

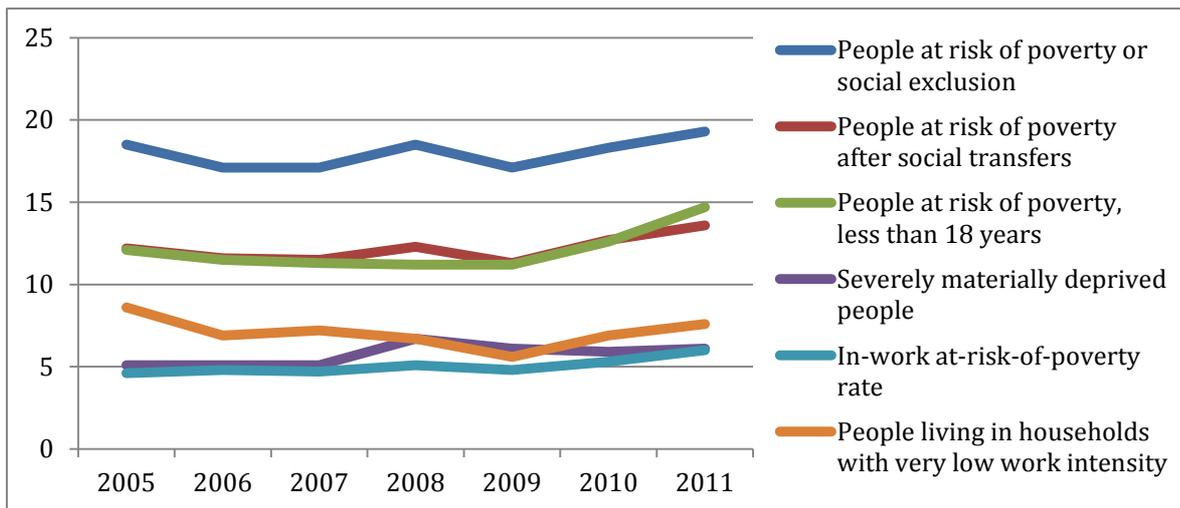
## 1. POVERTY

### 1.1. Recent trends

#### Developments of poverty and social exclusion in Slovenia based on Eurostat:

- Almost all poverty indicators increased (slightly) between 2008 and 2012, with **child poverty suffering the highest increase** (from 11.2% in 2008 to 13.5% in 2012). Nevertheless, all poverty rates remain below EU average.
- Besides child poverty, the **highest proportional increase can be observed in the in-work at-risk-of-poverty rate**, which rose from 5.1% in 2008 to 6% in 2011. Most notably, the rate increased **considerably among working men** (by 1.7 p.p. to 7.2% in 2011) while in-work at-risk-of-poverty remained stable among women (4.5%).
- **Poverty is also widely spread among elderly people:** in 2011, the at-risk-of-poverty-rate of older people (65+) was 20.9%. Furthermore, the rising material deprivation rate of people older than 65 years (19.5% in 2011) provides evidence of the difficulties faced by elderly people. Both indicators show great differences between elderly people (65+) and the average of the entire population (13.6% at-risk-of-poverty, 17.2% material deprivation).

Poverty trends in Slovenia (% of population):



In addition to the above figures, the following observations can be made:

- A **higher at-risk-of-poverty-rate and material-deprivation-rate** in comparison to men is also observed **among older women**: both indicators have increased since the outbreak of crisis.<sup>1</sup>
- In 2012 and 2013, the poverty situation in Slovenia has worsened significantly due to the economic and financial crisis, especially for families with more children.
- Furthermore, it has to be emphasised that flexible employment system that enables employers to adapt to market demands more easily consequently means less profits for employees. The latter are more exposed to the risk of poverty than people with permanent employment. The **highest at-risk-of-poverty-rate is observed among self-employed people**. In 2011, the at-risk-of-poverty-rate among temporarily employed people in Slovenia (14%) was almost four times higher than among permanently employed people (3.6%). This bears witness to higher concentration of low annual incomes among temporarily employed people, since their employment does not last throughout the

