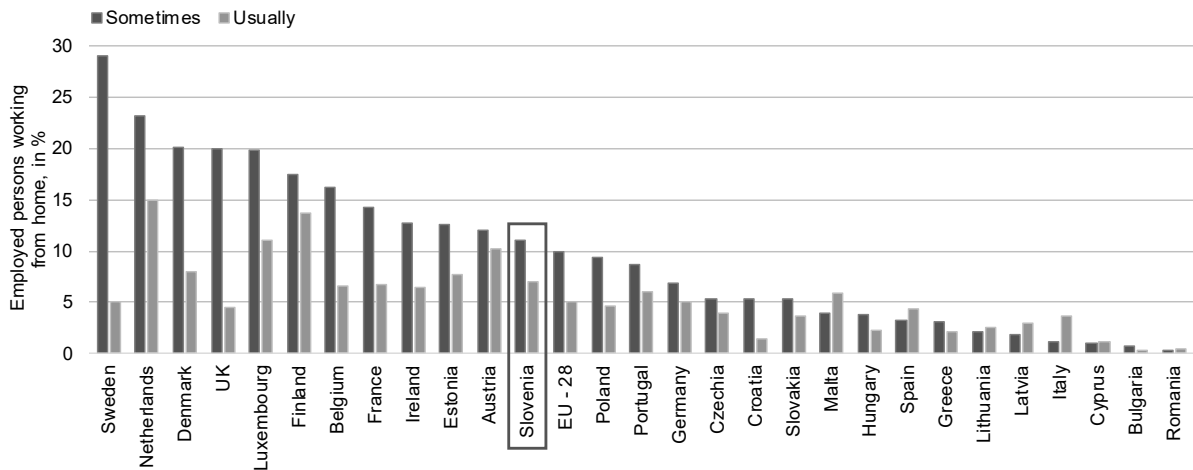
### 3.2 Personal and family characteristics of homeworkers

Homeworkers are diverse in terms of age, skills, parent situation and income. In this section we present

1 According to the LFS data (SORS 2017), 162.610 workers worked from home in 2016, of those 43% on regular basis.

2 Also the Labour Inspectorate of the Republic of Slovenia data and the CRANET research data, which we do not present in detail in this paper, point on the increase of homeworking in Slovenia. According to the Labour Inspectorate (2018), 1,386 employers in 2018 informed the Inspectorate about the planned organization of work at home solely or combined with the work on the premises of the employer, which is compared to 2017 nearly 100% increase. The CRANET data for Slovenia shows that the number of homeworkers increased from 6% in 2008–2009 to 12% in 2014–2015 (Cranet Cranfield Network 2011; Reichel and Kohont 2017).

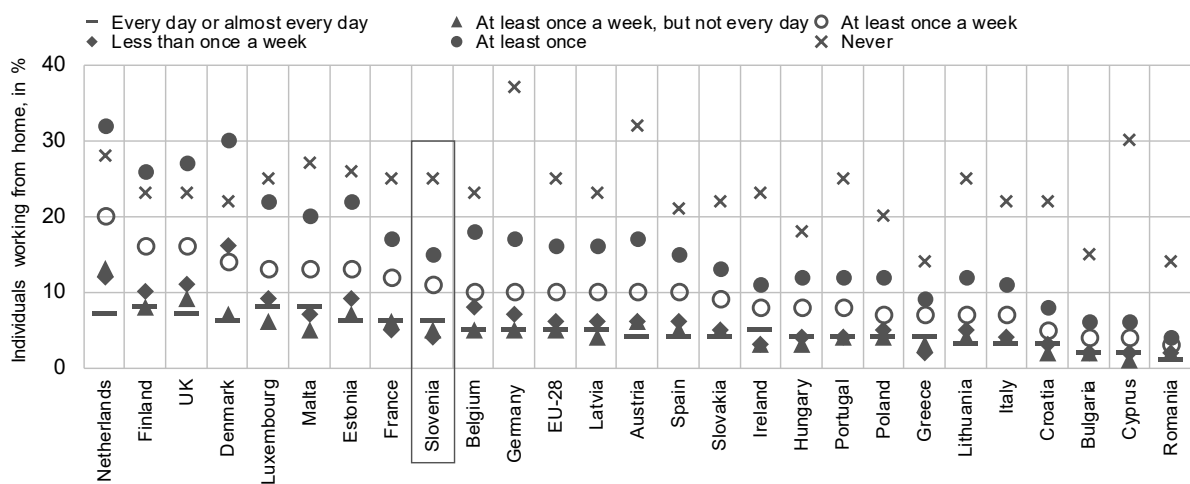
**Figure 1: Employed persons aged 20–64 years working from home as % of the total employment in 2018 and change compared to 2008, EU-28**



Sources: Eurostat (2019), SORS (2017), own calculations.

Notes: Countries are ranked by decreasing % of employed persons sometimes working from home. No data for the Netherlands for the % of employed persons sometimes working from home in 2008. Estimates are based on the LFS data.

