

SOCIAL AGREEMENT
FOR THE PERIOD 2007–2009

INDEX

I. INTRODUCTION.....	2
1. PURPOSE.....	2
2. GOALS.....	2
II. ACTIVITIES AIMED AT ATTAINING THE GOALS SET IN DIFFERENT AREAS....	4
1. CURBING INFLATION AND PRICE POLICY.....	4
2. PUBLIC FINANCE.....	6
3. SOCIAL DIALOGUE.....	8
4. TAX SYSTEM.....	10
5. PROMOTION OF TECHNOLOGICAL DEVELOPMENT AND INCREASED INVESTMENTS IN ECONOMIC RESEARCH.....	12
6. COMPETITIVE ECONOMY AND FASTER ECONOMIC GROWTH.....	14
7. EMPLOYMENT AND LABOUR MARKET.....	16
8. WAGES AND SALARIES.....	19
9. SAFETY AND HEALTH AT WORK.....	21
10. IMPROVED QUALITY OF EDUCATION AND PROMOTION OF LIFELONG LEARNING.....	23
11. WORKER PARTICIPATION IN MANAGEMENT.....	28
12. RECONCILIATION OF WORK AND FAMILY RESPONSIBILITIES.....	30
13. HOUSING POLICY.....	32
14. HEALTH CARE AND HEALTH INSURANCE.....	33
15. SOCIAL SECURITY.....	35
16. PENSION AND DISABILITY INSURANCE.....	37
17. EQUAL OPPORTUNITIES AND RESPECT FOR DIVERSITY.....	40
18. LEGAL SECURITY.....	42
19. CORPORATE SOCIAL RESPONSIBILITY.....	44
III. COMMON AND GENERAL PROVISIONS.....	47
1. MONITORING OF THE IMPLEMENTATION OF THE SOCIAL AGREEMENT.....	47
2. SIGNING AND VALIDITY OF THE SOCIAL AGREEMENT.....	48
3. PUBLICATION OF SOCIAL AGREEMENT.....	48
SIGNATORIES.....	49

I. INTRODUCTION

1. PURPOSE

We, the Signatories of this Agreement, agree on the key measures and on the common and individual tasks necessary to achieve the mutually agreed development goals. The purpose of the Agreement is to promote the well-being of every individual, which shall be measured with indicators of human development, health, social risk, social cohesion, inclusion and confidence. The quality of life and the level of material and social security shall be increased by providing stronger economic growth, higher employment and income levels.

At the same time we wish to establish the kind of solidarity and social security that shall provide better security and care for those who cannot satisfy their needs alone. We shall continue to develop Slovenia as a society in which every member has the access to desired education, to work in a safe and healthy environment, as well as to personal development and a secure old age.

The activities of the Government and of the social partners to date have proved that social dialogue is one of the most effective ways to reach an agreement about the key tasks and objectives. This Social Agreement is therefore a continuation and upgrade of previous Agreements that positively influenced the achievement of the set development goals.

New tasks and goals can be accomplished by the efforts made by all participants of economic, social and cultural life of Slovenia. They involve the necessary increase of competitiveness of Slovenian economy and economic growth and a constant adaptation to structural, economic, social and demographic changes and influences which make Slovenia more vulnerable in the context of open economy and increasing globalization.

Our development path may be more successful if accompanied by stimulating and supporting policies from a wide variety of areas which are adopted by agreement based on social dialogue.

We, the Government of the Republic of Slovenia and the representatives of employer and trade union associations (hereinafter referred to as "Signatories") therefore invite also other civil society bodies, organisations and associations which share the goals, tasks and activities set by the Signatories of this Agreement, to co-sign this Agreement.

2. GOALS

The Signatories to this Agreement shall endeavour through joint and individual activities to achieve economically, socially and environmentally balanced development with the following goals:

1. faster economic development and dynamic economic growth that will lead to job creation and faster progress of less developed regions, and to stable economic conditions based on price stability, balanced income distribution, lower government deficit and public expenditure, and sustainable public finance over the long term;

2. enhanced well-being, better quality of life of the population and improved material conditions of workers, which shall be based on a stimulating, socially fair and economically viable income policy;
3. enhanced competitiveness of the Slovenian economy which requires a more stimulating and business-friendly environment, investments in the research and development, products and services with high value added, and more adequate appreciation of knowledge, entrepreneurship and innovation;
4. balanced social development, improvement of social security and reduction of social risks for the most vulnerable groups.

II. ACTIVITIES AIMED AT ATTAINING THE GOALS SET IN DIFFERENT AREAS

1. CURBING INFLATION AND PRICE POLICY

The signatories shall strive for a long-term maintenance of a low level of inflation and for the adoption of economic policy measures to eliminate the causes for excessive price growth. This orientation includes an appropriate combination of basic macroeconomic policies which must be supported by other government policies, too. Acting within the Economic and Social Council, social partners and the Government shall monitor the implementation of price policy and adopt measures and orientations for curbing inflation when necessary.

Government tasks:

- to continue the implementation of the adopted policies, especially the restrictive policy of regulated prices;
- to buffer excessive (in comparison to other EU member states) impacts of oil price fluctuations, especially their secondary effects, by counter-cyclical adjustments to excise duties on liquid fuels;
- to monitor price trends and issue timely warnings of the trends which may threaten consumer interests and key goals regarding the curbing of inflation, within its competences and in cooperation with competent institutions; to monitor the trends of regulated prices and act upon the price growth not in line with the anti-inflationary policy and agreed macroeconomic frameworks;
- to keep social partners informed on any changes of macroeconomic frameworks.

Employer associations' tasks:

- to implement, in the framework of negotiations on collective agreements for activities and enterprises, guidelines and orientations of wage policy determined in Chapter 8 of this Agreement;
- to contribute to price stability by investing in the development and technology and by introducing modern methods to increase labour productivity as well as provide quality services and better organisation.

Trade Union tasks:

- to implement, in the framework of negotiations on collective agreements for activities and enterprises, guidelines and orientations of wage policy determined in Chapter 8 of this Agreement;
- to check price trends and report on disproportionate deviations and unjustified price rises;

- to report excessive growth of prices and products affecting the living standard and purchasing power of employees, and to demand a discussion on these issues within the Economic and Social Council.

2. PUBLIC FINANCE

In order to ensure a stable public finance policy, public spending and deficit must be reduced. The general government expenditure must be made more flexible with the aim of reallocation of a part of the expenditure to priority development areas, especially to research and development, and with the aim to facilitate the utilisation of European funds and improve the ability to react to the volatility of economic activities and consequently of revenue. Therefore the employment in the public sector must be made more flexible.

The mid-term objective is to reduce the share of general government expenditure in gross domestic product, for this is necessary in order to alleviate the burden of tax on the economy. Therefore the Government shall, during the term of this Agreement, ensure limited growth of operative costs for the state operation and adopt measures to improve the efficiency and productivity as well as make the policy of employment in the public sector more efficient. Public procurement shall be regulated so as to prevent unjustified favouring of certain tenderers and forming of cartel links, enable the small and medium-sized enterprises the access to an appropriate share of public procurement, simplify the procedures and ensure their transparency, and rationalise the costs by reasonable centralisation of procedures. As regards social transfers, it is especially their transparency and social efficiency that need to be enhanced.

Furthermore, it is necessary to continue the preparation of projections evaluating the long-term financial sustainability of the public finance system and its changes.

Government tasks:

- to ensure gradual changes in the structure of general government expenditure with consideration of priority economic policy;
- to progressively reduce until 2008 the share of general government expenditure in GDP by 2 percentage points compared to the 2005 level;
- to improve the harmonisation of development policies and to prepare the national development programme based upon the Slovenia's Development Strategy;
- to enhance efficiency and effectiveness of public administration by promoting the use of modern managerial techniques to manage changes and achieve business excellence in the public sector; to develop human resources and knowledge management; to develop strategic management;
- to raise the quality of the public administration services by systematically applying the European excellence model;
- to rationalise the operation of the public sector with the help of functional analysis and the introduction of standards of efficiency, comparative monitoring of efficiency and rationality of spending, and by transferring the provision of some public services determined in terms of finance and contents to private sector and co-financing on the basis of an appropriate legal framework and policy in individual fields, which shall be harmonised also with social partners. In the transfer of a part of public services to the private sector the state shall guarantee that the rights and the equal access of citizens to public services shall not be

reduced. Financing and provision of public service shall be regulated so as to ensure supervision, observe the criteria of efficiency, quality, accessibility and social acceptability and attain the goals of reduced costs and greater well-being;

- to make the preparation and execution of the budget more rational by implementing the principle of actual needs and priorities instead of indexing expenditure, by decentralising the management in the public sector and by establishing budgets on the basis of aims and results (the principle of result-oriented budget);
- to prevent illegal work and employment.

Employer associations' tasks:

- to stimulate the compliance with the tax and other legislation and to strengthen the tax payment culture, to point out anomalies in the provisions and in practice, and to settle obligations regularly;
- to co-operate in the preparation of statutory and implementing acts from the field of public finance;
- to prevent illegal work and employment.