<sup>1</sup> Institute of Macroeconomic Analysis and Development (IMAD), 2013. Development Report 2013, p. 77. URL: [http://www.umar.gov.si/fileadmin/user\\_upload/publikacije/dr/13/A\\_por13\\_s.pdf](http://www.umar.gov.si/fileadmin/user_upload/publikacije/dr/13/A_por13_s.pdf)

year (e.g. student work or work obtained through employment agencies). The at-risk-of-poverty-rate among elderly people in Slovenia is constantly increasing.<sup>2</sup>

- The analysis of the new social legislation adopted in 2010, carried out by the Social Protection Institute of the Republic of Slovenia<sup>3</sup>, showed that there are specific groups of people even more affected by poverty and living in worse conditions than before the adoption of the new legislation, such as **families repaying a loan** to resolve their housing situation; **families with students and large families** (when receiving child benefit and any other benefits); elderly people; people between the age of 50 and 63 (women) or 65 (men).
- Caritas Slovenia points out that **poverty is mainly noticeable at the start of a new school year** when the organisation assists people to cope with school requisites. Caritas Slovenia daily deals with new seekers from families in which **both parents, who were employed before, have lost their jobs** (a shocking experience for a family). Besides material assistance, Caritas tries to help those people to stay vital and not to fall into depression. The organisation teaches them how to save money by making use of available environmental sources, saving energy and promoting intergenerational solidarity.
- Due to the changing demographic situation, **elderly people have become the most vulnerable group** in social and healthcare systems. On the one hand, they often receive very low incomes (pension), which results into a higher at-risk-of-poverty-rate among older people, especially among those living alone, particularly women (**almost every second woman over the age of 65 living alone has an available income below the national poverty threshold**); on the other hand, they are also affected by additional costs for treatment of diseases connected to their age or other costs necessary for independent life. It has to be mentioned that due to financial problems (of elderly people or their close relatives) in 2012, a total of **250 older people left homes for the elderly and returned home or to their relatives, which is a consequence of the financial and economic crisis**. Caritas Slovenia has further noticed that more and more older people struggle with the problem of loneliness, which is addressed by 9,400 volunteers. An internal research carried out in 2010<sup>4</sup> showed that **60% of the elderly feel lonely**.

## 1.2. Recent policy developments

**Since last year the following policy developments have been registered:**

As of 1 January 2013, the **minimum wage was harmonised** with a year-on-year price growth in 2012 (2.7%) and now amounts to a gross sum of 783.66 EUR. This had a positive effect on reducing pay inequality and the percentage of employees receiving low payments. However, it also put great pressure on economic competitiveness and consequently caused a reduction in the number of jobs.

Several **measures to promote the employment of vulnerable groups** were issued by the Employment Service of Slovenia, such as 50plus (employment of older people), First Challenge (employment of people under the age of 30), etc.

In August 2012, the results of the call for applications to the **“Promoting development of social entrepreneurship” programme** were published. 11 projects were chosen – among them also the project proposed by the Pelikan Social Institution set up by Caritas Slovenia.

**Assessment of Slovenia's NRP and policies it refers to:**

The National Reform Programme 2013-2014 provides for an act proposal to be prepared until the end of the year 2013 that will regulate the implementation of **long-term care** and long-term care insurance. The aim of this act is to establish a unified and comprehensive system of long-term care, and thus contribute to long-term reduction of the risk-of-poverty among older people. Besides, health care services and social services will be part of a unified system. Priority for implementation will be given to

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<sup>2</sup> *ibid.* p.12, 55, 180

<sup>3</sup> Social Protection Institute of the Republic of Slovenia, <http://www.irssv.si/>

<sup>4</sup> Dr. Potočnik, Vinko, 2011. *Nič revščine. Pogledi prejemnikov pomoči Karitas ter pastoralnih in karitativnih delavcev*. Ljubljana.

those services carried out at the beneficiary's home or in their local area. A **special emphasis will be put on prevention, early rehabilitation and the use of ICT**. Besides, for the year 2013, the line ministry provides for an adoption of **supplementations and amendments of social legislation**, which would help eliminate the major negative effects after the adoption of social legislation in 2010.

