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RETHINKING THE NEO-CORPORATIST FRAMEWORK: THE CASE OF LONG-TERM CARE**[1]

Abstract. *We examine the relationship between Slovenian neo-corporatism and the welfare state, focusing on long-term care. As corporatism is a struggle against capital, but within the structures of capitalism, it is unable to resist the extension of capitalist relations to the welfare state. However, this extension was expected to have only a limited impact on the public sector, namely increasing the quality and diversity of services. Our analysis shows that a market logic has prevailed throughout the sector. This has significantly reduced the influence of trade unions on the welfare state, which they exchanged for their subordination to capital.*
Keywords: *corporatism, long-term care, commodification, welfare state, labour migration, social spending, Slovenia.*

INTRODUCTION

In this article, we discuss the relationship between Slovenian neo-corporatism and the welfare state. According to the literature, corporatism – the shared governance of employers and workers – played a pivotal role in preserving the welfare state following the restoration of capitalism in the 1990s. However, both corporatism and the welfare state have since experienced crises. While corporatism is facing the exhaustion of industrial relations, the welfare state is encountering problems with access to social services. Although it cannot be argued that the weakening of corporatism is responsible for the crisis of the welfare state, the two crises are linked, and the aim of this article is to examine these links.

We start with corporatism. Even when it emerged in the Weimar Republic, the contradictions of corporatism were already apparent. While the workers' council movement demanded control over enterprises, corporatism only gained social

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ground after the movement was suppressed. This suppression was necessary to ensure that workers' influence over management remained within the confines of capitalist relations of domination. Similarly, after the Second World War, a consensus emerged between capital and labour. According to this consensus, the working class voluntarily subordinated itself to capital. In turn, capital agreed to legally limit exploitation and adjust wages to productivity (Supiot 2010). The class consensus entered a period of crisis in the 1980s. The unions have only been able to maintain it by making concessions (Baccaro and Howell 2017).

The emergence of Slovenian neo-corporatism in the 1990s followed a similar pattern, except that these turning points occurred in a shorter period. Slovenia adopted neo-corporatism as a reaction to workers' militancy during the early years of capitalist restoration (see Becker 2025, 867). The social partners reached a consensus whereby workers accepted the restoration of capitalism in exchange for the preservation of social rights and the welfare state. Just 20 years later, authors started to write about the exhaustion of industrial relations.

The trade unions demanded wage increases and improvements to working and living conditions, which presupposed the existence of a welfare state. Still, they did not insist that the welfare state exist in isolation from capitalist relations. Since the early 1990s, the welfare state has been opening to private capital, which was expected to generate new investment in social activities. It was thought that private investment would improve quality and increase choice, i.e., have a limited impact on public institutions. It was, however, not anticipated that private capital would be able to change the entire sector and transform the way it operates, making it more profit-driven. Assuming this to be the case, we suggest the crisis of the welfare state is the result of the expansion of capitalist relations into the realm of the welfare state.

To illustrate this, we use the example of residential care for older people, one of the activities of the welfare state. With this example, we show how the opening of public services to the market has allowed capitalist relations to penetrate the public sector. This example highlights the contradictions of Slovenian corporatism, which defends the welfare state declaratively while allowing capitalist relations to permeate the public sector.

The analysis must consider the international context as well. Due to the cross-border movement of goods, services, capital and labour, national social systems have become increasingly interdependent. This question is grounded in the theories of uneven and combined development (Trocki 1930/2017; Rosenberg and Boyle 2019) and dependency theory (Marini 2022). Both theories stress that the relationships between formally independent states are complex structures of subordination and exploitation (Marini 2022, 117). These processes thus also lie beyond the control of corporatist governance. In this paper, we use two factors to demonstrate the interconnectedness of social security systems: the transnational mobility of the workforce, and the growing disparity in the financial capabilities of welfare states.

The article addresses two central research questions, as examined in the subsequent analysis. The first question arises from the entry of profit-oriented actors into the public care sector. How has the public sector responded to the arrival of private capital in residential care for older people? In which way has this shift affected the relationships between private and public service providers, employees, and care recipients? The second question concerns transnational dynamics. It asks whether these relations also affect the Slovenian social protection system and, if so, how.

The structure of the article is as follows. First, the historical origins of corporatism and development of Slovenian neo-corporatism are discussed. The following section presents the methodology employed. The analysis commences by describing the processes in residential long-term care that have led to the commodification of services under the guise of public-private partnerships. The subsequent analysis explores the transnational dynamics between social security systems and their role in exacerbating transnational inequalities. The article ends with a discussion of the challenges faced by social policies in the context of the weakening of neo-corporatism.

