



COUNTRY
REPORT
FOR
SLOVENIA

A photograph of a woman carrying a young child on her hip, walking on a sidewalk next to a brick building. The entire image is overlaid with a semi-transparent red filter. The text "EUROPE 2020 SHADOW REPORT 2014" is centered over the image, framed by four white corner brackets.

EUROPE 2020
SHADOW REPORT 2014

PROPOSALS FOR THE ANNUAL GROWTH SURVEY,
COUNTRY SPECIFIC RECOMMENDATIONS AND NATIONAL POLICIES.
CARITAS RECOMMENDATIONS FOR EUROPE 2020 MID-TERM REVIEW.

01

EU 2020 Strategy: general evaluation

The aim of the Europe 2020 Strategy is to improve EU competitiveness and to maintain the model of a social market economy with a view to promoting smart, sustainable and inclusive growth. Considering the economic and financial crisis that has affected the EU member states, the Strategy remains a crucial development document, although some countries, including Slovenia, are far from achieving certain objectives. The objectives set in the document help member states focus on key developmental problems. In relation to this, countries point to development inequalities within specific countries (there are differences among regions) and to a growing difference between the more and less prosperous member states.

The objectives to create new jobs and to reduce poverty in this period of economic, financial and moral crisis continue to be of particular importance. According to the principle of subsidiarity in these two fields and the policy objective of coherent development or the reduction of development inequalities between countries or regions, it is the achievement of these two objectives (to create new job opportunities and to reduce poverty) that are of extreme importance. However, it has to be emphasised that the mere achievement of these objectives (e.g. a rise in the labour participation rate of the population aged between 20 and 64 years to at least 75%) does not say anything about the quality of jobs, health at work, etc. Thus, the creation of qualitative indicators is certainly one of the main tasks to be done by the Commission.

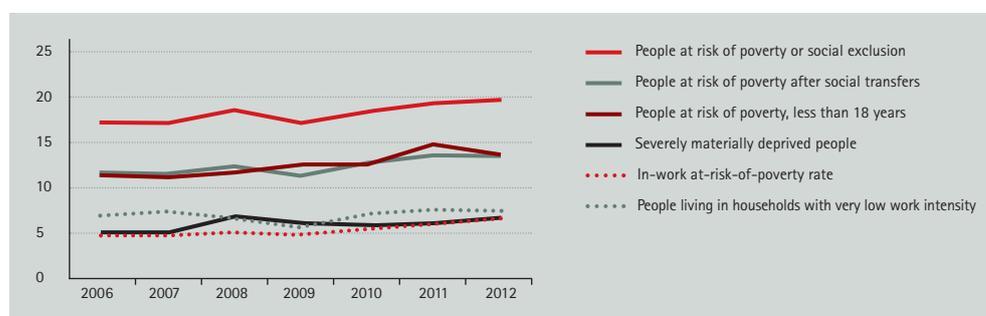
Regarding the objective of the Europe 2020 Strategy on employment, it has to be stressed that there will be no new jobs in Slovenia until government ensures better conditions for the economy. In addition to ensuring the necessary conditions for the economy, attention must also be paid to a harmonised reform of the pension system, health care, the targeting of young people, assistance to the elderly (long-term care), etc. Without coherent and harmonised reforms (in terms of priorities and a time frame) the Europa 2020 Strategy objectives cannot be achieved.

Last but not least, planning and monitoring of the Europe 2020 Strategy implementation must include all stakeholders, including non-governmental organisations, such as Caritas. This means that Caritas is not only an organisation that cares for people in distress but also cooperates with the State in the implementation of the Strategy. Through the network of about 451 local Caritas organisations in Slovenia (at parish level) we can monitor our beneficiaries at local level and help them stand on their own feet (empowerment). An example of such cooperation of the Caritas organisation with the state is the completion of the Fund for European Aid to the Most Deprived (FEAD) programme of the European Union.

