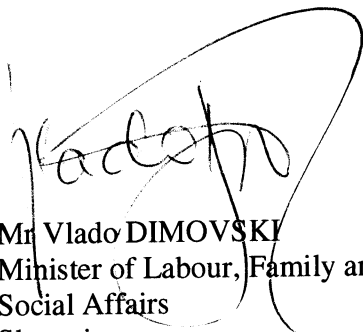
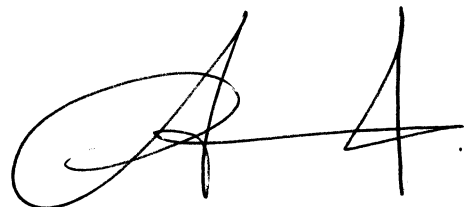


JOINT MEMORANDUM ON SOCIAL INCLUSION OF SLOVENIA

In accordance with the provisions of the Accession Partnership, the Government of Slovenia has prepared, together with the European Commission, Directorate-General for Employment and Social Affairs, a Joint Memorandum on Social Inclusion, with the purpose of preparing the country for full participation in the open method of coordination on social inclusion upon accession. The Memorandum outlines the principal challenges in relation to tackling poverty and social exclusion, presents the major policy measures taken by Slovenia in the light of the agreement to start translating the EU's common objectives into national policies and identifies the key policy issues for future monitoring and policy review. Progress in implementing such policies will be assessed in the context of the EU social inclusion process, whose goal is to make a significant impact on the eradication of poverty in Europe by 2010.



Mr Vlado DIMOVSKI
Minister of Labour, Family and
Social Affairs
Slovenia



Ms Anna DIAMANTOPOULOU
Member of the European Commission
Responsible for Employment and
Social Affairs

Brussels, 18 December 2003



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In February 2000, the Government of the Republic of Slovenia adopted the Programme to Combat Poverty and Social Exclusion, and in April 2002 the first two-year report on its implementation. With the adoption of the programme, the policy of social inclusion was defined as a government policy priority, and in the first report it also specified guidelines for its further implementation. The preparation of the Joint Inclusion Memorandum (JIM) signifies the further implementation of this policy and its direct linkage to EU policy on social inclusion. It thereby follows the strategic goal of sustainable improvement of the population's well-being through a **balanced economic, social and environmental development**.

1. ECONOMIC BACKGROUND AND LABOUR MARKET

1.1. Economic background

Following a high rate of **economic growth** in 1999 and 2000 (5.2% and 4.6% respectively), the economy slowed down in 2001, with growth of GDP in real terms standing at 2.9% and 2.9% in 2002 (Table 1). Nevertheless, Slovenia continued to catch up with the EU in development terms relatively fast. In 2002, preliminary results of GDP per capita at purchasing power parity¹ stood at 74% of the EU average, 4 percentage points more than in 2001 (Table 2) and is thus ranked at the same level as Cyprus (74%) and after Spain (84%). The catching up will continue, since gradually increasing economic growth is anticipated for the future. In 2003, output growth is forecast to be 2.6%² (3.4% - Commission spring forecast) and 1.1% (1.3% - Commission spring forecast) for EU-15.

However, there are **regional differences** (NUTS 3) in economic development. GDP per capita in 2001 was highest in the central part of Slovenia (Osrednjeslovenska region - around the capital Ljubljana), where the countrywide average was exceeded by 39%, and lowest in the north-eastern part (Pomurska region), which lagged behind the Slovenian average by 29%. The ratio between the least and most developed region therefore stood at 1:1.95.

Similarly, the **economic structure** is gradually approaching the structure of developed market economies, since the proportion of agriculture and industry are decreasing and the importance of services increasing. The proportion of the services sector in GDP increased from 50.2 per cent in 1995 to 53.2 per cent in 2001, while that of industry decreased from 28.3 per cent to 27.4 per cent and of agriculture from 3.9 per cent to 2.7 per cent (Table 3). In spite of gradual de-industrialisation, the importance of industry in Slovenia remains much higher than the EU average; in fact, in 1995-2001 the difference increased from 6.0 to 6.8 structural points. Within industry, the manufacturing sector exhibits the fastest decrease (from 24.6 per cent in 1995 to 23.7 per cent in 2001). The importance of mining is also decreasing, mainly because of the gradual closure of lignite production. The manufacturing sector recorded a positive restructuring process, characterised by an increased proportion of value added of capital-intensive, innovative and export-oriented activities (chemical, metal, engineering industries and the production of electrical and optical equipment), while the proportion of labour-intensive activities (textile industry and footwear manufacturing) dropped. With the restructuring of manufacturing, increased productivity has also occurred, which has been to a considerable extent the result of reducing employment (Table 4), whereby the contribution of

1 EUROSTAT, Statistics in focus , Economy and Finance (Theme 2-56/2002, Theme 2-20/2003).

2 Forecast figures in this section are those of the Slovenian Institute of Macroeconomic Analysis and Development (Autumn 2003 Forecast) unless otherwise specified.

falling employment to the increase in productivity has been steadily declining since 1996. In 2001, productivity for the first time increased simultaneously with rising employment.

1.2. Labour market

The slowdown in economic growth in 2001 caused slower growth of employment and slower reduction of unemployment; the same trend continued in 2002. In 2002 employment fell by 0.1% (Table 4, LFS). The employment rate (Table 5) amounted to 63.8% in 2001 and decreased to 63.4% in 2002 (EU-15 64.3%). The employment rate of men (68.2%) in Slovenia is lower than in EU-15 (72.8%), while that of women (58.6%) is higher than in EU-15 (55.6%). The youth employment rate (age group 15-24 years) is almost at the same level as in 2001, reaching 30.6% in 2002, and is lower than in EU-15 (40.6%), particularly for young women, which is a result of higher enrolment in secondary schools and universities. The employment rate of older persons (age group 55-64) grew in 2001 and reached 25.5%, but in 2002 decreased slightly to 24.5% and remains very low compared to the EU average of 40.1% (target of 50% by 2010). This is a consequence of the low retirement age, which in 2001 averaged only 57 years and 2 months (59 years and 3 months for men and 55 years and 5 months for women). As a result of the pension reform introduced in 2000, the retirement age has already slightly increased. However, the impact of this reform will only gradually be reflected in a higher employment rate for older persons.

The employment rate in the services sector, which was 49,8% in 1997, has been increasing throughout and in 2002 already reached 52.4% (Table 6). The restructuring of employment is therefore continuing in favour of the services sector.

The unemployment rate, measured by the Labour Force Survey, remains in 2002 almost the same as in 2001 (6.0%, Table 7) and is lower than in EU-15 (7.7%). Despite these positive figures, the structural problems of unemployment remain a concern:

- gender unemployment gap. The annual unemployment rate for women (6.4% in 2002) remained higher than the unemployment rate for men (5.7%, Table 7).
- youth unemployment (especially for young women). The total youth unemployment rate decreased in 2002 to 15.3%, but the unemployment rate for young women (17.2%) still remains higher than that for young men (13.9%) and also than EU average for young women (15.5%; Table 7).
- long-term unemployment. The proportion of long-term unemployed decreased in 2002 but is still high (57.7%, Table 7, section 5). The decline was due to the policy priority of including long-term unemployed persons in employment programmes, and is also to a certain extent a result of the fact that some of the long-term unemployed fulfil the conditions for retirement, because of which there has been an increased outflow of long-term unemployed to retirement. In 2002 the long-term unemployment rate amounted to 3.3% (EU-15 3.0%, Table 7, section 3) and the very long-term unemployment rate to 2.5% (EU-15 1.9%, %, Table 7, section 4). This implies that about two-thirds of the long-term unemployed had in fact been unemployed for a very long time (for at least 24 months)
- low educational level of the unemployed. Among the registered unemployed there are around 27% without any basic vocational education, of which 3% with no school education and 24.0% without elementary education (Table 8). In view of the restructuring of the economy to a knowledge-based society, which needs a more educated labour force, it has

become more difficult for these unemployed people to return to work. The result is a high level of long-term unemployment.

- unemployment of disabled persons. The number of registered unemployed persons with disabilities has been fast increasing in recent years; the proportion of persons with disabilities of the total unemployed amounted to only 5.7% in December 1995, but in December 2000 it was 16.4% and 17.9% in December 2001. The number increased because the limited employment opportunities did not allow an outflow to employment. In 2002, the amendment of the Employment and Unemployment Insurance Act concerning proof of unemployment excluded unemployed persons who are not active job-seekers or employable. The proportion of persons with disabilities therefore decreased to 14.5% in December 2002.
- regional differences. Despite the fact that regional differences in terms of the registered unemployment rate decreased in 2002 for the first time, it remains markedly higher in the eastern half of the country compared to the western half. The proportional difference between the regions with the lowest and highest registered unemployment rate in 2002 was 3.33 ($10/3=3.33$; Table 16). The variation coefficient has been rising since 1997, when it was 26.6; in 2001 it was 32.3 and in 2002 33.4. In 2002, the unemployment rate according to the ILO definition was the highest in Podravska region (10.0%) and Pomurska region (7.9%), both in the north-east, while the lowest was in the western region Goriška (3%).
- low employment rate of older persons (age group 55-64), which was in 2002 only 24.5%, while the EU average for the same year was 40.1%. (Table 5)
- situation of Roma. The current labour market situation in Slovenia is not particularly favourable to Roma. Lack of basic qualifications, functional illiteracy and the prejudices of employers contribute to the situation in which the working activity of Roma is much lower than that of the majority population in Slovenia, regular employment is rare, and irregular forms of work predominate (there are no exact data available, however, only estimates). Under legal provisions on protection of personal data, data on ethnic affiliation of the unemployed are not kept in the records of the Employment Service of Slovenia (ESS). However, it is estimated that 98.2% of registered Roma unemployed in UO in Novo Mesto (south-eastern part) did not complete primary school and 90% in UO Murska Sobota (eastern part). The number of registered Roma job-seekers is gradually increasing, but does not exceed 2 300 (February 2003 estimate).

1.3. Expenditure on social protection

In 2000, a total of 26.6% of GDP was allocated for ensuring social protection, which is very close to the European average (27.3% in 2000). Calculations per capita show that in 1999 Slovenia devoted 68.6% of value by purchasing power per capita of the average of EU countries (in 1996: 61% of the average) and is ranked in seventh place on the scale between the United Kingdom and Luxembourg.

In 2000, the structure of funds devoted to social benefits allocated the highest proportion to old-age benefits (11.2% GDP, which is more than in EU-15) and to sickness and health care benefits (7.9% GDP) (Table 9), which together represent almost three-quarters of all the funds for social protection. The proportion for old-age benefits, which already fell slightly in 1999 and also remained at the same level in 2000, is not destined to increase in the future either, since pension reform began to be implemented in 2000. In comparison with 1996, the greatest

increase was in funds for families and children, especially in 1999, when the amount of child benefit increased. Further increases in expenditure for families and children can be expected after 2002, when the system of family benefits was reorganised, introducing some new benefits. An increase in the amount of funding for other forms of social exclusion is expected, as funds for social assistance doubled in 2001 and 2002.

2. SOCIAL SITUATION

2.1. Demographic characteristics

According to the latest census in 2002, the population of Slovenia numbered 1 964 036, which is 97 inhabitants per km². Apart from Slovenes, who represent 83.1% of the total population, and Hungarians (0.32%), Italians (0.11%) and Roma (0.17%), who have special status provided by the Constitution and whose total combined proportion of the population is less than 1%, approximately 6.5% of Slovenia's population settled here from other parts of the former Yugoslavia. These immigrants include those of their descendants who declared themselves to be Croatian, Serbian or some other national affiliation in the census. The figures on ethnic minorities are not comparable between countries (EU Member States as well as ACs) as they are taken from a variety of official and non-official sources reflecting different national definitions and practices of ACs and Member States with regard to data collection and ethnicity. Official figures on Roma are generally far below the real figure because many Roma do not declare themselves as such for fear of discrimination. Although the figures used reflect national definitions and practices regarding ethnic appertenance, the EU rejects theories attempting to determine the existence of separate races.

The population is stagnating, growing by only 0.04% in the last five years. The stagnation in population numbers is primarily a consequence of the low fertility rate (Table 10) (total fertility rate was 1.21 in 2001, which is less than in the EU Member States), which cannot be compensated for even by the positive net migration (2-3 000 persons annually in recent years). The main immigration is from the countries that emerged on the territory of the former Yugoslavia (74% in 2000).

Life expectancy is increasing. In 2000/2001 life expectancy at birth in Slovenia was 72.1 years for men and 79.6 years for women. These figures place Slovenia somewhere in the middle of the European scale. Men's life expectancy is increasing somewhat faster than that of women, and the difference between genders, which amounted to eight years in the mid-1990s, was reduced to 7.5 years in 2001. Despite the positive trend, life expectancy in Slovenia is still lower than on average in EU, where in 2000 it was 75.3 years for men and 81.4 years for women.

The declining fertility and the increasing life spans are causing the **ageing of the population**. The proportion of the population aged 65 and over is increasing, reaching 14.5% at the beginning of 2002, which is still less than the proportion of those aged 0-14 years (15.4%), but in just a few years the proportion of elderly will be higher (14.9% in 2005) than that of those aged 0-14 (14.8% in 2005) (Table 11). The old-age dependency ratio is increasing as well. It was 21 persons aged 65 and over per 100 persons of working age at the beginning of the year 2002 (24 in EU-15 in 1999). An important consequence of the ageing of Slovenia's population, and one which in the future employers will need to take into account, will be the reduction in the proportion of the population able to work (15-64 years), which will start to fall after 2005. It will also have a significant impact on expenditure on health care and social

services. It will also require adaptation of social services. Important steps have been taken in this sphere, enabling greater accessibility for the elderly (enlargement of capacities, better regional cover) and the possibility of choice among various services (greater variety of what is on offer).

Regional differences are particularly noticeable in mortality. Life expectancy at birth is lower in the eastern part of the country than in the western part. In the period 1995-1999 the difference between life expectancy in eastern and western Slovenia amounted to 2.7 years for men and around half a year less for women. Mortality in eastern Slovenia is higher than in the western part in all age groups, except for young adults. Pomurje (north-east of Slovenia) has the highest age-standardised mortality rate in Slovenia (999/100 000 inhabitants against 833/100 000 inhabitants on average in Slovenia), the highest mortality rate among men being from cirrhosis of the liver (75.69/100 000 inhabitants against the Slovene average of 57.21/100 000 inhabitants).

The number of **households** is growing, while their average size is diminishing. In the 2002 population census the average size of household was 2.8 persons (3.0 in 1991), which is a high number for the European context (2.4 - estimate for 1999-2001). The number of **families** is smaller than the number of households.

2.2. Health

The health situation of the Slovenian population is similar to the situation in other developed countries. Owing to the changes in epidemic and demographic situation and lifestyle and nutrition patterns during the recent decades, the structure of **causes of death** has changed. The main reasons for death are cardiovascular diseases (65%). These are followed by injuries (8%) and respiratory system diseases (8%). In fact, injuries are the leading cause of death up to 45 years of age, neoplasms between 45 and 64, and cardiovascular diseases above the age of 65.

The health situation of the inhabitants also depends on their social and economic circumstances. The eastern part of Slovenia, where the GDP per capita is the lowest, unemployment the highest and social assistance the most common, has also the lowest life expectancy and the highest mortality. The research³ has shown that **socio-economic factors** are important determinants of the cause of death and the age of death. Differences in education among mortality causes between 25 and 64 years of age show that the mortality rate is highest among people without a completed primary education, and that a high educational level is in itself an important factor of protection. Women without a primary education are statistically more likely to die of cardiovascular diseases, and women with higher levels of education are more likely to die of breast cancer. Men without a primary education die more frequently of respiratory diseases, and men with secondary, college or university education are more prone to dying from diseases of the circulatory system, notably ischaemic heart diseases.

Other research included in the Human Development Report has shown that income and education have an important influence on the **self-assessment of health**. Each higher income decile to which a household belonged was reflected in 15%-30% higher odds of an individual assessing his/her health as good. On average, those with lower education assessed their health

3 Included in Human Development Report Slovenia 2002/03, Institute of Macroeconomic Analysis and Development.

(1.73⁴ in 1999) as worse than those with secondary (2.28) or higher education (2.25). In addition, the Slovenian Public Opinion Survey has proved that people with different levels of education make different individual use of health services. Persons with the lowest level of education visit out-patient services less frequently compared with other educational groups, but they are hospitalised more often, which means that they decide to see the doctor rather late when the disease is already quite advanced and hospital treatment required. This also points to the fear of the poor and uneducated that certain services will require financial contributions which they cannot afford. It is quite obvious that the existing system of insurance presents an obstacle to access to medical services. According to the present arrangement **voluntary insurance** must be paid in addition to compulsory insurance for the majority of services, and the level of premiums for voluntary insurance is the same for all, i.e. for people with low and high incomes. This creates unequal access to health care, as some categories have difficulties paying for voluntary insurance. In addition, there are some persons who are not insured (the homeless, persons without permanent residence, etc.), and they therefore have problems in gaining access to health services. A considerable obstacle in access to health services is caused by **lengthy waiting periods** for some medical services.

2.3. Education

In Slovenia (2001) 16.8% of the labour force have completed post-secondary education, 63.8% have secondary education, while 19.4% have only basic education. The educational level of young people (age group 25-29) has significantly improved; of those economically active, 20% have post-secondary education, 68% have secondary education and only 11.7% basic education. The educational level of the labour force is improving, although according to the proportion of the population with **tertiary education**, it still lags considerably behind more developed European countries. Despite the high post-secondary education enrolment rate (52.4% in 2002), the number of those graduating is still relatively low. The average time from enrolment to graduation is around six years, and the drop-out rate from tertiary education is still high.

The proportion of the adult population over the age of 25 with completed tertiary education is increasing, going from 14.2% in 1995 to 16.5% in 2001 (EU-15: 21.6%).