ORIGINS OF CORPORATISM

The idea of corporatism originates from the Weimar Constitution of 1919. Article 165 granted workers equal participation with employers not only in negotiating wages and working conditions but also in the "general development of the productive forces". Hugo Sinzheimer, a German Social Democratic legal scholar and one of the architects of the Weimar Constitution, interpreted this provision as the nascent form of *Arbeitsstaat*, or the workers' state (Sinzheimer 1927, 5). According to Sinzheimer, the aim of the workers' state was not to "dismantle large enterprises", a metaphor that signalled it would not abruptly abolish the existing relations of production or expropriate capitalists as had happened in the Soviet workers' state. Instead, he believes workers would achieve emancipation from subordination to capital if they held equal economic power to capital owners – that is, if they managed enterprises together with the holders of capital. During this process, workers would transcend their status as economically subordinate subjects and reconstitute themselves as "economic citizens" (ibid.). Sinzheimer cautioned that this transformation would require patience, wisdom, and social responsibility. Ultimately, however, the sharing of economic power would assure that national industry and commerce would no longer be governed by private individuals, and instead be guided by the "general will" of the economy. He referred to this vision as an "economic community" (*Gemeinwesen der Wirtschaft*) through which "the liberation of labour would be completed; wage labour would cease to exist, and the contractual worker would be replaced by the free citizen of the workers' state" (ibid.).

In his essay *The Essence of Labour Law*, Sinzheimer concluded his discussion of corporatism with the evocative statement that "labour law carries within

it the vital current of social movements – the lifeblood of freedom". His rhetoric prompts a return to the historical circumstances in which the Weimar Constitution arose in order to contextualise the origin of the corporatist idea. Historical studies reveal that, in the immediate post-First World War chaos – marked by shortages of raw materials and fuel – workers' councils (*Arbeiterräte*) assumed control over factory management in many locations where owners were absent (Rachleff 2009; Weipert 2023). These councils ensured production continued and, in this regard, functioned as counterparts to the revolutionary soviets in the Soviet Union. Yet, unlike the soviets – composed of the proletariat – the German workers' councils were largely dominated by the labour aristocracy, consisting of highly skilled technical cadre (Bologna 1972). Nevertheless, born directly from the turmoil of war, the workers' councils embodied a subversive potential that the Social Democratic government sought to contain. The 1920 Workers' Councils Act (*Betriebsrätegesetz*) curtailed spontaneous forms of workers' self-management, granting the councils only "symbolic co-determination rights" (Rachleff 2009). The act was ultimately passed in the wake of violently suppressed protests when demonstrators demanded "the right to full control and co-determination" (Weipert 2023, 148).

A historical account of the context provides a more nuanced understanding of Sinzheimer's concept of economic citizenship, which he developed 7 years after the Workers' Councils Act was passed. It has become evident that even though the workers' movement gave rise to the workers' councils it was precisely the suppression of that movement that enabled the societal recognition of the councils. Recognition only came after their role had been reduced to 'symbolic' participation.

Slovenian neo-corporatism of the 1990s likewise emerged from a prehistory of the workers' movement. Following Slovenia's secession from Yugoslavia in 1991, trade unions clashed with the first conservative government led by DEMOS (Democratic Opposition of Slovenia) (Pernat Lesjak 2015; Grdešić 2006, 2008). The Confederation of Free Trade Unions of Slovenia (Zveza svobodnih sindikatov Slovenije, ZSSS) opposed the government's plans for rapid and comprehensive privatisation. When Prime Minister Lojze Peterle presented the national privatisation plan in September 1991 – based largely on proposals by the American economist Jeffrey Sachs – 10,000 workers gathered in protest. The government was ultimately forced to relent, and endorsed a new privatisation law based on a compromise proposal formulated by Slovenian economist Jože Mencinger. Unlike many post-socialist European countries that implemented Sachs's "shock therapy" (Bembič 2017), the Slovenian law envisaged a gradual approach to privatisation. In March 1992, ZSSS organised a general strike in opposition to the draft law on wage restraint, which the government had proposed as a measure to curb inflation. The unions demanded higher wages, collective bargaining rights, and job security. Although the strike was boycotted by the KNSS and PERGAM confederations, it still managed to mobilise as many

as 400,000 workers. The outcome was the withdrawal of the draft law. The following year, the government itself fell, and under the new administration, trade unions and employers' associations jointly established the Economic and Social Council (Ekonomski in socialni svet) in 1994 – a body that came to embody what was known as the "Slovenian social model" (Meardi 2007, 503–23).