Furthermore, the **Strategy for developing social entrepreneurship** for the period 2013-2016 is expected to be adopted in 2013 on the basis of the adopted Social Entrepreneurship Act. The Strategy will serve as a basis for establishing and funding measures introduced in the Strategy.

The **Resolution on the National Social Assistance Programme 2013-2020** contains well designed, up-to date and internationally comparable key strategic guidelines. However, recent developments do not raise hopes that they may be put into effect.

Caritas Slovenia points out that, although the government adopts legislations and has a vision; things are developing slowly in practice: as mentioned above, **the number of vulnerable people is increasing**. Furthermore, several modern diseases (e.g. depression) are increasing; young people are lacking energy; more and more people (especially young) are facing problems of alcoholism. All this indicates a deterioration of the social situation.

Furthermore, Caritas Slovenia highlights that the role of non-governmental organisations (NGOs) is not treated properly under the government's reform programmes. NGOs, including Caritas, do not receive enough attention under the NRP. Certain priorities for operations, including resources for NGOs' operations (e.g. assistance for applicants; financial resources, including for operations, trainings etc.) are not discussed sufficiently.

### **Assessment of Slovenia's Country Specific Recommendations (CSRs) adopted in 2013:**

In general, **CSR 1** on balancing of public finance is considered adequate. However, the adoption of reform measures should not reduce the rights in the fields of social and health care.

Furthermore, **CSR 2** on the establishment of a long-term care system and the adoption of measures to help disabled people live an independent life outside the institutions are considered adequate.

## **1.3. Recommendations**

- The adoption of amended social legislation, which will help eliminate major negative effects spread after the adoption of social legislation in 2010.
- The adoption of the long-term care and personal assistance for disable people act.
- Facilitate a more efficient operation of institutions in the field of social assistance.
- Promote the development of social entrepreneurship, which is currently operating on a small scale.
- Propose a resolution on family policy with the aim of enabling equal opportunities for all families and all children.