Enrolment in secondary schools is also high, incorporating 97.9% of 15-18 year olds in the academic year 2001/2002. In 2000, 75.4% of the generation completed secondary school. Previous data on the dropout rate (Table 12) show that it has been decreasing (14.1% of the generation 1992-1997 did not complete any secondary school, for the generation 1993-1998 the proportion was 13% and for the generation 1994-1999 it was 11.6%), although it was still relatively high in lower vocational education (31.9% of the generation 1993-1998 have not completed lower vocational education). More detailed analysis has shown that dropouts were higher in programmes in which pupils have re-enrolled from other programmes in which they have already been unsuccessful. There is no fundamental difference by sex, though dropping out is generally lower among girls. There is a characteristically high dropout rate among first-year pupils, and in the fourth year almost none. Another indicator, the proportion of early school-leavers, shows an improvement in the situation in this field in recent years (in 1995 the figure was 10.8%, while in 2002 it was 5.0%, and 18.9% in EU-15). However, it does not include the population below 18, where according to earlier data dropping out was higher.

4 Calculated as an arithmetic mean of the responses to the question about the subjective appraisal of one's health condition (on a scale 0 - very bad to 4 - excellent), calculations made by the Institute of the Macroeconomic Analysis and Development.

Any young person dropping out of the education process before acquiring an appropriate vocational qualification reduces their prospects of finding employment. This is clearly demonstrated by the structure of employed and unemployed by education.

While the inclusion of young persons in education is high (the net enrolment quotient in groups up to 29 is higher than in the EU), the **inclusion of adults** in formal education is still low for older age groups. The net enrolment quotient in all three levels of education is below the average in the EU. For the 30-39 age group, for example, it amounted in 1999 to 3% (EU: 5%), and for the over-40 age group it amounted to only 0.4% (EU: 1.3%) (Bevc et al., 2002). The level of lifelong learning, measured by participation of adults in education and training (5.1% in 2002 - structural indicator), is also considerably below the European average (8.4%).

Analysis of access to educational opportunities for adults has shown that opportunities are differentiated in relation to age and level of education achieved. Participation in adult education falls sharply after 40 years (around 20% in 1998) and is lower than the Slovene average (31%). As the education level rises, so does the level of participation in education, irrespective of age. Since 1987, the proportion of those active in education among the least educated adults has even fallen, and the proportion of the most educated included in education has increased. The other factor that has an important impact on the participation of adults in education is financing. The least educated persons receive the least financial support from employers for education (in 36% of cases). On the other hand, employers support almost three-quarters of education of the most highly educated population. In approximately two-thirds of cases, they also pay the costs of education of persons with secondary (and vocational) education. Education is more accessible to adults who have completed at least secondary school, since they also receive the most financial stimulation from employers and also the State, while the least educated are left to a large extent to their own financial resources.

The low level of lifelong learning is also probably the cause of the low level of **functional literacy**. An international survey on the literacy of the population aged from 16 to 65 showed that the majority (around 70%) had not reached a level that OECD experts judge to be appropriate from the viewpoint of the mobility, employability and participation of individuals in social processes.

With reference to **digital literacy** and ICT penetration rates, Slovenia – in comparison to other Candidate Countries (CCs) – implemented measures to catch up with global trends at an early enough stage. As a result, mobile telephones and Internet penetration rates are high. The Internet penetration rate in the period 2001-2002 expanded from less than a quarter to more than a third but the expansion ratio has not been accelerating recently and the current Internet penetration rate is 35% of the population, which is still below the average EU indicators (over 50%). Slovenia is – together with Estonia and Malta – taking the lead in developing the information society in comparison to other CCs (eEurope+ Progress Report and Deiss, 2002), but taking full advantage of ICT primarily in terms of eLearning potential for lifelong learning and teleworking potential for mobility of labour remains a challenge.

2.4. Housing

Prior to privatisation of the social housing fund, 34% of housing units were rented. After privatisation (1993), a total of 88% of Slovenia's residential housing was privately owned, and only 12% rented (approximately 81 000 apartments). Obtaining non-profit and social housing is almost at a complete standstill. In 2000, only 650 social and non-profit units were built. The

National Housing Programme 2000-2009 provided for gradual increased construction of this housing, 1 400 units in 2003, in the target year 2009 and for the following years it is considered that it would be necessary to provide around 4 500 housing units every year for those who, because of low income, cannot provide housing for themselves. Recently there has been a **shortfall in non-profit housing** (including social housing), amounting to 8 500 units.

In addition, **emergency and temporary accommodation**, which would be intended for the temporary solution of the housing problems of those people who find themselves without a roof over their heads, is not available. These are people from various social strata of society who, because of eviction (on account of personal bankruptcy or for other reasons) or because of the sudden demolition of housing, are left without accommodation. This brings about temporary homelessness. This requires urgent measures in order to prevent or at least mitigate their social exclusion, in particular for the protection of families. Together with the lack of social and non-profit housing, there is generally also no space for the temporary solution of housing problems in such cases.

Availability of housing is also inadequate for groups of the population **with special needs**, including housing for community forms of living, such as communities for physically or mentally handicapped persons and persons with mental health difficulties.

There are currently three **shelters** in Slovenia that provide accommodation for approximately 60 homeless persons. In other programmes that are similarly devoted to the homeless (day centres for help and advice to the homeless, distribution of food and clothing, day clinics for the homeless), there are around 800 homeless persons and many of them also need accommodation in shelters.

The housing conditions of **Roma**, of whom there are between 7 000 and 10 000 in Slovenia, are generally still considerably worse than for the rest of the population. In some communities, inadequate housing objects, without sanitary facilities, electricity, mains water, sewerage and waste removal still exist.

Only tenants who are recipients of social assistance can get assistance in paying rents (**rent supplement**). In December 2002, only 2 740 tenants, or around 3.3% of all tenants, were entitled to such a supplement. The average amount was 8 700 Slovenian tolar (37.66 euro). Tenants who slightly exceed with their own income the income threshold for the entitlement to social assistance lose the right to social assistance as well as to rent supplement. After paying rent, they may have less disposable income than recipients of social assistance.

2.5. Social services

The social service network is relatively well developed. In recent years it has been developed particularly in the area of adapting to its clients' problems, widening its range of services, offering choices and pluralising the service provider network. In the past the service providers were primarily state institutions, but an important part of the network is now occupied by NGOs and the private sector.

The largest widening of the network in recent years has been in the provision of care to the elderly (old people's homes, home helps, day centres), persons with mental health problems, victims of violence, and drug addicts. Despite this the range of services and programme accessibility remains below the required level, so further widening will be needed, especially for the most vulnerable groups.

2.6. Poverty and income distribution

Taking into account income in cash + in kind⁵, the at-risk-of-poverty rate in 2000 was 11%, that is 2 percentage points lower than the at-risk-of-poverty rate⁶ calculated on the basis of income in cash only (13%). It is also below EU-15 average (15%) indicating the favourable **influence of income in kind**, especially for the self-employed, as the at-risk-of-poverty rate of this group fell substantially from 19% to 10% in 2000 (Table 15).

Income inequality measured by the **S80/S20 quintile share ratio** and the **Gini coefficient**, calculated using both kinds of income (in cash + in kind) amounted at 3.2 and 22 (Table 13). On average, individuals lacked 18% of income in order to attain the poverty threshold (**relative at-risk-of-poverty gap**). When calculating the S80/S20 quintile share ratio and the Gini coefficient using income in cash⁷ figures are lower than in the EU-15 (Table 13).. The poverty threshold in Slovenia, measured in PPS, represents approximately 74% of that of EU-15.

Excluding social transfers from income, the at-risk-of-poverty rate has been increasing greatly and shows a continuous and persistent growth, which indicates the major influence of social transfers (including pensions) on reducing the risk of poverty. Additional research⁸ also indicates the increased influence of social benefits in the period 1997-1999 in comparison with 1993, especially in households with children. Social benefits (child benefit, sick pay, social assistance, unemployment benefit, 'war laws' receipts and scholarships) are becoming an increasingly frequent source of income for lower-income groups. At the same time, social benefits are found much less frequently in the higher-income groups (Table 14).

The at-risk-of-poverty rate (Table 15; year 2000, income in cash + in kind) is higher for women (12%) than for men (10%). The at-risk-of-poverty rate for children (0-15 years of age) is below average (9%) and has slightly decreased (in 1999 it was 10%)., and is lower compared to EU-15 (19%).

The at-risk-of-poverty rate according to **activity status** is particularly high for the unemployed (43%, 38% in EU-15), where women (45%) are in a worse position than men (42%). Unemployment is thus one of the major determinants of poverty and social exclusion. The at-risk-of-poverty rate is also relatively high for other economically inactive persons (19%). This group includes housewives, persons unable to work, pupils and students, persons in military service and other economically inactive persons (elderly without pension). Above average, but low, is also the risk of poverty among retired persons (15%), where women (17%) are in a worse position than men (12%).

In terms of **household type**, the most vulnerable to poverty are one-person households (35%), where women (39%) are in a much worse position than men (26%). Among one-person households, persons aged 65 years or more are slightly (42%, see next paragraph for more detailed explanation) in better position as they were in 1999 (46%), but they are still in a

5 For accession and candidate countries, Eurostat publishes indicators of social cohesion taking this income into account.

6 Based on the latest Eurostat recommendations, where a determination of the at-risk-of-poverty threshold derives from equivalent income (income in cash), median as the middle value, 60% cut-off, the OECD modified equivalence scale and the distribution of persons.

7 Statistical figures mentioned in this section refer mostly to year 2000 and income in cash + in kind, unless otherwise specified.

8 Institute for Economic Research, 2000, 2001.

much worse position than young ones (26%). The at-risk-of-poverty rate of older couples without children, where at least one member is older than 64, is 18% and higher than in the EU-15, where it is 14%.

The at-risk-of-poverty rate of the retired was only a little above the average (15% in 1999 and 2000; both values are comparable to the 16% in EU-15 in 2000), it can be assumed that the reason for poverty of the elderly, 65 years and more (22% in 1999) is not low pensions, but the fact that a proportion of the elderly (especially women) were not receiving any pension in 1999. Because of this, the at-risk-of-poverty rate for other economically inactive persons was high. In the coming years, we anticipate an improvement of the position of the elderly because of the introduction of a state pension, which has been gradually implemented since 2001. A slightly improvement of at-risk-of-poverty rate for elderly, 65 years and more, has taken place in 2000 (21%). The at-risk-of-poverty rate is also relatively high for single-parent households (23% in 1999), while for families with children it is lower and is near average (12%), except for families with two adults and two dependent children where it is under average (6%). Because of the recent increase in family benefits (in 1999) and social assistance (in 2001), whereby a supplement for a single-parent family has been introduced, we anticipate an improvement in the position of these families and of the children who live in these families. The indicator of at-risk-of-poverty for single parent household improved to 20% in 2000 (3 percentage points lower than in 1999).

According to **tenure status**, tenants have an above-average risk of poverty which was 22% in 1999 and improved to 17% in 2000 (24% in EU-15)).

There are no **regional data** on poverty, but we can indirectly estimate it through the regional distribution of those entitled to **social assistance** (Table 16). Just like the number of unemployed (unemployment is the major determinant of poverty), the number of those entitled to social assistance is greater in the eastern part of Slovenia. In December 2002, the largest proportion of the population receiving social assistance was in Pomurje (8%), which exceeds the Slovene average (3.6%) by more than twice, and there is also an above-average proportion in Podravska (5.7%), Zasavska (5.6%), Spodnjeposavska and Savinjska region (5.2%). Other regions, which are mainly in the central and western part of the country, have smaller numbers of beneficiaries, with fewest in the Goriška region (1.1%).

The State grants social assistance to those persons who do not have the means to ensure the minimum income level for themselves and their family (not household). The minimum income level represents the means for satisfying the minimum needs to ensure subsistence. In December 2002, 3.6% of the population were entitled to social assistance. The structure of the recipients of social assistance shows (Table 17) that the majority of them were unemployed (90% of persons who apply and obtain social assistance for themselves and their family were unemployed), 42% had no education, 49% were young, between 18 and 26 years of age, without any income (71%) and 74% of them were single.

2.7. Vulnerable groups

As is evident from the previous sections, vulnerable groups include in particular the disabled (unemployment, inadequate housing), the homeless (health, housing problems), Roma (unemployment, low education, poor housing) and people with low income (unemployed, elderly without pensions, single-parent families).

Over the past few years, some other groups have similarly experienced increasing problems, in particular the victims of violence, people with mental health problems, addicts, persons in post-penal treatment and people without a work permit. There is not much information available about these groups that would give a full picture of their situation. What the individuals from these groups have in common⁹ is that owing to diverse problems they usually face an extremely poor social and economic situation, stretching over a longer period of time. They are discriminated against on the labour market and therefore find it very hard to obtain employment. Many become apathetic and unmotivated to seek employment and are consequently permanently dependent on social benefits. Within each observed group there are individuals who struggle with distinct problems and are in different problem phases, have unique life stories and experience. They cannot be classified easily into one single group, since their problems are often common to several observed groups and are extremely complex.

3. KEY CHALLENGES

Social inclusion in Slovenia faces the following particularly important challenges (listed in order of priority):

3.1. Developing an inclusive labour market and promoting employment as a right and opportunity for all

Since unemployment is one of the main causes of poverty and social exclusion, promoting access to employment is a key way out of poverty and social exclusion. Despite decreasing unemployment in Slovenia, the structural problems remain. The challenge is thus to reduce the structural imbalances, primarily by paying more attention **through active employment policy measures** to the long-term, unskilled, young (especially women), elderly and Roma unemployed. Further action should therefore be redirected from what are termed passive forms (benefits) of help to active forms, primarily to those that remove the causes of unemployment, including most importantly a low educational level and inadequate vocational skills, and associated problems in finding employment. In other words, the policy must bring people who depend on benefits back to work as well as creating more and better jobs. As exclusion of persons with disability from the labour market is increasing, special attention will need to be devoted to **equalising opportunities and increasing independence for people with special needs**. Furthermore, employment opportunities have also to be ensured **for the most vulnerable groups**, who are confronted with an accumulation of problems of social exclusion and who are therefore furthest from the labour market (such as persons with mental health problems, addicts, victims of violence, ex-prisoners, homeless, etc.).

3.2. Tackling educational disadvantages

The education structure of the adult population is improving, but the proportion of persons with completed tertiary education is still relatively low, and the inclusion of older persons in education and training and the level of functional literacy are still unsatisfactory. Besides unemployment, poor education is the main determinant of poverty and social exclusion. Because of this, **increased investment in education** remains a key long-term policy to

⁹ Research study: Social and economic inclusion of deprived groups: Possible measures to increase the employability of the most vulnerable categories of long-term employed and inactive persons (Research was co-financed by the European Commission, Ref. No VS/2003/0068).

prevent poverty and social exclusion. Special attention should be devoted to **developing and extending the lifelong learning** culture. Inclusion of the young in education is increasing, while the dropout rate is still relatively high, mainly in lower vocational education. Since every person dropping out from the education process before acquiring an appropriate qualification reduces their prospects of finding employment, **reducing** (preventing young people from dropping out of school and bringing them back into learning) **the dropout rate** from secondary schools is still one of the key strategies in the fight against social exclusion. In addition, in recent years a disparity in the use of the Internet between Slovenia and the EU has appeared, so Slovenia must do more **to stimulate progress in ICT use**. In this way, risks connected with the digital gap would be reduced.

3.3. Ensuring good accommodation for all

Ensuring affordable accommodation is still a significant challenge. There has to be **improved access to housing for low-income households** by increasing the number of non-profit housing units as well as creating and implementing a new system of subsidising rents (assistance in paying rents). In addition, there is a need to provide adequate housing for other vulnerable groups such as disabled, Roma, victims of violence, persons with mental health problems, homeless, and to develop appropriate responses to prevent homelessness (emergency accommodation).

3.4. Reduction in regional disparities

It is becoming obvious that the eastern part of Slovenia is in a worse position as regards GDP per capita, unemployment, life expectancy, mortality and recipients of social assistance. **Reform of regional policy**, which should reduce regional differences, started with the adoption of the Balanced Regional Development Act (1999) and the regional development strategy (2001). The reform has established the new institutional framework at regional and national level, but it is still expected to give improved results in the coming period. The basic instrument of planning and stimulating development in the regions is the regional development programme (already produced for all regions except Podravska, which has already adopted the strategic part).

3.5. Improving delivery of services

Social service implementation will have to be further **adapted to the needs** of users and in some places the **network will have to be extended**, especially for the most vulnerable groups such as victims of violence, persons with mental health problems, addicts, ex-prisoners. Despite the rapid expansion in recent years, the existing capacity will not satisfy the growing needs. This will necessitate the coordinated functioning of national and local authorities.

As the present organisation of health insurance (compulsory and voluntary) creates unequal access to **health care**, extensive reform of financing has to be prepared. The aim is to implement new arrangements so that the majority of services that are vitally necessary and useful for health and treatment are available entirely under compulsory health insurance.

3.6. Guaranteeing an adequate income and resources to live in human dignity

Taking into account the relatively high proportion of expenditure on social security, the level of poverty in Slovenia is relatively low. It has been decreasing since 1997 and is lower than the EU average. Poverty analyses show that social benefits are being correctly directed

towards the weakest income groups of the population. In recent years, the possibilities for receiving such benefits and their levels have been improved, especially in terms of social assistance and for certain family benefits and the State pension. It is not therefore necessary to introduce additional benefits, although it is necessary **to verify the reciprocal functioning of these benefits** and their influence on the income position of various types of family, with the aim of establishing the potential accumulating of benefits for some and exclusion from this system for others (as is the case for rent supplement). It means reviewing the systems and policies geared towards a redistribution of resources across society to avoid poverty traps.

4. POLICY ISSUES

European Community legislation prohibits racial discrimination in employment, education, social security, health care, housing and access to goods and services. Discrimination on grounds of religion or belief, age, disability and sexual orientation are also covered in the areas of employment and training¹⁰. The transposition and effective implementation of these Directives should form part of Slovenia's strategy for promoting the integration of ethnic minorities and other disadvantaged groups.