Slovenian industrial relations have often been seen as an 'exception' compared to the weak unions and illusory corporatism in other post-socialist countries (Glassner 2013; Bohle and Greskovits 2012; Croucher and Rizov 2012; Crowley and Stanojević 2011; Meardi 2007). According to scholars, the strength of Slovenian trade unions helped in forming a robust system of social partnership that actively participated in shaping the country's social, economic, and particularly labour legislation. However, after the initial phase of 'corporatist consolidation' between 1994 and 2004, the alliance weakened following Slovenia's accession to the European Union and subsequent entry to the Eurozone. Ultimately, the social partnership entered a period of 'exhaustion' after 2013 (Breznik and Mance 2020; Stanojević et al. 2016; Stanojević 2015; Krašovec and Johannsen 2017). A wide range of evidence supports the thesis of exhaustion. The most visible indicator is the decline in membership rates in both trade unions (from an average of 44% in the first phase to an average 20.5% between 2015 and 2019; Stanojević et al. 2023) and employers' organisations (Krašovec and Johannsen 2017). The Economic and Social Council has also been increasingly paralysed by prolonged blockages: between 2020 and 2024, 41% of its operational time was lost due to a blockade caused by one of the social partners.

The first phase of 'corporatist consolidation' preserved the welfare state, establishing Slovenia as one of the EU's top performers in terms of social indicators. Nonetheless, favourable comparative statistics should not blind us to later transformations in the public sector. We will examine residential care for older people as an example of a public service that has undergone commodification in the last 30 years of Slovenia's independence. Commodification is understood here as a shift from the state providing public services to a market-based supply via public–private partnerships. Before presenting the analysis, we briefly outline the methodology we applied.

METHODOLOGY

The institutional analysis was guided by both secondary sources, including statistical data, academic literature, policy documents, sectoral reports from the region, and findings from our previous research, as well as primary interview data. This article draws on material collected as part of the research project *Transnationalisation of Care for Older People*. The study is based on three sets of qualitative interviews. First, we conducted 11 interviews with key stakeholders, including policymakers, directors of care homes, trade unionists etc. These interviews explored the underlying causes of care deficits in residential care. Second, we carried out 16 interviews with migrant care workers. The majority

were women aged between 25 and 55, originating from Bosnia and Herzegovina and Serbia, with two from Croatia and one from North Macedonia. The interviews covered working and living conditions, transnational family dynamics, and future aspirations. Third, we conducted eight interviews in BiH, the primary country of origin for migrant care workers in Slovenia, with experts and stakeholders involved in labour markets, care systems, and migration governance. Interviews lasted 30–90 minutes and were conducted with the informed and signed consent of participants. All interviews were recorded, transcribed, and subjected to thematic analysis.

INTRODUCING CAPITALIST RELATIONS INTO RESIDENTIAL CARE FOR OLDER PEOPLE

After separating from Yugoslavia, Slovenia began the 1990s as a socialist welfare state. In 1994, a neo-corporatist model of social dialogue was established (Filipovič Hrast and Rakar 2020; Stanojević 2015), paving the way for a social market economy. Thus, the introduction of capitalist relations was conditioned by a commitment to maintaining the welfare state (see Social Agreement for 1995). Social protection systems were based on mandatory, labour-related social contributions and universal social rights. Social funds were managed by independent institutions, while the state provided services and social benefits. The emerging social protection system adopted the continental mixed welfare capitalism model in which social security is assured via the combined efforts of the state, market, family, and non-governmental sector (Kolarič et al. 2009).

In the early 1990s, the Slovenian sector of residential care for older people comprised 53 public care homes, accommodating 11,260 users (Hlebec and Mali 2013, 31; Hlebec and Rakar 2017, 37). As early as 1992, the Social Security Act (Zakon o socialni varnosti – ZSV) enabled the inclusion of private providers through a licensing scheme (concessions), albeit this did not lead to any significant expansion of private service provision. A more active promotion of the private sector began in 1999, initiated by the Ministry of Labour, Family and Social Affairs (Court of Audit 2008, 20). Drawing on the Lisbon Strategy, the Resolution on the National Social Protection Programme for 2006–2010 (ReNPSV06–10 2006, 3) set the goal of creating a "deregulated, decentralised and de-bureaucratised" state, with the provision of care for older people to be delegated to an "entrepreneurial public–private network of organisations". The same document specified that private investment in residential care infrastructure must reach 60% of total funding for reasons of "rationalisation of public expenditure". The Public–Private Partnership Act (2006) further stipulated that public–private partnerships were mandatory for investments exceeding €5.2 million. Throughout this period, social partners campaigned for public services to be efficient, of high quality, and accessible, as stated in the last Social Agreement for 2015–2016.