**Figure 2: Frequency of working from home, 2018, EU-28**



Source: Eurostat (2019).

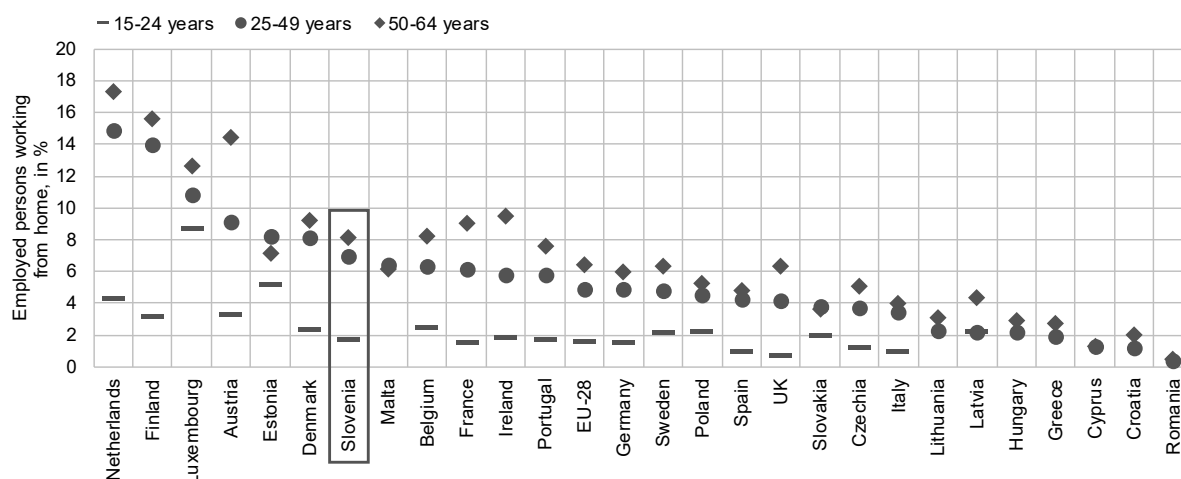
Notes: Countries are ranked by decreasing % of individuals who worked from home at least once a week. No data for Sweden and Czechia. Estimates are based on the Community Survey on ICT Usage in Households and by Individuals.

homeworker's attributes in Slovenia (and compared to the EU countries), combining the LFS data, the Community Survey on ICT Usage in Households and by Individuals, the EWCS data and findings obtained by Faganel (2016).

The frequency of homeworking is higher among women, although gender differences are small. In Slovenia, 8% of employed women has reported that has usually worked from home in 2018 and 11.8% sometimes (in comparison to 6.2% and 10.5% men, respectively). Similar situation can be observed in the EU-28 when it comes to regular homeworking (on average, 4.8% of men and 5.5% of women usually worked from home

in 2018), yet higher share of men (10.4% in 2018), on average, reported occasional homeworking (compared to 9.5% of women). The gap between men and women occasionally working from home is the biggest in Finland, Luxembourg and Austria, where men record 4.3 to 5.6 percentage points higher share than women.

By age, the share of regular homeworkers is the highest among older workers, whereas occasional homework is more frequent among 25–49-year olds. According to the LFS data, 1.7% of the 15–24-year-olds in Slovenia usually worked from home in 2018 (the EU-28 average was 1.6%), rising to 7% of the 25–49-year-olds (the EU-28 average 4.9%) and to 8.1% of the 50–64-year-

**Figure 3: Employed persons usually working from home as % of the total employment in 2018 by age, EU-28**

Sources: Eurostat (2019), SORS (2017), own calculations.

Notes: Countries are ranked by decreasing % of employed persons aged 25–49 years working from home. Data for Bulgaria are missing. Estimates are based on the LFS data.

**Table 1: Working at home by education, 2018, in %**

Education of workers	% of individuals working			
	every day or almost every day		at least once a week	
	Slovenia	EU-28	Slovenia	EU-28
no or low formal education	1	1	1	2
medium formal education	4	3	7	7
high formal education	13	11	25	24

Source: Eurostat (2019).

Note: Estimates are based on the Community Survey on ICT Usage in Households and by Individuals.

olds (the EU-28 average 6.4%) (see Figure 3). Among the EU countries, the highest proportion of the 15–24-year-olds who regularly worked from home was recorded in Luxembourg (8.7%), way ahead of the next-closest member state, Estonia (5.3%). Regarding older workers, the highest share was recorded in the Netherlands (17.3%), followed by Finland (15.6%) and Austria (14.4%). For workers who occasionally work from home, the distribution across age categories differs, as the homeworking is at most frequent among the 25–49-year-olds, followed by the 50–64-year-olds and 15–24-year-olds. In Slovenia occasional work from home was reported by 12.2% of the 25–49-year-olds (the EU-28 average 10.8%), 10.3% of workers aged 50–64 years (the EU-28 average 10.8%) and only of 1.6% of the 15–24-year-olds (the EU-28 average 3.5%). The incidence of occasional homeworking is especially high in Sweden and the Netherlands, as 31.7% and 26.6% of the 25–49-year-olds, respectively, reported of this type of work (similar can be observed for the age group 50–64 years, where sometimes work from home 29% of workers in Sweden and 21.6% in the Netherlands). For the young stands out Luxembourg, where 13.7% young workers reported occasional homework, which is almost twice as much as in Belgium, which ranks second.