Trade Union tasks:

- to support and enter the procedures for the assessment of business excellence of public institutions as the basis of successful work and performance;
- to prevent illegal work and employment;
- to monitor the transfer of a part of public services to private operation and to propose the amendments to the legislation in this field when necessary.

3. SOCIAL DIALOGUE

The signatories agree that social dialogue is an important democratic social value and a prerequisite for our joint actions, which allows the attainment of the set goals. To that end we shall endeavour to reach all key decisions of competent institutions in the economic and social fields as a result of reconciled interests of the social partners and the Government.

We agree that our common interest is to build mutual trust which shall be, in order to avoid one-sided interventions with the status and the position of social partners, ensured also by respecting their independent operation and organisation; therefore the interferences with their status shall not be possible without their consent. This shall help bridge the differences in positions and facilitate the harmonisation of decisions on basic questions of economic and social development of the society. In order to build the maximum consensus, the Government shall adopt and submit to the National Assembly the acts whose contents directly address the working areas of employers and trade unions after the harmonisation with the latter.

Our activities in the further development of social dialogue shall be based on the present best practice in this field in the implementation in Slovenia. This shall be the base for the preparation of an appropriate act to regulate the material and personnel possibilities for the operation of the Economic and Social Council and which shall be placed in the adoption procedure in agreement with the social partners. We shall regulate our relations, membership, operation and organisation of the Economic and Social Council and its relation towards the institutions in the country and towards the European Economic and Social Committee in full agreement with the amended rules of operation of the Economic and Social Council. We agree that its operation determined by these rules must include all fields addressed in the present Social Agreement.

The Government and the social partners shall strive to establish a balanced structure of the managing boards of public institutions and to implement necessary changes in legislation resulting in a greater influence of social partners on the work of the managing boards.

The signatories agree that the further development of Slovenia must be based on the balance of the three pillars: economic, social and environmental. Therefore we shall endorse good harmonisation in the policy making and implementation in these fields, which shall involve all social partners in accordance with their roles.

In this spirit, the signatories shall organise at the end of each calendar year the so-called "Economic and Social Summit," on which our highest representatives shall evaluate the situation regarding the social dialogue in Slovenia and the implementation of the Social Agreement, and adopt the plans for activities in the following year.

Government tasks:

- to enable the consultation and to observe the proposals of the social partners regarding draft acts and other regulations prepared by the Government and directly addressing the field of work of employers and trade unions;
- to ensure that the acts concerning the essential rights of the employees shall be given a wide consent of the social partners in the framework of the Economic and Social Council prior to the discussion in the National Assembly;
- to amend the present legislation so as to enable persons employed in the field of culture to influence the decisions taken by the boards of institutes;
- to provide administrative and financial support for the operation of the Economic and Social Council and for the activities carried out within the trilateral agreements between social partners at the national level;
- to stimulate social dialogue, i.e. the consultations and agreements with social partners at different levels, which shall provide a balanced and equal support in accordance with the orientations adopted at the EU level;
- to propose to the National Assembly of the Republic of Slovenia the ratification of the ILO Convention No. 151 concerning Protection of the Right to Organise and Procedures for Determining Conditions of Employment in the Public Service.

Employers' task:

- to ensure constructive cooperation in the Economic and Social Council and in the social dialogue at different levels with respect for different interests, obligations and responsibilities of partners.

Trade Union tasks:

- to ensure constructive cooperation in the Economic and Social Council and in the social dialogue at different levels with respect for different interests, obligations and responsibilities of partners;
- to pursue further development of social dialogue at the level of activities and regions as well as with employers.

4. TAX SYSTEM

Social partners shall strive to establish a stable, competitive, transparent and simple tax system which shall positively influence further unburdening of the economy and the improvement of its competitiveness, to support the economic growth and welfare of the people while maintaining the social sustainability of the tax system. Furthermore we agree that, with consideration to the established general principles, the implementation of the provisions must be constantly checked and that the tax system and tax policy must develop further on the basis of the findings. Both must be based on the equal treatment of economic subjects.

The Government does not plan to increase the value added tax levels. Upon necessary reasons, if any, for the change of these levels, it shall examine all possible measures which may replace the potential changes. The possible measures shall be previously discussed by the Economic and Social Council.

Social partners shall, together with the Government, discuss all key changes influencing the taxation of employers and employees at the Economic and Social Council.

Government tasks:

- to examine the opportunities for further quicker reduction of burdens on labour with consideration to the agreed fiscal frameworks and possibilities;
- to examine and implement further possible simplifications of the tax system and to ensure uniform implementation of tax provisions, which shall stimulate voluntary payment of taxes;
- to examine the effects of the elimination of individual types of tax relief, especially those concerning investments and housing construction, and to examine the possibility to introduce types of tax relief concerning participation of employees in profit sharing;
- to finalise the establishment of the efficient and user-friendly tax administration;
- to ensure an efficient tax control;
- to analyse potential deficiencies in the implementation of tax provisions.

Employers' tasks:

- to stimulate the observation of the tax legislation in force and the payment of contributions;
- to present the problems in the implementation of tax provisions and to call attention to any inappropriate solutions in the tax legislation;
- to prepare concrete proposals in different tax fields for the elimination of potential deficiencies.

Trade Union task:

- to support the measures for the changes in tax legislation which shall strengthen the competitiveness and the economic growth while maintaining the social sustainability of the tax system.

5. PROMOTION OF TECHNOLOGICAL DEVELOPMENT AND INCREASED INVESTMENTS IN ECONOMIC RESEARCH

The pursuance of objectives in this field requires the increase of public funds for the investments in research and development (hereinafter referred to as: RD) to 1% GDP by 2010, and the establishment of an appropriate system to stimulate the investments of the business sector in this field, which shall enable the pursuance of the objective of 2% GDP for RD from this sector by 2010.

We shall increase also the efficiency of investments in research and technological development. This shall be ensured by priority focusing of the research and development activities on the fields of technology, where the research capacities may be linked with economic activities, which shall result in the raised value added.

Government tasks:

- to adopt the national research and development programme in line with the Slovenia's Development Strategy, and to carry out public tenders for funding the research activity;
- to change the system of financing public research organisations so as to reward their co-operation with the economy (including the establishment of "spin-off" companies), their international R&D co-operation and establishment, and improve researchers' participation in commercial exploitation of research results;
- to examine whether higher tax incentives for investments in R&D and the recruitment of researchers in the business sector are reasonable, to stimulate the flow of researchers from public scientific and technical research organisations to the business sector by subsidising salaries and financing projects outside of the public sector;
- to grant additional public resources as well as the resources from the EU structural funds for research, technological development and allocate them to the promotion of such development and innovation;
- to train the implementing institution in systematic and target-oriented implementation of programmes and measures in the area of technological development and innovation (creating links with the business sector and development policy, acting according to business principles, creating modern mechanisms to support technological development and innovation);
- to establish a national innovation system (NIS) and implement the Slovenian regional innovation strategy linking enterprises, universities, research institutes, support institutions and the Government; to adopt implementing regulations for the establishment of a central register of organisations – mediators in the transfer of knowledge;
- to comprehensively revise regulations not stimulating innovation and to promote the establishment of domestic and foreign high-tech and innovative enterprises;
- to establish, by the resources from the EU structural funds, specific financial instruments of incentives adapted to innovation and development-oriented enterprises;

- to establish financial instruments (e.g. risk capital fund etc.) for funding high-technology small and medium-sized enterprises by combining the existing funds, revenue from privatisation and the private sector's participation;
- to increase the rates of IT literacy and provide the access to modern information and communication technologies and services as well as web services for citizens and enterprises;
- to introduce flexible forms of employment and telework and to develop and promote forms of employment that exploit the information society's potential.

Employers' tasks:

- to stimulate investments in technological development, research, knowledge, human capital, organisation, marketing and other entrepreneurial activities;
- to increase the level of innovation and to stimulate the development of new sustainable technologies;
- to increase the use of new technologies in working/production processes (especially information technologies);
- to increase entrepreneurial cooperation;
- to cooperate and establish links with universities, higher education institutions, research institutions, public sector and research agencies in the country;
- to monitor and respond to national and international public tenders in the fields of research and technology;
- to increase the share of research and development staff in economy;
- to enter different forms of public and private partnership in the implementation of research and development projects.

Trade Union tasks:

- to cooperate in the implementation and monitoring of the research and development programme in line with Slovenia's Development Strategy;
- to encourage the rewarding of innovators in enterprises.

6. COMPETITIVE ECONOMY AND FASTER ECONOMIC GROWTH

Higher levels of economic development and employment provides the basis leading to improved social security, lower social risks for the most vulnerable groups, faster development of the most backward regions and improved quality of the environment. All this shall ensure a better quality of living and human development. We agree that the accomplishment of this objective requires measures aimed at increasing the economy's global competitiveness, a greater institutional flexibility and innovativeness of the entire society, creative atmosphere and a greater interest in and a more favourable environment for the development of entrepreneurship. However, the process must observe the principles of sustainable development used so as to stimulate the development and global competitiveness of the economy. The priority in observing these principles is to protect a broader interest of the society and the existing economy, especially industry, as well as the actual temporal, material and technological capacity for renovation and development.