Analysis of policy documents shows the main developmental goals. Following the state's decision to reduce investment in residential care, it started

to encourage private service provision to increase facilities and respond to the growing demand. The private sector was also expected to contribute to "higher quality" services. At the same time, all key resolutions on national social protection (ReNPSV06–10, ReNPSV13–20, ReNPSV22–30) have consistently stressed the replacement – or deinstitutionalisation – of residential care via the development of supports for independent living (e.g., home-based assistance) and community-based services (e.g., group housing). Within the logic of these policy resolutions, residential care is framed as a developmentally obsolete model, incompatible with "contemporary concepts of social work" (ReNPSV22–30 2022, 16). Accordingly, ReNPSV22–30 (2022, 29) anticipates a gradual reduction in residential care, to be reserved exclusively for "older persons with dementia and complex health needs". This developmental model not only precludes any possibility of qualitative improvements in residential care, but it reinforces the stigma associated with this form of care – namely, it portrays it as a hospice, total social institution. Further, it legitimises the state's withdrawal of funding for public residential care, while justifying the private, profit-driven sector.[2]

Private investors seized the opportunity, leading to a rapid rise in the number of private care homes – from 5 in 2001 to 40 in 2015 (Hlebec and Rakar 2017, 39). By 2023, there were 6,247 beds in private homes (48 providers), 13,463 beds in public homes (59 providers) and an additional 2,300 beds in specialised institutions (SSZS, Highlights from the 2023 analyses). The total number of users rose from 11,260 in the early 1990s to 22,735 by 2022 (source: SURS, Si-Stat). In the course of three decades, the number of users doubled – chiefly due to private investment.

Response of the Public Sector to the Market-Driven Supply of Care

To safeguard service quality and affordability, the state incorporated private providers into the "public care network", meaning that private companies must obtain a concession, comply with public service standards, adhere to state-regulated price calculations, and abide by the collective agreement for the social and health care sector. However, in order to incentivise private investment the state allowed residential care fees paid by users to include loan-servicing costs – up to 60% of the value of fixed assets at the general interest rate. This was one reason that care in private homes cost 28% more than care in public ones (Court of Audit 2019, 5). Although private concession holders are legally prohibited from appropriating profits, some companies already attempted to challenge this rule before the Constitutional Court – a case they withdrew under

[2] It is naïve to assume that the private sector operating in social care is non-profit merely because Article 41a of the Social Security Act stipulates that social welfare activities must be conducted on a non-profit basis. As media investigations have pointed out, surplus extraction can occur through mechanisms other than profit appropriation – such as loan agreements (Cirman and Modic 2024) or the acquisition of private educational institutions (Svet24.ur 2024).

public pressure.[3] According to Marko Slavič, director of the Danica Vogrinec Care Home, the state has created a form of "unfair competition" between the public and private sectors. The government withdrew public investment while failing to grant it "entrepreneurial autonomy" – such as the ability to take out bank loans – thereby placing it at a structural disadvantage (Jager 2019).[4] On the other hand, the president of the Association of Social Institutions (Skupnost socialnih zavodov Slovenije, SSZS) publicly called for public institutions to be restructured into public enterprises, hence formally adopting a market-oriented model (Dnevnik 2014).

Despite public and private care homes being expected to operate within the "public care network", the entry of private providers has significantly impacted the way public homes function. Most private care homes were built after 2000. These facilities are of a high standard, equipped with modern amenities and smaller than public care homes. They predominantly offer single or double rooms. This has starkly highlighted the infrastructural obsolescence of public care homes, which are in dire need of investment – yet the state has largely withdrawn from financing public residential care. This situation has forced public care homes to generate their own income for investment. According to annual reports of the Association of Social Institutions between 2008 and 2023, just 19% of total investment in residential care came from the state, another 19% from private investors, while a striking 60% was financed directly by public care homes themselves (source: SSZS, own calculations). Notably, until 2021, the state's share was even lower – just 14%. A substantial increase occurred only in 2022 and 2023 when the Ministry for a Solidary Future considerably boosted investment in public care homes. In fact, 61% of all state investments between 2008 and 2023 were concentrated in these final 2 years. Public care homes funded these investments via ongoing operations – drawing from depreciation funds and operating surplus. Between 2009 and 2023, public and private homes generated a similar average annual level of investment of around €1,800 per bed. Still, the average for private providers includes loans from the 2008–2012 period, accounting for over 70% of all private-sector investment. Excluding this initial investment cycle, public homes invested almost €1,900 per bed, compared to just €700 per bed in private homes. This figure reveals the extent to which public institutions have relied on their operating revenue to finance investments.