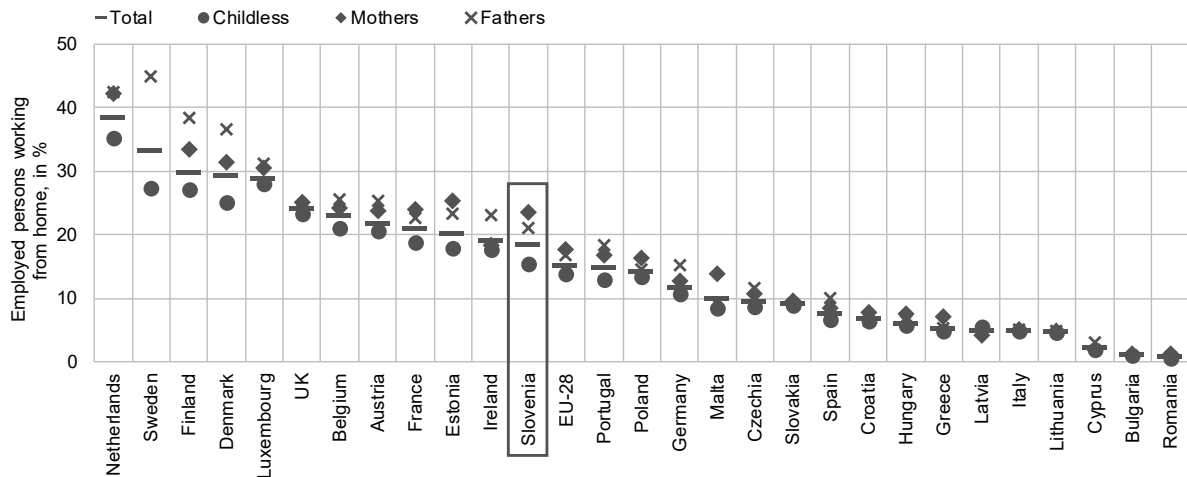
Above estimates on the incidence of homeworking by age in Slovenia are confirmed also by the Community Survey on ICT Usage in Households and by Individuals and the EWCS. In addition, these data allow a detailed overview of the homeworking incidence by more narrow age groups, showing that within the 25–49-year-olds, the incidence of homeworking is the highest among those aged more than 40.

With regard to education, two thirds of all homeworkers in Slovenia had tertiary education in 2016. In contrast, only 3.4% of all workers working at home had primary or no formal education (SORS 2017).<sup>3</sup> This estimate is confirmed also by the survey on the ICT usage, which showed that in Slovenia one quarter of high-educated work from home at least once a week and only 1% of those with no or low level of education (see Table 1).

Employed parents are more likely to work from home than workers with no children. In Slovenia, 23.5% of mothers and 20.9% of fathers worked from home on a regular or occasional basis in 2018, whereas

3 There is no LFS data available on education of homeworkers for the EU countries.

**Figure 4: Employed persons with or without children working from home as % of the total employment in 2018, EU-28**



Sources: Eurostat (2019); own calculations.

Notes: Countries are ranked by decreasing % of total employed persons working from home. Data refer both to employed person regularly and occasionally working from home aged 15–64 years. Share of employed mothers and fathers working from home was calculated as an average for employed parents with 1 child, 2 children and 3 children or more. Estimates are based on the LFS data.

the incidence of working from home for employees without children was 15.5%. The proportion of workers with children working from home in Slovenia is significantly higher than the EU-28 average (17.6% for mothers and 16.8% for fathers). The share of homeworking parents is especially high in Nordic EU countries, where more than 30% of employed parents regularly or occasionally work from home (see Figure 4). These countries also record the biggest difference between the share of homeworking parents and the share of homeworking childless employees (in Sweden, the difference between these two categories is 17.7 percentage points, followed by 8.9 percentage points in Denmark and 8.8 percentage points in Finland). In half of the EU countries, fathers are more likely to work from home than mothers with the difference to up to 5 percentage points (Finland).

The incidence of working from home increases with the number of children – on average, in 2018 18.6% of parents with one child regularly worked from home in Slovenia and this share increased to 26.1% for parents with 3 or more children. Similar situation can be

observed also in the EU – on average, 13.5% of parents with one child worked from home and 17.1% of parents with 3 or more children.