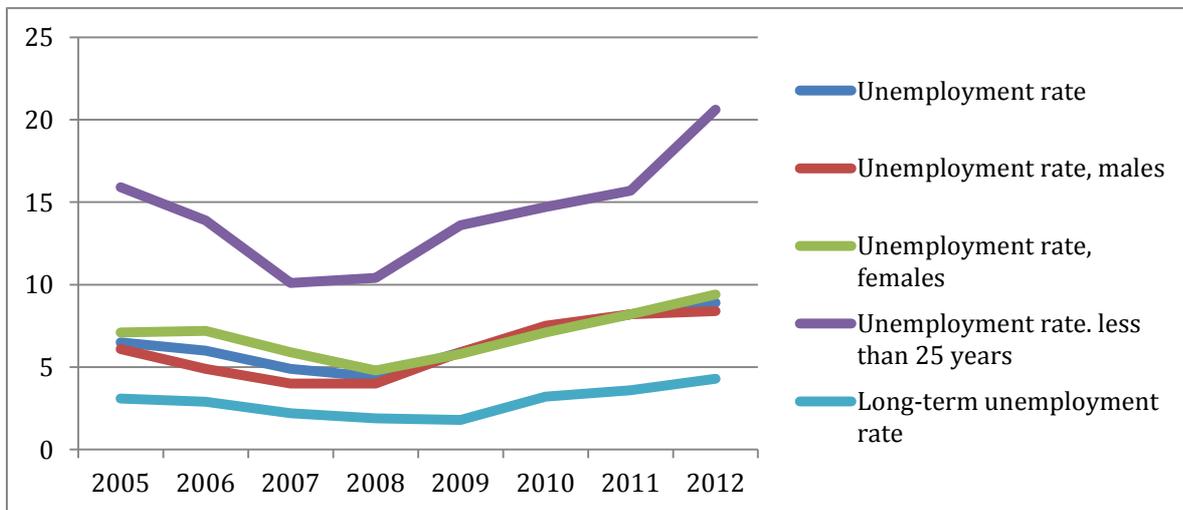
## 2. EMPLOYMENT

### 2.1. Recent trends

#### Developments of the employment situation in Slovenia

- **Unemployment more than doubled** from 4.4% in 2008 to 8.9% in 2012. The **highest increase occurred in the youth unemployment rate**, which rose by 10.2 p.p. to 20.6% in 2012 – however, still remains below EU average (22.8%).
- The employment rate dropped from 72% in 2008 to 68.3% in 2012 – only slightly below EU average (68.50%). Taking a closer look at employment rates of men (71.8% in 2012) and women (64.6% in 2012) it can be noted that they both lie above EU averages for men (68.5%) and women (62.4%).
- **Long-term unemployment more than doubled**, from 1.9% in 2008 to 4.3% in 2012, affecting more men (4.1% in 2012) than women (4.4% in 2012).

Employment trends in Slovenia (% of population):



In addition to the above observations, Caritas Slovenia has made the following observations:

- Due to the world economic crisis that has affected particularly some European countries, among them Slovenia, the unemployment rate has increased by 100% in relation to the period of 2004-2008. This **increase in unemployment may be attributed to some wrong and late governmental decisions** during the period 2009-2013, e.g. **accelerated state borrowing in order to preserve social peace**. People who had power thought that it would be a short-term crisis and that a small country would come out of it after inertia, when their biggest trading partners are out of it. One of the consequences is the **lack of vision in employing young people that finish education** and are highly educated but unfortunately trained for jobs in state or financial institutions, which have financial difficulties recruiting new employees (especially young people) or even continuing their regular operations. In Slovenia, there are **too many highly-qualified young people in social sciences** (e.g. political sciences, mass communication) but a lack of medium-qualified staff who would have more employment possibilities (e.g. construction workers, locksmiths etc.)
- The **education system does not encourage students to be self-initiative**. After completing studies, young people tend to register at employment service, hoping to receive at least some social relief.
- The **economic environment does not enable any free entrepreneurial mentality** (due to high taxes, expensive infrastructure, and lack of technical knowledge).

- Limited programmes for employment are based particularly on subsidies with a short-term effect (1-2 years). After that period, people tend to return to employment service, often with additional loans.
- Great dependence on social transfers causes growing public deficit. Thereby, the **government does not motivate individuals to get a job**, giving the impression that it is not worth going to work because social transfers are almost the same. Besides, the government is not able to take further measures to encourage people to seek a job, to undertake works of public utility or to cooperate with NGOs. The state is also not able to see NGOs as tutors or motivators who would help people to maintain human dignity. Caritas Slovenia sees this as part of its mission; however, not enough financial means are provided by the state.

## 2.2. Recent policy developments

### Since last year the following policy developments have been registered:

There are **no positive trends**. Most of the funds by the state are allocated to subsidies. The legislation is still rigid and does not enable taking measures according to people's needs but tries to regulate the compatibility of different ideas. There is **no transfer of knowledge to young people** as the economy still tends to retire older workers as soon as possible without substituting them with younger workers.

The trends in Slovenia will change when people will realise that the state is not a self-service shop, which has to decide about every procedure and regulate each step of individuals through legislation. This is namely what disables free entrepreneurial mentality and thus hinders the development of economy, entrepreneurship, market and NGOs. **Unemployment in Slovenia could be reduced through connecting active labour market policy measures with real commercial circumstances.** Another problem concerns agriculture; young people from rural environments still only seek jobs in towns, which reminds of trends in the times of socialism, namely escaping from rural environments into towns. As a consequence, self-sufficient supply of the state is limited and agricultural land is overgrown. The active employment policy shall focus on individual branches and take adequate measures with regard to actual commercial circumstances.

Furthermore, there is a **problem of financing NGOs** in Slovenia since many of them only depend on state financing and cannot carry out their mission entirely and independently.

