



Date: 18th January 2021

European Economic and Social Committee

President Christa Schweng

E-mail: christa.schweng@eesc.europa.eu

Workers' Group of the European Economic and Social Committee.

President Oliver Röpk

E-mail: oliver.roepke@eesc.europa.eu

European Commission

Dr. Zoran Stančič

E-mail: zoran.stancic@ec.europa.eu

Dear Colleagues,

We are writing on behalf of Slovenian representative trade union associations to notify you about the rapidly declining state of social dialogue in Slovenia. Without any public debate, the Government of the Republic of Slovenia and the National Assembly recently adopted an increasing number of decisions that will have a lasting impact on the socioeconomic position of workers and employees. It is particularly concerning that the decision-making process violates the Rules of the Economic and Social Council, which stipulate that such decisions should only be made through social dialogue with social partners.

Over the last three decades, social dialogue in Slovenia has primarily taken place through the Economic and Social Council (ESS), a tripartite constituency of social partners and the Government of the Republic of Slovenia. ESS has been a venue used to discuss, negotiate and align legislative proposals, strategic documents, social agreements and other legal acts and adopt decisions of fundamental importance to society, primarily in the socioeconomic domain. Social dialogue standards developed gradually over the years, generating a sense of mutual trust between the social partners. Through ESS, social partners have helped align many fundamental legislative proposals that became the cornerstone of public policy and have paved the way for the development and modernization of Slovenia. Based on these proposals, for example, Slovenia was able to comply with the criteria required to join the EU and NATO, introduce the Euro, recover after the economic crisis in 2012 and implement the recommendations of international organizations. All major reforms of the labour market, the pension and disability insurance system and health insurance were reached with a **consensus** among the social partners. Their inclusion and participation resulted in comprehensive and balanced solutions because the social partners gained ownership of those solutions, keeping in mind the inevitable compromises required for consensus. Mutually agreed decisions based on social dialogue also reflected positively on their implementation.

However, social dialogue and previously established standards have recently gone into freefall. Social partners have been side-lined and virtually excluded from the decision-making process, even on issues where a lack of social dialogue would once have been inconceivable. Particularly concerning is the adoption of expedited COVID-19 legislation. Over the last few months, a variety of COVID-19-related legal acts have been fast-tracked, making the legislation increasingly opaque and lacking in transparency. In addition, the same legal acts are concurrently and repeatedly amended, undermining the rule of law and legitimate expectations. The Legislative and Legal Service of the National Assembly has repeatedly cautioned the Government and the Members of Parliament about expedited legislative acts that among others include provisions extraneous to the epidemic and entail systemic changes affecting individual rights indefinitely--however, to no effect. By now, it has become clear that the Government and the National Assembly are taking advantage of the existing situation to change the existing system for an indefinite period under the guise of expedited COVID-19 legislation. Needless to say, social partners were only marginally included in the preparation of the seven legislative packages that have been adopted so far, in one case, not even marginally included. In addition, the fifth expedited legislative package that the Government tabled included provisions different from those previously agreed with the social partners.

The final straw was the last, seventh expedited legislative package. Following 72-hour negotiations with the social partners, the Government once again tabled a legislative proposal whose provisions differed from those that had been agreed with the social partners; more importantly, the package included provisions that the Government did not even care to share, let alone submit to consensus with the social partners. The critical new provision is a lasting, systemic amendment of the Employment Relationships Act, oversimplifying the termination of employment procedures for older workers.

Slovenia already has one of the lowest participation rates among older workers aged 55-64 in the labour market among all EU Member States, as has been confirmed by the European Commission several times. In the past decade, social partners and the Government tried to buck the trend for this age group by introducing various measures, particularly in the domain of pension insurance and by encouraging workers to remain in employment. Although the results were not entirely satisfactory, they were a step in the right direction. In recent months, however, the Government has completely suspended social dialogue on this subject. Moreover, despite repeated warnings from social partners and several other stakeholders, including the Fiscal Council, the Government adopted a proposal according to which employers will be allowed to terminate the employment of workers at statutory retirement age without being obliged to state a valid reason. The new provision has already entered force and is a permanent measure. In our view, the new provision evidently opens the door to arbitrary discrimination against older workers. The amendment will reduce the working life of older workers and have a notably adverse effect on the sustainability of the pension fund, requiring additional expenditure for the pensions of workers whose employment has been terminated. The proposal is not substantiated by any analysis or data. It also ignores the guidelines and standards of the International Labour Organization, such as voluntary retirement or the validity of reasons for termination of employment, as stipulated by the ILO Convention No. 158. The new measure will drive up the number of pensioners living in poverty and drive down the numbers of older workers in full-time employment. According to the new legislation, employers will be able to arbitrarily decide whether workers can increase their benefit rate and thus their pension by remaining in employment. They will also decide whether workers are entitled to other benefits if they decide to remain in employment, without deductions, once they have met the conditions laid down for retirement.

In 2017, social partners and the Government agreed on a common baseline for the refurbishment of the pension and disability insurance system in Slovenia, including the introduction of measures for encouraging workers to remain in employment. The objectives of the common baseline are adequate pensions and a sustainable pension scheme. Decisions such as the amendment of the Employment Relationships Act, which historically was always amended in agreement with social partners but will now have significant implications for the pension scheme, undermine the mutual trust between social partners and the broad social consensus on which future changes should rest. In our view, a unilateral amendment also compromises the measures laid down in the National Recovery and Resilience Plan, given that the amendment goes against the recommendations of the European Commission and the reforms on which the measures should be based. In addition, the draft National Recovery and Resilience Plan is a classified document and is unknown to the public. Social partners have had some limited opportunity to participate in the process of drawing up the document; however, this was well below our expectations, given that the document will have far-reaching and momentous implications for the robustness and the development of many vital systems in the country. By no means can it be said that social partners played an active role in drafting the document.

It is now clear that Slovenia is witnessing a deliberate attempt to exclude social partners, suspend social agreements, avoid social dialogue, and undermine its very foundations. To prevent this, we urge you to express your support for social partnership and social dialogue in Slovenia, condemn the suspension of the Rules of the ESS and appeal to the Government of the Republic of Slovenia to cease adopting unilateral measures and excluding social partners and commit to the previously established standards of social dialogue in Slovenia. This is the only way we can ensure that future social agreements are balanced, sustainable and capable of restoring the mutual trust between social partners that will be required to tackle the challenges in key areas in the future. It is also necessary to highlight that, according to the European Commission, social partners must play an active role in any social reform. In Slovenia, however, this principle is clearly being violated and has been reduced to a dead letter. Contrary to the false statements from the Government of the Republic of Slovenia and particularly its Minister of Labour, notification of social partners, which at best is what “social dialogue” has been reduced to recently, in no way equates to their active participation therein.

Sincerely,

Zveza Svobodnih sindikatov Slovenije
Predsednica Lidija Jerkič, I.r.

KNSS-Neodvisnost
Predsednica Evelin Vesenjajk, I.r.

Konfederacija sindikatov Slovenije Pergam
Predsednik Jakob Počivavšek, I.r.

Slovenska zveza sindikatov Alternativa
Predsednik Zdenko Lorber, I.r.

Konfederacija sindikatov javnega sektorja Slovenije
Predsednik Branimir Štrukelj, I.r.

Konfederacija sindikatov 90 Slovenije
Predsednik Peter Majcen, I.r.