Higher paid workers or workers living in good-situated household are more likely to work from home. As shown in Table 2, 19% of workers in Slovenia (the EU-28 average 17%) in the highest quartile of income distribution reported occasional homework in 2018, whereas only 5% (the EU-28 average 4%) of workers in the lowest quartile.

Similar conclusions can be drawn from the ECWS data. As shown in Figure 5, occasional homework is more frequent among those with the highest net wages. Interestingly, the trend is not the same with regular homeworkers, which could be attributed to the fact that a lot of regular homeworkers are self-employed.

### 3.3 Homeworkers' employment arrangements and motivation

Not surprisingly, the incidence of homeworking is the highest among self-employed since their home might

**Table 2: Working at home by income distribution, 2018, in %**

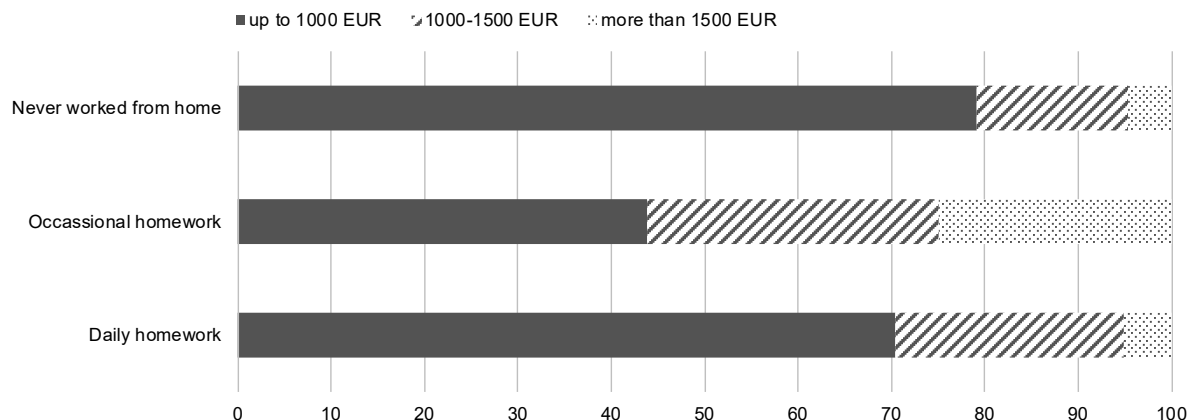
Individual living in a household with income	% of individuals working			
	every day or almost every day		at least once a week	
	Slovenia	EU-28	Slovenia	EU-28
in the first quartile	3	2	5	4
in the second quartile	3	3	4	6
in the third quartile	6	4	10	9
in the fourth quartile	8	8	19	17

Source: Eurostat (2019).

Note: Estimates are based on the Community Survey on ICT Usage in Households and by Individuals.

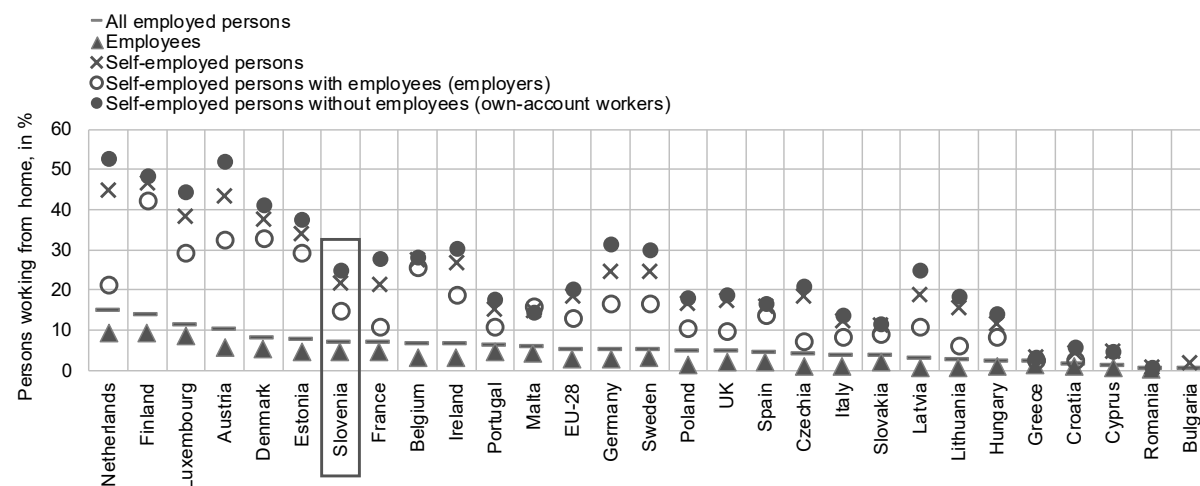


**Figure 5: Proportion of workers who daily, occasionally or never worked from home over the last 12 months in Slovenia by net wage, 2015**



Source: Eurofound (2015).

**Figure 6: Persons aged 20–64 years usually working from home as % of the total employment by professional status in 2018, EU-28**



Source: Eurostat (2019).

