

Ljubljana, 18. 5. 2021

Dear Mrs. Ursula von der Leyen,
President of the European Commission

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Dear Mr. Nicolas Schmit,
Commissioner of the European Commission

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On behalf of the representative trade union headquarters in Slovenia, we would like to inform you of the extremely worrying state of social dialogue in Slovenia and of the decisions of the Government and the National Assembly of the Republic of Slovenia that are increasingly often taken without public debate, without social dialogue and with systematic violations of the Economic and Social Council Procedure Rules. This takes place despite the fact that it concerns decisions that have a significant impact on the socioeconomic position of workers and employers, decisions that social partners have always been actively involved in formulating in accordance with tradition and with government commitments, and decisions that according to the Economic and Social Council Procedure Rules, should be considered in the context of social dialogue, with the active participation of social partners.

The representative trade union headquarters are appalled by the ignorance of the Government of the Republic of Slovenia towards social partners and the population as a whole. This is contrary to the principles of social dialogue and to the European Commission's calls to fully respect of fundamental principles and values set out in EU treaties. Despite the clear position of the Commission – which you also expressed in response to our letter of 18 January 2021, in which you reaffirmed the Commission's belief that social partners must play a key role in the preparation and implementation of the Recovery and Resilience Plan – the Government of the Republic of Slovenia has not taken this into account at all. Moreover, the Government completely ignores social dialogue, making it impossible to legislate in accordance with the principles and values on which the European Union is based.

In view of the above, the representative trade union headquarters find that **the Government's conduct prevents effective participation in social dialogue and fails to ensure the equal position of partners in such dialogue. Therefore, we can no longer participate in the promotional activities of a Government that seeks to create the impression that it respects social dialogue. In accordance with the above, the representative trade union headquarters will not participate in the work of the Economic and Social Council and its bodies until further notice. Nor will we participate in any Government activity within the framework of the Slovenian Presidency of the Council of the EU in the second half of 2021 until such time as the conditions for successful, effective social dialogue are established, that is, social dialogue based on respect for social partners, the principles of equal**

treatment, and recognition of the active role of social partners/trade unions in the design, implementation and evaluation of envisaged reforms. The representative trade union headquarters also insist on strict compliance with the Economic and Social Council Procedure Rules and the timely involvement of social partners in the preparation and coordination of legislation and reform programmes.

The situation we describe has been ongoing for a year now and is not improving. It began with the preparation and adoption of intervention legislation related to Covid-19, which took place without social dialogue, without the active participation of social partners, and without consensus, even in areas where this had been the established standard to date. The Government of the Republic of Slovenia continues to prepare “mix” legislation that intervenes in the systemic arrangements of labour, pension and tax legislation. In some cases, the Government merely presents ready-made solutions to social partners, while in other cases we learn about draft legislation from the media.

The preparation of the Recovery and Resilience Plan (RRP) as a basis for securing the possibility of additional grants and loans from the EU has proceeded in a very similar fashion. The Government prepared the RRP in secret until the beginning of 2021, and it was not until the end of February 2021 that the draft RRP from December 2020 was made public. Some ministries presented parts of the document from their area to social partners, and there were two presentations of the document at sessions of the Economic and Social Council. However, social partners, especially trade unions, have not had any opportunity to actively participate in the preparation of the RRP or to influence its content, nor have social partners received any response to the proposals and positions we offered at such “presentation meetings” or feedback regarding which of our proposals have been taken into account and to what extent or why they have not been taken into account. Despite our repeated calls for harmonisation of the document, this has never actually occurred. Moreover, the Ministry of Health, which has been a key ministry during the Covid-19 crisis, has not even convened a presentation meeting with social partners.

In other areas as well, the Government has committed itself in the RRP to reforms that will have a significant impact on social subsystems in Slovenia. The promised reforms do not take into account the agreements and programme documents already adopted in the Republic of Slovenia, including those that have tri-party signatures from social partners and the Government. This is the case, for example, in legislative solutions submitted by the Government to parliament – without dialogue and without the consent of social partners – that are completely incongruent with Slovenia’s longstanding efforts in the field of an inclusive labour market, the promotion of longer employment of the elderly, and the strengthening of the long-term sustainability of the pension system, and which contradict the starting points for the renewal of the pension and disability insurance system agreed by social partners and the Government in 2017. With proposals to introduce a “social cap” and the possibility of dismissal of workers who fulfil the conditions for retirement without stating a valid reason, the Government and employers have actually withdrawn from these starting points, which means that Slovenia currently does not have a broader social consensus on the direction of future changes to pension and disability insurance. In view of the aforementioned unilaterally adopted solutions, which indisputably worsen the long-term sustainability of the pension system, and given the announced tax changes, which, if adopted, will further worsen public finances, the unions are absolutely opposed to any tightening of conditions for retirement or any intervention in the rights of pensioners. Against this background, it is not possible to agree in advance to the announced reform of pension and disability insurance, as there is no agreement on the basic guidelines in this regard.