4.1. Facilitating participation in employment

4.1.1. *To promote access to stable and quality employment, active employment policies, training*

4.1.1.1. The most relevant aspects of the current situation

The situation described above, in particular the demographic characteristics of the population, educational attainment, and poverty and income distribution are strongly connected to the labour market developments. Although the overall picture concerning the labour market in Slovenia is positive, the structural problems of unemployment persist, resulting in **a slow decrease of unemployment**. Measures relating to the reduction of unemployment are defined in the Active Labour Policy Programmes. The promotion of work and active working life is the necessary precondition for combating poverty and social exclusion.

In 2001, **59.8% of all registered unemployed people were involved in active employment policy programmes**, the majority of them in educational and training programmes. Although the total number of participants in active employment programmes has decreased (from 67 585 in 1998 to 60 914 in 2001), the activation rate has increased from 53.6% to 59.8% over the same period. Active employment policy programmes expenditure in 2001 amounted in total to SIT 16 211 million or 28% more in real terms than in 2000, which represented only **0.36% of GDP**. The share of active employment policy is 37% (39% in 2002, 40% planned for 2003), while passive measures account for 63% (61% in 2002, 60% planned for 2003). Among the active employment policy measures, first place is occupied by public works with expenditure of 32.8% of the total, followed by subsidising social contributions (26.5%), and education and training (17.6%).

10 Directives 2000/43/EC and 2000/78/EC.

4.1.1.2. The main policies and institutions

The main policy instruments facilitating participation and employment are defined by the **National Programme of Development of the Labour Market and Employment up to 2006**, which was adopted by the Parliament in autumn 2001, as well as the **Active Employment Policy Guidelines 2002-2003** and the **Active Labour Policy Programmes 2003**. The listed policy instruments have been designed in accordance with the European Employment Strategy and the annual employment policy guidelines.

In addition, the Government of the Republic of Slovenia and the European Commission have prepared a Joint Assessment of Slovenia's medium-term employment and labour market policy priorities (**JAP**). The document was signed in 2000 and the progress in implementing its priorities has been monitored since then. This document presents an agreed set of employment and labour market objectives necessary to further Slovenia's labour market transformation, as well as to prepare the country for future participation in the European Employment Strategy.

The Ministry of Labour, Family and Social Affairs is responsible for policy-making, while the implementation of the measures and programmes has been mainly carried out by the Employment Service of Slovenia.

The programmes that have been carried out within the **active labour market policy** and address aspects of social inclusion in facilitating participation and employment are in particular:

- Education, training and vocational rehabilitation
- Compensation for a portion of companies' expenditure for disabled people
- Subsidising employment in the non-profit sector
- New forms of employment: assistance at home for elderly, people with disabilities
- Public works
- Promoting self-employment.

The **target groups** for participation in the active employment policy programmes are set out in the Active Employment Policy Guidelines. **The information and vocational counselling programmes** are intended for all unemployed persons, **improvement and training programmes** are intended for unemployed persons with real employment possibilities, while **individual programmes** of the Active Employment Policy are intended for basic target groups as follows:

- young persons up to 26 years old;
- women;
- persons with disabilities;
- persons more difficult to employ (over 50 years old and registered at the Employment Service for more than 6 months, over 45 years old with a secondary school level of

education or less and unemployed for more than one year, single parents or persons whose partner is unemployed and persons without vocational education or work experience);

- redundant workers.

Active employment policy programmes are also designed in such a way as to tackle the **regional imbalances** in employment, which are very high and still increasing.

4.1.1.3. Brief assessment of the key priorities for future policy review

Key future policies will be directed towards activation and prevention of long-term unemployment and other sources of exclusion. **The implementation of the existing programmes** that have proved to be effective will continue. They will be supported by promotion of local employment programmes, development of social economy, by implementation of training, education and the retraining of unskilled people and people with disabilities. The policy response to the regional imbalances in unemployment will be carried out through a regional approach for most of the active employment policy measures. This provides higher funding in regions with an above-average level of unemployment.

In addition to the existing active employment policy programmes, **special social inclusion programmes** to respond to the needs of the persons most difficult to employ, especially persons with disabilities and the socially excluded, are planned:

- Development of **social workplaces**, which will ensure employment for the categories of the labour force which are most difficult to employ through the economic activity in a sheltered environment (see also 4.1.2.3) and the adaptation of active employment policy programmes to the needs of the most vulnerable groups that are alienated from the labour market (the homeless, victims of violence, people with mental health problems, addicts, persons in post-penal treatment). Apart from this, Slovenia will have to address the issue of creating employment opportunities for persons not holding a work permit.
- **Action employment programme for unemployed Roma.** The Ministry of Labour, Family and Social Affairs in cooperation with the Ministry of Education, Science and Sport started preparing the programme in the spring of 2003. It is expected to be adopted by the Government by the end of 2003. The aim of the programme is to increase employment opportunities for Roma and to reduce the number of unemployed Roma by means of the following measures: to include young unemployed Roma in primary and vocational schools, to include adult Roma in programmes of subsidised jobs (in cooperation with Roma associations and local communities), to create public works (for learning assistance) in order to reduce school drop-outs, to employ Roma advisers in public employment services.

4.1.2. *Social economy*

4.1.2.1. The most relevant aspects of the current situation

As stated in 1.2., the number of unemployed persons with disabilities has been increasing in past years (14 493 at the end of 2001) owing to the limited employment opportunities. At the end of 2001 there were 28 967 regularly employed persons with disabilities, mostly on the open labour market (22 813) and the remainder in sheltered companies. The employment of persons with disabilities in **sheltered companies** is now the most appropriate, indeed their only, possibility for employment. This is the only form of social economy in recent years.

There are 151 sheltered companies (data from February 2002) and they employ 6 202 persons with disabilities and 6 767 non-disabled persons.

4.1.2.2. The main policies and institutions

The status of a sheltered company can – with the prior consent of the Government – be granted to a company which throughout the financial year trains and employs people with disabilities, representing at least 40% of all employees of the company. Sheltered companies train and employ people with disabilities who on account of their disability and reduced working capacity cannot receive training and find employment under the same conditions as other people with disabilities. On the market, sheltered companies do not differ from other economic agents. Nevertheless, they have a special legal status with regard to taxes, employment relationships, social security and so on. They are entitled to monthly compensation as part of the wage for the employed people with disabilities. Sheltered companies are exempt from corporate income and payroll taxes. Social security contributions for the employees are paid to a special employer's account and used for material development of the companies.

According to the Training and Employment of Disabled Persons Act, control over the work and operation of sheltered companies is exercised by an expert commission for verifying the fulfilment of conditions required for a company to be granted the status of training and employing people with disabilities by the Ministry of Labour, Family and Social Affairs. In accordance with other regulations, control is also exercised by the Tax Administration, the Court of Auditors and the Labour Inspectorate.

4.1.2.3. Brief assessment of the key priorities for future policy review

In order to improve the position of one of society's weakest groups, the Ministry of Labour, Family and Social Affairs has already prepared a special **Strategy for Training and Employment of Disabled Persons 2003-2006** (work material, March 2003). This strategy will also directly contribute to realising strategic goals from the National Programme for Labour Market Development and Employment 2001-2006. A draft for a new **Act on the Employment Rehabilitation and Employment of Disabled Persons** has been prepared on this basis and is expected to be adopted by the Parliament at the beginning of 2004. The new statutory provisions require wider changes in this field, since the current legislative organisation of training and employment of persons with disabilities dates from 1976. In addition to social reasons, economic arguments also dictate changes in this field, since measures introduced prior to 1990 discourage persons with disabilities from active efforts to seek training and employment opportunities. The aim of the Act is to provide disabled persons with suitable training courses and their employment in specialised forms (further development of the forms of social economy) and on the open labour market, based on their skills and abilities for work and independent life. The Act introduces the following innovations:

- **the right of rehabilitation** for employment, which would be carried out by regional rehabilitation centres;
- **sheltered employment** in protected workplaces for disabled persons, who despite rehabilitation can only be employed on certain conditions in regional and local centres (one of the forms of social economy);

- **supported employment** with professional, technical and material support to employees and employers who employ disabled persons and subsidise their wages;
- **a quota system** as an obligation for employers to employ a specific number of disabled persons out of the total number of employees.

The Act also envisages the establishment of a public fund into which funds will be placed for employment support for persons with disabilities (funds from employers who do not employ the specific number of persons with disabilities under the quota system and other funds).

Forms of sheltered employment, which currently exist only for people with disabilities, as well as other forms of social economy have to be developed also **for other highly vulnerable** persons who, because of their characteristics and the accumulation of disadvantages, are furthest from the labour market (such as persons with mental health problems, addicts, victims of violence, ex-prisoners, homeless). These **social workplaces** will ensure employment for the categories of the labour force which are most difficult to employ through the economic activity in a sheltered environment, where the type of work is adapted to the ability of each worker and where support (social, psychological) is provided. Funding of the activities is to be secured firstly by the Government and the local budget and secondly by donations.

4.1.3. *Child and dependent care*

4.1.3.1. The most relevant aspects of the current situation

In order for parents to be included in the labour market, suitable childcare must be provided. This is provided by the system of **pre-school education**. In the academic year 1999/2000, there were 64 151 children, or 56.2% of children, included in 290 pre-school institutions. Of these, there were 14 private pre-school institutions with 621 children. From 1 January 2000 onwards, parents pay a maximum of 80% and a minimum of 10% of the cost of pre-school programmes, depending on their income. Parents in receipt of social assistance are exempt from payment entirely. The average payment of parents in 2001 amounted to 32.4% of the cost of programmes; the difference with the full cost of programmes is met by municipalities.

Another important factor, besides childcare, for including the active population in the labour market is adequate **care for the elderly and other dependent family members**. In the past, in Slovenia there was a relatively well-developed institutional care for the elderly and others who cannot care for themselves. In recent years other, non-institutional forms of care have developed, above all home-help services. Home-help is currently provided to 5 000 elderly people (almost 1.8% of all elderly people) and 400 disabled people.

4.1.3.2. The main policies and institutions

Pre-school education is provided in accordance with the **Pre-school Institutions Act** (1996). The Ministry of Education, Science and Sport is responsible for policy-making.

Institutional care, home help and other social services are regulated by the **Social Assistance and Services Act** (1992, last amended in 2001); the providers of institutional care are old people's homes (mainly public), while the main providers of home help are social work centres. The Ministry of Labour, Family and Social Affairs is responsible for policy-making. The objective of providing home help to 1.8 per cent of all elderly people, set out in the 1997 Programme for the Development Care for the Elderly and the 2000 National Social

Assistance and Services Programme 2000-2005, has now almost been achieved (92% of the target reached).

4.1.3.3. Brief assessment of the key priorities for future policy review

New rules on the methodology for calculating the **Price of Pre-school Programmes** have been drawn up and adopted by the Minister in September 2003 and will come into effect from January 2004. The method of calculating the price of a programme is being unified, so that there will not be any differences between municipalities. This is fairer for parents who have been paying different prices for the same programme.

The new price methodology for home help was implemented in 2003. The right level of **subsidising home help** by the municipalities will have to be found, as the possibility of using these services will be reduced if the prices are too high.

It is worth mentioning here that a new legislative scheme is in preparation (in the first half of 2003 it will be submitted to the Parliament) that will give severely mentally and physically disabled persons the right to a **personal assistant** if they are not in institutional care, which will certainly ease the burden on their family members.

4.1.4. *Prevention of exclusion in the workplace*

4.1.4.1. The most relevant aspects of the current situation

The best way of preventing exclusion from the labour market is **continuing (vocational) training** in the workplace. It is also important to include adults in other education programmes offering people the chance of a higher level of qualifications, leading to greater workforce flexibility by enabling it to adapt to new requirements. As stated in section 4.2.2.3, the introduction of the lifelong learning concept in Slovenia is still in an early phase – a participation rate of 32.4% in lifelong learning is low (employed adults participate in different forms of education and training). Employer investment in human capital development is relatively low.

4.1.4.2. The main policies and institutions

The new **Employment Relationship Act** (2002) regulates the right and the responsibility of workers to continuing education, advanced education and training in order to preserve their employment or improve their professional skills in their workplaces. Special attention should be drawn to the provisions on the termination of employment, or the rights of the workers whose employment is terminated for business reasons or due to the worker's failure to achieve the expected results. Before terminating the contract of employment for either one of the two reasons, the employer has to check whether it is possible to employ the worker under the changed conditions or at another workplace or perhaps additionally train the worker for the existing post or retrain him/her for another post. Special protection against dismissal is provided for elderly workers and workers with an occupational disability. In terms of the prevention of exclusion in the workplace, the Act contains an important provision on prohibition of discrimination in employment. The employer may not treat unequally the seekers of employment and later the workers during the employment relationship, and as regards the termination of an employment contract the employer may not base it on the grounds of their gender, race, colour of the skin, age, health condition or disability, religious, political or other conviction, membership of a trade union, national and social origin, family status, financial situation, sexual orientation or other personal circumstances.

In addition, the Pensions and Disability Insurance Act (1999, came into force on 1 January 2000) contains important stipulations on the protection of workers if and when they become disabled. Among the most important ones are the right to occupational rehabilitation, the right to reassignment and benefit, the right to part-time work and the partial invalidity pension.

The Ministry of Labour, Family and Social Affairs is responsible for policy-making in this field. For lifelong learning the Ministry of Education, Science and Sport is responsible for policy-making.

4.1.4.3. Brief assessment of the key priorities for future policy review

Lifelong learning (see education, 4.2.2.3) should continue to be promoted. The **new Act on the Employment Rehabilitation and Employment of Disabled Persons** (see 4.1.1.3.) will introduce an important innovation for disabled persons, as it will mean that not only unemployed disabled persons are entitled to employment rehabilitation but also employed disabled persons requiring rehabilitation in order to keep their job and gain promotion or change their professional career.

4.2. Promoting access to resources, rights, goods and services

4.2.1. *Social protection, minimum income, poverty traps*

4.2.1.1. The most relevant aspects of the current situation

In all areas of **social protection**, Slovenia has incorporated mechanisms for protection of the most vulnerable groups of the population, as regards both benefits and various services and other forms of assistance. Most benefit schemes therefore also consider the social standing of the beneficiaries and thereby significantly affect the social structure of the population; in addition, the individual systems exert a direct mutual effect on each other, since they are designed in such a way that the individuals are primarily intended to assert their rights in particular areas of social security. In the event that they fail to provide for their subsistence in that manner, they are granted social assistance.

The minimum wage, which is intended to ensure a minimum standard of living for employees, was 41.5% of the average wage or 54.8% of the average wage of employees in manufacturing paid on the basis of collective agreements (in 2002). This proportion is gradually growing (in 1998 was 52.9%), owing to the fact that the minimum wage is increasing faster than other wages. The minimum wage is not adjusted only in the way that applies for other wages but faster, since it is increased once a year in accordance with the growth of gross domestic product. The minimum wage is only additionally adjusted if in the past year it did not achieve on average 58% of the average wage of employees in manufacturing activities paid on the basis of collective agreements. This arrangement means that, in the event of a further increase in GDP, the minimum wage is additionally increased until it achieves this ratio.

In all spheres of social protection, significant changes have been adopted in the last few years, whereby special attention has been devoted to the **protection of people with the lowest income**. Special measures have been adopted for those groups, who are recognised as the most vulnerable to poverty (the elderly, single-parent households). The State pension has therefore been introduced as well as a supplement for single-parent families entitled to child

benefit and social assistance. The level of social assistance has also been substantially increased.

The **State pension, which is a benefit** (see 4.2.1.2a), has been gradually introduced since 2000, and the age condition is being gradually reduced from 70 to 65 years in 2006. In December 2002, a total of 13 781 people (3% of pensioners) received a State pension, and the amount of the State pension was SIT 29 728.93 per month, which represented 30% of the average pension. The number of recipients will slightly increase in the coming years until 2006, when it will be introduced in full.

Child benefit is an important social benefit, the aim of which is to provide the parents with supplementary income for maintaining, raising and educating the child when the income per family member does not exceed 99% of the average wage in the Republic of Slovenia. Around 410 000 children (approximately 85% of children) receive child benefit, of whom around a quarter (26%) receive the highest child benefit (first two classes), which represents nearly half of total assets (46%) (Table 18). When the child lives in a single-parent family, the individual amount of child benefit is increased by 10% (from 1. 1. 2004 onwards, according to the new Parental Protection and Family Benefits Act, which is gradually being implemented, see 4.2.1.2d). For pre-school children not included in pre-school education, the individual amount of child benefit is increased by 20% (from 1.1.2003 onwards).

All persons who cannot provide means to the level of minimum income for themselves and their families for reasons outside their control are entitled to **social assistance**. Minimum income (income threshold for the entitlement) is increased most (with the amendments of the Social Assistance and Services Act, which were implemented in September 2001) for single persons and first adult persons in the family, namely by 64%. This new amount represents 61% of the minimum net wage and 29% of the average net wage. Minimum income for a single-parent family is increased by 30% of the minimum income for the first adult. Changes to the Act have enabled a larger number of people to receive social assistance and also provide them with a higher amount of assistance. The number of recipients has increased by 31% (December 2002/August 2001), and the average level of social assistance by 43%. There are about 15% single-parent families among the recipients of social assistance and they thus receive the increased value of social assistance. Around 2 700 recipients of social assistance receive a supplement for paying rent (**housing benefit**), since only those entitled to social assistance are entitled to this benefit. It is estimated that only 3% of tenants receive this benefit.

The personal **income tax** system undoubtedly influences the amount of disposable income. The current system contains instruments directed at providing security for low-income groups, especially those who receive social benefits (non-contributory), as those benefits are in principle tax-exempt.