Note: Countries are ranked by decreasing % of all employed persons usually working from home. Estimates are based on the LFS data.

also be their own premises. In Slovenia, 24.9% of the self-employed without employees and 15% of the self-employed with employees report working regularly from home, while this is the case for only 4.7% of employees.<sup>4</sup> The situation is similar also among other EU countries, by which in the Netherlands and Austria more than half of self-employed without employees work from home (see Figure 6).

As regards working hours and type of contract for the employed persons, they are not distinguishing factor – namely, the share of full-time workers and of workers on permanent contract who work from home every or

almost every day is only 3 percentage points higher than the share of part-time and temporary contract workers (the difference is even smaller for those working at home at least once a week).

The EWCS provides also data on working time arrangement. Expectedly, daily homeworkers have the higher flexibility regarding the working time arrangement (almost two-thirds of them claim that working hours are determined by workers, which relates to the high share of self-employed in this category). Among occasional homeworkers more than half claim that either they can adapt their working hours with certain limits or entirely by they own, showing on a high degree of flexibility.

Interestingly, there are no big differences between homeworkers and regular workers when it comes to

4 If we observe only persons who occasionally work from home in Slovenia, the share is the highest for self-employed with employees (23.7%; the share of self-employed workers without employees is 20.9%).

**Table 3: Working at home by working time and type of contract, 2018, in %**

Characteristic of workers	% of individuals working			
	every day or almost every day		at least once a week	
	Slovenia	EU-28	Slovenia	EU-28
<b>Working time</b>				
full-time workers	10	8	18	18
part-time workers	7	8	17	17
<b>Type of contract</b>				
permanent job or unlimited contract	8	5	16	13
temporary job or limited contract	5	4	15	10

Source: Eurostat (2019).

Note: Estimates are based on the Community Survey on ICT Usage in Households and by Individuals.

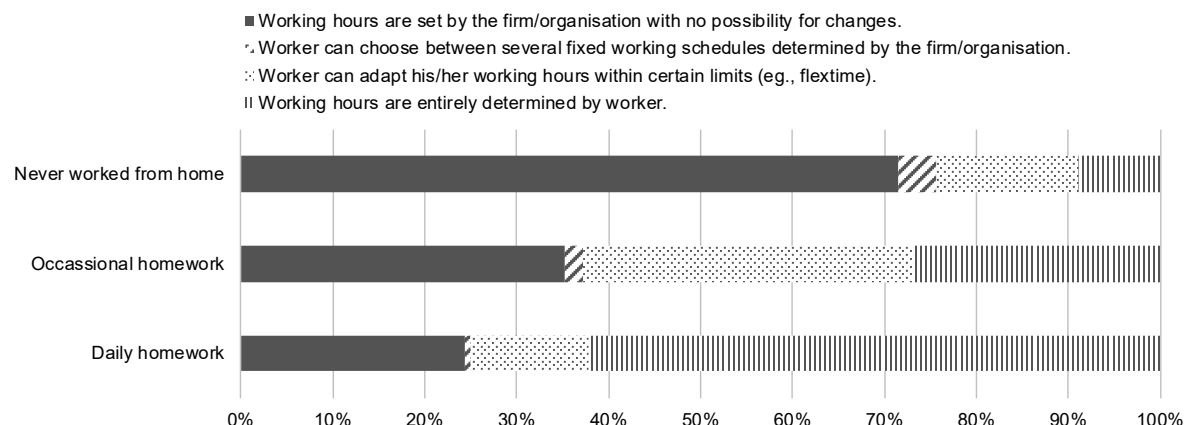
work-life balance in Slovenia. In all three groups of workers, almost 80% of respondents claimed that their working hours fit in very well or well with their family or social commitments outside work.

So, what are the reasons or motivation to work from home in Slovenia? According to the LFS data, most Slovenian workers work from home because of work overload and own interest – in 2016, 73.3 % of homeworkers stated this as a reason for homeworking. 26.4 % percent of homeworkers work at home based on the agreement with the employer and only 0.3% because of additional payment (SORS 2017).

When observing workers who are interested or engaged in homeworking as well as the reasons behind it, Faganel (2016) found, using the convenience sample of 201 respondents, that more than half of the respondents (53%) would like to work alternatively or mainly from home, 15% would work from home in extraordinary circumstances, and only 11% of respondents would not want to work at home. This means that the vast majority (almost 90%) of respondents expressed at least a certain degree of desire to engage in homeworking.

