

**European Employment Observatory**

**EEO Review: The Employment Dimension of Economy  
Greening**

**Slovenia**

Miroljub Ignjatović  
University of Ljubljana, Faculty of Social Sciences

December 2009

## **1. Introduction**

Climate change represents one of the greatest environmental, social and economic threats to the world in the 21<sup>st</sup> century. It is becoming one of the important topics for the debate in the Slovenian society, too, although recent economic and financial crisis changed somewhat the focus and scope of measures taken by the Slovenian authorities.

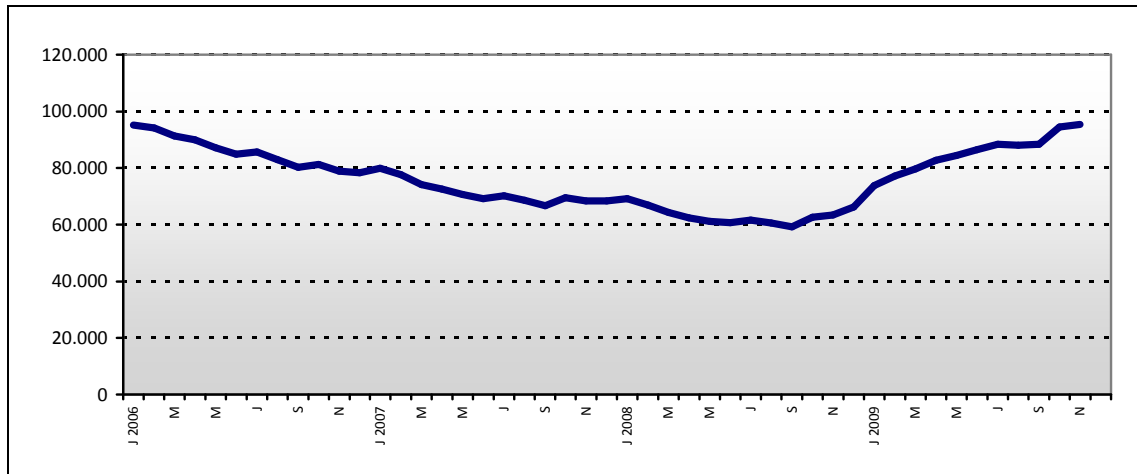
Recent surveys on attitudes towards climate changes are showing that Slovenian public has developed strong opinions about the climate change. It is perceived as most serious problem that the world is currently facing (70 % of Slovenian respondents agreed with that statement, against 47% of the EU-27 average) (Eurobarometer 2009). Similarly, respondents of another Slovenian survey (Umanotera 2009) put climate change on the first place (27.6 %) among problems of the 21<sup>st</sup> century, which is followed by economic crisis (13.3 %), global poverty and famine (12.6 %), diseases (10.6 %) and shortage of drinking water (10.5 %). The majority of respondents from the latter survey also thought that it was imperative to start urgent action in order to reduce the negative effects that (predominantly) industry, traffic and deforestation have on climate change. Thus, according to such surveys, the Slovenian public has relatively high consciousness about the problem, but, on the other hand, this attitude is not yet transformed fully into practical actions.

From 2005 onwards, the government has produced a number of documents with recommendations and measures for increasing the economic growth and employment at the national level. Those documents included also measures for achieving sustainable development (including addressing the environmental issues), but almost all of them are failing to seek explicit synergy effects between various areas – and between economy, labour market (employment) and environment in particular. On a more practical level, those that are seeking for such synergies are social partners. Both employer and employees representatives are demanding and proposing more concrete measures for transforming current economic crisis into new opportunities by incorporating measures for long-term economic development, based on greener economy which would bring new employment opportunities.

## **2. Labour market outcomes**

As already stated, the impact of global financial and economic crisis on Slovenian economy and labour market influenced also changes in the focus and direction of measures taken by the Slovenian authorities. Positive trends started in the previous period were replaced by the recession and negative trends in the economy and labour market (see Figure 1), which are expected to last (especially the unemployment) in the following short-term period (2010-2011).

Figure 1: *Registered unemployed persons in the period January 2006 – November 2009*



Source: Statistical Office of the Republic of Slovenia.