As stated above, the system of social protection was adapted to the new circumstances in the last few years, so the criteria for granting social benefits, the level of benefits and indexing were changed. After all these changes a special study¹¹ was carried out in 2002 with the aim

11 As part of a Twinning project financed by the European Commission: "Review and analysis of social benefits", Nada Stropnik, BASNET expert, 2001. The emphasis was on non-contributory benefits, which have the nature of social assistance. Almost all of the benefits are also income-tested. These benefits are particularly important for the fight against poverty and social exclusion. The following benefits were analysed: social assistance, rent allowance, parental allowance (universal benefit), child benefit, large-family supplement (universal benefit), unemployment

of checking the mutual **interaction of all these benefits** in order to ascertain **possible accumulations** of benefits on the one hand and the **poverty trap** on the other. The study pointed to a poverty trap caused by **benefits linked to social assistance**. A recipient of this assistance is also entitled to a supplement for rent, to free school lunches, to the highest subsidy of the cost of pre-school education. A family that slightly exceeds with its own income the cut-off for obtaining social assistance also loses the right to rent supplement and free school lunches, and in addition is entitled to a lower child benefit and receives a lower childcare subsidy and lower education grants. Simple calculation shows that these families are in a worse position than those with lower income who are entitled to various types of (higher) social benefits and allowances. In order to prevent the occurrence of the poverty trap, linked benefits should also be available to those whose income is slightly above the minimum income. It is therefore necessary gradually to grant these rights or, put another way, to define differently the upper boundary of income for entitlement to specific benefits.

4.2.1.2. The main policies and institutions

Social protection is regulated by different Acts and administered by different Ministries and related services. Insurance-based benefits are financed by contributions from employers and employees, while non-contributory (social assistance and family) benefits are financed primarily by the State budget. Insurance-based benefits are related to previous wages of beneficiaries (except for unemployment assistance, which is a contributory flat-rate benefit). Social assistance, unemployment assistance and some family benefits (child benefit) are means-tested, while some family benefits are the same for all eligible persons.

Benefits are provided by the following Acts:

- (a) *Pensions and Disability Insurance Act (1999, which took effect on 1.1.2000); pensions and disability disbursements are administered by the National Pension and Disability Insurance Institute; the Ministry of Labour, Family and Social Affairs is responsible for policy-making.*

With the adoption of the new Act on Pensions and Disability Insurance towards the end of 1999, **the reform** of this insurance (started in 1996) came to a close. This reform has instituted a gradual increase in the retirement age and introduced the so-called full retirement age (61 years for women and 63 years for men), which has become a very important element in the determination of the pension, because with the minimum age of 58 years (if a woman has completed a pension-qualifying period of 38 years, for a man 40 years), the amount of pension is determined by a deduction for every missing month to the full retirement age. Contrary to this, the pension increases in accordance with the years exceeding the full retirement age (“bonus-malus” system). The reform has lowered the pension assessment base so that now a year does not translate into 2% (maximum assessment 85%) but only 1.5% (maximum assessment 72.5%). In order to determine the pension amount, a longer period is taken into consideration than in the past, namely instead of the salaries during the ten consecutive best employment years the new Act now considers the 18-year salary average (the Act is implemented gradually in this section as well). The reasons for the reform were large numbers of persons with early retirement schemes and the relatively low average age of pensioners, which in 1993 amounted to 56 years and 2 months for men and 53 years and 3 months for women (or an average of 55 years and 1 month). In 2002, the average age for

assistance (contributory benefit), national educational grant, childcare subsidy, subsidised school-meals and State pension.

retirement of old-age pensioners increased to 59 years and 11 months (men) and 55 years and 6 months (women), or an average of 57 years and 8 months).

Through compulsory pension and disability insurance, the insured persons receive pensions (old-age pension, disability pension, widow's/widower's pension, survivor's pension), exercise their disability insurance rights (occupational rehabilitation right, various compensations) and additional rights (attendance allowance, pension support, transitional and maintenance allowance, pensioner's recreation grant).

The Act is based on two important principles: mutuality and solidarity. Essentially, **solidarity** consists of individual groups of insured parties obtaining a greater extent of entitlements than they are due on the basis of paid contributions, if their social security would otherwise be threatened. Among these rights, the most important are the right to calculation of pension from the lowest pension basis and the right to pension support. **The minimum pension assessment base** is the lowest amount from which a pension is calculated in the case of an insuree being insured from pay, or insurance bases which do not enable calculation of a pension that would guarantee a pensioner social security. The right to **pension support** is held by those who enjoy an old age, disability, widow's or family pension, with permanent residence in Slovenia, whose pension does not reach the amount of the basis for calculating supplementary rights (the amount of the lowest pension for a full pension-qualifying period), if together with other family members they do not have other sources of income that would suffice for subsistence. Pension support to an old-age pension is calculated on the difference between the pension and the amount of the basis for calculating supplementary rights and comes to 60% of the basis for those entitled to a pension with a 15-year pension-qualifying period. For each additional complete year of pension-qualifying period, the level of pension support is increased by 2%, but it does not exceed 100% of the aforementioned difference. The number of those entitled in recent years has not fundamentally changed and remains at around 45 000.

Similarly, it is worth drawing attention to two rights that guarantee social security to widows in the transitional period after a spouse's death, if they do not fulfil the conditions for obtaining the right to a widow's pension. These are the right to transitional allowance and the right to maintenance allowance. **Transitional allowance** accrues to a widow or widower at a level of 6 months' widow(er)'s pension if she/he were to have the right to a widow(er)'s pension. After cessation of payment of transitional allowance, a widow or widower has the right to **maintenance allowance**, if she/he registers with the Employment Service within 30 days from the day of the loss of the right to transitional allowance and if she/he fulfils the assets conditions for obtaining the right to pension support.

The new Act introduced the right to a State pension, which can essentially improve the situation of older persons. The **State pension** is not a right under compulsory insurance but a benefit which is guaranteed to persons on reaching a specified age who have not completed the minimum insurance period for recognition of the right to a pension under either domestic or foreign regulations. The conditions for obtaining a State pension are: having reached the age of 65 years, permanent residence in Slovenia for at least 30 years between the ages of 15 and 65 and meeting the assets condition, the level of which is the same as that required for obtaining pension support, whereby for obtaining the right to a State pension only personal income is relevant. The State pension amounts to 33.3% of the lowest pension basis. We expect the introduction of the State pension will lead to an improvement in the position of elderly people (reducing poverty among elderly people without a pension to date).

- (b) *Health Care and Health Insurance Act (1992, amended several times in subsequent years); wage compensation and other sickness benefits are administered by the National Health Insurance Institute, while the Ministry of Health is responsible for policy-making.*

Under compulsory insurance, in which all are included, the payment of health services is **only guaranteed for a certain percentage of the service cost**. The full value of health services is covered only for certain population groups (children, school pupils, students, pregnant mothers, persons with disturbed physical or mental development), patients with specific chronic diseases and functional states. All other insured persons are required to pay the remaining portion, **either themselves or with a supplementary payment on the basis of voluntary health insurance**. The premium for voluntary health insurance is the same for all, from the poorest to the richest, which is unfair and creates unequal access to health care, as some categories have difficulties paying for the voluntary insurance.

- (c) *Act on Employment and Unemployment Insurance (1991, last amended in 1998); unemployment benefits, unemployment assistance and State educational grants (provided to apprentices, pupils and students coming from low-income families) are administered by the Employment Service; the Ministry of Labour, Family and Social Affairs is responsible for policy-making.*

The amendments to the law changed for **unemployment benefits and assistance** the eligibility conditions, duration, extension to retirement, and entitlements linked to active job-seeking. **Education grants** contribute to improving the position of families whose children are still in education. Another mechanism to assist those in education was the introduction (with an amending act of 1998) of **loans for studies**. The help of the State with loans for studies is mainly in providing equal conditions for applicants in obtaining such loans under legally regulated conditions, awarding concessions to banks who grant the loans, reimbursing real interest rates of loans and deferring repayment of loans until employment. **Subsidising school and student food** is also important for the education of the young. The Ministry of Education, Science and Sport is continuing the subsidy to school meals for school pupils and apprentices. In the 2001 academic year, 22.8% of school pupils and apprentices received reimbursed meals. The Ministry of Labour, Family and Social Affairs also subsidises student food on the basis of the Subsidising Student Food Act adopted in 2002.

- (d) *Parental Protection and Family Benefits Act (2001, which came into force on 1.1.2002); rights arising from insurance for parental protection and family benefits are administered by centres of social work; the Ministry of Labour, Family and Social Affairs is responsible for policy-making.*

Within the context of family benefits, the rights to parental allowance, child birth allowance, child benefit (increased for single-parent families and for pre-school children not included in pre-school education) and special child care allowance are newly defined and, as a completely new right, the Act introduces large-family allowance and partial payment for lost income. Of these, only child benefit is means-tested. **Parental allowance** is a monthly benefit intended for parents who do not fulfil the conditions for obtaining parental benefit deriving from insurance. **Child benefits** are an important social benefit and are means-tested. The **Maintenance Fund**, which was introduced in October 1999, has an important role in improving the income position of children. It is intended for children for whom maintenance has been determined but is not being paid by the person responsible. In December 2002, an

amendment to the Guarantee and Maintenance Fund RS Act was adopted, under which entitlement to compensation maintenance is no longer dependent on family income.

- (e) *Social Assistance and Services Act (1992, last amended in 2001); social assistance is administered by centres of social work; the Ministry of Labour, Family and Social Affairs is responsible for policy-making.*

With the latest amendments **social assistance** was substantially increased and provisions were enhanced in such a way that responsibilities and obligations are incumbent on the persons applying for and receiving social assistance. Entitlement to benefits may be granted to persons who cannot ensure means to the level of the minimum income for themselves and their family for reasons which were or are beyond their control. **These reasons** are set out in detail and closely related to the area of employment and unemployment insurance (unemployed are required to be registered at an Employment Office, with all the obligations that this status entails). Social assistance can be conditioned by a contract specifying the actions to be taken by the recipient (such as health treatment).

Social assistance is **income-tested**. The threshold is minimum income, which is determined for individual family members in proportion to the basic minimum income. For a **single-parent family** the level of minimum income is increased by 30% of the basic minimum income. Social assistance is equal to the **difference** between the sum of minimum incomes to which family members are entitled and their own income. Social assistance should be **the last financial resort** provided by the State. Before a person becomes entitled to social assistance, he must exercise the rights to benefits on the basis of other regulations (State pension, unemployment assistance) and other rights (alimony). There are still two supplements, **supplement for assistance and attendance** (the level is the same, as it is determined by the Pensions and Disability Insurance Act) and **rent supplement**, which cannot exceed 25% of basic minimum income. The rent supplements are still available only to tenants receiving social assistance, until such time as new regulations governing the area of housing are enforced (see 4.2.4.3).

4.2.1.3. Brief assessment of the key priorities for future policy review

In all spheres of social protection, important changes to the legislation have been adopted in the last few years, so major changes to the legislation are not expected, but careful monitoring of the implementation of the legislation and its effects is required. **Health insurance** is the only exception, where more extensive reform of financing is in preparation. The aim is to implement new arrangements so that the majority of services that are vitally necessary and useful for health and treatment are available entirely under compulsory health insurance. Such changes mean that the majority of rights now covered by the two types of insurance will be transferred in their entirety to compulsory insurance. In addition, a **new personal income tax act** is in preparation, which is intended to be even more firmly aimed than the present law at guaranteeing the social security of the weakest income groups. Among the basic aims taken into account in preparing this law are the general easing of the tax burden, especially for those in lower-income classes, who will be relieved of all burden. The aforementioned aims will be achieved in general through changes to the scale for calculating income tax and changes to tax relief.

It is clear that there are a large number of different social benefits, and a lot of them are income-tested. These are difficult administrative procedures. Social benefits are determined by various Acts and are administered by different institutions. It seems that the system of

social benefits is very complicated, which may lead to inconsistencies or injustices in the provision of the benefits. It was found out that the linkage of rent supplement with the granting of social assistance causes a poverty trap. This linkage will be removed with the implementation of the new system of subsidising rents (see 4.2.4.3). However, **the system of social benefits has to be further reviewed** in order to prevent possible accumulations of benefits and disincentives for work on the one hand and the poverty traps on the other hand.

Nevertheless, the basic policy goal is still to guarantee social security through work, employment and appropriate reimbursement. The payment policy has to pay special attention to avoiding wider income inequalities.

4.2.2. Education

4.2.2.1. The most relevant aspects of the current situation

As stated under point 2.3., the rate of inclusion in education for young people is high, although the **dropout** rate is still relatively high in lower vocational education. Also unsatisfactory is the level of inclusion of adults in education and the level of **lifelong learning**, which is too low.

4.2.2.2. The main policies and institutions

The systemic and content changes to the educational system began in 1995 with the adoption of new school legislation (Pre-school Institutions Act, Elementary School Act, Vocational and Technical Education Act, Gimnazije (grammar schools) Act, Adult Education Act), followed by the revision of curricular documents and the implementation of revised programmes.

The following measures are already being carried out to reduce the dropout rate:

- extending the network of schools and enrolment places in order to enable pupils to enrol in their preferred programme. This certainly contributes to greater motivation for education in programmes and thus to successful completion;
- counselling service in vocational guidance (in addition to the task of vocational guidance, the school counselling service is involved in the search for, and possible forms of support and help to, families when social and economic pressures threaten the pupil's physical, personal and social development);
- introduction of the dual system in secondary school education (the ratio between theoretical (school) knowledge and practical training in the apprenticeship system is 40%:60%. The dropout rate of the generation that enrolled in 1997 was only 1.5%. The low dropout rate is mainly attributed to the greater motivation of pupils and the fact that they gain concrete, practical knowledge, with the emphasis on an individual approach);
- in-service teacher training, which contributes to a higher quality of the educational process, which in turn can help reduce dropouts;
- inclusion of other players in helping those who are leaving schools - advisers at the Employment Service invite pupils who abandon education during the academic year for a discussion in order to help them in selecting a more suitable education programme, a more suitable method of education or in job-seeking. After two years of monitoring, we can say that the response is smaller than was expected, since only about half of those invited

respond. The Service's advisers report that those who do come to the discussion generally have a beneficial experience.

4.2.2.3. Brief assessment of the key priorities for future policy review

In future policy it is important to achieve the following aims:

1. to continue to devote considerable attention to **reducing the dropout rate**

The causes and consequences of lack of school success go beyond the scope of the upbringing-education sphere, so there must be suitable coordination among all fields and institutions dealing with this question.

2. to complete the content updating of vocational and professional education, mainly through the **introduction of a certificate system**

The certificate system is not envisaged as an alternative to the school system, but as its complement. It should enable access to certificates for all, irrespective of age or professional qualification, whereby the certificates are publicly recognised documents which prove professional qualification at a specific level of difficulty. It should lead to a reduction in the number of unemployed without basic professional qualifications, who include young dropouts in particular. The other important reason for introducing the certificate system is to reduce the gap between knowledge and skills that can be obtained in the ordinary school system and those that employers need and seek. As such, it also provides a chance to solve the problems of a large number of dropouts.

3. further increasing the proportion of the population, especially young generations, in higher **professional and university education**

To increase the number of available places and gradually remove the restricted enrolment for the majority of study programmes, gradually to co-finance exceptional studies and improve the success and effectiveness of post-graduate studies.

4. the guiding principle of all education and learning becomes **lifelong learning**

The Ministry of Education, Science and Sport has already prepared the National Programme of Education of Adults, which is now in the governmental procedure. It is scheduled to be adopted by the Parliament by the end of 2003. The first global goal lays down the responsibility of the State to make it possible, through fairly developed non-formal general education for adults, to gain the knowledge needed to improve the quality of life, increase the level of information and raise the cultural level of the majority of population. The second global goal specifies the responsibility of the State to develop suitable circumstances for raising the educational level by various forms and opportunities of education and training at all vertical levels. The priority should go to the less-educated so that the proportion of adults with no education or an inappropriate one will be reduced considerably. The third global goal is intended to raise the educational level and competence of both the employed and the unemployed.

4.2.3. Health care

4.2.3.1. The most relevant aspects of the current situation

The health service in Slovenia is well-organised. It is primarily run by public institutions, although a large number of private operators are engaged in the provision of basic healthcare. Access to services is generally good, although some services have the problem of lengthy **waiting lists**. There are also problems for people that **do not have voluntary insurance** (see 4.2.1.3). In addition, there are obviously some smaller groups who are **not insured at all**, such as persons who have not completed the documents concerning residence (including homeless persons), who therefore have problems in gaining access to health services. An outpatient department (including counselling) for people without health insurance was established in 2002 (by the Municipality of Ljubljana, Karitas, Filantropija-NGO, Health house Ljubljana) for that reason in Ljubljana.

Healthcare inequality often derives from inequalities in the economic and social position of the inhabitants. The **Region of Pomurje**, for example, has a series of poor socio-economic and health indicators (low GDP per capita, high unemployment rate, high proportion of the population entitled to social assistance, low life expectancy, high mortality).

4.2.3.2. The main policies and institutions

The Health Care and Health Insurance Act (1992, amended several times in subsequent years) determines the system of social, group and individual activities, measures and services for improving health, preventing illness, early detection, timely treatment, care and rehabilitation of the sick and injured. In addition, it covers compulsory and voluntary health insurance. The Ministry of Health is responsible for policy-making. A National Healthcare Programme was adopted in 2000 – Health for All by 2004. The priority development aims include **reducing differences in healthcare and the state of health of the population**. In order to reduce regional differences the Government RS, on the initiative of the Ministry of Health, in June 2002 adopted a resolution on the **founding of a Project Group for the Health and Sustainable Development of Pomurje**. The task of the Project Group is to identify key development problems and propose measures for overcoming the development obstacles in Pomurje. The group will identify and support regional projects that promise positive economic, social and health effects for a wider group of the population and for the environment.