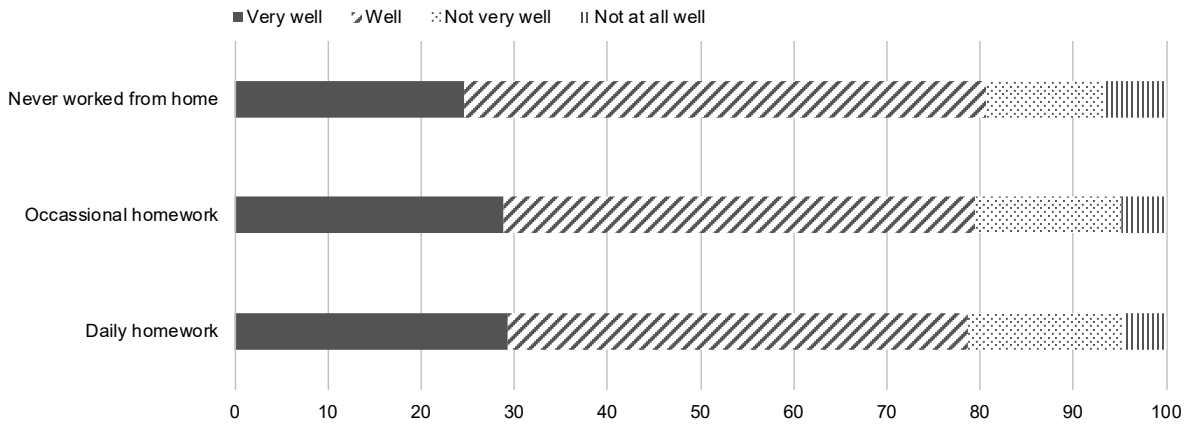
For almost half of the respondents, the main advantage of homeworking is the flexibility of working time and greater freedom in planning the amount and length of breaks. This is also the advantage that is most often mentioned by both men and women as well as by those with experience in working at home and those without such experiences.

Faganel (2016) also showed that respondents without homeworking experience reported fewer (half as many) homeworking weaknesses or obstacles in comparison to those with homeworking experience. Those with homeworking experience were foremost disturbed by the presence of other family members and have experienced difficulties in matching work obligations with family obligations (25% of them). Relating this finding to the conclusion that 47% of employees engaged in homeworking does their work in the living area they share with other family members, this finding does not come as a surprise. Individuals with homeworking experience also state that their work is being interfered by other domestic obligations and duties (14% of respondents, most of them women). It is interesting that only about 10 percent of workers

**Figure 7: Proportion of workers who daily, occasionally or never worked from home over the last 12 months in Slovenia by working time arrangement, 2015**

Source: Eurofound (2015).

**Figure 8: Proportion of workers who daily, occasionally or never worked from home over the last 12 months in Slovenia by work-life balance, 2015**



Source: Eurofound (2015).

without homeworking experience think that they would be distracted by the presence of other family members. They would find the isolation and the absence of the contacts with the co-workers far more disturbing (32%). Detailed analysis showed that they do not want to work from home primarily because of the feeling that work will interfere to much with their privacy and free time they spend for the family or by themselves (Faganel 2016, 114). At that point it also needs to be noted that some respondents recognized something as a shortcoming while others recognized the same condition as a homeworking asset. Such shortcomings include the experience of being dislocated from the employer's premises (a feeling of isolation and a lack of contact with colleagues and team), stretched out / prolonged working time and a feeling that work is invading their privacy. Some disadvantages can be categorised under label "institutional barriers": lack of information, poorer access to documents, poor working conditions and lack of necessary materials, experience of organizational culture rejecting homeworking,

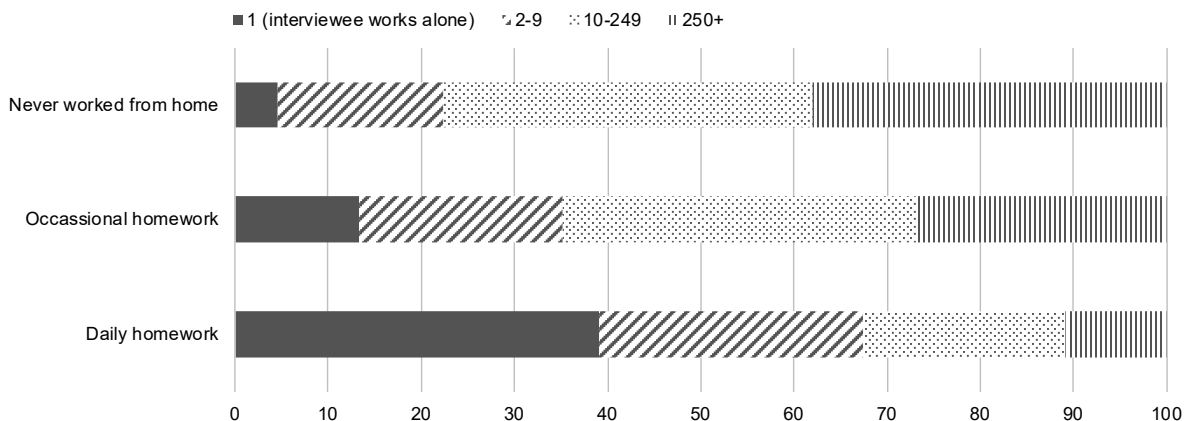
unclear rules for homeworking, mistrust of the managers, available company's ICT equipment and poor connection with the company's IT system and increased bureaucracy.