We must ask how it has been possible for care homes to generate such significant surpluses. First, the revenue structure shows that 60% of funding comes

[3] It is important to recall the ruling of the Constitutional Court which, following a petition by private physicians and dentists, held that private companies operating within the public network are permitted to make a profit. The Court reasoned that prohibiting this would violate their entrepreneurial freedom (Constitutional Court U-I-194/17, 15 November 2018, Official Gazette of the Republic of Slovenia, No. 1/2019). A similar decision was made in the case concerning private pharmacies.

[4] In 2018, it received the award for the best care home in Europe from the European Association for Long-Term Care. This shows that public residential care homes can match and even exceed the quality standards of private ones.

directly from users and their families, who pay for care services. As a result, the burden of investment has largely been shifted onto users, with the state effectively transferring responsibility for the development of residential care onto them. Second, the wages of core frontline staff – care assistants, cleaning and support staff – barely exceed the statutory minimum wage. Third, management can resort to various strategies to increase labour intensity and reduce staffing levels, inevitably at the expense of working conditions and service quality. Altogether, these factors suggest that institutional surpluses have primarily been achieved by way of reductions in both labour standards and care quality – borne by workers and users alike.

The requirement for public care homes to finance their own investments has led to the diffusion of capitalist logics throughout the entire care sector, prompting public providers to adopt market-oriented behaviour. The arrival of private providers was not simply an addition to diversify service provision; it altered the entire field, steering it toward commodification. Simultaneously, the relationships between the state, management, employees and users were transformed in line with capitalist relations of production. These changes are increasingly reflected in tensions: between management and employees on one side, and between service providers and users – now reconceptualised as consumers – on the other. The section below delves into these dynamics in greater detail, exploring factors such as working conditions, service quality, and accessibility of care.

Working Conditions, Quality, and Accessibility of Care

Care workers and support staff are concentrated in the lowest wage brackets, typically earning around €1,000 per month – entry-level workers even less. The most recent wage reform eliminated the practice of counting bonuses in the minimum wage by equalising the base and statutory minimum wage. Yet, despite chronic staff shortages, these professions remain at the bottom of the pay scale.

In care homes, work is organised in three shifts, seven days a week. From Monday to Friday, shifts are often shorter than 8 hours, allowing the 40-hour weekly quota to be distributed over the weekend. Most personal care is provided in the morning, resulting in minimal staffing needs during afternoons, while long night and weekend shifts typically last between 10 and 13 hours. Public care homes tend to more strictly adhere to the legal limits on overtime (Hrženjak and Breznik 2024a). They do not pay overtime; instead, accumulated hours can be taken as days off – yet this is often not possible due to persistent understaffing. Private care homes, in contrast, allow and compensate for more overtime hours, enabling higher take-home pay. In this way, the flexibility of private homes translates into higher wages – but only by means of longer working hours. Workers may thus surpass the €1,000 threshold, but at the cost of extensive overtime. While employees in public homes are effectively trapped in low-wage positions, those in private homes are subjected to a pace-driven regime that offers marginally better pay in exchange for unsustainably long working hours.

In our interviews, a migrant care worker described her typical workday. Together with a colleague, she was responsible for 42 users during the morning shift. This included a 5–7 minute morning hygiene routine per person, 5 to 6 more thorough hygiene procedures per day, assistance with feeding, distribution of medication, transferring users from bed to wheelchair and back, as well as real-time documentation of care tasks (number of baths, bedding changes, feeding support). The more thorough care routines consist of bathing, shaving, nail clipping, changing clothes and bedding, helping users sit up, and preparing toilet facilities. The interviewee noted that she is allotted 25 minutes per person for this level of care, even though, according to our interview with the Association of Social Institutions (SSZS), such care should require at least 40 minutes.

The intensification of labour not only degrades working conditions but also has a negative impact on the quality of services and living conditions of service users. The interviewee reported that, upon arriving at work, she often finds residents thirsty because nobody was able to help them drink. Some residents needed encouragement or attention to stop them from refusing food, yet staff often did not have enough time to provide this. If users had no family members to visit them, they could not go outside for fresh air as there were never enough staff to accompany them.