4.2.3.3. Brief assessment of the key priorities for future policy review

*The Government intends to implement measures aimed at **reducing waiting periods**. These measures include additional investment in those areas and for those medical services where demand is highest (open-heart surgery, cataracts, hip operations). In other areas opportunities to reduce waiting periods may be found above all through rationalising the execution of programmes and a better organised health service. In order to **reduce regional differences**, the Government is preparing the project for Pomurje.*

4.2.4. Housing

4.2.4.1. The most relevant aspects of the current situation

The main problem in the housing field is the gap between demand and supply. The pressure is especially high in city centres and in regional centres. In relation to this, we should mention

that the **construction of rental apartments has declined the most** (there is the biggest shortage). The reason for this is reduced budgetary (municipal) financing of housing and the lack of proper building land. The prices of building land are very high in comparison with prices in EU countries (in urban areas 150-400 euro per m²-infrastructure included).

4.2.4.2. The main policies and institutions

The Housing Act (1991) is the main legislative act; the Ministry of Environment, Spatial Planning and Energy is responsible for policy-making. In order to alleviate the problem of the major housing shortage, Parliament in 2000 adopted a **National Housing Programme** for the period 2000-2009. The programme priority is **increasing the provision of social and non-profit rented accommodation**. The National Housing Programme will be implemented through long-term budget support for the housing field and simplification of procedures for obtaining the necessary permits for building and renovating housing. Housing saving is organised via the national housing saving scheme. The Housing Fund of the Republic of Slovenia and local communities co-invest in obtaining building land and building rental housing, especially non-profit and social. The main goal of the National Housing Programme is to stimulate the acquisition of non-profit and social housing for young families, low-income families, large families and also vulnerable groups such as disabled persons, people with mental health problems, Roma and individuals and families that urgently require at least **emergency housing** (temporary homeless persons).

4.2.4.3. Brief assessment of the key priorities for future policy review

The **new Housing Act** was adopted in June 2003 and will come into force in autumn 2003. Among other things, the aim of the new Housing Act is to redirect rental policy towards stimulating investment in house construction. In this regard, the **new simplified and unified method of deciding non-profit rents** (including social rents) will be introduced gradually until 2006. Furthermore, the Housing Act again incorporates the category of **temporary and emergency accommodation** to be provided by municipalities for the temporary resolution of serious housing problems. At the same time, a new and **effective system of subsidising rents (rent allowance) for low-income tenants will be introduced**. This is one of the key innovations of the new Housing Act in the area of social inclusion. The new system enables a more flexible check to be made on the ability to pay rent adapted to the specific circumstances of the tenant in question. The proposed subsidy system is designed in such a way that it guarantees a tenant an adequate subsidy in relation to his income. It is estimated that between 10 500 and 12 000 tenants will receive such a rent allowance, which is a substantial increase on previous numbers of recipients (around 2 700). On the other hand, the trade unions warn that the new system of subsidising rents (and the higher number of subsidised rents) might be detrimental to the situation of some lessees. The introduction of the new subsidy system and its impact on the income situation of the lessees will therefore have to be monitored carefully.

4.3. Preventing the risk of exclusion

4.3.1. *E-inclusion*

4.3.1.1. The most relevant aspects of the current situation

The rapid development of information and communication technologies (ICT) and e-services is increasing the risk of information exclusion of an individual or a region as a unit. Computer literacy at different levels is a precondition for inclusion and participation in the information

society. At the same time ICT provide new opportunities for mobile and innovative forms of work which enhance the mobility of the labour force and the availability of tools and methodologies for inclusion in the labour market for disadvantaged groups and people with special needs.

In Slovenia the situation in this area has changed rapidly over the last few years. While in 1999 Slovenia was comparable with the EU average **number of computers** per 100 inhabitants (25 computers per 100), the penetration did recently not progress sufficiently. Another poor starting point for the transition to the information society is Slovenia's considerable lag behind the EU average for the number of computers per 1 000 pupils in elementary and secondary schools (staying under 4 in Slovenia, above 10 in EU-15, basic e-Europe+indicator).

For disadvantaged groups that cannot afford a computer, the availability of public access points is extremely important. The number of **public Internet access points** (PIAP) is also not satisfactory, 163 of them being registered, with approximately 4 to 5 computers each. These access points are – in most cases - not sufficient for teleworking or e-learning. In addition, there is no developed network of **consultants** that could help Internet users, which is extremely important for disadvantaged persons. Slovenia also lacks an adequate number of **training places for ICT skills** to run specific courses to convert to the knowledge-based society.

There are no precise data on **teleworking**; however, pilot studies show that it has been introduced in 3 417 companies. Workplaces in companies are networked, but there are fewer connections with home, educational and other information centres. Industrial process management is not geared towards rapid knowledge transfer.

4.3.1.2. The main policies and institutions

The Ministry of Information Society is responsible for policy-making. The Strategic document **Slovenia in the Information Society** was adopted by the Government in February 2003, following the adoption of the Action Plan eEurope+ in Gothenburg, Sweden, in June 2001. In doing so, the Government placed the development of information infrastructure, e-content, services and education and training for the use of services of information society as one of its top priorities. Amongst the main objectives of the Strategy two priority fields are important for the JIM:

- improving access to the services of IS for all citizens and development of new work environments and
- reducing the digital divide by including all citizens, especially minorities, socially disadvantaged persons and groups with special needs (blind, deaf), which is to be achieved by the following activities:
 - Local, regional and national **networks** have to be developed in order to connect workplaces, homes, schools and other information centres. Such infrastructure will ensure flexibility of workplaces (teleworking), which could also improve employment opportunities for people with disabilities.
 - Digital literacy will be achieved through establishing a network of **training places** for ICT skills, where different training courses will be organised. Special training courses will be

prepared for different specific target groups, such as the unemployed, in order to increase the level of e-knowledge and promote equal opportunities and social inclusion as well.

- A network of **Public Internet Access Points** has to be further developed. This will extend Internet access to the unemployed and other socially excluded groups. They will receive support for Internet use from **information mediators** working at the access points. The Strategy puts a strong emphasis on the introduction of a new profession: information mediator; operators at existing and newly established PIAPs will systematically receive training to assist disadvantaged persons. Multiplier effects should be achieved using facilities in educational (e-schools), cultural (libraries, cultural centres) and employment institutions, where space and equipment will be made available after hours. Every year at least 20 public access points or at least 100 access terminals have to be established or sufficiently upgraded.
- Development of **user-friendly applications** with the emphasis on specific target groups of users, including the disabled, is also a permanent process that will take full advantage of ICT.
- **E-schools** are becoming established in all regions and provide infrastructure for large-scale educational and training programmes.

4.3.1.3. Brief assessment of the key priorities for future policy review

To avoid e-exclusion and to realise the fundamental right of citizens to access data, knowledge and services the Ministry will support the **implementation of the Strategy: Slovenia in Information Society** started in February 2003 and will be completed in 2006. In addition, the Phare Programme ESC 2003: **Improving Digital Literacy of Unemployed**, which has been proposed by the Ministry of Labour, Family and Social Affairs in collaboration with the Ministry of Information Society, will be implemented in 2004 and 2005.

4.3.2. *Preventive actions*

4.3.2.1. The most relevant aspects of the current situation

Various preventive programmes are operating in different spheres of preventing social exclusion, in the areas of the family, health, education and social services, the purpose of which is to inform, enlighten and guide the entire population or specific groups of the population at risk.

4.3.2.2. The main policies and institutions

Preventive programmes are implemented by non-governmental organisations as well as public institutions. In the area of the family, there are preventive programmes for groups of children and young persons at risk and programmes for preventing violence in the family. In the sphere of education, it is worth mentioning preventive programmes in the area of addiction, learning assistance and other actions to prevent drop-outs and, in the social services field, specialised programmes devoted to children with already pronounced difficulties. A strategy for running preventive social services and programmes is set out in the National Social Assistance and Services Programme 2000-2005.

4.3.2.3. Brief assessment of the key priorities for future policy review

Preventive activities could be strengthened in all areas of operation, especially those that most often lead to social exclusion, such as housing and education. The **National Drugs Programme** is very important for preventive work, as it gives great emphasis to preventive programmes in combating addiction. The programme is currently going through the adoption process.

The **National program for health improvement of the citizens of the Republic of Slovenia**, which intention is to define strategies, activities and goals in the field of improvement and promotion of health and to minimize differences in access to the health services, especially for the most vulnerable groups, is also in preparation by the Ministry of Health.

4.4. Helping the most vulnerable

4.4.1. *Disabled persons*

4.4.1.1. The most relevant aspects of the current situation

Numerous laws and sub-statutory regulations, 68 of them in total, regulate the status and rights (benefits and services) of disabled persons in Slovenia. However, **there are some disabled persons who do not hold the status and are not entitled** to certain financial and other rights arising out of such status. These persons can be considered as groups at risk:

- persons who have become afflicted with a physical impairment prior to joining a pension and invalidity insurance scheme;
- persons who are insured for the restricted scope or rights under a pension and invalidity insurance scheme;
- persons who had or still have the right to join a pension and invalidity scheme, but have not asserted this right;
- persons who are mentally or physically handicapped from birth and have not asserted their rights in accordance with the Training and Employment of Disabled Persons Act and
- mentally ill patients, who are not capable of working on account of the nature of their illness, when the illness had occurred before they entered employment.

4.4.1.2. The main policies and institutions

Disability is regulated by different laws, the most important being: (i) Pensions and Disability Insurance Act; (ii) Training and Employment of Disabled Persons Act; (iii) Social Protection of Mentally and Physically Handicapped Persons Act; (iv) War Invalids Act; (v) Placement of Children with Special Needs Act; and (vi) Social Assistance and Social Services Act.

The Parliament adopted the Development Strategy for the Protection of Disabled Persons in 1991, which forms the basis for the legal system of laws and sub-statutory regulations, as well as for dealing with problems of disability in various development programmes covering different areas (e.g. National Housing Programme, National Social Assistance and Services

Programme, etc.). The relevant legislation is a combination of disability issues within particular topics and separate legislation, dealing exclusively with disability issues.

The Ministry of Labour, Family and Social Affairs is responsible for policy-making.

4.4.1.3. Brief assessment of the key priorities for future policy review

To guarantee the rights of all people with disabilities, the Ministry of Labour, Family and Social Affairs has already started **preparing the Equal Opportunities for Persons with Disability Act**. This Act will be supplementary in nature, as it will provide entitlements for disabled persons who do not enjoy entitlements under other laws or who have not been able to exercise their rights. It will clearly define the right to non-discrimination, recognise the right to special services (adapted transport, personal assistance, rehabilitation counselling, advocacy, case monitoring, etc.) and benefits and define the regulations for disability-related measures and thus create the conditions for equality of opportunity between disabled and non-disabled persons. The conditions for obtaining special services will not be based on a person's actual disability but on the extent to which they are prevented from equal participation in everyday life. The Ministry will prepare the Act in 2004, when the adoption procedure should start.

4.4.2. *The Roma ethnic community*

4.4.2.1. The most relevant aspects of the current situation

The Roma, or Romany, ethnic community lives in more or less concentrated groups or settlements in Pomurje (north-east of Slovenia) and Dolenjska, Posavje and Bela Krajina (south-east of Slovenia), while individual families and small groups also live in other areas of Slovenia. According to the 2002 census 3 246 people (0.17% of the total population) declared themselves to be Roma, while estimates show that the community numbers between 7 000 and 10 000. The situation for the Roma is better in the east than the south-east, but in general it is worse than that for the majority of the population. The main problems are in particular: poor living conditions, low level of education/illiteracy, weak position on the labour market, poor health, poverty.

The majority of the Roma population in Slovenia live in **settlements** that are isolated from the rest of population, or at least on the outskirts of urban areas. Living standards in these settlements are mostly below the minimum living standards in Slovenia (some of them without running water, electricity, heating or sanitation).

Most Roma have a low level of **education** and have problems in everyday communication. Owing to a lack of knowledge of the Slovene language, Roma children have problems as soon as they join pre-school institutions or elementary school, where there is also no knowledge of the Roma language or suitable textbooks. This leads to a large number of Roma children having to follow adapted elementary school programmes. The Commission encourages Slovenia to make greater efforts to integrate Roma children in mainstream education.

The **employment situation** reflects all the disadvantages mentioned above. Unemployment among the Roma is increasing in every local community in which they live¹². Most Roma (around 90%) live on social assistance, child benefit and family support, which leads to further tensions with the local population. In recent years Roma have been increasingly included in various public works programmes organised by the regional offices of the Employment Service of Slovenia.

At the last local elections on 10 November 2002, a total of 15 Roma representatives were elected to the municipal council for the first time, so that Roma are given more chance of direct **participation** and decision-making in wider political, social, economic and cultural spheres. Up to June 2003, 18 Roma representatives had been elected; there are only two municipalities left which have to hold such elections.

4.4.2.2. The main policies and institutions

The Roma community does not have the position of a national minority in Slovenia but it has the status of a **special ethnic community**.

In November 1995, the Government adopted a **Programme of measures for the assistance of Roma**, by which it determined a policy of integration of the Roma community. The programme is implemented through the preparation of programmes and measures in the areas of employment, education and housing. Ministries responsible for different domains are responsible for the preparation of the programmes and measures and for their implementation, while the Office for Nationalities is responsible for coordination and monitoring. Concerning education the Ministry of Education, Science and Sport ensures the inclusion of Romany children in pre-school programmes for at least two years prior to starting school (in cooperation with the relevant municipalities), additional teaching hours with Romany pupils for providing teaching in small groups outside normal classes, financial support for initiatives by schools for implementing forms of care and education work that encourage their socialisation, funds for school meals for Romany pupils, and assistance in buying textbooks. Concerning housing, some municipalities have already prepared programmes for legalising Romany settlements, thus giving them the possibility to obtain specific financial help, granted by the Government Service for Structural Policy and Regional Development and directed at providing concentrated Romany settlements with basic public utilities. In addition, some special programmes for the employment of Roma have been prepared (the last one in 2000).

With legislative amendments in 2002 (amending acts to the Law on local self-government, Law on local elections and Law on the records of right to elect) in accordance with Article 65 of the Constitution of the Republic of Slovenia, which provides that the status and special rights of the Roma community shall be regulated by law, Roma have been granted **political participation** at the local level through the right to elect Roma representatives to the municipal council.

4.4.2.3. Brief assessment of the key priorities for future policy review

For the **consistent implementation of the programme from 1995**, it is necessary to improve coordination and cooperation at government level, to constantly update the programme itself

12 A total of 899 Roma were registered as unemployed with the Regional Employment Service of Novo Mesto in August 2002, which is 69 % of all active Roma; compared with 1997 the number of unemployed Roma has increased from 732 to 899 – an increase of 18.6 %.

and to adapt it to actual situations and needs. The National Housing Programme gives priority to vulnerable groups, as well as to Roma (see 4.2.4.2). A strategy for key areas of Roma life (employment and education) is being prepared (see 4.1.1.3) and the Government is committed to make greater efforts to integrate Roma children in mainstream education. On account of the numerous prejudices and stereotypes the public must be informed, through the established channels of TV and radio programmes as well as through the development of new forms.

4.4.3. The homeless

4.4.3.1. The most relevant aspects of the current situation

The number of homeless is increasing steadily; estimates of their numbers range between 800 and 1 000. As well as the “**visible**” homeless, there are also the “**hidden**” homeless, which includes groups of people who for various reasons have no accommodation of their own and therefore live with relatives or friends. There are not enough **shelters for homeless** people in Slovenia – there are just three with approximately 60 beds plus some shelters run by Caritas. Other programmes to help the homeless including day centres, and food distribution points cover a large number of homeless people. Municipalities run the homeless shelters in cooperation with various local organisations, and the State co-finances direct work within the shelters (information provision, counselling, organising basic personal documentation, etc.) In the middle of 2002 in Ljubljana an outpatient department for homeless people started to operate, where 46 specialists work offering basic and specialist health care.

4.4.3.2. The main policies and institutions

The problem of homelessness is addressed within a range of programmes in the fields of housing, social services and health. The National Social Assistance and Services Programme 2000-2005 envisages the **expansion of a network of five reception centres and shelters** in different Slovene towns, providing an additional 100 places for homeless people. The National Housing Programme envisages the provision of **temporary accommodation to prevent homelessness**. This is regulated by the new Housing Act (see housing, 4.2.4.3).

4.4.3.3. Brief assessment of the key priorities for future policy review

The Government is committed to monitor the consistent implementation of programmes and the coordination of the programmes and institutions involved as well as the implementation of the new Housing Act are anticipated.

4.4.4. Other vulnerable groups

4.4.4.1. The most relevant aspects of the current situation

Apart from the groups that already receive much attention and are targeted with special measures (**the disabled, the Roma and the homeless**), smaller vulnerable groups include **the victims of violence, people with mental health problems, addicts, persons in post-penal treatment and people without a work permit**. Work with these groups is mostly focused on resolving the acute problems of their members, and relative success in this field can be noted. Lately, society's sensitivity to certain problems has increased significantly (e.g. to the problem of violence or of people with mental health problems), which means that more such cases are revealed and more people can be offered help. To this end, crisis centres, women's shelters and refuges have been established.

Crisis Centres for the Young are one form of protecting the young from violence, the founding of which is determined in detail by the National Social Assistance and Services Programme 2000-2005. A crisis centre is intended for children who find themselves in various forms of acute social danger and provides all-day care and treatment lasting up to three weeks. A child can come to these centres on its own, in the case of family violence without the agreement of the parents. During this time, a more permanent form of security for the child, its protection and overall treatment is taken care of. Help for children is free, financed by the State. Three crisis centres are already in operation in 2003, and in the autumn the founding of two further centres is planned. The Programme envisages eight, each of which will operate for the area of an individual region in such a way that they will each cover a region of 250 000 inhabitants.