### 3.4 Characteristics of employers who employ homeworkers

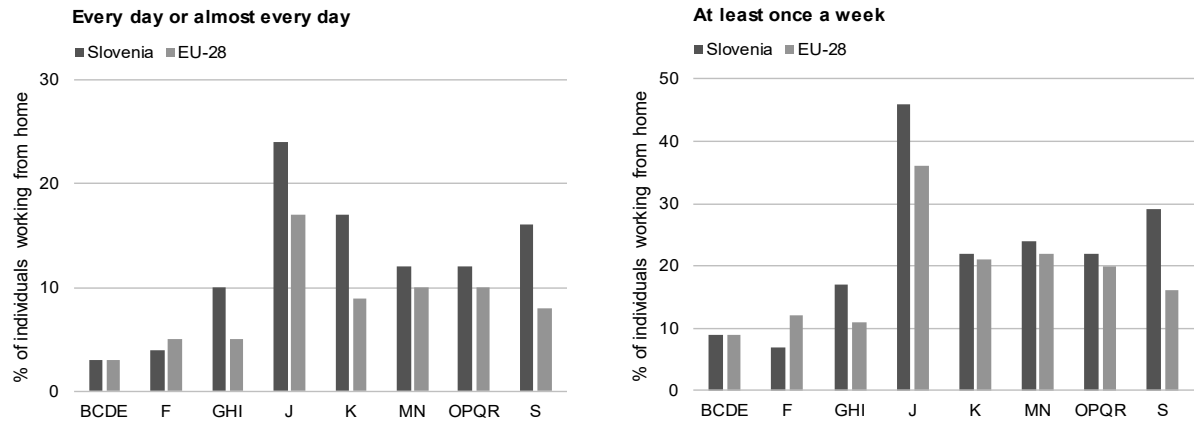
Expectedly, regular or daily homeworking is more frequent in smaller firms. This can be related to the above finding that the incidence of regular homeworking is the highest among self-employed. In contrast, occasional homework is more present in medium firms – as can be seen in Figure 9, 38% of all occasional homeworkers are employed in medium-sized firms, followed by 26% in large firms.

In terms of industry, this work arrangement is most common among employees in the ICT industry, where regularly worked from home 24% of workers in 2018 (the EU-28 average 17%) and 46% at least once a week

**Figure 9: Proportion of workers who daily, occasionally or never worked from home over the last 12 months in Slovenia by firm size, 2015**



Source: Eurofound (2015).

**Figure 10: Individuals working from home by industry, 2018, Slovenia and EU-28**

Source: Eurostat (2019).

Notes: B – Mining and quarrying; C – Manufacturing; D – Electricity, gas, steam and air conditioning supply; E – Water supply; sewerage, waste management and remediation activities; F – Construction; G – Wholesale and retail trade; repair of motor vehicles and motorcycles; H – Transportation and storage; I – Accommodation and food service activities; J – Information and communication; K – Financial and insurance activities; M – Professional, scientific and technical activities; N – Administrative and support service activities; P – Education; Q – Human health and social work activities; R – Arts, entertainment and recreation; S – Other service activities.

Estimates are based on the Community Survey on ICT Usage in Households and by Individuals.

(the EU-28 average 36%). Regular working from home was also reported by 17% of workers in financial and insurance industry and by 16% of workers in other services. The share of regular homeworking is the lowest (3%) in mining or quarrying, manufacturing or other industry. This is somewhat expected as the manufacturing process often demands specialised equipment located at the firm's premises. Occasional homeworking is rather common in financial and business services, followed by public services, where 22% of workers reported that at least once a week work from home (see Figure 10).<sup>5</sup>

Faganel (2016) showed that the employers' motivation for homeworking resides mostly in cost saving realm enabled through the ICT development. By introducing homeworking, an employer can save a lot of costs that other employers cannot avoid. Some of the most prominent benefits on the part of the employer are: (1) lower costs for the purchase and maintenance of business premises, (2) a significantly lower reimbursement of travel expenses, (3) increased work productivity and higher employee satisfaction; (4) the employer has the increased recruitment potential, since he can also employ workers from outside of the travel-to-work geographic areas, (5) less sick leave, partially reduced operating costs and other material costs (water, electricity, etc.).

However, it also seems that employers are facing some major challenges implementing work from home. The observed disadvantages of homeworking faced by employers in Slovenia (Faganel, 2016) are of general type:

- the challenge to exercise control over work and by that more difficulties in teamworking;
- weakened communication with a worker, requiring more effort despite omnipresence of the ICT;
- more effort needed to set up and later manage work at home, especially due to the provisions of Article 70 of the ERA-1, according to which the employer must provide the worker with safe working conditions at home;
- trust must be far greater both by the employer and the worker;
- question of appropriate protection of confidential information of a firm.