At the same time, access to residential care has also declined. The statistics provide compelling evidence of this decline. Until 2009, the cost of care was lower than the average pension. Since 2010, however, the average cost of residential care has exceeded the average pension. In 2023, this difference was 13% (SSZS 2023). Some service users have been forced to seek cheaper residential care in neighbouring countries due to unaffordability, as has been observed in Croatia (Hrženjak 2025). Conversely, poor working conditions have prompted employees to seek employment opportunities in other sectors or countries where wages are higher and conditions are more favourable.

These brief yet revealing data show that working conditions, care quality, and accessibility of services have spiralled out of control. Their 'flexibility' is now determined by two opposing forces: the purchasing power of users on the one side, and the imperative to generate surplus on the other.

The contradictions arising from the commodification of care services are exacerbated by international pressures. In the following section, we discuss two factors that create reciprocal effects between countries: labour migration and the growing disparities in the financial capacity of welfare states.

THE INTERCONNECTEDNESS OF NATIONAL SOCIAL SYSTEMS

Alongside the regulated inter-state influences by means of imitation or European policy convergence, cross-national influences also arise in more unregulated forms. The repercussions of the internal organisation of social systems may extend beyond national borders, potentially influencing the social welfare systems of other states. This dynamic is especially visible in the transnational

labour migration: some countries generate care labour shortages while others export it to those experiencing deficits. The conventional explanation for this refers to the growing proportion of older populations in developed countries for whom care needs can no longer be met with available local labour. Below, we argue that the internal architecture of national social protection systems also plays a significant role in producing these labour shortages.

Our comparative analysis of long-term care systems in Germany, Austria, Slovenia and BiH shows how different welfare regimes – representing core, semi-peripheral and peripheral contexts (Arrighi and Drangler 1986; Viera 2018; Morales Ruvalcaba 2020) – are interconnected by a migration chain that channels care workers from poorer to wealthier regions of Europe. In Germany and Austria, along with the home-based and residential service provision, long-term care systems heavily rely on cash-for-care allowances introduced in the 1990s, which were designed to enhance user choice but in practice incentivise home-based arrangements. This has created a vast market for live-in migrant workers who provide live-in 24-hour care in private households. It is estimated that Germany hosts around half a million migrant care workers, most of whom are employed informally. Meanwhile, Austria has introduced a home-based care system involving tens of thousands of migrants, who rotate every 2 weeks. These migrants are self-employed "personal caregivers", mostly from neighbouring countries. Both systems disincentivise residential care, sustain marketisation, and contain costs through dependence on migrant labour (Safuta et al. 2022; Österle and Heitzmann 2020, 34; Hegelich and Meyer 2009; Österle 2013, 2018; Trukeschitz and Schneider 2012; Theobald and Hampel 2013).

In Bosnia and Herzegovina, the absence of comprehensive public provision has fostered a fragmented and largely unregulated private sector. The state devotes a very small share of GDP to social protection, leaving public services limited and regionally uneven. Costs of institutional care far exceed local purchasing power and are often financed through remittances from emigrants. Private providers dominate, yet the majority of residents cannot afford their services. Private facilities capitalise on the fact that many emigrants seek institutional care for their ageing parents. In this rapidly expanding private sector, 80% of all placements are occupied by people whose care is financed by children living abroad (UN Women 2023, 46). As an outcome, the cost of care has far exceeded the purchasing power of the local population (UN Women 2023, 46). Combined with widespread poverty, unstable governance and a deteriorating economic situation, these conditions fuel mass emigration, including of nurses and care workers, who seek employment in Germany, Austria, Slovenia, and beyond (UN Women 2023; Efendić 2021; Jakovljević et al. 2021).

In Slovenia, by contrast, care for older people is torn between the family and care homes. Residential services are underfunded and marked by poor working conditions and low wages, staff shortages, long waiting lists, and widespread reliance on informal or grey-market solutions. Rather than addressing these

structural weaknesses, the state supports the importing of migrant labourers from post-Yugoslav countries and beyond. In contrast, Slovenian care workers emigrate to Austria, where cash-for-care systems allow for higher wages (Hrženjak and Breznik 2024b).