In addition, a network of homes and shelters for mothers operates in Slovenia, which provide various forms of help to female victims and children in social pressure and difficulties, who are often victims of violence. In terms of organisational form, non-governmental organisations predominate, followed by public institutions and private organisations. **Maternity homes** are intended for pregnant women, those with newly born children, mothers with young children, among whom most are socially and economically at risk, and there are recently the increasingly frequent victims of various forms of violence. The duration of accommodation is from one year to a maximum of two years in exceptional circumstances. **Shelters** (safe houses) are intended for women and children who are victims of all forms of violence and need immediate retreat into a safe environment. Residence in shelters lasts from three months to a maximum of one year – in crisis centres two days. **Centres for the assistance of victims of all crimes** are also important, providing guidance and referring victims to suitable organisations for help, support and advocacy, and they are backed up by the activities of homes for mothers and shelters. Slovenia has achieved visible progress in this field, since the number of programmes has doubled in recent years. Programmes are not just concentrated in the central part of Slovenia but are also run elsewhere in the country. There are 170 places available overall, of which about 80 are in homes for mothers and 90 in shelters.

People with mental health problems may turn to information offices, day centres and apartment-sharing communities. Programmes of social rehabilitation for the addicted (drugs, alcohol and eating disorders) include information and reception offices, therapeutic communities, day centres and reintegration programmes. Centres for social work are the public authority responsible for persons undergoing **post-penal treatment**.

The above-mentioned research study pointed out the problem of people not holding a working permit, who, due to unsettled status, residence and documents, are discriminated against in all fields of social life, not least when seeking employment.

4.4.4.2. The main policies and institutions

The National Social Assistance and Services Programme 2000-2005 (NSASP) regulates this kind of programmes. Because of the increased needs, the widening of the network of additional programmes was planned in NSASP and has been successfully implemented.

4.4.4.3. Brief assessment of the key priorities for future policy review

Further implementation of the Programme is needed in particular: (i) to extend the network and increase the bed capacity to 250 places; (ii) to improve the professional approach in

carrying out individual programmes; and (iii) to supplement policy in the area of homes for mothers and shelters and thus to adapt programmes to the individual needs of users.

The existing programmes are mainly focused on resolving the acute problems of vulnerable persons, while various reintegration measures are kept in the background. Programmes have therefore to be designed that would enable individuals to reintegrate into society immediately after their acute problems are solved.

4.5. Mobilising of all relevant bodies

4.5.1. The most relevant aspects of the current situation

The first Programme to Combat Poverty and Social Exclusion was prepared in 2000 by the Ministry of Labour, Family and Social Affairs together with other Ministries responsible for specific social protection domains, and included contributions from other players. To this end, a national committee to combat poverty and social exclusion was established, including representatives from various governmental bodies, municipalities, trade unions, NGOs and the media to discuss the programme prepared, before it went through governmental procedures. **To prepare the JIM, a special working group** was set up with 29 members nominated by different authorities. In addition to representatives from Ministries and other governmental bodies, there are also representatives from the NGO centre, associations of Slovene municipalities, and representatives of employers and trade unions. Furthermore, a finalised draft version of the JIM was **submitted to the Economic and Social Council (ESC)**.

The Government encourages the **social dialogue** at all levels. One of the recent achievements at national level was the signing of the social agreement by the Government, trade union associations and employers' associations in April 2003 (the previous one was signed in 1996). Social partnership takes place at bipartite and tripartite levels. The employees are well organised in numerous trade unions. At national level, there are six trade union associations and confederations, namely the Association of Free Trade Unions of Slovenia, the Confederation of Trade Unions of Slovenia PERGAM, the Trade Union Confederation '90 of Slovenia, the Independence-Confederation of New Trade Unions of Slovenia, the Alternativa-Slovenian Association of Trade Unions, and the Federation of Workers-Solidarity. The public-sector trade unions are not combined into associations or confederations, but their activity is coordinated by the trade unions that belong to the non-economic activities sector. Since 1990, the employers in Slovenia have had an increasing importance in negotiations for collective contracts, social agreements and other tasks within social partnership, industrial relations and international relations. On the national level, the employers are represented by the Association of Employers of Slovenia, the Chamber of Commerce and Industry of Slovenia, the Chamber of Craft of Slovenia and the Association of Employers for Craft Activities of Slovenia. Within the **social agreement**, which is concluded under the umbrella of the ESC, a special chapter is devoted to social protection, and efforts to raise the social level of all the inhabitants of Slovenia are included in various chapters – such as the chapter on employment policy, which aims among other things at improving employability through education and further training, the chapter on wages with the determination of the minimum wage, the chapter on health, where the aim is to increase efficiency, solidarity and transparency of the public health system, the chapter on fiscal policy, in which the proposed new legislation should ease the burden on those in the lower income brackets and ensure more equal and transparent taxation of income.

Corporate social responsibility is in a way already included in the social agreement, since the tasks of the partners (Government, employers, trade unions) concerning the economic and social development of the country are evenly divided and specified for each of them, including employers. Each of them has a specific responsibility in providing the basic conditions for future development, which include, besides employment, wages and health, other matters such as reconciling work and family life, housing, equal opportunities, legal security, etc.

NGOs have an important role in many aspects of combating poverty and social exclusion. NGOs in Slovenia devise and provide supplementary programmes to public services. The pluralisation of social services is an important part of the National Social Assistance and Services Programme 2000-2005. The Ministry therefore increasingly supports non-governmental organisations by co-financing the implementation of social service programmes. The number of programmes has doubled in the last few years. The quality of programme implementation is also increasing as well as the diversity of services in individual fields. Some of the programmes are co-financed on the basis of multiannual contracts, especially in the spheres of social rehabilitation, programmes of mental health, development programmes and maternity homes and shelters. NGO programmes are partly co-financed by municipalities and partly by donations.

As NGOs can more easily ascertain the specific needs of individuals and groups of the population, they can help improve arrangements and measures for excluded groups. In addition, they can represent those who are excluded. In the past NGOs acted in a fragmented and disunited fashion, which is one difficulty that has arisen in establishing a solid partnership between NGOs and the State so far, especially in decision-making. However, during the EU accession process awareness of the importance of partnerships with NGOs has grown stronger, as a result of which the Slovenian Government has not only supported the idea of establishing the **Centre for Non-Governmental Organisations of Slovenia** but has also committed itself to financing this centre for precisely specified and commonly agreed activities. In October 2001, the Centre for Non-Governmental Organisations was established by non-governmental organisations to meet, share information, exchange experiences, connect up to the European network of non-governmental organisations, and train non-governmental organisations for future dialogue with the EU. The centre functions independently of the Government, and at present there are only 70 various non-governmental organisations included in the Centre. It must be stressed that the strengthening of membership is a long-term process. Funds from abroad were also obtained for the work of the centre, which additionally guarantees its independence.

Local authorities have an extremely important role to play in social inclusion. In accordance with Slovenian legislation, municipalities have important powers in the provision of public services in education, health, social services and housing.

4.5.2. The main policies and institutions

In November 2002, a **special working group for the preparation of the JIM** was appointed by the Minister of Labour, Family and Social Affairs. Members of the working group are obliged to prepare written contributions for drafting the JIM, to coordinate them within their institutions, as well as to coordinate other activities concerning the preparation of the JIM.

The Economic and Social Council is a tripartite body (Government, employers and trade unions), established in 1994, with each group being represented by five members. It is the

highest body for social dialogue and discusses all regulations and other documents affecting social and economic matters and is supposed to monitor the implementation of the social agreement.

In October 2001, **the Centre for Non-Governmental Organisations of Slovenia** was established by non-governmental organisations. With this the conditions have been set for the development and strengthening of non-governmental organisations to prepare them for equal involvement in decision-making.

In accordance with Slovenian legislation, **municipalities** have important powers in the provision of public services in education, health, social services and housing.

4.5.3. Brief assessment of the key priorities for future policy review

The Government will continue to encourage the social partners, and especially employers, to take greater account of social inclusion and creating opportunities for it, both in companies and in the activities in which they engage, and in the wider environment and community, and to include this issue in the collective agreements they sign.

In spite of the development of non-governmental organisations (NGOs), their expansion in the recent past and the establishment of the Centre of Non-governmental Organisations, the interrelations, coordination and cooperation of NGOs, as well as between NGOs and the Government, are still on a definitely unsatisfactory level. In order to guarantee an appropriate and satisfactory flow of information from the Government to NGOs and vice versa, **a more efficiently organised and coordinated network of the NGOs** involved in the field of social inclusion has therefore to be established, and cooperation between the Government and NGOs improved. In addition, **the involvement of municipalities** in solving the problems of poverty and social inclusion will have to be strengthened, especially in the sphere of housing and designing and promoting programmes that are underdeveloped in certain areas or, despite urgent requirements, do not yet exist, such as drug addiction, community care programmes for persons with mental health problems and so on. The municipalities' powers include forming the social inclusion policy in their sphere, while in forming a joint national policy there is a need for close cooperation with both associations of Slovene municipalities.

5. PROMOTING GENDER EQUALITY IN ALL ACTION TAKEN TO FIGHT POVERTY AND SOCIAL EXCLUSION

To provide equal opportunities for men and women in the field of social inclusion, gender-based figures are always given where available. These help identify gender gaps and the preconditions for the gender mainstreaming strategy, which is in its initial phase. The Office for Equal Opportunities, a national mechanism for gender equality, cooperated in preparing the JIM in order to include gender issues in the formation of social inclusion policy.

Considerable progress has been made in Slovenia at the legislative level in ensuring gender equality. In July 2002 the **Act on Equal Opportunities for Women and Men** came into force, which introduces an integral approach to creating equal opportunities and encouraging gender equality. The Act is of a general nature and determines **overall guidelines or foundations that will be a guide for legislation in individual areas**. The law defines gender equality among other things as the removal of obstacles to establishing gender equality, especially by preventing and removing unequal treatment on grounds of gender as forms of

discrimination in practice deriving from traditional and historically conditioned different social roles, and the creation of conditions for creating equal representation of the two genders in all spheres of social life.

With the adoption of the Act, Slovenia also obtained an additional **basis for the introduction of specific temporary measures**. The Act determines new competences of the Office for Equal Opportunities, i.e. a procedure for dealing with individual examples of possible discrimination or unequal treatment. Following the model of other European countries, the special institution of an **Ombudsman for equal opportunities for women and men** will be introduced in 2003, who, on the initiative of an individual and others so entitled, deals with such cases and issues a written opinion on whether the person has been treated unequally because of gender.

The Act determines which tasks the National Assembly, Government, Ministries, the Equal Opportunities Office, local communities, political parties and the Ombudsman shall be responsible for. Ministries must prepare regulations and other measures taking account of the gender equality aspect. Each Ministry has already designated a **coordinator** who will ensure that these tasks are undertaken, and the Office for Equal Opportunities has prepared special training for them. Local communities are also involved in this sector of activities.

As part of future activities, in compliance with the Act, the adoption of a **special national programme for gender equality** is planned. The national programme will impinge on all the more important areas in which there is gender inequality, and, in addition to Ministries and the Office for Equal Opportunities, non-governmental organisations, social partners, local communities and individuals working in the area of the equal opportunities programme will be involved in its preparation. The Government will adopt a periodic plan every two years for concrete implementation of the national programme, which will determine the activities of the Office, Ministries and other players for the current period.

The first case in which gender discrimination is explicitly mentioned is the **Employment Relationship Act**, which came into force on 1 January 2003. The Act prohibits indirect and direct discrimination, ensures equal opportunities and the equal treatment of women and men in employment, promotion, training, education, vocational training, wages and other income arising from the employment relationship, bonuses, absence from work, working conditions, working time and terminating employment contracts. It introduces the so-called reversed burden of proof, prohibits the advertising of vacant jobs for men or women only, in concluding employment contracts prohibits obtaining data from the applicant on family or marital status, data on pregnancy, on family planning or other data if such data are not directly connected with the employment relationship, guarantees equal pay for equal work and for work of equal value and regulates protection of workers in the event of pregnancy and parenthood (prohibition of carrying out work during pregnancy and breast-feeding period, protection during pregnancy and parenthood with regard to night work and overtime work, the right to breast-feed). It also determines the method of exercising and protection of rights, and inspection supervision.

The **Parental Protection and Family Benefits Act**, which came into force on 1 January 2002, is very important for harmonising the spheres of work and family life. Mothers have the right to maternity leave for a period of 105 days. Childcare leave (for a basic period of 260 days) is the right of both parents, but they must reach agreement on the use of this leave. The Act introduces a completely new right by which father is entitled to 90 calendar days' paternity leave. For the first 15 days, which he has to use during the mother's maternity leave,

he receives 100% wage compensation (paternity benefit), while for the remaining 75 days (which he has to use until the child is 8 years of age) he is entitled to the payment of social security contributions from the minimum wage. This is fathers' sole right and it cannot be transferred to another person. The right is being gradually introduced until full implementation in 2005.

6. STATISTICAL SYSTEMS AND INDICATORS

Poverty analyses made by the National Statistical Office are based on the **Household Budget Survey (HBS)**. Until 1997 it was conducted every five years, but since then it has been an annual survey. A sample large enough for poverty analysis is obtained by combining the survey data from three consecutive years and calculating figures for the median year.

In the 1990s, poverty analyses were made in accordance with Eurostat's recommendations of that time. The at-risk-of-poverty threshold was defined as 50% of average equivalent expenditure of all households, using the OECD modified equivalence scale. In 2002 the National Statistical Office started calculating the **Laeken indicators of social cohesion (monetary poverty)**, using the same data source - the HBS. As the calculations are based on the changed methodology of Eurostat, the results are comparable to Eurostat results. The at-risk-of-poverty threshold is determined as 60% of median equivalent income, using the OECD modified equivalence scale. The unit of analysis is no longer a household; it is now a person (a household member). Indicators are calculated for two definitions of income. The first involves income in cash according to the definition of the European Community Household Panel (ECHP). In the second case income in cash is supplemented by income in kind; this is one's own production and other non-monetary forms of income. Eurostat publishes these indicators calculated on the basis of total income (in cash and in kind) for Slovenia as for other accession and candidate countries, while for Member States they are based on income in cash.

The following Laeken indicators of social cohesion (monetary poverty) were calculated (for 1995-1999): (i) at-risk-of-poverty rate with a breakdown by age and gender, most frequent activity status and gender, household type, tenure status; (ii) at-risk-of-poverty threshold (illustrative values); (iii) inequality of income distribution: S80/S20 quintile share ratio; (iv) relative at-risk-of-poverty gap; (v) dispersion around the at-risk-of-poverty threshold; (vi) at-risk-of-poverty rate fixed at a point in time; (vii) at-risk-of-poverty rate before social transfers with breakdown by gender; and (viii) inequality of income distribution: Gini coefficient.

The HBS is not a panel survey, and therefore only cross-sectional calculations are possible, not longitudinal ones. The household members' health is also not covered in the HBS. **The at-persistent-risk-of-poverty rate with a breakdown by gender and self-defined health status by income level cannot be calculated from HBS data.**

At the National Statistical Office preparations have already started to implement a new survey called **EU-SILC**. After joining the EU, the survey will also become compulsory for all new Member States. A pilot survey is planned to be carried out in two waves, in September 2003 and February 2004. The main survey will start in 2005. After that, it will be conducted regularly. It will be a panel survey. It will also enable the calculation of indicators which cannot be calculated from HBS data. Several domains will be covered, emphasising income and living conditions (demographic characteristics, education, health, work, housing and environment). When the data from this survey are available, it will become a new data source

for the social cohesion indicators of monetary poverty. EU-SILC will also become a new data source for these indicators in the EU Member States. Up to 2001, the ECHP was the data source. Until EU-SILC is introduced in the EU Member States, these countries have to provide an alternative, already existing data source.

The EU-SILC questionnaire will thus also serve as a source of data for calculation of the **non-monetary poverty indicators**¹³, which complement the monetary ones and importantly help to determine the situation of poor persons (housing situation, availability of durable consumer goods, health, etc.). Slovenia is interested in a rapid specification of these indicators. Because of the importance of uniform methodology and international comparability, Slovenia has already started to participate in the EU activities in the field of establishing and using these indicators in 2003.

Some of the **Laeken social cohesion indicators** are calculated from the **Labour Force Survey**. This was introduced in Slovenia in 1993. It was an annual survey from 1993 to 1996, carried out in May. It has been a continuous survey since the second quarter of 1997. Data are published quarterly, with a breakdown by gender. It is a panel survey. It is implemented by requirements and guidelines adopted by ILO and Eurostat. The definitions used in the LFS are harmonised internationally (e.g. persons in employment, unemployed persons, active persons, inactive persons). The survey is the most important source of internationally comparable labour statistics data and enables Slovenia to be compared with the EU Member States and other countries which carry out the LFS and at the same time also ensures comparability over time.

The National Statistical Office sends quarterly LFS microdata to Eurostat. The data are anonymous and in a standard format, in line with the Commission Regulation. These microdata enable Eurostat to calculate the following Laeken social cohesion indicators by itself: (i) long-term unemployment rate; (ii) long-term unemployment share; (iii) very long-term unemployment rate; (iv) persons living in jobless households; (v) early school-leavers not in education or training; and (vi) persons with low educational attainment.

The EU Member States also use the LFS as the data source for the indicators listed above.

Calculations of employment rates at NUTS2 level for Slovenia are not possible, since Slovenia is not divided into smaller territorial units at this level.

Another of the Laeken social cohesion indicators is **life expectancy at birth** with a breakdown by gender. Calculations are based on the data on deaths and births and are a part of the life tables. At the Statistical Office “complete life tables” are calculated for the years around the census and “abridged life tables” for the years between. On account of the small size of the population, the life tables are calculated from data for two consecutive years. The latest data are for the 2000-2001 period.

7. SUPPORT FOR SOCIAL INCLUSION POLICIES THROUGH THE STRUCTURAL FUNDS

In implementing measures in the field of social policy, labour market policy and employment, education and vocational training and the fight against all forms of discrimination on the

13 It should be borne in mind that in-kind income is believed to be less significant component of total income in the EU member states, however EU-SILC will collect also data on in-kind income.

labour market, which are an important element in achieving the objectives of economic and social cohesion, Slovenia will be assisted by the financial instruments of the Community, especially the Structural Funds and the Cohesion Fund. For the field of human resources development generally, and for social policy, education and vocational training in particular, the European Social Fund (ESF) and the European Regional Development Fund (ERDF) operations will be of the greatest importance. The EU is providing euro 24.58 billion for investment through the Structural Funds (Cohesion Fund included) in the future Member States over the period 2004-2006. For Slovenia, the total Structural and Cohesion Funds assistance amounts to euro 458.1 million (current prices). A proportion of this will be channelled through the ESF to support social inclusion measures in line with the priorities identified in the JIM.