Government tasks:

- to promote the growth of competitiveness and innovation: to establish a simple, transparent and flexible system of promoting competitiveness focused on the key objectives;
- to stimulate and develop an innovative environment and innovation, also by means of tax incentives;
- to apply measures aimed at fostering technological development, education and training to support development and sustainable-oriented investments and strategic projects that via networking produce positive effects at the regional, national and international levels;
- to encourage entrepreneurship, the development of a business friendly supportive environment and the culture of entrepreneurship;
- to simplify rules and procedures which shall increase the efficiency in acquiring national resources and the resources from the EU structural funds intended to increase competitiveness, and to combine different state incentives instruments;
- to draw up a new programme for promoting entrepreneurship and the competitiveness of enterprises including a broad range of financial instruments intended for the establishment, expansion and development of enterprises;
- to prepare an act on employee financial participation;
- to promote foreign direct investment (FDI);
- to create industrial/technological estates on attractive sites, to reduce administrative restrictions for domestic and foreign investors, and to foster development in specific regions;
- to introduce efficient models and measures stimulating the internationalisation of small and medium-size enterprises (support to the promotion activities of enterprises and establishment of representative offices abroad);
- to contribute to the unburdening of the economy;
- to establish regions with their own competencies and resources to promote their development (according to the budget decentralisation principle);

- to support the development of a polycentric urban system and of regional centres (particularly centres of national significance), to create (innovative) regions and to foster regional economies through technology parks and business incubators;
- to establish an appropriate infrastructure, including the road and railway network, which shall round up the integrity of our area, ensure the development of the economy and the well-being of our community;
- to draw up measures preventing illegal work and to implement them consistently;
- to participate in the projects of public-private partnership in the field of economy, with consideration to the principle of transparency and in line with the policy to be harmonised between the social partners.

Employer associations' tasks:

- to ensure working conditions for increasing productivity in order to increase competitiveness;
- to provide to employees supplementary training, further training and education from the field of the enterprise's activities;
- to cooperate actively with social partners regarding key orientations in the Slovenia's Development Strategy;
- to monitor the effects of the system stimulating competitiveness and to report to the government and the social partners on the findings.

Trade Union tasks:

- to participate in the preparation of provisions regulating employee financial participation;
- to participate in the preparation of the policy establishing public-private partnership;
- to encourage the dissemination of know-how and use of information and communication technology;
- to draw attention on inappropriate working conditions of employees.

7. EMPLOYMENT AND LABOUR MARKET

One of the priorities in the field of labour market and employment policies is to ensure a more flexible and secure labour market capable of more efficient responding to external factors influencing the labour market and employment, and to enhance the economy's flexibility in view of its growing exposure to competitive pressures on the global markets.

The introduction of changes in this field must observe the interrelation of the development and investment policies, taxation and income policies, education and training systems and employment and social policies. Especially in the introduction of a more flexible labour market it is exceptionally important to maintain the balance between the flexibility and security, or to establish the system of the so-called flexicurity. This cannot be ensured outside the framework possibilities of the welfare state, efficient and expert organisation and operation of competent institutions.

We shall encourage the use of legally provided flexible forms of employment for a greater mobility in employment and professions, for these forms are not implemented enough in practice. We are aware, however, that the flexibility of the labour market is influenced mostly by the geographical and professional mobility of individuals participating in it, and their capability to adapt to the new circumstances. This depends especially on their qualifications and range of knowledge and the applicability of their skills. Therefore the Government and the social partners shall allocate an increasing amount of funds and measures to the improved factors of the labour market flexibility.

In the framework of the Economic and Social Council we shall prepare an agreement on the implementation of the flexicurity system in the Republic of Slovenia.

The social partners and the Government find that illegal work is still a problem; therefore all signatories shall strive to prevent it within the limits of our possibilities and competences.

Government tasks:

- to enable an active role of social partners in adopting decisions and implementing policies in the field of labour market and employment;
- to assess the possibility to establish special funds for unemployment insurance and to carry out other functions in the labour market and the manner of their financing;
- to prepare active employment policy measures;
- to open possibilities and to stimulate a greater use of available manners of flexible employment (part-time work, flexispace, working from home and telework) while ensuring an appropriate balance between the flexibility and the security of employment;
- to change passive measures in the labour market to active measures which shall enable the inclusion and employment and prevent social exclusion of the most disadvantaged groups (long-term or frequently unemployed, people aged over 55, young people who have finished

or dropped out of school, women and disabled); to expand the retraining, vocational guidance and career planning schemes;

- to adopt measures stimulating an increased general employment rate, especially among the elderly, young people and women, and improving the inclusion of disadvantaged persons and the disabled;
- to promote equal opportunities of women and men in employment, education and training and the reconciliation of work and family life;
- to stimulate retraining, supplementary training and employment of workers with inappropriate, unfinished or insufficient education and the persons encountering other problems entering the labour market, and to prevent their discrimination;
- to stimulate the geographical and professional mobility in the labour market by increasing mobility between the sectors and regions also in cooperation with the research and development institutions;
- to promote different forms of work, including the flexible working hours, which allow for career development, balance between work and family and balance between flexibility and security;
- to reduce structural imbalance in the labour market by pursuing an appropriate formal education policy, by speeding up the launching of other forms of education and training, and by recognising the acquired knowledge and skills in employment, also through national professional qualifications;
- to develop employment within non-market employment or social entrepreneurship and cooperative societies;
- to provide appropriate legislation and supervision of the activities of employment agencies;
- to prepare appropriate legislative solutions for small employers;
- to assess the unemployment insurance and implement necessary changes based on the consensus of the social partners;
- to reduce the number of administrative procedures and to adapt quota limitations in the employment of highly qualified foreign workers depending on the needs and other profiles;
- to encourage permanent employment;
- to prevent illegal employment;
- to arrange student work so that it shall not constitute unfair competition to other forms of temporary work and that it shall grant students the necessary insurance and the resulting rights;
- to arrange the employment of partners in single-person companies;
- to adopt measures stimulating the cooperation between the employers and the education and training institutions.

Employer associations' tasks:

- to participate in active employment policy programmes;
- to employ in accordance with the legislation in force;
- to urge for the introduction of a specific status of small employer, to cooperate with education and training institutions;
- to stimulate employers to encourage lifelong learning from the field of the enterprise's activities among the employees;

- to increase performance by increased investments in the development of human resources;
- to timely forecast the needs for new jobs;
- to develop modern organisation of work;
- to enforce the equality between genders at work, in employment, training and reconciliation of the family and work responsibilities;
- to pursue employment friendly to young mothers/families.

Trade Union tasks:

- to play an active role in adopting decisions and implementing policies in the field of labour market and employment;
- to cooperate in the introduction of special funds for unemployment insurance;
- to encourage and motivate employed persons via their representatives and other employees for lifelong learning, training and advanced education and training for skills shortage occupations;
- to act for a successful modernisation of organisation of work;
- to encourage lifelong learning of employees;
- to request the equality between genders at the workplace, in employment, training and reconciliation of the family and work responsibilities;
- to request employment friendly to young mothers/families.

8. WAGES AND SALARIES

The signatories agree that the wage policy remains one of the important contents of agreement between the social partners gaining even more importance after the integration in the economic and monetary union. The stable and real growth of employees' wages requires also a gradual reduction of tax burdens in gross wage and labour costs in general. We are aware that seeking common solutions in this field is one of the cornerstones of the balanced economic and social development of the society.

Social partners agree that the private sector should, in the framework of wage policy, maintenance of macroeconomic stability and balance, tax measures, strengthening of economic competitiveness and material position of the employees, guarantee the following:

- stable and real wage growth of the employees in Slovenia with the aim of gradually approaching the wages in developed countries;
- wage growth consistent with inflation and productivity;
- that wage adjustments consistent with inflation and productivity may be agreed in collective agreements for activities, in the Collective Agreement on the Wage Adjustment Method, Reimbursement of Work-related Expenses, and Holiday Bonus, and in collective agreements of enterprises;
- that a special position of employers may be the basis of the agreement of the circumstances allowing for a declination in wage adjustment at the level of individual employers from the provisions in collective agreements of activities and the Collective Agreement on the Wage Adjustment Method, Reimbursement of Work-related Expenses, and Holiday Bonus.

The Government and the social partners agree that the wage policy in the public sector, taking into account the macro-economic stability and balance and the public finance frameworks, should by the public sectors' collective agreement and collective agreements of activities ensure real wage growth with consideration to inflation and productivity levels, and establish a more appropriate internal relation between wages in the public sector. We furthermore agree that the wage policy shall ensure an appropriate balance of the level and growth of wages in the public sector in comparison with the private sector, so that the level of real wage growth in the public sector shall not exceed that in the private sector, except for the elimination of imbalances in accordance with collective agreement on wages in the public sector and in collective agreements of activities.

We furthermore agree that the legal right to minimum wage enabling subsistence must be preserved from the aspect of the social security of employees. The amendments to the Minimum Wage Act shall ensure that social partners and the Government shall have an influence in defining the minimum wage level in the framework of the Economic and Social Council.