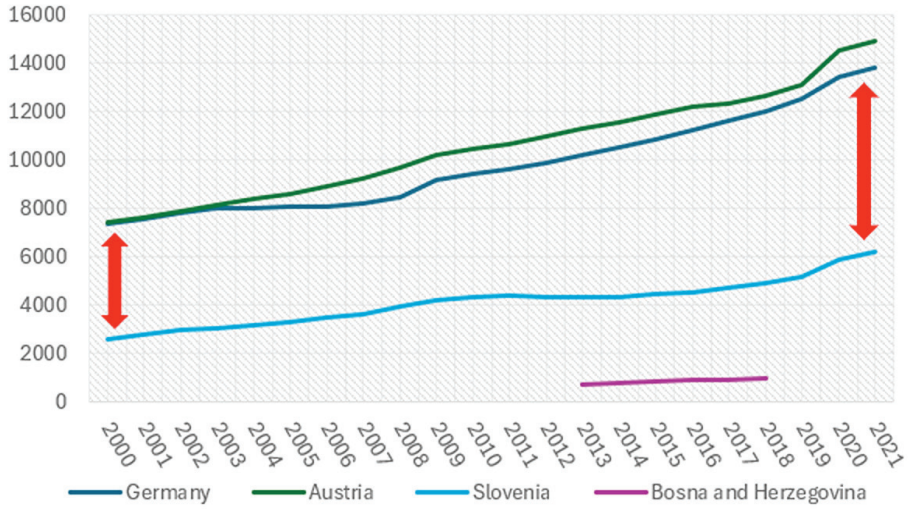
Despite the chronic shortage of care workers, Germany and Austria are promoting home-based care at the expense of residential care. Yet, this approach is inefficient in terms of labour deployment, particularly for 24-hour care, since it increases demand for labour. The high proportion of migrant care workers from Eastern Europe in both countries suggests that these care models can only be sustained by attracting workers from neighbouring (semi-)peripheral countries. Although they receive low pay and work under precarious conditions, structural economic inequalities between states guarantee a continuous inflow of workers. This extractive reliance on care labour from the (semi-)periphery (Uhde and Ezzeddine 2021) affects social protection systems in sending countries by producing local care and labour shortages, thereby adding to the "care crisis" (Fraser 2017).

Taken together, these dynamics demonstrate how the uneven development of long-term care systems across the region sustains transnational flows of care labour from the periphery and semi-periphery to the core. When combined, these systems reproduce relations of subordination between welfare states. This statement can be further substantiated by comparing social spending on social protection across four countries.

Growing Disparity in the Financial Capabilities of Welfare States

The developments described above are unfolding in an international context best understood via the lens of uneven and combined development (Trocki 2017 [1930]; Rosenberg and Boyle 2019). National welfare systems evolve unevenly, depending on different economic foundations. They not only have uneven conditions for developing social protection architectures, but these gaps can also widen over time. This becomes evident when comparing Eurostat data on social protection expenditures in four countries – Germany, Austria, Slovenia and BiH – between 2000 and 2021. In this period, Slovenia reduced its relative gap in social protection expenditure vis-à-vis Austria from 35% to 42%. However, its absolute gap rose from €4,827 to €8,709. A similar pattern appears in BiH (for which a shorter data series is available): between 2013 and 2018, the relative gap shrank from 7% to 8%, while the absolute difference grew from €10,563 to €11,688. In short, while Slovenia and BiH are reducing their relative differences with Austria and Germany, the absolute differences continue to grow – as illustrated by the red arrows in the figure. These arrows, placed at the beginning and end of the data series, capture a snowballing effect that reinforces structural divergence.

Figure 1: TOTAL EXPENDITURE ON SOCIAL PROTECTION PER CAPITA (IN CURRENT EUR) (EUROSTAT)



Source: Eurostat, ESSPROS, Total expenditure on social protection per head of population.
Note: We also conducted a test using 2010 constant prices, which yielded a similar outcome, albeit with smaller variations.

The snowball effect shows that, despite higher levels of economic growth, countries like Slovenia – and especially BiH – can only reduce their *relative* gap in social spending, while the *absolute* gap continues to grow. Consequently, these countries have fewer resources available to develop their welfare states and are becoming comparatively poorer. Wealthier countries have more fiscal freedom and, ultimately, access to a large pool of care workers from Eastern and Southern Europe. Germany and Austria can sustain 24-hour home-based care because they recruit migrant care workers from neighbouring countries where care systems suffer from low wages and poor working conditions. In contrast, Slovenia, as a semi-peripheral country, struggles to compete for care labour with core countries that offer substantially higher wages and more generous social benefits. Meanwhile, in a peripheral country like BiH, care services for older people are largely viable only within transnational families – particularly those with members working abroad. This dynamic reinforces transnational care inequalities: while core countries are able to realise ideals of "ageing in place", (semi-) peripheral states face growing pressures toward the familisation of care, driven by workforce shortages and the retrenching of public services. These trends, spurred by the commodification of care, not only widen the care divide but additionally deteriorate working conditions and the quality of elder care in Europe's (semi-)periphery.