The strategic orientations of the Structural Funds' operations are based on the Strategy of Economic Development of Slovenia and the National Development Programme RS 2001-2006. Both documents set development priorities of the country that are to be additionally supported by the Structural Funds. This support is being incorporated in the Objective 1 Single Programming Document 2004-2006 (an official draft of the SPD was submitted to the Commission on 23 April 2003, and the negotiations were launched on 25 July 2003), which sets three priorities and several measures under each of the priorities. The priorities to be supported through the Structural Funds are as follows:

- Priority 1 – Promotion of the productive sector and competitiveness of the regions will support the development of the innovative environment, contribute to the improved access of entrepreneurs to information, knowledge and finance and improve the attractiveness of Slovenia and its regions for new investment.
- Priority 2 – Knowledge, human resource development and employment will support active labour market policies and social inclusion through a dual approach of prevention and activation. It will promote lifelong learning as well as entrepreneurship and adaptability of the workforce.
- Priority 3 – Economic infrastructure will seek to ensure conditions for new investment, backed by appropriate environmental, transport and telecommunication infrastructures.

From the point of view of social inclusion, Priority 2 of the SPD “Knowledge, Human Resource Development and Employment” is of particular importance. The programming of the measures is based on the Joint Assessment of the Employment Policy Priorities of Slovenia (JAP) and the JIM, which are based on other national programme documents in the area of the labour market and employment (National Programme of Development of the Labour Market and Employment up to 2006, Active Employment Policy Programmes 2003) and in the area of the fight against social exclusion (Programme to Combat Poverty and Social Exclusion).

In general, the objective of Priority 2 is directed towards increasing the number of quality jobs, reducing unemployment, promoting social inclusion of groups with special needs, promoting lifelong learning by improving the quality and accessibility of education and training, and increasing the level of training and adaptability of workers. The Priority includes four measures relating to:

- **The development and promotion of active labour market policies (Measure 1):** The activities under this measure are designed in such a way as to increase the activity rate and

reduce the unemployment rate, with special attention being given to the prevention of long-term unemployment. They are aimed at improving employability, especially of unemployed young people, unemployed people over 40 (women) or 50 (men) and the long-term unemployed;

- **Social inclusion (Measure 2):** The activities under this measure are aimed at facilitating the social inclusion of persons confronted with special difficulties in entering the labour market, in particular persons with disabilities and the most vulnerable groups (those identified in the JIM, sections 2.7 and 4.4.4), through improvement of their employment opportunities. They will include implementation of: programmes for reintegration, including counselling, guidance, motivation and personal development schemes; programmes for the employment of these target groups (including flexible forms of work, sheltered employment and other forms of social economy, i.e. social cooperatives); programmes for employment and self-employment of women threatened by social exclusion.
All programmes will be accompanied by the establishment of a mentorship system for disabled and other target groups in employment.
- **Lifelong learning (Measure 3):** The activities are designed to increase the quality of and access to education and training in the context of promoting the culture of lifelong learning.
- **Adaptability and entrepreneurship (Measure 4):** The activities under this measure will encourage the creation of jobs, including through self-employment and local employment development programmes, development of new forms of work and professional qualifications, and raise the level of participation in education and training of employed persons, in particular low-skilled persons employed in sectors facing restructuring.

Measure 2 will contribute directly to the implementation of the social inclusion policy, while Measures 1, 3 and 4 will contribute indirectly.

The SPD places particular emphasis on the promotion of equal opportunities between men and women in access to education, training and employment. This policy approach will be pursued on a horizontal basis across the priorities and measures of the SPD (mainstreaming approach). Furthermore, the horizontal objectives of information society, local employment development and sustainable development will be systematically pursued.

Measures under Priority 2 will be entirely co-financed by the ESF – Slovenia will receive, for this high-priority task, about euro 72.7 million and additional 3.0 million in the form of technical assistance (Priority 4) during the period 2004-2006, which all represents 31.8 per cent of the funds allocated for Objective 1. Of this sum, 30 per cent of the funds from the ESF will probably be allocated to activities in the field of development and promotion of active labour market policies, 10 per cent to activities facilitating social inclusion, 30 per cent to lifelong learning activities and 30 per cent to activities in the field of adaptability and entrepreneurship.

Slovenia is also preparing itself for active participation in the **EQUAL Community Initiative**. In the first half of 2003, a programme document (Community Initiative Programme) will be prepared, including specification of priority themes, activities, institutional framework, financing and other matters that must be dealt with prior to commencing participation in the initiative. The EQUAL Programme will be focused in

Slovenia on the inclusion of those people who are particularly excluded from the labour market. Its aim will be to encourage and test innovative ways of tackling the discrimination and inequality to which the most deprived groups of people are exposed, especially Roma, persons with disabilities, women, addicts and refugees and asylum seekers.

8. CONCLUSIONS

Full participation in the **open method of co-ordination on social inclusion is a high priority** for the Government of the Republic of Slovenia. Furthermore, the Slovene Government is fully committed to reduce the risk of poverty and social exclusion. In the context of the first implementation report on the Programme to Combat Poverty and Social Exclusion, a large number of measures have been adopted over the last two years to make a significant improvement in the position of low income groups, to reduce inequalities and promote social cohesion. The elaboration of the JIM for Slovenia has greatly benefited from all the above commitments and efforts.

Following the common strategic goals and objectives of the European Union, set out in Lisbon, Nice and Stockholm, and regarding the most relevant aspects of the current situation in Slovenia, the general long-term strategic approach is based on economic development and the effective and mutually reinforcing links between economic, employment and social policies. The Joint Inclusion Memorandum **has identified the sources of social exclusion, the groups most vulnerable** to poverty and exclusion, the **political challenges** and, finally, the **main policies and measures** that may enhance social inclusion in the Republic of Slovenia.

The analysis undertaken in the JIM has demonstrated that **the bulk of people at risk of poverty refers to long-term unemployed and youth unemployment**, notably in relation to the existing regional disparities. Therefore, spending in education, training and re-training should become a high political challenge for poverty eradication. **The Slovenian Government and the European Commission have identified the following most urgent challenges in relation to tackling poverty and social exclusion:**

- increasing investment in education, developing and extending life-long learning, and stimulating the use of ICT technology;
- increasing employment and bringing people who depend on benefits back to work; and
- improving the access to accommodation, health and social services, especially for the groups most vulnerable (i.e., people with disabilities, persons with mental health problems, Roma, victims of violence, homeless, addicts, ex-prisoners, etc.).

In the light of the analysis undertaken in this report, the Slovenian Government and the European Commission have agreed that the most immediate policy priorities in relation to tackling poverty and social exclusion are:

- to promote a wide range of active employment policy programmes for different target groups, for long-term, unskilled, young (specially women), elderly unemployed, and especially for the groups most vulnerable above mentioned and who are distant from the labour market and are socially excluded. This includes the Action Employment Programme for Unemployed Roma to be adopted by the Government by the end of 2003 aimed at

increasing employment opportunities for Roma and reducing the number of unemployed Roma by number of the measures above described in the main text.

- to implement measures for both reducing drop-out from schools and enhancing lifelong learning by means of additional programmes for adults, co-financing etc.; and preventive measures, especially the e-inclusion activities, to help preventing the dropping out and the homelessness;
- to mainstream 'make work pay' in all labour market, employment and social policy areas to avoid unemployment, inactivity and poverty traps;
- to put in place measures to increase the provision of social and non-profit accommodation, to implement a new system of subsidising rents (assistance in paying rents) for low income tenants, and to provide adequate housing for the most vulnerable groups;
- to implement a health insurance reform to incorporate more entitlements within compulsory health insurance, and set up additional programmes and social services for the most vulnerable groups; and
- to devote a special attention to the most deprived areas when implementing the above measures.

Some of the priorities identified in the JIM and the corresponding policy actions will benefit from the financial support provided by the EU structural funds, namely by the **European Social Fund**. Further, in implementing the above measures it is important to establish appropriate institutional mechanisms ensuring a closer co-operation between government, social partners, local authorities and NGOs, and to decrease regional differences.

The Slovenian Government is aware that **promoting social inclusion** in an adequate way **is a continuous process**, which can only provide effective and long lasting results in the long-term and on the basis of a series of consistent measures and of a continuous checking and updating of those which have already been adopted. To monitor the implementation of policies and measures, assess its effectiveness and allow for comparisons between EU Member States it is extremely important that clearly defined indicators exist.

The Government considers that its participation in the **open method of co-ordination**, which Slovenia will follow after the EU accession, **will contribute to the continued updating and improving of measures**. In particular, the Slovenian government is committed to following up on the work begun in the JIM with the preparation of its first National Action Plan on Poverty and Social Exclusion to be presented to the Commission in 2004.

STATISTICAL ANNEX

Table 1: Gross domestic product by expenditure, real growth rates in %

	1996	1997	1998	1999	2000	2001	2002
GDP	3,8	4,4	3,7	5,9	4,1	2,9	2,9
Exports of goods and services	2,8	11,3	7,4	1,6	13,0	6,4	6,5
Imports of goods and services (minus)	2,3	11,5	10,3	8,0	7,6	3,0	4,9
Final consumption	2,8	2,4	3,6	5,1	0,8	2,8	1,4
Households consumption	2,7	2,6	3,0	5,8	0,2	2,4	1,0
Government consumption	3,4	2,4	5,4	2,9	2,3	4,0	2,5
Gross capital formation	6,1	12,5	11,3	22,4	3,3	-4,2	4,1

Source: Statistical Office of the Republic of Slovenia (SI-SNA-13.10.2003).

Note: Preliminary revised GDP data by expenditure approach (final data will be available at the beginning of year 2004, after complete revision by output, income and expenditure will be done).

Table 2: Volume indices GDP per capita in PPS, EU-15=100, for 2000 - 2002

	2000 (Final results)	2001 (Preliminary results)	2002 (Preliminary results)
Belgium	107	108	108
Denmark	118	116	114
Germany	106	103	102
Greece	67	64	66
Spain	82	84	84
France	101	103	103
Ireland	115	117	126
Italy	102	102	102
Luxembourg	195	188	189
Netherlands	111	115	112
Austria	114	111	110
Portugal	70	71	69
Finland	104	104	103
Sweden	106	102	102
United Kingdom	102	103	104
EU-15	100	100	100
Iceland	117	113	110
Norway	147	143	142
Switzerland	120	117	117
EFTA-3 (without Liechtenstein)	130	127	123
Cyprus	75	74	74
Czech Republic	56	59	60
Estonia	40	40	41
Hungary	49	53	57
Latvia	31	33	35
Lithuania	36	38	39
Poland	40	40	39
Slovakia	46	47	47
Slovenia	67	70	74
ACC-10 (without Malta)	45	46	46
Bulgaria	25	24	25
Romania	23	24	25
Turkey	25	23	23
ACC10 (without Malta) & CC-3	33	33	33

Source: EUROSTAT, Statistics in focus , Economy and Finance (Theme 2-56/2002, Theme 2-20/2003).

Table 3: Structure of GDP (1995, 2000 and 2001)

Activities	Shares in GDP, in % (current prices)			Structure of persons in employment, in %		
	1995	2000	2001	1995	2000	2001
A Agriculture, hunting, forestry	3.9	2.9	2.7	6.9	5.6	5.2
B Fishing	0.0	0.0	0.0	0.0	0.0	0.0
C Mining and quarrying	1.2	0.9	0.8	1.0	0.7	0.7
D Manufacturing	24.6	24.0	23.7	34.4	29.4	29.3
E Electricity, gas and water supply	2.6	2.8	2.9	1.5	1.4	1.4
F Construction	4.3	5.3	5.2	6.6	7.9	7.9
G Wholesale, retail; certain repairs	10.5	10.0	10.1	13.0	13.6	13.6
H Hotels and restaurants	2.6	2.8	2.9	4.1	4.3	4.3
I Transport, storage and communication	6.7	7.0	6.9	5.9	6.0	6.0
J Financial intermediation	3.5	3.9	3.9	2.2	2.4	2.4
K Real estate, renting and business activities	10.1	10.5	10.7	5.7	6.7	6.9
L Public administration and defence; comp. soc. sec.	4.6	5.0	5.2	4.2	5.2	5.4
M Education	4.9	5.1	5.3	5.8	6.4	6.5
N Health and social work	4.6	4.8	5.0	5.3	6.4	6.6
O Other social personal services	2.9	3.3	3.4	3.4	4.0	4.1
C...F Industry and construction	32.6	33.1	32.6	43.6	39.4	39.2
C...E Industry	28.3	27.7	27.4	2.6	2.1	2.0
G...O Service activities	50.2	52.3	53.2	49.5	54.9	55.6
G...K Market services	33.3	34.1	34.4	30.8	33.0	33.2
L...O Non-market services	16.9	18.2	18.8	18.7	21.9	22.5

Source: Statistical Office of the Republic of Slovenia, published in Development Report, Institute of Macroeconomic Analysis and Development.

Table 4: Productivity (GDP per employee - SNA definition - real growth rates in %)

	1996	1997	1998	1999	2000	2001	2002
TOTAL							
GDP	3.5	4.6	3.8	5.2	4.6	2.9	3.2
Employment (SNA definition)	-1.0	-0.5	0.0	1.2	1.1	0.9	-0.1
Productivity	4.5	5.1	3.8	3.9	3.5	2.0	3.4
MANUFACTURING							
GDP	1.6	6.6	4.6	3.1	8.6	5.1	n.a.
Employment (SNA definition)	-5.3	-5.0	-2.1	-1.7	-0.3	0.4	n.a.
Productivity	7.2	12.2	6.9	4.9	9.0	4.7	n.a.

Source: Statistical Office of the Republic of Slovenia.

Note: Revision in constant prices 2000 since 2001; first estimate on quarterly account basis for 2002.

Table 5: Employment rates by gender and age group (in %)

Year	1998	1999	2000	2001	2002	EU-15 2002
Total						
15-64	62.9	62.2	62.8	63.8	63.4	64.3
15-24	37.5	34.3	32.8	30.5	30.6	40.6
25-54	81.6	81.7	82.6	83.6	83.4	77.2
55-64	23.9	22.0	22.7	25.5	24.5	40.1
65 years and over	9.4	8.1	8.3	8.2	7.2	3.5
Men						
15-64	67.2	66.6	67.2	68.6	68.2	72.8
15-24	39.5	36.3	35.7	34.1	34.4	43.7
25-54	85.2	85.2	85.7	87.0	86.7	86.8
55-64	31.8	31.3	32.3	35.9	35.4	50.1
65 years and over	13.4	11.2	11.5	11.3	9.6	5.5
Women						
15-64	58.6	57.6	58.4	58.8	58.6	55.6
15-24	35.4	32.4	29.7	26.8	26.5	37.4
25-54	77.8	78.1	79.3	80.1	80.0	67.4
55-64	16.1	13.2	13.8	15.8	14.2	30.5
65 years and over	7.1	6.3	6.4	6.4	5.7	2.1

Source: Eurostat (Key Employment Indicators), Labour Force Survey (Statistical Office of the Republic of Slovenia).

Table 6: Employment rates by sectors (15-64), (% total employment), 1997–2002

Year	1997	1998	1999	2000	2001	2002
SLOVENIA	62.6	62.9	62.2	62.8	63.8	63.4
Services	49.8	50.6	51.5	52.3	51.4	52.4
Industry	39.1	38.2	37.7	37.5	37.9	38.0
Agriculture	11.1	11.2	10.8	10.3	10.7	9.5
EU-15	60.7	61.4	62.5	63.4	64.1	64.3
Services	68.4	68.7	69.4	69.9	70.4	71.0
Industry	26.9	26.7	26.2	25.8	25.5	25.0
Agriculture	4.8	4.6	4.4	4.3	4.2	4.1

Source: Eurostat (Key Employment Indicators).

Table 7: Unemployment rates

Year	1998	1999	2000	2001	2002	EU-15 2002
Section 1. Unemployment rate by gender ⁽¹⁾ (% labour force 15+)						
Total	7.4	7.2	6.6	5.8	6.0	7.7
Men	7.3	7.0	6.4	5.5	5.7	6.9
Women	7.5	7.4	6.8	6.2	6.4	8.7
Section 2. Youth unemployment rate by gender (% labour force 15-24)						
Total	17.8	17.9	16.2	16.0	15.3	15.1
Men	16.9	16.7	14.9	15.0	13.9	14.8
Women	18.8	19.2	18.0	17.4	17.2	15.5
Section 3. Long-term unemployment rate by gender ⁽²⁾ (% labour force)						
Total	3.3	3.3	4.1	3.5	3.3	3.0
Men	3.3	3.4	4.0	3.4	3.3	2.6
Women	3.3	3.1	4.1	3.6	3.4	3.6
Section 4. Very-long-term unemployment rate by gender (% active population 15-64)						
Total	3.2	3.0	3.0	2.8	2.5	1.9
Men	3.2	3.2	3.0	2.8	2.5	1.6
Women	3.2	2.8	2.9	2.9	2.5	2.2
Section 5. Long-term unemployment share by gender (% unemployed)						
Total	57.7	58.0	62.6	61.4	57.7	40.2
Men	58.0	61.5	63.8	63.1	60.6	38.5
Women	57.4	53.5	61.3	59.7	54.8	41.8
Section 6. Unemployment rate by gender and age group						
Total (15-64)	7.9	7.6	7.0	6.5	6.5	7.7
15-24			16.8	18.1	16.7	14.6
25-54			5.8	5.1	5.4	6.8
55-64	(4.3)	(4.7)	(5.4)	(4.0)	(3.0)	6.2
Men (15-64)	7.7	7.3	6.8	6.0	6.1	6.9
15-24			15.2	15.9	15.2	14.3
25-54			5.6	4.7	5.0	5.9
55-64	(5.0)	(5.7)	(6.7)	(4.5)	(3.6)	6.2
Women (15-64)	8.1	7.9	7.3	7.2	7.0	8.7
15-24			18.7	(20.9)	18.7	15.0
25-54			6.0	5.6	5.8	7.9
55-64	((3.0))	.	.	((2.8))	.	6.2

Source: Eurostat (for figures in sections 1, 2 and 3), Labour Force Survey; Statistical Office of the Republic of Slovenia (for figures in sections 4, 5 and 6).