Social partners and the Government agree that the preparation of the Employee Profit-Sharing Act should be accelerated, and that we should ensure that the Economic and Social Council shall discuss it before the end of this year.

Government tasks:

- to gradually reduce tax burdens in gross wage and tax burdens in labour costs;
- to strive, in the conduct of the wage policy, for long-term harmonious wage growth in public and private sectors, taking into consideration the differences in the structure of employees and the achieved level of gross wages between the sectors;
- to strive in the public sector, where it acts as an employer and as a social partner, for a successful implementation of uniform wage system laid down by the Salary System in the Public Sector Act;
- to introduce changes in the public sector which shall ensure a more rational employment in the public sector with the introduction of simplified procedures, the reduction of administrative burdens and the use of modern management forms and therefore enable the lagging of the wage expenditure growth behind the gross domestic product growth;
- to introduce more stimulating forms of rewarding public sector employees (performance, increased volume of work, commercial activity) and a greater dependence on the achieved goals or work results, and to propose necessary legislative amendments;
- to prepare the Employee Profit-sharing Act;
- to regularly inform the partners about analyses and forecasts of economic trends in Slovenia and about macroeconomic relations necessary to decide on the wage policy orientations;
- to ensure the monitoring of wages by collective and individual agreements and the access to information to the signatories of the Agreement.

Employer associations' tasks:

- to encourage the adopted orientations on the dependence of wage growth on the business results achieved;
- to respect the principle: equal pay for women and men for the same job.

Trade Union tasks:

- to consistently implement the wage policy in determining the policy and growth of wages in collective agreements of activities, Collective Agreement on the Wage Adjustment Method and in collective agreements of the private sector;
- to consistently implement the wage policy in determining the policy and growth of wages in the collective agreement of the public sector;
- to propose the examination of the adequacy of the minimum wage definition in the framework of discussions on the Minimum Wage Act in the Social and Economic Council.

9. SAFETY AND HEALTH AT WORK

We agree that safety and health of employees at work are among the principal values and that the competitiveness of Slovenia's economy can be built solely upon the workplaces where the safety and health of employees are respected and not threatened.

The signatories of this Agreement are aware that the ageing population and the present population structure in Slovenia make quality labour an increasingly important and rare value. Therefore we shall strive to open workplaces where the workers shall be provided a safe and healthy working environment, and to rewarding which shall stimulate the creative contribution of employees. Pursuant to the legislation adopted in this field we shall strive to increase safety and to reduce and eliminate the health threats to the employees on the existing workplaces, thus reducing the costs of health and disability insurance. A special attention shall be devoted to the safety and health of older workers and to the adaptation of workplaces with the aim of enabling them to remain on the labour market longer.

The signatories acting through our representatives shall strive to enhance the role of the Council for Safety and Health at Work and to efficiently implement the tasks in all fields of its operation.

We agree to enforce in Slovenia the EU guidelines on tackling stress and psychological violence at work by concluding special agreements, as agreed by the social partners at the EU level.

Government tasks:

- to oversee the implementation of the Resolution on National Programme for Safety and Health at Work, where the legislative framework continually adjusts to the amendments and the new EU directives on safety and health at work;
- to ensure necessary research in the fields subject to new regulation on the basis of priorities set by the Council for Safety and Health at Work;
- to comprehensively organise the identification, evidencing and registration of occupational diseases;
- to establish an information system on injuries at work;
- to examine the possibilities to establish an institute of regional workers' representative for safety and health at work for small employers;
- to assist in the implementation of legislation and in raising the employers' and employees' awareness by the preparation and publication of non-binding guidelines for safe and healthy work, instructions and other publications and public campaigns on particular risks for the employees' health, as well as by an annual competition for the best example of good practice regarding safety and health at work;
- to monitor the situation and establish and connect the databases on safety and health at work;
- to encourage expert level and quality of work safety expert tasks by stimulating and developing all forms of training;
- to ensure efficient supervision of inspection services in the implementation of provisions on safety and health at work, which shall continue to be based on the preventive orientation,

assistance and advice, as well as an efficient supervision of eliminating deficiencies and a parallel system of penal policy;

- to conclude tripartite agreements on tackling stress and psychological violence at work.

Employer associations' tasks:

- to respect the prescribed requirements regarding safety and health at work and to ensure safe working environment;
- to continuously raise the awareness and knowledge on the importance of observing prescribed requirements on safety and health at work;
- to make endeavours to reduce injuries and health problems at work and the risk of occupational and work-related diseases;
- to conclude tripartite agreements on tackling stress and psychological violence at work;
- to oversee the implementation of the Resolution on National Programme for Safety and Health at Work and to adjust the amendments to the new EU directives on safety and health at work;
- to assist in the implementation of legislation and in raising awareness of employers and employees.

Trade Union tasks:

- to nominate the candidates to be elected as workers' representatives in safety and health at work pursuant to provisions;
- to organise training for the elected workers' representatives in safety and health at work;
- to conduct public campaigns for safe and healthy work;
- to conclude tripartite agreements on tackling stress and psychological violence at work;
- to monitor the situation and to call upon the problem of providing safety and health at work, as well as to adjust to the amendments and the new EU directives on safety and health at work;
- to see to the implementation of the Resolution on National Programme for Safety and Health at Work;
- to assist in the implementation of the legislation and in raising awareness of employees.

10. IMPROVED QUALITY OF EDUCATION AND PROMOTION OF LIFELONG LEARNING

Since the development of the society depends on the development of its individuals we must strive to improve the quality of knowledge, skills and competences enabling individuals to actively participate in work and living. Therefore the education system must be adapted to the new requirements of development at all levels and added new initiatives for the following: improved quality of knowledge, promotion of mobility, opening of different possibilities and ways to obtain knowledge, systematic integration of elements and instruments of lifelong learning in the education and training system, more efficient integration of the research and teaching capacities of institutes and universities, removal of obstacles to the flow of experts, and the transfer of knowledge between the universities, the institutes and the economy. The partners agree that the development of private education system must not affect the public school system, and that we need to preserve the principle of public responsibility for quality higher education and provide conditions for equal access to higher education. We stress the need for appropriate opportunities for students to finish their studies without the obstacles originating from their social and economic backgrounds.

The implementation of the instruments of lifelong learning (recognition of different types of knowledge, opening new ways for its obtaining, a more flexible formal school system, incentives to individuals at the national level for entering different types of education) at all levels of education and in all periods of life ensures a greater quality of work and extends the working capability for the elderly. The care for the acquisition of new knowledge and skills must become an obligation of all individuals, employers and the state.

The Government and the social partners, acting in the framework of the Economic and Social Council and pursuing the aims of the renewed Lisbon Strategy and lifelong learning, shall enable especially the increased level of education and competences and closer links between the education system and the interests and needs of the economy, and ensure a greater balance between education programmes and labour market needs.

Government tasks:

- to prepare the national programme of higher education in agreement with independent institutions of higher education and universities, employers, trade unions, students and representatives of the employees in higher education;
- to establish an independent body seeing to the quality of higher education especially by implementing a system of evaluation of higher education institutions; besides academic excellence, evaluation criteria should include links with the economy, proven significance for the social development and the success of the graduates in further career; the results of the evaluation should be made available to the public immediately and in full, and used as an important criterion for granting public resources;
- to stimulate the development of quality public education at all levels, to reorganise and modernise the programmes of vocational, general secondary, higher and professional high education so as to create closer links with the needs of the economy and the development guidelines of the modern society. The reorganisation and implementation of programmes must involve also social partners; to stimulate the establishment of a school network with consideration to the possibility to establish regional centres, and to encourage the choice between different state-approved programmes at several education levels (e.g. innovation programmes, model schools etc.);
- to create favourable conditions for the establishment of new higher education institutions and programmes;
- to create reasonable links between the higher and professional education network and the regional centres of secondary education, especially vocational and professional;
- to form the way of public financing enabling managerial independence of institutions in allocating public funds for different purposes (lump-sum financing) while simultaneously strengthening an efficient supervision over the use of these funds, stimulating the rationality and transparency of such use, rewarding quality, research activity and links with the needs of the environment, as well as enabling the forming of new programmes and ensuring the existence of study programmes of national importance;
- to change the scholarship system so as to ensure the access to studies regardless of the social position and to create incentives for more efficient studies and for enrolment in science and technology studies including information technology;
- to develop a fund for the development of personnel and scholarships in co-financing company scholarships (for a known employer) and to stimulate education for skill shortage professions in individual regions (decisive role of regional partners in determining public calls for types and fields of education), and to provide scholarships for talented pupils and students for extraordinary achievements;
- to change habilitation criteria in cooperation with university managements and staff so that they should include, besides academic excellence, applied research and projects implemented in cooperation with the economy; consistent international comparability of habilitation criteria; to enhance the importance of the proven expert and teaching merits as a criterion in permanent employment of higher education teachers, to accelerate international exchange and to prepare the legal basis to facilitate the recruiting of practising experts in higher education institutions;