02 Poverty

2.1 Recent trends

Eurostat (% of population)	2009			2010			2011			2012			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	
POVERTY													
People at risk of poverty or social exclusion	-	-	17.1	-	-	18.3	-	-	19.3	-	-	19.6	24.8
People at risk of poverty after social transfers	9.8	12.8	11.3	9.8	12.8	11.3	12.2	15	13.6	12.5	14.6	13.5	17.0
People at risk of poverty, less than 18 years of age	-	-	12.6	-	-	12.6	-	-	14.7	-	-	13.5	20.8
Severely materially deprived people	-	-	6.1	-	-	5.9	-	-	6.1	-	-	6.6	9.9
In-work at-risk-of-poverty rate	5.2	4.2	4.8	6.2	4.2	5.3	7.2	4.5	6.0	7.6	5.3	6.5	9.2
People living in households with very low work intensity	-	-	5.6	-	-	7.0	-	-	7.6	-	-	7.5	10.3



Development of poverty and social exclusion indicators in Slovenia (2009-2012) based on Eurostat:

- ➔ All poverty indicators increased during the observed period but at the same time remained below the EU-average. The highest relative increase occurred in the in-work-at-risk-of-poverty rate, which rose from 4.8% in 2009 to 6.5% in 2012, with a marked increase in male in-work poverty (5.2% in 2009, 7.6% in 2012) but still remaining below the EU-average (9.2% in 2012).
- ➔ The highest absolute increase occurred in the rate for men at risk of poverty after social transfers, which rose by 2.7 p.p., followed by an increase of 2.5 p.p. in the overall at-risk-of-poverty-or-social-exclusion rate, which rose from 17.1% in 2009 to 19.6% in 2012; while nevertheless, remaining below the EU-average (24.8% in 2012).

- ➔ It is worth highlighting that during the observed period, women continued to be at a higher risk of poverty after social transfers (14.6% in 2012) than men (12.5%), while more men continue to be affected by in-work-poverty (7.6% in 2012) than women (5.3% in 2012).
- ➔ Furthermore, the rate of severely materially deprived people rose from 6.1% in 2009 to 6.6% in 2012.

Additional national data shows the severity of the problems reflected by the above Eurostat data:

- ➔ The number of people living below the poverty line has increased by 22% (an additional 48,000 people) since the beginning of the crisis, which is more than the EU average¹. Furthermore, Caritas Slovenia, in its work with people in distress, notices the following problems:
- ➔ Unemployment among the younger generation is increasing, particularly in the regions of Prekmurje and Primorska, as well as in the area around the town of Maribor. These are regions in the northeast and southwest parts of Slovenia.
- ➔ An increased number of unemployed young people with post-secondary or tertiary education are seeking employment in neighbouring countries (Austria, Germany etc.). In the region around the town of Maribor, around 8,000 young people go abroad each year to find a job.
- ➔ Elderly people who receive low pensions are not able to make a living. Their situation is additionally complicated, if they have to live in an old people's home, because they are not able to pay for it. In cases where their children are not employed or receive low incomes, they too cannot help their parents, since they have barely enough for their own families. Another severe situation may be noticed among elderly people who remain alone and have to pay for all costs (municipal utility services in Slovenia are very expensive – in the last 10 years prices have risen by about 20%).

Caritas Slovenia, together with other non-governmental organisations, wants to point out the following alarming trends:

- ➔ There are many retired people among those who live below the poverty line. In addition, a high percentage of households with dependent children may be noticed.
- ➔ The number of retired people is increasing (amounting to 600,000; and the ratio between those paying pension insurance (active population) and retired people is only 1.4:1).
- ➔ The number of people aged 65 and more is rapidly increasing. Thus, Slovenia is considered one of the European countries with the highest share of elderly people (currently, 18% of the population is older than 65 and 4% is older than 80; it is predicted that in 2030, a quarter of all people will be older than 65 and almost 7% of the people in Slovenia will be older than 80 years of age). In 2011, expenditure on long-term care amounted to 1.32% of GDP.
- ➔ Fertility rates remain low (in 2012, 22,000 children were born; i.e. the fertility rate was 1.6); as women continue postponing motherhood to later in life, and couples get married later and have smaller families.²

¹ Source: UMAR, Development Report, p. 66-67 http://www.umar.gov.si/fileadmin/user_upload/publikacije/pr/2014/POR_2014.pdf.