DISCUSSION AND CONCLUSION

This article began with Hugo Sinzheimer, the intellectual architect of corporatism, so as to highlight the gap between the rhetoric and institutionalisation of corporativism. Concurrent historical struggles help us understand that corporatism could only be integrated into systems of governance once the workers' movement had been suppressed. This made sure that corporatism remained confined within the structures of capitalism, preventing it from exceeding those bounds. This argument is powerfully illustrated by Zoe Adams' insight that corporatism can at best limit exploitation, because class struggle "within capitalism is labour's struggle against capital, but within the structures of capitalism" (Adams 2021, 443–44). Her formulation is confirmed by the Slovenian trajectory, which led from a vibrant workers' movement in the early 1990s to the institutionalisation of corporatism in 1994 and its subsequent evolution – from a period of "corporatist consolidation" to a phase of "corporatist exhaustion".

In the consolidation phase, the class contract guaranteed the maintenance of the welfare state. However, the EU, into which Slovenia was integrating, had already begun to transform the welfare state from a framework of "public services" into "services of general interest", blurring the boundary between public and private. Under the influence of European integration and international organisations, the Slovenian welfare state gradually yielded to private interests – including, as we have shown, in the field of long-term care. Expectations that the private sector would simply expand facilities and enhance service quality proved to be naïve. Instead, the blending of public and private providers led to the covert transformation of the welfare state. The entry of private, profit-oriented actors into residential care impacted the public sector itself, spreading the effects of commodification across the entire field. Capitalist production began to operate as a "specific kind of production which predominates over the rest" as a "general illumination which bathes all the other colours and modifies their particularity" (Marx 1973, 106–107). Once profit-driven private providers entered the public long-term sector, social partners lost control over the system. As we have shown, it started operating under market logic, ultimately resulting in extreme work intensification, low wages, high staff turnover, labour shortages, and a general decline in the quality of care.

These were not the only unintended consequences impacting the field. Socioeconomic integration has increased the interdependence of national social protection systems. This article examined the characteristics of social systems across a regional constellation composed of both 'old' and 'new' EU member states, as well as a candidate country: Germany, Austria, Slovenia, and BiH. Our central thesis was that labour shortages in long-term care are not caused solely by population ageing, but also by the internal structure of national welfare systems. Our brief comparative analyses revealed that the German and Austrian systems, which incentivise 24-hour home-based care, absorb care workers from (semi-) peripheral countries – workers who, due to poor working conditions and low

wages in their home countries, seek employment abroad. These systems remain affordable from a labour perspective because they draw from a readily available pool of care workers in surrounding countries, where wages are lower. However, this extractive dynamic not only sustains care systems in core countries; it also transfers the unintended effects of their welfare policies across borders. The externalisation of care deficits creates transnational feedback loops that intensify labour shortages and care gaps in the sending countries.

A comparison with Germany and Austria points to key challenges facing Slovenia's present long-term care reform. In those countries, policies promoting home-based care contribute to labour shortages in the care sector by shifting responsibility onto families – many of whom are unable to provide care themselves and therefore turn to informal arrangements, often hiring migrant women for around-the-clock care. Slovenia is also promoting home care, primarily through mandatory long-term care contributions and services delivered by public or private providers. While this model differs from the cash-for-care systems in Germany and Austria, it similarly generates increased demand for care workers. In response to the persistent labour shortages, Slovenia plans to import care workers, as indicated by a recent bilateral employment agreement with the Philippines. The viability of the Slovenian long-term care model thus hinges on access to low-cost labour and the extractive recruitment of workers from peripheral regions – placing Slovenia among welfare states whose care regimes risk reproducing, if not intensifying, global inequalities.

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RAZMISLEK O NEOKORPORATIVISTIČNEM OKVIRU: PRIMER DOLGOTRAJNE OSKRBE

Povzetek. *V članku obravnavamo odnos med slovenskim neokorporativizmom in socialno državo, pri čemer se osredotočamo na dolgotrajno oskrbo. Ker je korporativizem boj proti kapitalu, vendar znotraj struktur kapitalizma, se ni mogel upreti širjenju kapitalističnih odnosov v socialno državo. Vrh tega se je pričakovalo, da bo širitev imela omejene učinke na javni sektor, da bo zgolj povečala kakovost in raznolikost ponudbe. Naša analiza pokaže, da je v resnici vsilila tržno logiko celotnemu sektorju. Tako so si sindikati zmanjšali vpliv na socialno državo, ki so jo ob vzpostavitvi korporativizma menjali za svojo podreditev kapitalu.*

Ključni pojmi: *korporativizem, dolgotrajna oskrba, poblagovljenje, socialna država, delovne migracije, socialni izdatki, Slovenija.*