In such circumstances, it seems that Slovenian government, which has a key role in the preparation and implementation of measures, opted for preservation of social peace (job preservation) and social security, thus focusing mostly on measures for alleviating the consequences of the global financial and economic crisis. Measures for achieving long-term structural changes (including changes in relation to the greening economy) that were set and implemented or will be implemented in the near future could be described as setting up the basis (legal and organisational) for the future steps.

Thus, the Slovenian government established in November 2008 a task force for economic recovery, consisting of key ministers<sup>1</sup> and led by the Minister for Development and European Affairs, Mr Mitja Gaspari. The group has prepared, until the end of 2009, three packages of measures dedicated to the economy and labour market.

The first package of measures, adopted in December 2008, primarily addressed the issue of improving liquidity in the banking sector, additional incentives to business, reduction of public spending, and job preservation. The second package was adopted in February 2009 and is mostly development-oriented. It consists of further measures concerning the financial sector and liquidity of companies, measures in the area of labour market, life-long learning and social security, support to sustainable development and measures aimed at improving the use of cohesion funds. The third package was introduced in the beginning of July 2009 offering some new measures for labour market.

<sup>1</sup> The Minister of Finance, the Minister of the Economy, the Minister of Labour, Family and Social Affairs, and the Minister of Higher Education, Science and Technology.

Only recently (at the beginning of December 2009) the Slovenian government transformed its 'anti-crisis task-force' to the 'task-force for preparation of the exit (from crisis) strategy'. According to the Prime Minister, the main goals of the Government and the Task Force for the year 2010 would be a 1 % GDP growth and the number of registered unemployed persons below 120 000. In addition, the task force for exit strategy will have difficult task in inviting foreign investments and finances back in the Slovenian economy, increasing the innovative potential of the economy and workers, stimulating the introduction of new technologies, drawing more finances from European Structural Funds and facilitating transformation of Slovenian economy from labour intensive and energy inefficient to more efficient, with greater value added.

Furthermore, it should provide clear, focused and efficient strategy and incorporate in it all different areas of Slovenian society to stimulate the transition to greener economy and more sustainable development.

To achieve this, the Slovenian government adopted new tactics by looking for the synergies across sub-systems. For that purpose, previous government set up two councils (the Competitiveness Council and the Sustainable Development Council), with the aim of a more balanced implementation of different policies and measures for strengthening the competitiveness of Slovenian enterprises and the national economy in accordance with Slovenian development priorities. The Competitiveness Council has set up seven sectoral and three horizontal development groups with more than 150 experts, representatives of Slovenian enterprises, governmental offices and researchers, to prepare propositions of R&D priorities and systemic actions. Unfortunately, both councils are not active and successful enough. Experimenting with new options for achieving synergies, in October 2009 the current government adopted target-oriented budgets for the years 2010 and 2011 as the new basis for defining the structure of public expenditure. The target-oriented programme budget should give a clearer picture of current situation, targets, direction of changes and how the social welfare of the Slovenian population has been improved.

In the area of climate change, the government also prepared some documents and set up several bodies:

- In January 2008, the government adopted the Action Plan for Energy Efficiency 2008, binding it to reaching a nine percent of final energy saving between 2008 and 2016.
- In April 2009, it adopted the Green Paper for the national energy programme of Slovenia (the Green Paper), intended for an in-depth discussion on key strategic development energy issues in Slovenia, in order to prepare the starting points of the National Energy Programme for creating a quality long-term development vision for energy sector by 2030.

- In May 2009, the Inter-service Group for Climate Change at the Ministry of the Environment and Spatial Planning appointed an Expert Group for Policy and Legislation on Climate Change, with the aim to prepare a platform for setting up a climate change policy of Slovenia and a basis for drafting a law on climate change. It stressed the need for preparing a Programme or Strategy of the Republic of Slovenia for mitigating and adapting to climate changes in a way to overcome the attitude that climate change is exclusively an environmental problem. The Group pointed out the value of synergy with economic development and social cohesion to improve economic competitiveness, job-creating activities and a more balanced regional development.
- In July 2009, the Slovenian government adopted the Operational Programme for reducing greenhouse gas emissions by 2012, defining the measures required to meet the obligations assumed by signing and ratifying the Kyoto Protocol.