Note: (1) The unemployment rate is the total number of unemployed as a percentage of the total active population aged 15-64; (2) The long-term unemployment rate is the total number of long-term unemployed (at least 12 months, very long-term at least 24 months) as a percentage of the total active population aged 15-64.

**Table 8: Persons in employment and unemployed persons by school attainment
(in %, 2002)**

	Persons in employment	Unemployed persons
Total	100.0	100.0
No school education or incomplete elementary school	1.9	3.0
Elementary school	16.4	24.0
Lower or middle vocational education	29.1	34.6
Upper secondary vocational education	29.4	25.2
General upper secondary education	4.7	5.6
Post-secondary vocational education	6.7	2.3
Higher professional and university education	10.7	4.9
Specialist post-secondary education, master's, doctorate	1	0.3

Source: Labour Force Survey; Statistical Office of the Republic of Slovenia.

**Table 9. Social protection expenditure and expenditure on social benefits by function
(in % of GDP) 1996-2000**

	1996	1997	1998	1999	2000	EU-15 2000
Social protection expenditure	26.1	26.6	26.6	26.6	26,6	27.3
Expenditure on social benefits, total	25.5	26.0	26.0	25.9	25.9	26.2
Sickness / health care	7.9	8.0	8.0	8.0	7.9	7.2
Disability	2.2	2.2	2.2	2.3	2.3	2.1
Old age	11.3	11.4	11.4	11.2	11.2	10.9
Survivors	0.5	0.5	0.5	0.5	0.5	1.3
Family / children	2,2	2,2	2,1	2,3	2,4	2,1
Unemployment	1.1	1.3	1.4	1.2	1.1	1.7
Housing	0.6
Social exclusion not elsewhere classified	0.5	0.5	0.4	0.4	0.4	0.4

Source: Statistical Office of the Republic of Slovenia, Eurostat.
Note: ESSPROS methodology.

Table 10: Some demographic indicators of the Slovenian population and EU-15

	1996	2001	EU-15 1999
Population (in thousands)	1 991	1 992	375 585
Population of foreign citizenship (in thousands)	43	45	...
Population by age groups in %	100.0	100.0	100.0
0-14	18.1	15.4	16.9
15-64	69.4	70.1	66.9
65 +	12.5	14.5	16.2
Dependency ratio (65+/ 0-14) in %	69.1	94.1	95.8
Old age dependency ratio (65+/15-64) in %	18.0	20.6	24.3
Total fertility rate	1.28	1.21	1.45
Mean age of women at birth of first child	25.2	26.7	...
Life expectancy at birth :			
- Men	70.3	72.1	75,3
- Women	78.3	79.6	81,4
- Difference	8.0	7,5	6,1
Infant mortality	4.7	4,3	5.0
Age-standardised mortality rate	8.64	8.33 ⁽¹⁾	6.78

Source: Statistical Yearbook 2000; HFA,WHO Copenhagen, January 2003; Eurostat.
Note: (1) 1999.

Table 11: Projection of the population (low variant)

	2005	2010	2015	2020
Population by age group in %	100.0	100.0	100.0	100.0
0-14	14.8	14.6	14.8	14.4
15-64	70.2	69.5	68.4	66.4
65 +	14.9	15.9	16.9	19.5
Dependency ratio (65+/ 0-14) in %	100.7	108.6	114.2	135.2
Dependency ratio (65+/15-64) in %	21.3	22.9	24.6	29.3

Source: Statistical Office of the Republic of Slovenia, Population projections of the Republic of Slovenia 1995-2020, 1996.

Note: Three variants of projections were prepared: low, high and medium. According to recent trends the low variant is most relevant.

Table 12: The dropout rate in secondary education in relation to types of programme and by gender, in %

Type of education programme	Generation 1992-1997			Generation 1993-1998		
	All	Men	Women	All	Men	Women
Lower vocational education	29.4	29.6	28.8	31.9	31.0	34.4
Middle vocational education	18.6	18.7	18.4	16.6	17.9	14.5
Middle professional and technical education	12.8	13.6	12.2	11.9	13.9	10.0
TOTAL all vocat., prof. and tech. education	16.2	17.2	15.2	15.0	17.0	12.5
Gymnasiums	7.0	7.6	6.6	6.5	6.2	6.7
TOTAL all sec. school programmes	14.1	15.2	12.7	13.0	15.0	10.8

Source: Employment Service of Slovenia, Ministry of Education, Science and Sport.

Note: The estimated dropout rate for the generation 1994-1999 is 11.6 %..

Table 13: Some social cohesion indicators adopted at the Laeken Council – monetary poverty, Slovenia and EU-15

	1995	1996	1997	1998	1999	2000	EU-15 1999	EU-15 2000
Income in cash + in kind								
At-risk-of-poverty rate, in %	10	11	11	12	11	11		
At-risk-of-poverty rate before social transfers (pensions included in income), in %	15	16	17	17	18	17		
At-risk-of-poverty rate before social transfers (pensions excluded from income), in %	35	34	36	36	37	37		
Inequality of income distribution – S80/S20 quintile share ratio	3.0	3.1	3.2	3.2	3.2	3.2		
Gini coefficient ⁽¹⁾					22	22		
Relative at-risk-of-poverty gap					18	18		
At-risk-of-poverty threshold in PPS (illustrative values)					5.677	6.295		
in euro (Eurostat exchange rate)	3.299	3.431	3.708	3.884	3.920	4.180		
Income in cash								
At-risk-of-poverty rate, in %	13	12	14	14	14	13	15	15
At-risk-of-poverty rate before social transfers (pensions included in income), in %	18	18	20	20	21	20	24	23
At-risk-of-poverty rate before social transfers (pensions excluded from income), in %	37	37	40	40	41	41	40	40
Inequality of income distribution – S80/S20 quintile share ratio	3.3	3.6	3.7	3.6	3.6	3.6	4.6	4.4
Gini coefficient					25	25	29	29
Relative at-risk-of-poverty gap					22	22	22	21
At-risk-of-poverty threshold in PPS (illustrative values)					5.208	5.694	7.272	7.732
in euro (Eurostat exchange rate)	3.107	3.093	3.339	3.530	3.596	3.781	7.342	7.805

Source: Household Budget Survey, Statistical Office of the Republic of Slovenia; ECHP, Eurostat..

Note: (1) Data for Gini coefficient, Relative at-risk-of-poverty gap and At-risk-of-poverty threshold in PPS (illustrative values) before 1999 are omitted, because they were not explicitly validated by Eurostat..

Table 14: Distribution of sources of income by income deciles, total population, Slovenia 1993 and 1997-1999 (in %)

1993													
Income deciles	Income from employment	Income from occasional work	Income from self-employment	Pensions	Sick pay, maternity pay, childbirth assistance, other transfers from health insurance	Unemployment benefit	'War laws' receipts	Social assistance	Child benefits	grants	Income from property and ownership rights	Gifts and financial transfers within the family	Total
1	1.9	2.9	3.0	6.1	1.6	11.2	4.5	34.3	22.6	8.0	1.4	2.0	3.4
2	4.2	3.3	5.3	8.2	6.0	18.7	12.1	16.7	19.4	8.5	0.3	1.8	5.5
3	6.0	3.7	3.7	9.6	3.9	10.3	9.2	6.4	15.9	12.0	0.8	3.5	6.5
4	7.7	6.4	6.1	8.5	4.1	13.9	10.4	11.7	12.8	11.7	1.2	3.5	7.7
5	9.7	5.7	5.6	9.0	7.9	13.6	6.0	8.7	8.9	11.8	0.0	4.3	8.8
6	9.2	10.4	5.5	11.1	29.3	11.5	3.8	5.8	4.9	9.6	3.2	6.1	9.2
7	10.8	9.8	7.4	11.7	12.6	5.5	25.1	10.8	8.4	9.6	3.1	6.9	10.4
8	13.8	9.8	8.2	12.0	13.7	3.9	13.0	2.8	1.6	7.7	6.4	11.4	12.2
9	15.8	20.1	17.3	12.2	14.3	9.4	3.2	0.3	2.8	12.7	15.9	12.9	14.9
10	21.2	28.0	38.0	11.6	6.6	2.1	12.7	2.5	2.8	8.4	67.6	47.7	21.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1997-1999													
1	1.8	6.3	6.2	4.7	6.0	15.6	3.1	56.5	14.3	8.7	0.3	12.8	3.6
2	3.8	9.8	9.7	7.6	12.5	15.2	9.2	20.9	13.9	13.7	0.8	8.5	5.8
3	5.2	6.2	6.4	8.8	7.2	8.0	10.1	8.1	12.0	13.4	1.5	6.8	6.5
4	7.9	8.9	7.0	8.1	12.3	11.3	23.5	5.7	12.7	11.5	3.4	11.3	8.1
5	9.4	10.8	10.2	9.6	8.0	12.9	11.1	1.0	13.0	12.3	3.3	15.0	9.6
6	9.9	9.8	10.1	11.1	12.3	8.7	9.9	4.3	9.2	9.6	2.5	9.0	10.2
7	11.8	8.6	8.0	11.5	13.5	12.2	13.6	2.0	10.6	6.2	7.5	6.6	11.3
8	13.7	11.8	10.4	10.4	6.5	6.6	7.8	0.7	7.6	5.8	6.6	5.0	12.1
9	15.0	13.6	8.9	13.0	7.4	5.9	5.3	0.7	5.0	9.9	11.6	19.3	13.6
10	21.3	14.1	23.1	15.2	14.3	3.6	6.4	0.0	1.7	8.8	62.5	5.6	19.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Institute of Economic Research, Stropnik Nada, Stanovnik Tine, 2001, p. 17.

Note: As a result of rounding-up the columns do not add up to 100.

Table 15: Social cohesion indicators adopted at the Laeken Council – monetary poverty, Slovenia, 1999 and 2000

	1999 ⁽¹⁾		2000 ⁽²⁾	
	Income in cash	Income in cash + in kind	Income in cash	Income in cash + in kind
At-risk-of-poverty rate	14	11	13	11
At-risk-of-poverty rate with breakdown by age and gender				
men	13	11	12	10
women	14	12	13	12
0-15 years	12	10	11	9
men	12	10	12	10
women	12	9	11	9
16-24 years	13	11	12	11
men	13	11	14	11
women	12	10	11	10
25-49 years	11	10	11	9
men	12	10	11	9
women	11	9	10	9
50-64 years	12	10	12	11
men	12	10	12	11
women	13	10	12	10
65 years or more	25	22	23	21
men	21	15	18	14
women	27	25	26	25
At-risk-of-poverty rate with breakdown by most frequent activity status and gender				
Employed	5	5	5	4
men	6	5	5	4
women	5	5	5	4
Self-employed	21	10	19	10
men	20	9	18	10
women	23	10	21	10
Unemployed	38	37	40	43
men	40	38	41	42
women	36	37	38	45
Retired	16	15	15	15
men	15	12	15	12
women	17	17	16	17
Other economically inactive	22	18	23	19
men	20	18	22	19
women	24	18	24	19
At-risk-of-poverty rate with breakdown by household type				
One-person household, under 30 years	((27)) ⁽¹⁾	((19)) ⁽¹⁾	((29))	((26))
One-person household, between 30 and 64 years	25	24	25	26
One-person household, 65 years plus	39	46	37	42
One-person household, total	33	36	32	35
one-person household, male	26	25	26	26
one-person household, female	37	41	35	39
Two adults, no dependent children, both adults under 65 years	14	13	14	12
Two adults, no dependent children, at least one adult 65 years or more	24	19	22	18
Other households without dependent children	12	9	9	8
Single-parent household, one or more dependent children	24	23	17	20
Two adults, one dependent child	9	10	10	12
Two adults, two dependent children	7	7	7	6
Two adults, three or more dependent children	18	12	19	12
Other households with dependent children	14	10	13	9
At-risk-of-poverty rate with breakdown by tenure status				
Owner or rent-free	13	11	13	11
Tenant	20	22	16	17
At-risk-of-poverty threshold (illustrative values)				
in SIT	699.491	762.391	781.252	863.611
in PPS	5.208	5.677	5.694	6.295
in EURO (Eurostat-exchange rate)	3.596	3.920	3.781	4.180

Table 15 (continued)

	1999 ⁽¹⁾		2000 ⁽²⁾	
	Income in cash	Income in cash + in kind	Income in cash	Income in cash + in kind
At-risk-of-poverty threshold for a household consisting of two adults and two children				
in SIT	1.468.931	1.601.022	1.640.629	1.813.583
in PPS	10.938	11.921	11.958	13.219
in EURO (Eurostat-exchange rate)	7.552	8.231	7.941	8.778
Inequality of income distribution: S80/S20 quintile share ratio	3,6	3,2	3,6	3,2
Relative at-risk-of-poverty gap	22	18	22	18
Dispersion around the at-risk-of-poverty threshold				
40% cut-off	4	3	4	3
50% cut-off	8	6	8	6
70% cut-off	21	19	21	18
At-risk-of-poverty rate fixed at a point in time (1996)	11	10	10	8
At-risk-of-poverty rate before social transfers with breakdown by gender				
Pensions included in income	21	18	20	17
Men	20	17	19	17
Women	21	19	21	18
Pensions excluded from income	41	37	41	37
Men	39	35	39	35
Women	43	40	43	39
Inequality of income distribution: Gini coefficient	25	22	25	22

Source: Household Budget Survey, Statistical Office of the Republic of Slovenia;

Note: The sign () means inaccurate estimate: $0,15 < CV < 0,30$.

Notes: (1) Data for three years (1998, 1999, 2000) are calculated to the median year (1999), which is used as the reference year; (2) Data for three years (1999, 2000, 2001) are calculated to the median year (2000), which is used as the reference year.

Table 16: Regional data

Statistical region	GDP per capita 1999, volume indices	Unemployment rate, ILO definition, 2002	Social assistance December 2002
SLOVENIJA	100	6.4	4
Osrednjeslovenska	134	5.0	1,6
Obalno-kraška	105	(6.4)	2,1
Gorenjska	92	5.6	2
Goriška	102	(3.0)	1,1
Savinjska	91	7.7	5,2
Jugovzhodna Slovenija	91	(4.1)	3,3
Pomurska	77	7.9	8
Notranjsko-kraška	85	(4.3)	1,9
Podravska	83	10.0	5,7
Koroška	87	(5.7)	3,4
Spodnjeposavska	84	(6.5)	5,2
Zasavska	80	(6.8)	5,6

Source: Statistical Office of the Republic of Slovenia, Ministry of Labour, Family and Social Affairs.

Note: For social assistance, the proportion of the population of a particular region entitled to social assistance is given, in %.

Table 17: Structure of the recipients of social assistance, December 2002

	Proportion in %
By gender of the applicant	
Men	50.75
Women	49.25
By age of the applicant	
Up to 18	0.16
18-21	23.64
22-26	25.06
27-45	31.63
46-59	15.96
60-64	1.81
65-79	1.46
80+	0.28
By educational attainment	
in education	0.32
no school education or incomplete elementary school	10.28
elementary school	31.68
Lower or middle vocational education	26.68
secondary education	27.04
post secondary education	4.00
By status of the applicant	
Employed	1.20
Self-employed, farmer	0.17
Self-employed, other activity	0.08
Unemployed, registered at employment office	89.64
Termination of employment	0.01
Deleted from the register of unemployed	0.08
Not registered at the employment office	0.29
in prison	0.01
Care for the family member	0.13
Child	0.03
Pupil or student getting married or becoming a parent	0.30
Retired	0.97
Incapable of work, permanent	2.49
Incapable of work	1.27
in military service	0.05
On maternity leave	0.28
Included in education or training	1.82
Contract actively addressing the social problem	1.14
Other	0.04
By the main source of family income	
Without income	71.06
Wage	4.19
Pension	2.07
Other receipts from pension and disability insurance	0.60
Unemployment benefit	0.81
Unemployment assistance	1.80
Family benefits	1.30
Allowance for fostering	0.03
Compensation of handicapped	0.08
Allowances for war invalids	0.03
Alimony	6.68
Attendance allowance	0.03
Income, indirectly concluded	0.31
Income from property	0.03
Income from contracted work	0.15
Royalties	0.02
Other	0.32
Income from self-employment, agriculture	9.87
Income from self-employment, other activities	0.20
Income from casual and occasional work	0.42
By type of family	
Single person	74.14
Single-parent family	10.92
Parents with children	11.21
Couples without children	3.61
Other	0.11

Source: Ministry of Labour , Family and Social Affairs.

Note: Recipients are people who apply for and obtain social assistance for themselves and their family.

Table 18: Average number of children entitled to child benefit – in relation to income per family member and number of children in a family in 2001

Income per family member as % of average wage in RS	Number of children entitled to child benefit by order of children			Proportion of funds paid in 2001 (in %)
	1st child	2nd child	3rd child	
up to 15%	24,575	14,213	7,080	21
15% to 25%	33,849	20,805	7,012	25
25% to 30%	23,275	14,334	3,320	12
30% to 35%	25,387	15,306	2,796	11
35% to 45%	47,874	26,350	3,727	16
45% to 55%	36,868	18,193	1,968	7
55% to 75%	40,715	17,552	1,806	6
75% to 99%	16,706	6,598	691	2

Source: Ministry of Labour, Family and Social Affairs.