- to enhance the quality and success of the studies by developing support activities (tutors, career advice), by introducing modern forms of teaching work and by stricter conditions for repeating exams and years;
- to connect university studies with the economy also through scholarship programmes and university business incubators;
- to introduce education for sustainable development at all education levels;
- to introduce to the curricula (at all education levels) the following: development of mutual tolerance, development of the awareness of equality of all citizens, solidarity, respect for diversity and all types of minorities, countering racism, anti-Semitism and xenophobia, respect for children's and human rights, development of the awareness of gender equality and entrepreneurial skills, encouragement of the entrepreneurial spirit of young people and establishment of a positive notion of entrepreneurship, development of a training programme for running small enterprises and entrepreneurial knowledge for young people. The introduction of these values to the education system strengthens the ability of the citizens to live in a democratic society;
- to encourage and financially support the activities of advice centres for adult education; to support the centres for independent study; to support groups for project learning (programme intended for dropouts to finish education or obtain a vocational qualification) and programmes for the development of key capabilities of the employed, unemployed and other vulnerable population groups;
- to create a system of recognition of different types of knowledge and to implement a credit study system evaluating and recognising (as partial steps) all education and training achievements on the way to obtaining the desired level of education at the secondary and tertiary levels;
- to agree with the social partners on the initiatives for enterprises investing in education and training of their employees, and to establish funds for the education and training of employees;
- to particularly stimulate education and training of employees whose jobs may be threatened (due to low, inappropriate education and/or lack of qualifications); to introduce the system of one-third co-financing (the state shall finance a third of the education costs where the other two thirds are financed by the employer and the employees); to introduce incentives for enterprises employing an unemployed person and provide him or her an in-service training;
- to implement the international standard of "investors in people";
- to oblige local communities to prepare annual plans for adult education. To place adult education among the basic regional competences and obligations in the conception of regions and to determine funding sources for this activity;
- to provide system support for raising reputation of vocational, professional, technical and science education;
- to use financial incentives to increase the interest of employers in the cooperation and creation of possibilities for in-service training of apprentices, pupils, students and adults;
- to provide resources for continuous professional training of teachers and employers or the employees teaching young people;
- to allocate the EU funds to education projects for improved quality and access to knowledge, skills and qualifications, for opening different ways to education, for the implementation of measures stimulating innovation and creativity of young people and adults, and for a greater justice of the education system;

- to form with the social partners a transparent qualification framework comparable to those in Europe;
- to accelerate the operation of the system of national vocational qualifications validation (certification system);
- to provide resources to increase the number of higher education teachers (with the number of students remaining approximately the same) with the aim to improve the study situation.

Employers associations' tasks:

- to propose new vocational standards for new education programmes of lower, secondary vocational and professional education and higher professional education, as well as catalogues of standards of national professional qualifications;
- to cooperate in the accreditation of higher and high professional education programmes;
- to participate in the managing authorities of higher and high education institutions;
- to take over the role of educators and to provide possibilities for training in the immediate working process in the secondary vocational and professional and higher education, as well as training in working environment under higher education programmes;
- to conduct the state co-financed procedures of verification of training posts for practical further training in the immediate working environment for secondary vocational, professional, higher and high education;
- to cooperate with the competent minister in the classification of programmes of secondary vocational, secondary professional and higher professional education;
- to cooperate with regional education centres, adult education organisations and research and development institutions in identifying and planning the needs for education, classifying the programmes and forming an open curriculum;
- to cooperate with inter-company education centres (ICEC) in education and training of youth and adults and in the management of centres;
- to cooperate with schools in examining practical education in the secondary vocational and secondary professional education;
- to advise and supervise practical training in the working process in the lower, secondary vocational, secondary professional and higher professional education;
- to allocate funds to the lifelong learning of themselves and their employees.

Trade Union tasks:

- to encourage the Bologna process and to actively participate in its implementation as a social partner;
- to encourage members to lifelong learning;
- to actively cooperate as a social partner in the drafting and amending the legislation in this field;
- to cooperate in the preparation of the National Programme of Higher Education;
- to cooperate in the reforms of vocational, general secondary and higher education;
- to participate in the changes of habilitation criteria;

- to support the establishment of centres for independent study;
- to cooperate in the preparation of measures for enhancing the access to education and the justice of education systems;
- to strengthen the efforts to enhance the access of employees to education and the development of key capabilities directly influencing their economic and social position.

11. WORKER PARTICIPATION IN MANAGEMENT

A competitive appearance of enterprises in the global world of supply and demand requires the optimisation of all human and material resources available. Employees strengthen their commitment to achieve the business objectives by participation in the management of the enterprise, thus satisfying their needs for self-confirmation and self-realisation as well as strengthening the affiliation with the business subject which employs them. Effective participation in the management constitutes an efficient involvement of employees in the strategy and development goals of an organisation.

A successful further development of participation in the management in Slovenia requires a positive attitude towards this form of immediate representation of employees in enterprises. It is necessary to continuously educate and raise awareness of employees as well as employers, and to see to the consistent implementation of legislation.

The signatories agree that strengthened participation of workers in the management in Slovenia and an active participation of employees in the management of enterprises may have a positive influence also on the strengthening of competitive abilities of enterprises.

Government tasks:

- to enable an active role of social partners in the adoption of legislation on worker participation in the management;
- to stimulate and implement the worker participation in the management in enterprises (support to education programmes, organisation of consultations, incentives for international cooperation);
- to examine an appropriate resolution of the issue of establishing workers' councils in public institutions during the preparation of a new respective act.

Employer associations' tasks:

- to contribute to a better understanding of the advantages of the participation of workers in the management and to create a positive attitude towards the development of worker participation, e.g. by encouraging agreements regulating the relations between the workers' council and the employer;
- to encourage consistent implementation of legal provisions.

Trade Union tasks:

- to participate in the preparation of measures of further development of worker participation in the management;
- to introduce the role and the importance of worker participation in the management;
- to establish partner relations with workers' councils in enterprises;

- to contribute to a better understanding of the advantages of the participation of workers in the management and to create a positive attitude towards the development of worker participation, e.g. by encouraging agreements regulating the relations between the workers' council and the employer.

12. RECONCILIATION OF WORK AND FAMILY RESPONSIBILITIES

Reconciliation of work responsibilities and family and private life is a demanding task for any individual, but may be successfully carried out with the support of family-friendly policies including also the improvement of social attitude towards the employees with family responsibilities.

Government tasks:

- to encourage flexible working hours and thus facilitate the reconciliation of work and family life;
- to foresee in the programmes of active employment policy the incentives for returning to work of employees absent for long periods due to parental leave;
- to adapt and introduce new forms of childcare, care for the elderly and other family members in need of help facilitating the reconciliation of work and family life;
- to encourage enterprises to pay special attention to families with dependent family members (children, the elderly and other needy members) by introducing the project for obtaining a certificate of family-friendly enterprise;
- to adopt measures for encouraging fathers to take up paternity leave, for the distribution of the child care leave between both parents, as well as even distribution of absence from work due to care for an ill family member;
- to encourage the employment of women by reducing the employment risk for employers especially in the period of deciding to have children, i.e. by subsidization of replacement employment or employment after the finished parental leave, which should contribute to a higher birth rate and thus reduce the structural problems of women;
- to stimulate fathers and mother to take up part-time work due to parenthood;
- to encourage the introduction of more flexible opening hours of kindergartens regarding different and longer working hours of parents.

Employers associations' tasks:

- to encourage the use of the measures introducing the possibility of flexible working hours for families with dependants (children, elderly and other needy members);
- to encourage the adaptation of the working process and job systemisation so as to allow working from home whenever possible;
- to encourage members to adopt a more quality attitude towards the reconciliation of the family life and work;
- to influence by timely communications and warnings to employers a consistent implementation of the legislation on employment relationships and parenthood;
- to introduce the certificate of family-friendly employer;
- to actively participate in the awarding of the family-friendly enterprise label;
- to seek solutions in negotiations on collective agreements which shall contribute to the reconciled work and family responsibilities (e.g. working hours, overtime work...).

Trade Union tasks:

- to introduce the certificate of family-friendly employer;
- to actively participate in the awarding of the family-friendly enterprise label;
- to ensure solutions in negotiations on collective agreements which shall contribute to the reconciled work and family responsibilities (e.g. working hours, overtime work...).

13. HOUSING POLICY

Besides employment, appropriate housing conditions are one of the basic conditions for creative and quality living. We agree that the access to housing must be increased further regardless of some positive shifts following the adopted measures concerning housing policy. These efforts must be combined with the needs for greater mobility of employees.

Some measures have been implemented in order to facilitate the access to privately owned and rented non-profit housing (injection of equity capital to the Housing Fund of the Republic of Slovenia for additional supply of rented non-profit housing, legislative amendments with the aim to provide material incentives to the broadest circle of young families solving the housing problem, non-profit rents having reached the level of covering actual costs related to maintenance and replacement of housing units after the end of the service life). However, an active cooperation of all social partners and the Government is required to achieve the objectives set.