Regarding the impact of recommended measures on particular sectors of Slovenian economy and on employment, currently, there are only few research studies and publicly available documents which analyse such impacts. One available study (Vendramin et al., 2008) assessed, based on the analysis of the cost structure of Slovenian industry in 2005, the cost of purchasing emissions allowances at the level of EUR 20/tCO<sub>2</sub> to these industries. The analysis showed the highest impact in the lime production, at the level of 63.1 % of their value added. The second sector according to the level of impact is the production of cement, followed by the production of organic basic chemicals. In manufacturing and construction together, the impact would be at the level of 1.1 % of the value added in 2005.

The authors also analysed the cumulative impact of emissions trading, direct and indirect, on electricity prices. This would result in higher costs in emissions and energy-intensive industries, amounting to 14.7 % relative to gross value added. The highest impact<sup>2</sup> (70.7 % relative to value added) would occur in lime production, followed by cement, aluminium and basic organic chemical production. The Slovenian manufacturing and construction sectors together would be faced with a cost increase equalling 2.1 % of their gross value added.

### **3. Review of labour market policy developments**

Reading the Slovenia's Development Strategy and other recent documents one could get the impression that there are only few explicit links<sup>3</sup> in practice between

---

<sup>2</sup> In sectors for which calculations show more than a 4 % cost increase relative to value added due to emissions trading (with a price of allowances of EUR 20/tCO<sub>2</sub> and a 20 % electricity price increase) were employed around 14 300 employees, or 1.5 % of all employees in 2007. Their share in gross value added of manufacturing was 8.9 % and 1.8 % in GDP in 2007.

<sup>3</sup> More explicit demand for inter-sectoral activities could be found in Green Paper for the national energy programme of Slovenia and Resolution on national development projects 2007-2023 (both stating that achieving goal of 25 % of renewable energy until 2020 would be extremely difficult and, consequently, it should be linked with goals of economic development and job creation). The latter

development priorities (pillars). One distinctive feature of the majority of Slovenian documents is also that there is no explicit usage of terms 'economy greening' or 'green jobs', although there are implicit intentions and expectations that the measures used would have synergetic effects.

In practice, besides setting up the basis for the future activities, measures for greening the national economy are mostly in relation with co-financing the development and investment projects for long-term competitiveness and strategic projects of companies in the field of clean and technologically advanced industry. In the field of active labour market policies, measures are expected to provide some positive impact on greening of the economy as follows:

- Public work programme (amended in September 2009) increased finances and the number of persons which would be included in 2010 to 7 000. Among the fields in which unemployed persons could be included in public work are municipal maintenance and sanitation services, and nature and environment protection.
- Similar requirements are posed for the programme for stimulating employment of long-term unemployed persons.

In the public sector, the government limited green measures (due to the financial constraints) for now to the energy rehabilitation of buildings in public ownership (which should also help construction sector with new orders) and to the adoption of the green procurement (by introducing fourteen measures), which should decrease the negative effects of the public sector on the environment, encourage the development of products and services which are friendlier to the environment, ensure more efficient use of public finances, and provide a good model to the business sector and consumers. Another measure (which should also improve financial sustainability), still in preparation, is the introduction of elements of green tax reforms, with the intention to increase the taxation of polluters and reduce the taxation of labour.

The government also provides different incentives for development and use of environmental technologies, which could enhance the economic development and partially solve environmental issues. The key objectives are the development of new environmental technologies, improvement and enhancement of transfer of technologies for utilisation, as well as reduction of the risks pertaining to the investments in environmental technologies. Incentives could be used for

---

document also has some more concrete calculations on possible job creation linked with "green" projects in the future (for example, a new nuclear plant would bring 1 000 jobs closely related to its performance plus few thousands in building phase; furthermore, development of scientific-technological parks and business incubators would bring at least 17 000 new jobs and keep skilled workforce).

On the other hand, other recent documents, such as Structural adjustments for 2010 and 2011 and Report on the Implementation of the Reform Programme for achieving the Lisbon Strategy Goals in Slovenia 2009, keep goals and measures in different pillars (for example Pillar III. Investment in people and Pillar IV. Climate change and sustainable development) strictly separated. **Thus, the impact of measures of the climate change on employment is not calculated.**

investments in knowledge and skills, key technologies and creation of jobs providing high value added and granted by means of public tenders. In assessing the projects, account is also taken of the positive impact on sustainable development, efficient use of energy and orientation towards renewable sources of energy. In 2009, financial incentives have been approved for clean and technological advanced industry (particularly the automobile industry) for further investments in R&D.