² Letno poročilo 2013, Zavod za pokojninsko in invalidsko zavarovanje Slovenije, www.zpiz.si (Yearly report 2013, The Pension and Disability Insurance Institute of Slovenia) and Statistični urad RS, www.stat.si (Statistical office of the Republic of Slovenia)

Testimony

"Me and my wife were employed in the same company, which went bankrupt. The period when we were receiving benefits from the Employment service has expired. We have three little children. I help surrounding farmers and in turn I get some potatoes and vegetables, so we can provide some food for ourselves. However, we do not have money

to pay our bills. That is why we need the help of Caritas." Marija and Anton have four children. When they had the second child, mother Marija remained at home and now cares for the household, garden, chickens and rabbits. Father was employed in the company that went bankrupt and so they have remained without any regular income. This year, the oldest daughter (Nataša) is going to a secondary school, Ivan and Petra are primary school pupils, and Tanja is in the first grade. A few days ago, they came to Caritas to get some food and our worker asked them when they would be back again. At this point Ivan asked her: "Will there be any notebooks available? Our youngest daughter goes to school this year. She really hopes to have a new school bag ..." Her mother turned away, with tears in her eyes, so that her husband could not see her sorrow.

"Nada and Branko have seven children. The oldest goes to a secondary school, four children are in primary school and the twins are preschool children. They live in an old farm house which was renovated with the help of a loan. Their moderate life is obviously not enough. One of the twins is a child with special needs, which means additional costs for the family. Only the father has a job, but due to the economic crisis, he does not receive a regular salary. Caritas offers them food aid. Last year we helped them with notebooks and other school requisites. This year, they need our help again."

"A single mother lives in a sublet flat together with two children that go to primary school. Due to poor health, mother cannot get an appropriate job. Fortunately, she receives a disability allowance and child benefit. They regularly come to Caritas to ask for food, clothes and shoes. At the beginning of the school year we helped them pay for school requisites. As the mother asked for help in paying electricity, she wrote: "We are threatened with the disconnection of our electricity supply, because I did not manage to settle the costs for the previous two months. Please, help!" - Caritas co-worker and volunteer at diocesan Caritas Koper.

2.2

Recent policy developments

As of 1 January 2014, the minimum wage for full-time employment has increased and amounts to 789.15 EUR (www.durs.si).

The Employment service of Slovenia has announced several initiatives to encourage the employment of vulnerable groups (young people, disabled persons, the Roma, elderly people etc.), such as: *Prvi izziv 2014* (First Challenge 2014), *Podjetno v svet podjetništva* (Entrepreneurially in the business world), *Zaposli me plus* (Employ me plus) etc.

On the basis of the Social Entrepreneurship Act, on 25 July 2013, the Government of the Republic of Slovenia adopted a Strategy for Development of Social Entrepreneurship for the period 2013–2016, which should ensure the development of social entrepreneurship in Slovenia. Unfortunately, the act is far too employment-oriented and not socially oriented enough. For example, vulnerable groups of people, when they are not competitive in the labour market any more, are employed under this act without support of (monitoring) professional workers (like occupational therapists), although these persons would ideally need such support. They are already excluded from the labour market and cannot be trained for it. They need constant monitoring. If these people neglect themselves, they become five times more expensive for the state (due to psychiatric treatment). Social entrepreneurship should empower people; otherwise it should not be called “social” entrepreneurship. Caritas proposes that within social entrepreneurship development, vulnerable groups of people who do not make a profit and are not competitive in the labour market, should be employed and monitored by qualified occupational therapists.

In addition, social entrepreneurship is not implemented in collaboration with the municipalities. However, each municipality has at least some people who could be included in social entrepreneurship (e.g. environmental protection) but they would have to be monitored. Caritas points out the important role of the mayors and local community in the implementation of social entrepreneurship – it is about the social dimension of the local community.

Social investment package: investing in children³

ASSESSMENT OF PROGRESS

➤ With regards to providing for adequate living standards through a combination of benefits

- Caritas Slovenia expresses its distress in relation to the education of children: The start of the school year is a major financial burden for many socially at risk families, since they have to pay for school requisites and workbooks as early as the summer months. The expenses for one primary school pupil in Slovenia can amount to even more than 200 EUR, depending on the school and class. In the case of secondary school students, these expenses may even be much higher. This is only the beginning, but parents also have to cope with this financial burden during the school year. Single-parent families, large families, families that borrowed money to finance housing projects, and families with unemployed parents or parents with minimum or irregular salaries, are especially at risk. In recent years, an increasing number of children have turned to Caritas for help. In 2008, we helped around 6,500 children with school requisites. Since the start of the economic crisis, this number has been increasing and last year, it amounted to 12,466 children. In 2013, the total amount of aid to children in the form of school requisites (within the charity activities ‘Children need us’) amounted to 369,065.00 EUR. Besides this, we have distributed more than 26,000 notebooks, gathered by fellows of socially at risk children on diocesan and parish level. Many children in Slovenia receive aid in schools through organised school funds or social work centres and other humanitarian organisations.