Another problem is that the government is not prepared to make all sources available to NGOs or to enable different tax reliefs in the interest of NGOs, which entirely cover some fields that reduce poverty, e.g. work with people with addictions, women in need; home help; help to people in emotional distress. The state burdens NGOs unnecessarily with office administration (too demanding terms of reference regarding financing, reports, etc.). The state should entrust NGOs with more sources and offer them technical assistance when working with most vulnerable groups, since NGOs have a widespread network of local units as well as volunteers trained for mutual cooperation at local and national levels. Within 20 years of operation in the new state, **the NGOs have gained trust among beneficiaries. The state should make use of this capital, which would be the cheapest measure for reducing poverty.** Caritas Slovenia, with its 444 units on the local level and 9,400 volunteers, is recognised for helping people in need in its local areas as well as preserving their human dignity.

### Assessment of Slovenia's NRP and policies it refers to:

The NRP 2013 proposes new measures; however, these measures still reflect a strong tendency for regulation and are not considered adequate for improving the employment situation of the country.

### Assessment of Slovenia's Country Specific Recommendations (CSRs) adopted in 2013:

The following recommendations are considered as adequate for improving the employment situation of Slovenia: **CSR 2** on strengthening the long-term sustainability of the pension system and **CSR 3** on ensuring that wage developments, including the minimum wage, support competitiveness and job

creation, monitoring the effects of the recent labour market reform and introducing active labour market policies.

In general, it can be said that all CSRs for Slovenia could have positive effects; however the problem is that the government will not be able to implement them due to frictions caused by the coalition and the social dialogue with trade unions.

## 2.3. Recommendations

- There is a need to reform the employment service and to introduce measures to ensure improved mobility and flexibility at work.
- Further reform the labour market reform; financial help is needed, especially for small businesses.
- The state should provide NGOs with financial means and other resources, with a special focus on people with addictions, women experiencing social disadvantages and older generations who no longer have the abilities to be successful at searching for job in the labour market.
- Finance internships for young students who finished school as they represent the starting point of their professional career.