The content of many of the reforms to which the Government commits itself in the RRP is unclear. This applies to the reform of the pension system and the establishment of a long-term care system, as well

as healthcare reform. The method of systemic financing of the long-term care system is not clear, nor is the range, scope and standard of the related services or access to them. The financing of this system is planned from the Demographic Fund, the establishment of which is proposed by legislation that is currently in the legislative process. The unions oppose this legislation because it does not follow the key purpose for which we believe the Demographic Fund should be established, that is, to provide additional funds for pensions in the period when the pension system is expected to be under the greatest pressure, which is anticipated in the period 15–20 years from now.

In the case of healthcare reform, on the other hand, it is not clear what comprehensive healthcare reform should in fact involve. It is, however, possible to anticipate interventions in the basket of healthcare rights and sickness benefits, as well as in the salary system for healthcare staff. Moreover, the reform is expected to transform supplementary health insurance and change the administration of health insurance as the bearer of compulsory health insurance. Therefore, it is actually impossible to assess the effects of this reform and whether they will be in line with the goals of the recovery and resilience of the healthcare system. In addition, the proposal for a “social cap” actually reduces healthcare revenues, while decreasing fairness and equality with regard to the burden of taxpayers’ contributions. For unions, one of the key elements of the RRP in the field of healthcare is the issue of personnel. In order to expand competencies in the field of healthcare, we believe it is necessary to envisage and provide education, including retraining and additional training, especially for staff already employed. Above all, there is a need to invest in improving working conditions in healthcare, which is mentioned in the RRP, but without foreseeing specific measures to this end. The key measure in this regard is the adoption of personnel standards and norms, which unfortunately still do not exist in Slovenia, despite the efforts of trade unions.

We would also like to draw attention to the announced reform of the education system, which, in our opinion, is based on the completely erroneous assumption that the education system can respond to the needs of the economy in real time and educate staff in accordance with these needs. The RRP mentions education for “the professions of the future” and “the optimisation and flexibility of the study process”, but it is unclear what this is supposed to mean. At the same time, significant funds are allocated to higher professional study programmes, while no funds are devoted to university study programmes, although it would make sense to invest more in the latter, precisely in the light of investing in knowledge for the digital and green transition, which requires more knowledge and education at a higher level. We are also convinced that politicians should not use the RRP to interfere with the autonomy of universities and other higher education institutions by announcing changes in study programmes, as these are professional issues that should be left to the autonomy of the relevant institutions. The forecasts of interventions in these areas in the RRP are, in our opinion, extremely problematic and lack any basis to ensure realisation.

Last but not least, we would like to highlight the fact that despite the explicit opposition of the trade unions, the Government has included in the RRP an announcement of changes to the public sector wage system. These changes have already been presented to trade unions and have been rejected in the proposed form.

The guidelines of the European Commission, which refer to the active participation of social partners in the formulation of reforms, are thus only empty words on paper in Slovenia, where they are blatantly violated. Simply informing social partners, which we have been witnessing lately at best, does not mean their active participation in practice, as the Government erroneously seeks to show. Trade unions cannot therefore accept this document as a joint document that reflects a broader social consensus, as would otherwise be necessary given the nature of the announced reforms and the measures contained in the document. In our opinion, it will not be possible to achieve the goals and

priorities set out in the RRP with some of the measures it contains, especially in the areas of health, the pension and disability system, youth employment, labour market resilience and social recovery.

At the same time, the Government has already introduced into the legislative procedure laws that significantly reduce the revenues of both pension and health funds as well as budget revenues. This involves relieving the burden of paying social contributions among those with the highest incomes and reducing taxes for the wealthy. The aforementioned National Demographic Fund Act, with which politicians seek to manage and have at their disposal all state assets, is also in the process of being adopted by the National Assembly, yet it fails to address the issue of the sustainability of the pension fund and ensuring a decent level of pensions. In addition, the Government, again without any social dialogue, has submitted a package of amendments to tax legislation that relieves tax burdens, especially on the wealthy, resulting in an extremely large loss of tax revenues, which will greatly worsen the situation regarding public finances in Slovenia.

The consequences of such changes will be far-reaching and will endanger the quality and provision of public services, which are an important factor for the quality of life of people in Slovenia, and which proved to be a fundamental service to people during the Covid-19 crisis.

We would like to take this opportunity to express our gratitude to the European Commission for your support and efforts, and to once again request that you make a clear call to the Government of the Republic of Slovenia to immediately cease adopting unilateral solutions and to return to social dialogue in Slovenia the role that it should have in accordance with EU treaties, ILO documents, and Slovenian legislation and commitments. In addition to the European Commission, the below signed trade union headquarters will inform the European Economic and Social Committee (EESC), the European Trade Union Confederation (ETUC) and International Labour organization (ILO) about the critical state of social dialogue in our country and the abolition of the role of the Economic and Social Council.

Yours sincerely,

Association of Free Trade Unions of Slovenia
President Lidija Jerkič, m.p.

Public Services Trade Unions Confederation of Slovenia
President Branimir Štrukelj, m.p.

Confederation of Trade Unions of Slovenia Pergam
President Jakob Počivavšek, m.p.

Trade Union Confederation 90 of Slovenia
President Peter Majcen, m.p.

Confederation of New Trade Unions of Slovenia: Independence
President Evelin Vesenjajk, m.p.