Government tasks:

- to support the normalisation of the housing market situation, secure rental and socially sustainable rents, as well as the interests of owners in renting out vacant housing units;
- to support the investments in non-profit rental housing also with the aim to attract employees to the regions of shortage, e.g. with the Housing Fund of the Republic of Slovenia as a joint investor;
- to provide material grants to young families for the initial solution of the housing problem, to improve the possibilities of young families and young people to acquire their own or non-profit rent housing;
- to encourage savings with the aim of solving the housing problem with appropriate premium payment;
- to facilitate the access to the land for housing construction, especially by the demonopolisation of the real estate market and the reduction of administrative burdens (provisions referring to spatial planning);
- to create opportunities for a faster development of the real estate market and for a better access to bank loans regardless of the employment status of a borrower by organising and modernising the land register and by increasing bank competition and the flexibility of the financial sector;

Employer associations' task:

- to encourage their members to participate in the solution of housing problems of employees by their own economic capabilities and needs.

• Trade Union task:

- to request and support the housing policy measures contributing to a more efficient elimination of the housing problems of employees.

14. HEALTH CARE AND HEALTH INSURANCE

We agree that the level of development is revealed also in the level of health and access to health services and other rights derived from the compulsory health insurance. The task of the society is to maintain and enhance the quality of life and health of the population. Therefore we need to follow the development of the medical science and technology and the new methods of treatment, and efficiently introduce them to the health care system. We need to find an appropriate balance between the access to health care services and the financing capacity based on solidarity. The health care system must be transparent, financially sustainable, quality and efficient.

The rights of the population under compulsory health insurance must be exercised by the principles of solidarity and reciprocity.

The measures intended to control the prices of medical products, technical tools and equipment and the elimination of unjustified costs in health care providers must ensure a transparent and cost-effective use of resources.

We should establish a public health care network maintaining an appropriate balance between public and private health care providers and ensuring their accessibility, quality and safety.

We must provide and strengthen business independence and efficient implementation of insurance supervision by holders and providers of compulsory health insurance of the provision of health care services, and the participation of representative organisations of social partners in managing authorities.

We must establish an efficient supervision of the implementation of supplementary health insurance as a component of the rights within the compulsory health insurance and other voluntary health insurance schemes.

Government tasks:

- to integrate health protection measures and criteria in sectoral policies;
- to encourage measures aimed at reducing the differences in health between the regions and the population groups;
- to encourage health protection programmes as a style of living (nutrition policy, physical activity, alcohol, smoking etc.);
- to introduce the system of insurance for long-term care;
- to introduce a national system of quality in the public health care network;
- to enhance the efficiency of public health care providers as regards the access to and quality of health care services and shorter waiting times;
- to adapt the scope and structure of rights derived from the compulsory health insurance in accordance with demographic trends, medical developments and financial capacities;
- to stimulate voluntary health insurance by appropriate measures;

- to modernise health care capacities at all health care levels, to establish centres for urgent medical assistance and within them emergency centres for children and youth and an emergency service;
- to provide a more efficient health care of the disabled, rehabilitation and tools and equipment;
- to provide the best possible accessibility to health programs by respecting values such as solidarity, social justice and accessibility of the population in all age groups and from all parts of the country;
- to ensure long-term financial sustainability and stability of health care;
- to ensure conditions for the autonomous, transparent and controlled management of public health insurance funds; to establish perspective financing models of healthcare programs and services within the public health insurance system;
- to provide the possibility to conclude contracts on the implementation of programmes and provision of services within statutory time limits;
- to introduce and provide the possibilities for a faster return to work of workers after sickness leave, to support the activities preventing illness and to promote health awareness in individuals;
- to develop a system of measures reducing the absence from work;
- to amend the Rules concerning the list of occupational diseases so as to prevent the conflict of interests in the employer as the payer of preventative health examinations for workers with suspected occupational diseases;
- to automatically consider verified occupational diseases in the framework of the rights derived from the compulsory health and disability insurance;
- to disseminate preventative programmes of timely diagnosing and treatment of chronic diseases and cancer.

Employer associations' tasks:

- to participate in the introduction of healthy working environment;
- to introduce healthy and human conditions at work;
- to protect and improve health in working and living conditions.

Trade Union tasks:

- to advocate a better access and quality of public health care network services;
- to advocate the scope of rights derived from compulsory health care and health insurance ensuring their availability and quality to all individuals regardless of the material situation;
- to actively participate in the establishment of the national quality system in the public health care network.

15. SOCIAL SECURITY

The signatories of this Agreement agree that a different demographic situation and other impacts of narrow and broad environments require some changes in order to preserve and improve the achieved social security level.

In our opinion, the key to a greater social and material security of each individual is that the state and social partners, acting within their competences, provide possibilities for sustainable development, strong and successful economy, opening of new jobs and stimulating income policy. The consideration of the above, appropriate preparations and activities of individuals shall enable a greater efficiency of the welfare state, reduce social risks, poverty and social exclusion and increase the quality of services in the social protection system.

We must ensure the social security system which shall properly support the social cohesion. The state must become especially the manager and facilitator of public services, while the systems must be organised so as to enable equal access and social justice. Thus new solutions shall be sought especially in the increased efficiency and business rationalisation of systems, also by introducing different forms of public and private partnership.

We shall endeavour to introduce the active forms of assistance whose aim shall be to reintegrate persons eligible to social assistance in the active life. This, however, requires the willingness and activity of individuals.

To make social transfers more equitable (e.g. appropriate differentiation between passive and active persons entitled to financial social assistance, means-tested transfers) and reduce the risks of the so-called poverty trap or unemployment trap, the Economic and Social Council shall examine the criteria or legal bases determining the eligibility to and the amount and efficiency of transfers in respect of their aim.

Government tasks:

- to implement practical conditions and measures for a greater willingness and activities of individuals, which shall have positive effect on their social position;
- to improve activation systems of social security, especially with a view to improve the target orientation of social benefits and services towards activities, seeking and accepting of work by the eligible persons capable of working;
- to ensure greater transparency of social transfers by the instrument of central or connected databases and a single decision-making location; to prevent the unjustified accumulation of benefits by a single recipient;
- to introduce the determination of eligibility regarding the income and means in all rights conditioned by means-testing under the valid legislation, and to introduce a uniform method of determining income and means taken into account in determining eligibility;
- to introduce a uniform determination of persons considered besides the applicant in deciding on social transfers (e.g. child benefit, scholarship, financial social assistance etc.);

- to adjust social protection systems to the needs of a long-living society;
- to focus social policy more on the transition between different periods of life (from school to work and from work to retirement; support geographical mobility);
- to examine together with social partners the possibility to adapt the pension insurance system so as to consider in the pension assessment the paid contributions for pension insurance from different benefits of employees;
- to examine together with social partners the possibility to ease the labour cost burden by eliminating or reducing of social security contributions by the reimbursement of expenses incurred in connection with work not considered in the calculation of the pension rating base of a worker or insured person;
- to improve the social security of professional sportspeople by the following: status, insurance (pension, health, accident etc.), health care
- to encourage public and private partnerships in the area of implementing and financing social protection schemes and services and job brokerage due to the versatility, efficiency and better supply (e.g. private investments in social infrastructure – homes for the elderly etc.);
- to establish a uniform system of long-term care as the basis of the elimination of the lack of unity in the system of attendance allowance and other rights to long-term care;
- to enable flexible forms of temporary and occasional jobs without the characteristics of employment relations (by suitable arrangements preventing abuse or avoidance of employment and ensuring appropriate social security);
- to introduce more possibilities for voluntary socially beneficial work in non-profit activities;
- to foresee incentives for employers to employ the long-term unemployed young and older workers and employ replacements for the period of absence due to childbirth and childcare (e.g. during parental leave);
- to examine the possibility to subsidise public transport in order to increase the mobility of the unemployed in seeking employment.

Employer associations' tasks:

- to conduct business policy enabling the employment of the long-term unemployed, especially younger and older employees;
- to adopt measures reducing the transition to unemployment;
- to use flexible forms of employment;
- to encourage organisation and implementation of a quality personnel service in enterprises.

Trade Union task:

- to draw the attention of the employers and the Government to the social problems of employees and the unemployed and to propose the measures for their resolution.

16. PENSION AND DISABILITY INSURANCE

We are aware that the pension and disability insurance schemes in Slovenia face new and significant challenges due to the present and projected demographic trends of reduced birth rate, longer life expectancy, resulting ageing of the population and transition to a long-living society. Furthermore, we must consider the effects of the changes in the labour market brought by the new, flexible and atypical forms of work. We agree that the addressing of these changes shall require joint, harmonised efforts of the Government of the Republic of Slovenia and all social partners.

The pension reform unanimously confirmed and adopted in 2000 has gradual and long-term effects as planned, for its adoption amended the conditions for the entitlement to pension and other rights, their assessment as well as the method of maintaining their level. The present conditions for the entitlement to rights derived from the pension system influence a slower and moderate growth of the number of new pension recipients.

The financial sustainability of the compulsory pension and disability insurance scheme may be ensured by observing the definition that pension is the right derived from work and dependent especially on paid contributions. With the principles of insurance determining that the monthly amount of the pension depends on the level and duration of paid contributions and the retirement age, the social component must be preserved in the pension and disability insurance. In the compulsory pension and disability insurance scheme, we support the principles of reciprocity and solidarity between the insured persons with higher and lower income and with other differences in the social and economic position, and between the insured persons and the retired persons.