## 4 Conclusions

Based on the information presented above, following conclusions can be made. First, homeworking in Slovenia, at least to some degree, deviates from the traditional role that homeworking is having on other (more developed) EU labour markets. Second, there are some surprising findings related to the fact that work relation flexibility does not reflect in higher spatial work flexibility. Third, lack of empirical evidence is evident, preventing conclusive empirical research of this type of work arrangement and labour market segment that is evolving with tremendous pace driven by the ICT development (gig economy).

<sup>5</sup> Overview of the distribution of homeworkers across industries shows that the highest share of all homeworkers work in the education (21%), followed by professional, scientific and technical activities (13%), manufacturing (11.7%), wholesale and retail trade (9.7%) and information and communication services (SORS 2017).

The incidence of homeworking in Slovenia is close or little above the EU average with somewhere around 10% of working population being engaged in homeworking. Another key finding is that in Slovenia, in the last years, the number of workers who work at home increased. The reason for this can be found (a) in the amendment of the labour law in 2013, which stipulates that work at home is also work that the worker performs at home only a part of his working time, (b) the advancements in the ICT, and (c) increased market pressures to provide more flexible and (hence) cheaper labour. The structure of those engaged in homeworking provides some clues that homeworking in Slovenia, at least to some degree, deviates from the traditional role that homeworking is having on other EU labour markets. Expectedly, the incidence of homework is higher among higher educated, workers with higher incomes, mothers and those with more children. But, on the other hand, it needs to be pointed that the most of workers work at home due to work overload and own interest. This is in line with the finding that in Slovenia workers on average work more than 40 hours a week. According to the OECD (2019), Slovene worker has on average worked 1,655 hours a year (for comparison, the German worker worked 1,554 hours a year). Similar findings are reported by the Association of Free Trade Unions of Slovenia (2017). Based on the survey on a sample of more than 1,800 workers, Association (Zveza svobodnih sindikatov Slovenije 2017) reports that more than 70% of workers work more than 40 hours a week, either because of overtime or misuse of various working time institutes, such as temporary reallocation of working hours.

Firm specifics involved in homeworking, too, provide to some extent surprising picture. First, there are almost no differences in the incidence of homeworking with the type of employment contract or working time. Nevertheless, we can observe higher homework incidence among self-employed. In this group we can probably include occupations such as architects, translators, artists, programmer, for which we would expect higher incidence of home working. Second, regular homeworking is more frequent in smaller firms (which again relates to the self-employment), whereas the highest share of occasional homeworkers is employed and medium and large-sized firms. Third, we have already mentioned that due to the nature of work and ICT technology development homeworking is more attractive for specific occupational groups. This is in line with the finding that homework is at most common in the information and communication industry, followed by financial and insurance industry and professional services.

## 5 Discussion

Homeworking in Slovenia could be considered as an under-utilized option, especially in terms of facilitating the reconciliation of private and business life as well

as addressing the employers' interest. As already hinted in the paper, there are several issues related to homeworking that require policy focus in Slovenia: (a) apparently unnecessary reporting / bureaucracy, (b) provision of policy support in terms of tax relief, reduction of social insurance contributions or other forms of subventions and (c) support to employers in overcoming operational challenges related with the introduction of homeworking.

The interest in homeworking among employers is growing. According to the employers, the main reasons for such small use of the homeworking are excessive administrative burdens and the discouraging tax treatment for compensation for the use of own means for work. Employers advocate more favourable tax treatment of compensation for the use of employees' own means of work. Last but not least, employers also advocate the amendment of Pension and Disability Insurance Act and the Personal Income Tax Act to provide more endurable taxation especially for cases of capital-intensive production (Association of Employers of Slovenia 2017).

It is also necessary to distinguish between a situation where an individual is working at home on a long-term basis and when this is just occasionally or short-term. In the first case, the current legal norms could be assessed as relatively appropriate. In the latter case, where workers do not need to be physical present at the workplace on certain days, and could work from home, the legal regulation should be more flexible – there should be no need to conclude a special employment contract of work and to inform the Labour Inspectorate (Franca, Arzenšek, and Laporšek 2018, 10). As already mentioned, the Association of Employers of Slovenia (Association of Employers of Slovenia 2017), also sees the problem in excessive administrative burdens targeting the employer's obligation to inform the Labour Inspectorate of the intended organization of homeworking, which in everyday praxis does not serve its purpose. Faganel (2016) found that firms do not report receiving any negative opinions from the Inspectorate, nor do the inspectors check physical work at home, since such control would require either court decision or worker's consent. Employers too cannot check the workplace at the premises of his employees working at home without worker's consent.

We have presented some legal obstacles and nuisances related to homeworking. Besides the legal and formal demands, homeworking also requires the operational adaptation of business processes as well as the establishment of an appropriate organizational culture which can present a demanding course of action. This among other relates also to issues such as exercising control over work and worker at home, weakened communication, ensuring safe working conditions at home, maintenance of trust between employer and worker, and protection of confidential information (Faganel 2016).

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