➤ Regarding the reduction of inequality at a young age by investing in early childhood education and care

- In the school year 2013/2014, 53.8 % of children aged from 1 to 2 and 88.6% of children aged from 3 to 5 were enrolled in nursery schools. This represent a reduction in the first age group, , but an increase in the second age group over the previous school year. The reduction in the number of children is a consequence of lower incomes among the population. In 2011, the number of children attending nursery school was higher than the EU average. Between 2005 and 2011, it additionally increased (source: IMAD, Development report 2014, p. 68). No new measures have been adopted.

³ European Commission, 2013, Recommendation *Investing in Children: Breaking the Cycle of Disadvantage* 2013/112/EU approved under the Framework of the Social Investment Package

- We have noticed an alarming occurrence: parents with small children have been stigmatised. Although these parents are usually considered to be better workers, they risk losing jobs as well. The ones who take sick leave because of children are more exposed to losing their jobs (source: Delo, 1 February 2014, p. 4).
- ➔ **As regards the improvement of the responsiveness of health systems to address the needs of disadvantaged children**
 - The problem in Slovenia lies in non-cooperation between the Ministry of Labour, Family, Social Affairs and Equal Opportunities and the Ministry of Health. They do not even include non-governmental organisations.
 - New vulnerable groups, such as people with a double diagnosis (mental illness + addiction), are not treated properly, because the ministries of health and social affairs do not work hand in hand. The Slovene health care system is in crisis. Nevertheless, it operates self-sufficiently and does not consider the social dimension of aid. It has not made any progress in cooperation with non-governmental organisations. A volunteer physician, who works in the Caritas clinic for people without health insurance, cannot refer people in emergency cases to hospitals, but can only provide first aid treatment.

EU initiative for Roma integration⁴

ASSESSMENT OF PROGRESS

In particular regions in Slovenia (such as the Prekmurje region), Roma people are equally included in social life (schools, employment, health care). In some other regions (such as the Dolenjska region), they still form closed and ghettoised communities, thus causing problems. Caritas treats them equally and offers them holidaying options. Besides, they are treated preferentially when delivering food aid, hygienic accessories and clothes. Young Roma people have no work or occupations, which causes various problems. Another problem is that Roma people are not nurturing their identity - e.g. they do not interconnect with other Roma communities (families) in Slovenia.

Innovative services or programmes implemented by Caritas Slovenia

DESCRIPTION OF THE PROGRAMME

Caritas supports the operation of three public kitchens (in the towns of Ljubljana, Maribor and Murska Sobota). There, people in need can receive daily hot meals, as well as participate in other activities, such as cooking workshops, various forms of socialising before and after the meals, and working in the facilities where the food is distributed (cleaning, etc.). All of these activities are supervised by qualified workers.

In solving problems of people in need, Caritas cooperates with various stakeholders (e.g. placing women in distress in Caritas maternity homes, treating people with a double diagnosis - Caritas is the only organisation in Slovenia that deals with people that are mentally ill and addicted at the same time). This means that beneficiaries of Caritas programmes still cooperate with their counsellors, physicians etc., which link the Caritas team when helping individuals.

⁴ Council of the European Union (Employment, Social Policy, Health and Consumer Affairs Council Meeting), 2013, *Council Recommendation on Effective Roma Integration Measures in the Member States*

Holidaying at the seaside (in the summer months) for socially at risk children, families, elderly people and other vulnerable groups is made possible as Caritas cooperates with all levels of Caritas Slovenia. On the basis of our knowledge of the living conditions of local people, Caritas organisations at parish and diocesan level choose socially at risk individuals and families to join in the holidaying. The selection of candidates is carried out in collaboration with social work centres. Holidaying for families and elderly people is performed by the diocesan Caritas and its qualified workers and volunteers. On the other hand, holidaying for socially at risk children is carried out at national level. In order to be well prepared for the implementation of our programmes, we organise 6 professional training sessions for volunteers. Holidays for children consists of all-day programmes with a specific theme (this year it was family values), workshops, swimming, games and visits by various guests. This year, 148 children and young people from socially at risk families went to the seaside (over 4 weeks) together with 103 volunteers. Thus, children can forget about their distress at least for a few days. Some of them experience the seaside for the first time in their life, and would not be able to see it otherwise.