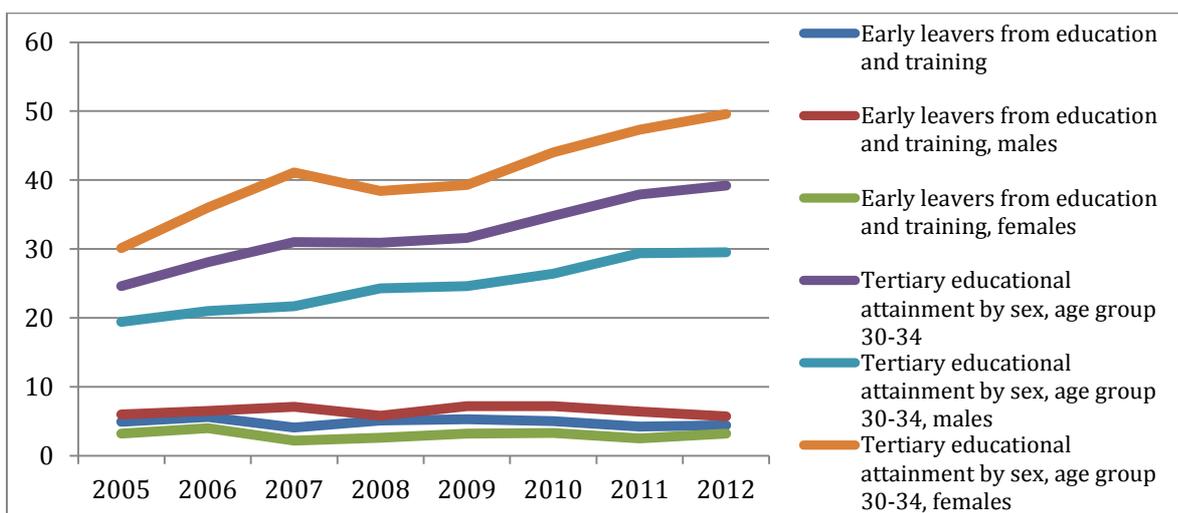
## 3. EDUCATION

### 3.1. Recent trends

#### Developments of the education situation in Slovenia:

- The overall **early school leaving rate fluctuated** during the observed period and dropped from 5.1% in 2008 to 4.4% in 2012. The rate **remains considerably higher among boys** (5.7% in 2012) than among girls (3.2% in 2012); nevertheless, early school leaving remains well below EU average (12.8%).
- Tertiary educational attainment increased from 24.3% in 2008 to 29.5% in 2012, especially due to a **considerable increase of 11.2 p.p. of women who completed university studies** (49.6% in 2012, compared to 29.5% of men).

Education trends in Slovenia (% of population):



- In the above data on early school leaving is accurate. However, it may be misleading in many ways as it **does not demonstrate the severance of the increasing number of early school leavers of vulnerable groups of children and young people**. That is why in this context, it is necessary to highlight the group of poor or socially disadvantaged children or young people, immigrants' children, and children and young people with special educational needs. Early school leaving data at national level show permanent growth of all the groups listed above since 2008. There are **not**

**enough legislative solutions for students and young people leaving education** that would help monitoring them and returning them to the education or training system.

- Special attention must be paid to children with special needs and on the inclusion of Roma children into special schools.
- The data may be unilateral since they do not encompass all vulnerable groups listed above. Due to its smallness and differently developed regions, Slovenia witnesses **huge differences in the occurrence of vulnerable groups** and consequently, accessibility to support and services provided by the system. This is where NGOs (including Caritas) play an important role.

### 3.2. Recent policy developments

**Since last year the following policy developments have been registered:**

In 2012, many amendments in the field of education were adopted. However, considering recent economic conditions, their implementation in 2013 is questionable. Nevertheless, **fewer funds will be available for education** and the standards of primary and secondary level of education will change. The level of pre-school education remains unchanged, which means that Slovenia remains at the top of EU countries with regard to the inclusion of preschool children of both age groups into nursery schools (around 75% of all preschool children in the country).

Professional standards on the level of vocational education are not really promising. **Austerity measures are causing the merging of some training centres**, which would not be bad in the light of rationalisation, unless the programmes are not abolished. For example, the **programmes of carpentry and forestry are reducing, although Slovenia is rich in forests**.

In spite of the efforts by individuals and NGOs, Slovenia still has not implemented measures to begin early assistance for youngest children of several risk groups: children with special needs, poor immigrants and at-risk children (i.e. the population of 20 % of all preschool children).

**Assessment of Slovenia's NRP and policies it refers to:**

The Ministry of Labour, Family and Social Affairs has designed a national **programme for children and youth**, indicating some solutions in connection to the problems presented above. However, the current situation in the country **requires an intense action plan for a short period**, which should focus on ensuring **equal starting opportunities in education for all children**, as the current system can be considered ineffective.

**Assessment of Slovenia's Country Specific Recommendations (CSRs) adopted in 2013:**

In general, all CSRs for Slovenia regarding education could have positive effects; however the problem is that the government will not be able to implement them due to frictions caused by the coalition and the social dialogue with trade unions.

### 3.3. Recommendations

- ➔ **Regulate transition between the different levels of education** (from primary school to secondary or vocational school) and to **establish a systematic approach with regard to the certification system** for occupations in shortage that may be undertaken by vulnerable groups of youth (young people with special needs).
- ➔ The perception of the importance of vocational education must be changed and **a classic apprenticeship, following the Austrian or German models should be introduced**. Caritas notices that there is no practice-oriented education neither in primary schools, where pupils only learn for tests, nor in secondary or tertiary schools (with some exceptions).
- ➔ If immediate solutions are not possible, it is necessary to include young people into employment in community works or part-time works in order to enable them to at least in some way participate in social life.

- The **measures should be coordinated among the following line ministries**: labour, family, education and health care. Due to failures in the public network, **the healthcare system for children and youth is of a great concern.**
- A more systematic involvement of NGOs and other volunteers into helping youth and children from risk groups should be promoted (**active citizenship for all**).