Furthermore, companies are encouraged (through public tenders) to participate in scientific-technological parks and business incubators for joint activities in the R&D field. For example, the Ministry of Higher Education, Science and Technology promotes tighter links between companies and the forms of active linking among companies, universities and other research institutions.

On the other hand, it seems that the social partners are more active in demanding more concrete measures in one comprehensive strategy<sup>4</sup> and producing the synergies between economy and environmental goals, on concrete level.

As employers' representatives, the Association of Employers of Slovenia and the Chamber of Commerce and Industry of Slovenia are actively participating in proposing recommendations and measures to the government for the transformation and adaptation of the Slovenian economy to the demands for environmentally protective and more energy efficient economy. Proposals range from increasing the financial incentives for R&D projects in the area of efficient energy use and renewable energy resources and promoting the development of new energy-saving services and products to tax reliefs for buying energy efficient appliances and investing in new areas of economy which should create new jobs and increase economic growth.

Trade unions also perceive current economic crisis and environmental problems as an opportunity for creating new environment-friendly economy, in which new quality jobs will be created. Thus, they are very interested in creating the right conditions for the development such economy and creation of new jobs. At the same time, they are very critical about actions of the Slovenian government so far: "Representative of ZSSS stressed, that governmental measures, especially regarding sustainable development, lack of concrete goals on available financial resources, envisaged new jobs and appropriate strategy. The actions have also not been promoted enough among people. The representatives of ZSSS are of opinion, that the government should introduce a more concrete approach to resolve the economic crisis with green agenda." (Lužar, 2009).

---

<sup>4</sup> According to the Social Agreement for 2007-2009, the government's task is to promote and support the development and sustainable-oriented investments and strategic projects, while the task of employer associations is to increase the level of innovation and to stimulate the development of new sustainable technologies.

Social partners also stressed the importance of taking advantage of EUR 180 million<sup>5</sup> offered by the EU through the European Cohesion Funds. The European funding is for Slovenia very important source of public funds used for promoting different activities – and active labour market policies are one of them. This is especially true in the current financial and economic crisis – in the time when some clearly state that public finances are one of the main obstacles for achieving the integrity of policies. On the other hand, Slovenia was not very successful in drawing the available funds from EU budget until now.

#### **4. Conclusions**

The real work on structural reforms of the Slovenian economy and labour market is yet to be done. After using mostly short-term measures in 2009 to alleviate the consequences of the economic crisis, Slovenian government only recently started the debate on major structural reforms and strategy for achieving them. The implications of climate change, measures for achieving energy efficient, innovative and sustainable economy (with more jobs with better quality) and society are important part of this debate. But on the other hand, more interdisciplinary views, proposals, analyses and measures are still missing. Such breakthrough in the way of thinking is indispensable in order to achieve the desired effects of the reforms, which would include a more competitive economy and a society with greater solidarity.

#### **Bibliography**

24UR. 2009. Vlada je začela s pripravo izhodne strategije (The government started the preparation of exit strategy), Internet:

<http://24ur.com/novice/gospodarstvo/pricenja-se-razprava-o-izhodni-strategiji.html>

Employment Service of Slovenia, 2009. Internet:

<http://www.ess.gov.si/slo/Dejavnost/StatisticniPodatki/2009/1109.htm>

Eurobarometer 2009. European Attitudes Towards Climate Change. EU27-Slovenia. Internet:

[http://www.vlada.si/fileadmin/dokumenti/si/projekti/2009/podnebne/ebs\\_322\\_fact\\_sheet\\_en.pdf](http://www.vlada.si/fileadmin/dokumenti/si/projekti/2009/podnebne/ebs_322_fact_sheet_en.pdf)

Koražija Nataša. 2009. Kako zeleno bo krizno leto 2009 (How green will be the crisis year 2009). Manager, 7.1.2009, Internet:

<http://www.finance.si/manager/?234324>

Lužar Barbara. 2009. Slovenia – Greening the European Economy: Responses and initiatives by Member States and social partners. EIRO. Internet:

<http://www.eurofound.europa.eu/eiro/studies/tn0908019s/si0908019q.htm>

Ministrstvo za gospodarstvo (Ministry of the Economy). 2007. (Programme of Measures for Promoting Entrepreneurship and Competitiveness 2007-2013).