At local levels (parish and diocesan levels), there are 3 active centres for youth and families, where people from socially at risk families may attend homework and study help classes, workshops for children and youth, talks with qualified workers or volunteers and preventative activities for youth during the weekend. Caritas Slovenia would like to open similar centres in other towns in Slovenia as well, since they really contribute to some good results.

Assessment of Slovenia's Country Specific Recommendations (CSRs) adopted in 2014:

CSR 2 on ensuring Pension System Sustainability and CSR 3 on a comprehensive social agreement are considered to have a positive impact on the situation of poverty and social exclusion in Slovenia.

At the same time, Slovenia also needs health care system reform. The establishment of a long-term care system is not possible without parallel health care system reform. Besides the measures listed in CSR 3, a reform of the Employment Service of Slovenia and a reform of active employment policy programmes are also needed. In addition, there should be more incentives in the field of family policy. Measures should not only be part of social policy but also part of population policy.

2.3

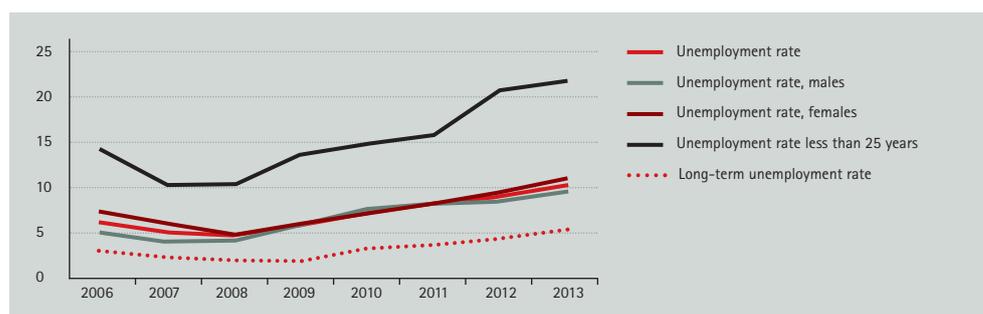
Recommendations

- ➔ The adoption of amended social legislation, which will help eliminate major negative effects that spread after the adoption of the social legislation in 2010.
- ➔ The adoption of the long-term care and personal assistance for disabled people's Act.
- ➔ Restructuring with a view to enabling more efficient operation of institutions in the field of social assistance.
- ➔ Promoting the development of social entrepreneurship, which is currently operating on a small scale.
- ➔ Proposal of the resolution on family policy with the aim of enabling equal opportunities for all families and all children.
- ➔ Further labour market reforms (financial help is needed, especially for small tradesmen).

03 Employment

3.1 Recent trends

Eurostat (% of population)	2009			2010			2011			2012			2013			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	
Slovenia																
EMPLOYMENT																
Employment rate	75.6	67.9	71.9	74.0	66.5	70.3	71.8	64.8	68.4	71.8	64.6	68.3	71.2	63.0	67.2	68.3
Unemployment rate	5.9	5.8	5.9	7.5	7.1	7.3	8.2	8.2	8.2	8.4	9.4	8.9	9.5	10.9	10.1	10.8
Unemployment rate, under 25 years of age	-	-	13.6	-	-	14.7	-	-	15.7	-	-	20.6	-	-	21.6	23.4
Long-term unemployment rate	1.7	1.9	1.8	3.4	2.9	3.2	3.7	3.5	3.6	4.1	4.4	4.3	4.9	5.5	5.2	5.1



Developments of employment indicators in Slovenia (2009-2013) based on Eurostat:

- ➔ The highest relative increase occurred in the **long-term unemployment rate**, which almost **tripled** between 2009 (1.8%) and 2013 (5.2%), situating the indicator above the EU-average (5.1% in 2012).
- ➔ The highest absolute increase occurred in the **youth unemployment rate**, which rose by 8 p.p. from 13.6% in 2009 to 21.6% in 2013, situating the indicator slightly below the EU-average (23.4% in 2013).
- ➔ The employment rate dropped more sharply among women (by 4.9 p.p.), further widening the **gender employment gap** (7.7 p.p. in 2009, 8.2 p.p. in 2013) and reducing the overall employment rate to 67.2% in 2013, situating it slightly below the EU-average (68.3% in 2013). It is worth noting that **gender disparities switched in the unemployment rate**, which affected more men in 2009 (5.9% m, 5.8% f) and more women in 2013 (9.5% m, 10.9% f).

Testimony

"I am a single mother with two children and live in social housing that is damp and inappropriate. I work as a cleaner and have a low income. I also work additional hours in the afternoons to earn enough to make a living for myself and my children. This influences my physical and mental health. I am forced to ask for food aid, clothes, shoes and school requisites at Caritas. This is the only way that I can live from month to month."

Caritas beneficiary from the area of Koper: "We have three children. My husband works as a building worker and has a very low income. Since I was hit by an illness, I have been at home. Our children have lunch at school, but we have no money to pay for it. Caritas helps us pay the bills."

3.2

Recent policy developments

The trends in Slovenia will change when people become aware of the fact that the State is not a self-service shop, which has to decide through legislation every procedure and regulate each step individuals can take. This is what disables a free entrepreneurial mentality and thus hinders the development of the economy, entrepreneurship, the market and NGOS.

The problem of the financing of NGOs in Slovenia lies in Slovene society and the State, since many non-governmental organisations only depend on state financing and cannot carry out their mission entirely and independently. The problem of social entrepreneurship occurs when, after 2-3 years of operation, a company has to test its services/products on real markets. At that time, something usually goes wrong and the company goes bankrupt.

Another problem is that the government is not prepared to make all resources available to NGOs or to enable different tax relief structures in the interest of NGOs, which are the only ones to completely cover some fields that reduce poverty, e.g. work with addicts, women in need; home help; help to people in emotional distress. The state burdens us unnecessarily with office administration (excessively demanding terms of reference regarding financing, reports, etc.). The state should trust NGOs more, and source and offer technical assistance when treating the 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. In 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 451 units at the local level and 9,878 volunteers is noted for helping people in need in its local areas as well as preserving human dignity.

EU initiative: youth guarantee⁵

ASSESSMENT OF PROGRESS

At the end of January 2014, the Government of the Republic of Slovenia adopted the employment plan for young people (Jamstvo za mlade). This plan consists of 36 measures to facilitate the transition from education to employment, which covers the period of education and the first three months after registration into the records of unemployed individuals.

This plan should be supported, since unemployment among young people is really high and leads to a "lost generation" - no employment, no housing, no families. However, the measures should be implemented in relation to other incentives for economic recovery.

Assessment of Slovenia's Country Specific Recommendations (CSRs) adopted in 2014:

- ➔ 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, taking further measures to increase employment of young tertiary graduates, older persons and the low-skilled, addressing the skills mismatch are all considered to have a positive impact on the employment situation of Slovenia.

⁵ Council of the European Union, 2013, *Recommendation on establishing a Youth Guarantee* (2013/C 120/01)

According to the Employment Service of the Republic of Slovenia, in the first half of 2014, 27.2% more young people were employed than in the same period of 2013. Within four months after registering at the Employment service, 42% of those young people who received offers of work were employed, which is one-tenth (1/10) more than among other unemployed persons. This preliminary data may point to the view that the implementation of this measure improves the situation of young people in the labour market, but it is still very worrying. Source: www.mdds.gov.si

3.3 Recommendations

Shadow Report 2013, input Slovenia:

- ➔ 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; 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 work in the labour market.
- ➔ Finance internships for young students who have finished school as they represent the starting point of their professional careers.
- ➔ 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 is reminiscent of the trend during socialism, namely, escaping from rural environments into towns. **As a consequence, agricultural production is decreasing, agricultural land is overgrown and consequently self-sufficient supply in Slovenia is limited.** The active employment policy should focus on individual branches and take adequate measures with regard to actual commercial circumstances.

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