We agree that a long-term sustainability and quality of pensions from the compulsory pension and disability insurance scheme require economic growth, an appropriate family and housing policy, a growing number of jobs covered by compulsory insurance, a motivation-oriented tax policy and an appropriate wage growth. We shall strive to prevent insurance breaks in the periods of unemployment, lifelong learning and doing a new form of work. The projected demographic trends necessitate also the efforts to lower the average age upon the start of insurance and to provide working conditions and changes in the compulsory pension insurance contribution levels stimulating employers and employees to remain longer in the active employment. This may result in a more favourable balance between the number of insured and retired persons.

The pension system and the related policies must be further adapted to the ageing population; the process must observe not only financial effects but also the aims of the social policy. We shall strive to increase the share of insured persons in the population as a whole and to prolong the employment period in the life of any individual.

The determination of retirement conditions and the assessment of pensions shall observe different working conditions, working situations and other circumstances important to preserve the working capacity in the old age. To this end, we shall encourage compulsory supplementary insurance of the insured persons doing particularly hard work, work damaging to health or work which cannot be done after a certain age due to its mental and physical difficulty.

We shall act together to create the conditions ensuring suitable and sustainable pensions of the eligible persons. Besides a balanced pension and disability insurance scheme, we shall encourage the participation of insured persons in supplementary voluntary insurance schemes and thus their participation in ensuring the rights, social security and living standard above the level provided by compulsory insurance. We shall ensure the benefits in the payment of contributions and taxes for all forms of supplementary collective pension insurance.

The structure of the managing authorities of the Pension and Disability Insurance Institute must be such as to allow the decisive number of votes to legitimate and representative deputies of contribution payers, i.e. trade unions and employer organisations representative at the national level.

Government tasks:

- to adopt measures contributing to the growing share of insured persons in the population as a whole, to a prolonged active period of each individual and to the preservation of an appropriate balance between the active and the retired population;
- to further adapt the pension system and the related policies to the ageing population and other unfavourable demographic trends so as to maintain suitable and sustainable pensions;
- to introduce appropriate financial incentives to employers intended to extend the employment of workers who have met the minimum retirement conditions;
- to introduce appropriate financial incentives to employers intended for permanent employment of young workers;
- to encourage the development of voluntary supplementary pension insurance;
- to enable the operation of the Fund for Craftsmen and Entrepreneurs (FCE) based on the provisions of the Pension and Disability Insurance Act;
- to analyse and monitor the situation of the pension system in the Republic of Slovenia;
- to ensure the management of voluntary pension saving of insured persons in which the profit shall be transferred to their personal pension accounts;
- to propose benefits in the payment of contributions and taxes for all forms of supplementary (individual and collective) pension insurance;
- to ensure annual notification of insured persons on the paid pension insurance contributions.

Employer associations' tasks:

- to introduce voluntary supplementary pension insurance in enterprises on the basis of systemically provided incentives and exemptions;
- to participate in the professional rehabilitation of disabled workers;
- to employ the disabled and learn about the possibilities brought by the Vocational Rehabilitation and Employment of Disabled Persons Act;
- to pursue amendments to legislation equalising all categories of insured persons regardless of whether they are insured on the basis of employment or on the basis of self-employed activities;

- to become acquainted with the advantages and disadvantages of timely and appropriate payment of social security contributions at exercising the resulting rights, and with the importance of such payment for the pension and disability insurance scheme as a whole;
- to pursue the reduction or at least the maintenance of the existing level of contribution rates for social transfers, which shall alleviate the burdens on the economy and increase the competitive advantage of Slovenian economy.

Trade Union tasks:

- to negotiate for a favourable collective supplementary pension insurance for all insured persons;
- to supervise the management of pension savings of insured persons.

17. EQUAL OPPORTUNITIES AND RESPECT FOR DIVERSITY

We agree that equal opportunities for all persons, regardless of sex, nationality, race or ethnic origin, religion or belief, disability, age, sexual orientation or other personal circumstances, have to be ensured as regards employment, promotion, training, retraining, wages and other income from employment, fringe benefits, absence from work, working conditions, working time and termination of the contract of employment.

Government tasks:

- to support the functioning of non-governmental organisations who strive to improve working conditions for persons with fewer opportunities on the labour market due to sex, nationality, race or ethnic origin, religion or belief, disability, age or sexual orientation;
- to ensure equal opportunities for women and men by developing measures for preventing, detecting and eliminating direct discrimination of women and men in the labour market;
- to ensure equal opportunities for women and men by adopting measures in order to provide special support to women in establishing their own enterprises, to increase the participation of women in programmes of education and training, and to reduce segregation and inequalities in salaries;
- to guarantee the implementation of the Equal Opportunities for Women and Men Act and therein envisaged positive measures as a tool to promote the process leading to the real equality of sexes and elimination of concealed discrimination;
- to ensure equal opportunities to the disabled by appropriate financial benefits deriving from disability encouraging their social integration; by introducing the modern definition of disability; by improved accessibility to the built environment and communications; by encouraging the development and pluralisation of programmes and providers with a special support to the non-governmental sector – disability and humanitarian organisations – and the emphasis on the self-help and self-organisation;
- to provide timely and sufficiently detailed statistics on the wages of different categories of workers with a view to their gender, age and form of employment contract, enabling the detection of the agents of discrimination and efficient actions of this basis.

Employer associations' tasks:

- to respect the provisions of the Equal Opportunities for Women and Men Act and the Implementation of the Principle of Equal Treatment Act;
- to encourage collective agreements to include the possibility to reconcile work and family responsibilities of workers, and especially the possibility of favourable working hours;
- to actively eliminate the causes of unjustified differences in the wages of men and women;
- to consistently respect collective agreements and provisions referring to the safety and health at work, leave, trade union organisation and other rights of foreign workers.

Trade Union tasks:

- to ensure trade union protection to discriminated workers;
- to introduce to collective agreements the possibility to reconcile work and family responsibilities of workers, and especially the possibility of favourable working hours;
- to identify all forms of discrimination and act against it.

18. LEGAL SECURITY

We agree that the planned progress and development depend also on the situation concerning the respect for the legal order in the country. Upon the accession to the EU we ensured the harmonisation of the national legislation with the standards of the developed democratic countries also in the fields where Slovenia's arrangements were different. However, in certain fields most of the obligations concerning the legal order remains within the competence of the state.

The level of legal security does not depend solely on the existing legislation and declared rights, but also on their practical realisation. This is affected by the clarity and non-ambiguity of the legislation, by appropriate supervision and especially by the general attitude and the awareness of the necessary respect for the legislation. The social partners agree that different forms of pre-trial or out of court and court settlements of disputes must be encouraged with the aim of reducing the burden on courts and thus reducing the waiting times for the exercise of rights in court; however, we are unanimous that we need to enforce especially an efficient exercise of the right to judicial protection as a fundamental human right while leaving the alternative methods of dispute settlement to the free will of contractual parties in an employment relation, where an employee as a weaker party must be invariably granted the possibility to choose the method of dispute settlement. In this field the contribution of social partners at the employers' and employees' side may be invaluable.

Another priority is to amend the legislation by the fields regulating court procedures and to implement other solutions concerning staff and organisation, so that courts shall resolve cases within the foreseen, relatively short time limits pursuant to the Protection of the Right to Trial without Undue Delay Act. The priorities include also the adaptation of the legislation as regards the possibility of substantive decision-making in courts deciding in the procedures on regular legal remedies (courts of appeal), so that those shall not remand the cases to the courts of first instance or shall do this only exceptionally. This, too, shall contribute to the faster reduction of judicial backlogs.

Government tasks:

- to prepare clear, understandable and unambiguous legislation;
- to reduce unnecessary administrative burdens and over-regulation – both may contribute to legal uncertainty due to the lack of transparency – and to prevent disproportionate burdening of especially small enterprises in drafting regulations;
- to promote and develop out-of-court and court forms of peaceful settlement of disputes, to provide legislative bases or estimate the need for the amendments to the existing provisions, and to provide organisational, financial, personnel and other conditions for the development of such system;
- to promote mediator training;
- to improve considerably the efficiency of courts, public prosecutors and state attorneys while ensuring quality work;

- to eliminate court backlogs and ensure trials within reasonable periods of time by the end of 2010;
- to provide supplementary training to public prosecutors in the field of economic crime, corruption and organised crime;
- to improve the efficiency of conducting court procedures and expert decisions of public prosecutors and judges;
- to prepare changes and simplifications of the entire procedural and organisational judicial legislation;
- to ensure reorganisation and better management of courts;
- to ensure a more efficient electronic operation of courts, public prosecutor offices and state attorney's offices;
- to implement, with the assistance of centres of social work, the measure of deferred prosecution by the measures of socially beneficial work, and to implement the measure of the replacement of fines by tasks carried out for the general benefit or for the benefit of a self-governing local community;
- to keep the Economic and Social Council up to date about the key analyses and documents of the Government addressing economic policy;
- to participate, within the tripartite social agreement, in the implementation of framework agreements concluded between social partners at the EU level;
- to examine the possibility of the persons authorised in labour legislation or social disputes being able to have their procedure costs calculated and reimbursed same as in the case of attorney's fees;
- to eliminate within its competences all barriers for the preparation and publication of Slovenian case-law within a month of the issuing of a judgement by the Supreme Court.