---

<sup>5</sup> With the national budget participation of EUR 35 million.



Internet:

[http://www.mg.gov.si/en/areas\\_of\\_work/entrepreneurship\\_and\\_competitiveness/](http://www.mg.gov.si/en/areas_of_work/entrepreneurship_and_competitiveness/)

Ministrstvo za gospodarstvo (Ministry of the Economy). 2009. Zelena knjiga za nacionalni energetske program Slovenije. Posvetovalni dokument za javno obravnavo. (Green Paper for the national energy programme of Slovenia.) Internet: [http://www.mg.gov.si/si/zakonodaja\\_in\\_dokumenti/energetika/pomembni\\_dokumenti/zelena\\_knjiga\\_za\\_nacionalni\\_energetski\\_program/](http://www.mg.gov.si/si/zakonodaja_in_dokumenti/energetika/pomembni_dokumenti/zelena_knjiga_za_nacionalni_energetski_program/)

Ministrstvo za okolje in prostor (Ministry of the Environment and Spatial Planning). 2009. Stališča Republike Slovenije za konferenco o podnebni spremembah v Kopenhagenu od 7. do 18. decembra 2009 (Slovenia's position for the Climate Summit in Copenhagen from 7 to 18 December 2009), Internet: [http://www.vlada.si/fileadmin/dokumenti/si/projekti/2009/podnebn/konferenca\\_kopenhagen\\_stalisca\\_Slovenije.pdf](http://www.vlada.si/fileadmin/dokumenti/si/projekti/2009/podnebn/konferenca_kopenhagen_stalisca_Slovenije.pdf)

Služba Vlade RS za razvoj (Government Office for Development). 2007. Implementation of the Renewed EU Sustainable Development Strategy in Slovenia 2007, Internet: [http://www.google.si/url?sa=t&source=web&ct=res&cd=2&ved=0CBcQFjAB&url=http%3A%2F%2Fwww.svr.gov.si%2Ffileadmin%2Fsrs.gov.si%2Fpageuploads%2FTrajnostni\\_razvoj%2FImplement\\_of\\_srs.pdf&ei=0YIES9ecOtLz\\_Aba0uGMCQ&usg=AFQjCNHahGR0AK2u6m72Nc01a9GM-uB8CA&sig2=fZR7rfvh39XqVE3Nxpt1Q](http://www.google.si/url?sa=t&source=web&ct=res&cd=2&ved=0CBcQFjAB&url=http%3A%2F%2Fwww.svr.gov.si%2Ffileadmin%2Fsrs.gov.si%2Fpageuploads%2FTrajnostni_razvoj%2FImplement_of_srs.pdf&ei=0YIES9ecOtLz_Aba0uGMCQ&usg=AFQjCNHahGR0AK2u6m72Nc01a9GM-uB8CA&sig2=fZR7rfvh39XqVE3Nxpt1Q)

Služba Vlade RS za razvoj (Government Office for Development). 2008. Resolucija o nacionalnih razvojnih projektih za obdobje 2007-2023 (Resolution on national development projects 2007-2023), Internet: <http://www.svr.gov.si/fileadmin/srs.gov.si/pageuploads/RESOLUCIJA-ZADNJA.pdf>

Služba Vlade RS za razvoj in evropske zadeve (Government Office for Development and European Affairs). 2009. Poročilo o uresničevanju Programa reform za izvajanje Lizbonske strategije v Sloveniji 2009. (Report on the Implementation of the Reform Programme for achieving the Lisbon Strategy Goals in Slovenia 2009), Internet: [http://www.svez.gov.si/fileadmin/svez.gov.si/pageuploads/docs/lizbonska\\_strategija/Porocilo\\_LS\\_2009\\_cistopis\\_22.10.2009.pdf](http://www.svez.gov.si/fileadmin/svez.gov.si/pageuploads/docs/lizbonska_strategija/Porocilo_LS_2009_cistopis_22.10.2009.pdf)

Služba Vlade RS za razvoj in evropske zadeve (Government Office for Development and European Affairs). 2009a. Strukturne prilagoditve v letih 2010 in 2011 (Structural Adjustments in 2010 and 2011), Internet: [http://www.svez.gov.si/fileadmin/svez.gov.si/pageuploads/docs/strukturne\\_prilagoditve/Strukturne\\_prilagoditve\\_v\\_letih\\_2010\\_in\\_2011.pdf](http://www.svez.gov.si/fileadmin/svez.gov.si/pageuploads/docs/strukturne_prilagoditve/Strukturne_prilagoditve_v_letih_2010_in_2011.pdf)

Služba Vlade RS za razvoj in evropske zadeve (Government Office for Development and European Affairs). 2009b. Pregled izvajanja protikriznih ukrepov (The overview of anti-crisis measures), Internet:

[http://www.vlada.si/fileadmin/dokumenti/si/projekti/Protikrizni\\_ukrepi/Ukrepi\\_za\\_b\\_lazitev\\_krize/Pregled\\_izvajanja\\_protikriznih\\_ukrepov2105.pdf](http://www.vlada.si/fileadmin/dokumenti/si/projekti/Protikrizni_ukrepi/Ukrepi_za_b_lazitev_krize/Pregled_izvajanja_protikriznih_ukrepov2105.pdf)

Umanotera. 2009. Poznavanje problematike podnebnih sprememb med prebivalci Slovenije. (Knowledge on climate changes problematic among Slovenian population), Internet:

[http://www.vlada.si/fileadmin/dokumenti/si/projekti/2009/podnebne/Mediana\\_podn\\_ebje.pdf](http://www.vlada.si/fileadmin/dokumenti/si/projekti/2009/podnebne/Mediana_podn_ebje.pdf)

Urad RS za makroekonomske analize in razvoj (Institute of Macroeconomic Analysis and Development) 2005. Strategija razvoja Slovenije. (Slovenia's Development Strategy), Internet:

[http://www.umar.gov.si/fileadmin/user\\_upload/projekti/02\\_StrategijarazvojaSlovenije.pdf](http://www.umar.gov.si/fileadmin/user_upload/projekti/02_StrategijarazvojaSlovenije.pdf)

Vendramin Mojca, Zakotnik Ivanka, Ivas Katarina. 2008. The Impact of Emissions Trading on Slovenian Industry. IMAD Working Paper Series No.10/2008, Vol. XVII, Internet:

[http://www.umar.gov.si/en/publications/single/publication/zapisi/mojca\\_vendramin\\_in\\_drugi\\_vplivi\\_emisijskega\\_trgovanja\\_na\\_slovensko\\_industrijo/](http://www.umar.gov.si/en/publications/single/publication/zapisi/mojca_vendramin_in_drugi_vplivi_emisijskega_trgovanja_na_slovensko_industrijo/)

Vlada Republike Slovenije (Government of Republic of Slovenia).2008. Državni razvojni program Republike Slovenije za obdobje 2007–2013 (National Programme of Development 2007-2013), Internet: <http://www.svlr.gov.si/index.php?id=1182>

Vlada Republike Slovenije (Government of Republic of Slovenia).2008a. Nacionalni akcijski načrt za energetske učinkovitost za obdobje 2008-2016.(National Action Plan for Energy Efficiency 2008-2016), Internet:

[http://www.mop.gov.si/fileadmin/mop.gov.si/pageuploads/dokumenti/akcijski\\_nacrt\\_energetska\\_ucinkovitost.pdf](http://www.mop.gov.si/fileadmin/mop.gov.si/pageuploads/dokumenti/akcijski_nacrt_energetska_ucinkovitost.pdf)

Vlada Republike Slovenije (Government of Republic of Slovenia).2009. Akcijski načrt za zeleno javno naročanje za obdobje 2009 – 2012. (Action Plan for Green Public Procurement 2009-2012), Internet:

[http://www.mf.gov.si/slov/javnar/zelena\\_javna\\_narocila.htm](http://www.mf.gov.si/slov/javnar/zelena_javna_narocila.htm)

Vlada Republike Slovenije (Government of Republic of Slovenia).2009a. Operativni program zmanjševanja emisij toplogrednih plinov do leta 2012 (Operational programme for limiting greenhouse gas emissions until 2012), Internet:

[http://www.mop.gov.si/fileadmin/mop.gov.si/pageuploads/zakonodaja/okolje/varstvo\\_okolja/operativni\\_programi/op\\_toplogredni\\_plini2012.pdf](http://www.mop.gov.si/fileadmin/mop.gov.si/pageuploads/zakonodaja/okolje/varstvo_okolja/operativni_programi/op_toplogredni_plini2012.pdf)