Employer associations' tasks:

- to cooperate with the Government in the adoption of appropriate legislation;
- to participate in and strive for out-of-court and court settlements in labour law disputes;
- to establish permanent arbitration to settle individual and collective work-related disputes together with trade unions;
- to participate, within the tripartite social agreement, in the implementation of framework agreements concluded between social partners at the EU level.

Trade Union tasks:

- to establish permanent arbitration to settle individual and collective work-related disputes together with employers;
- to participate, within the tripartite social agreement, in the implementation of framework agreements concluded between social partners at the EU level;
- to prepare the amendments to the respective legislation so as to enable the persons authorised in labour legislation or social disputes to have their procedure costs calculated and reimbursed same as in the case of attorney's fees.

19. CORPORATE SOCIAL RESPONSIBILITY

The signatories of the Agreement understand the notion of corporate social responsibility as the voluntary inclusion of social and environmental issues by enterprises in their business activities and in relations with interest groups. This is the responsibility for the sustainable development ensuring economic growth, more and better employment, investments in human capital, health and social security with a responsible attitude towards the environment. An enterprise is socially responsible when it transcends the respect of the criteria prescribed by laws and other provisions in its relation to the interest groups.

We agree that corporate social responsibility is one of the instruments maintaining the balance between the three pillars of the Lisbon strategy: between the economy and growth, employment and the European social model and the environment. Furthermore, it is a means of strengthening social cohesion and progressing on the way to the society of knowledge, which enhances the economic efficiency and competitiveness of enterprises.

The signatories of this Agreement shall, acting within our competences and possibilities, strive to develop corporate social responsibility on the basis of a quality social dialogue and to ensure a macroeconomic environment favourable for sustainable development and corporate social responsibility. The establishment of corporate social responsibility standards must observe the status and size of enterprises.

The signatories of this Agreement shall strive to extend the corporate social responsibility beyond the factory walls, branches and jobs and act responsibly towards the environment, local communities, consumers and citizens in general even when present in foreign markets. From our point of view, socially responsible enterprises shall be those enterprises not observing merely the interests of owners or shareholders, but of all interested stakeholders or the society as a whole. We agree that the concept of social responsibility cannot replace the legislation on the employment-related rights, social and environmental rights or standards set by collective negotiations. The freedom of association and collective negotiations is one of the most important components of corporate social responsibility. Therefore we shall make necessary efforts to make enterprises exercise these freedoms also where the latter are underdeveloped or altogether absent, and allow an increased cooperation of trade unions, workers and their representatives, as well as respect and defend their rights.

In the framework of developing corporate social responsibility in Slovenia we shall make efforts to respect environmental principles and foster cooperation with local communities and all participants in a business chain and especially advocate socially responsible relation to employees. We shall strive for the respect of the social dialogue, for the development of the employee participation with the procedures of information and consultation, especially within European workers' councils, for the development of professional qualifications and lifelong learning for workers, for the respect of standards of safety and health at work, and for the adoption of preventive measures. Socially responsible conduct of enterprises includes granting equal opportunities, cooperation with the employees' representatives, especially as regards expected changes and their addressing and the restructuring of enterprise, improved quality of

work and respect for and integration of vulnerable groups such as young and older workers, the disabled and foreign workers.

Government tasks:

- to promote corporate social responsibility by awareness-raising activities stressing the advantages of socially responsible conduct;
- to implement and reward examples of good practice in enterprises in different fields – from environment protection to the relation to employees, safety and health at work, respect for diversity, relation to local communities and setting a positive example;
- to stimulate corporate social responsibility by ensuring an economic development-friendly macroeconomic environment and a motivation-oriented tax environment;
- to participate in the preparation of uniform standards for the recognition of socially responsible enterprises which would prove their social responsibility recognised by employees, business partners and consumers and other interested groups in the narrow and broad social environment;
- to report on the measures implemented by individual ministries in order to encourage social responsibility;
- to develop the method of reporting including corporate social responsibility and the achievement of the objectives set in this field;
- to monitor the activities at the EU level and participate in the preparation of the EU documents;
- to ensure that corporate social responsibility shall be observed as a criterion in public procurement procedures;
- to oblige pension funds to annually report on the observation of social, ethic and ecological aspects in investing the resources from these funds;
- to participate in the establishment of a centre for promoting corporate social responsibility or the establishment of links with similar institutions at the international level through a web page intended to exchange experience and information on new achievements.

Employer associations' tasks:

- to promote social responsibility in enterprises so that enterprises shall not only respect the provisions adopt a responsible relation towards the environment and other interested groups, but ensure the respect of rights and obligations at a higher level than that provided by legislation and other provisions;
- to encourage enterprises to practice social responsibility on the location of the head office, in all their branches in Slovenia and abroad, or throughout their business chains;
- to encourage enterprises to adopt the investment policy not aimed only at short-term financial profits but at the economic growth, more and better employment, environment protection and long-term social security;
- to stimulate the awareness of enterprises that their social responsibility is a long-term investment which may enhance their competitiveness;

- to provide expert assistance and grounds for the assistance to enterprises in the development of social responsibility;
- to develop the method of reporting including corporate social responsibility and the achievement of the objectives set in this field;
- to establish a centre for promoting corporate social responsibility or the establishment of links with similar institutions at the international level through a web page intended to exchange experience and information on new achievements.

Trade Union tasks:

- to encourage among employees the awareness of the importance of corporate social responsibility for the development of their enterprise, sustainable social development and their personal development;
- to participate in the preparation of an appropriate enterprise strategy, in the implementation of measures for the realisation of the strategy, in independent supervision of the efficiency of measures at all levels of an enterprise and on the strategy implementation;
- to establish links with trade unions or workers' representatives in a business chain and to examine the respect of the adopted international, national and internal standards of an enterprise in a business chain;
- to cooperate with consumer organisations in raising consumers' awareness on corporate social responsibility and on the purchase of products made with respect to social, ethic and environmental standards.

III. COMMON AND GENERAL PROVISIONS

1. MONITORING OF THE IMPLEMENTATION OF THE SOCIAL AGREEMENT

The Government of the Republic of Slovenia and the social partners agree that we, as signatories to the Agreement, are jointly responsible for the implementation and realisation of this Social Agreement, and thereby guarantee by our signatures that our actions in accordance with our competences shall ensure the observance of the Social Agreement at the Government level and by the members of the organisations we represent. We undertake to monitor the realisation of obligations adopted by the Social Agreement and to draw the attention of our members as well as of the representatives of other signatories to potential non-compliance with the agreed orientations.

The signatories ensure that we shall prepare a report on the implementation of the Social Agreement for each year of its validity, comprising an evaluation of the results achieved presented separately by the employers, trade unions and the Government. We agree that the Economic and Social Council shall discuss the three reports at a special session, which shall, as a rule, be held in June. The members of the Economic and Social Council shall devote special attention to wage movements based on the analysis of the Institute of Macroeconomic Analysis and Development and other institutes invited to cooperate with the Economic and Social Council. The signatories of the Social Agreement shall strive to make for improvements in the fields with identified deficiencies. We shall present to the Economic and Social Council potential amendments to the Social Agreements or improvements in its implementation based on the findings.

The signatories of the Social Agreement shall encourage the representatives of institutions whose activities concern the implementation of the present instrument to comply with it.

We are aware that the adopted content of the Social Agreement shall be effectively implemented only by a continuous and tolerant social dialogue. We agree that in case of deviation from the agreed obligations or the adopted common agreements and orientations laid down in the Social Agreement, any signatory may require an immediate discussion on the problems concerned at the session of the Economic and Social Council.

2. SIGNING AND VALIDITY OF THE SOCIAL AGREEMENT

The signatories of the Social Agreement agree that the Agreement shall enter into force when signed by the Government and the majority of the employers' and employees' organisations united in the Economic and Social Council.

A signatory to this Agreement may be any organisation which participated in the harmonisation of the text of this Agreement. A co-signatory of this Agreement may be any other organisation which expresses an interest in such.

The Social Agreement shall apply as of the date of its signature to 31 December 2009. The social partners agree that during the period the Agreement is valid and upon the consent of the signatories, its provisions may be amended.

3. PUBLICATION OF SOCIAL AGREEMENT

The Social Agreement shall be published in *Uradni list Republike Slovenije* (Official Gazette of the Republic of Slovenia).

SIGNATORIES

Trade unions:

Association of Free Trade
Unions of Slovenia

Confederation of Trade
Unions of Slovenia –
PERGAM

Trade Union Confederation
90 of Slovenia

Confederation of New Trade
Unions of Slovenia –
INDEPENDENCE

Slovenian Association of
Trade Unions –
ALTERNATIVA

Trade Unions SOLIDARITY
of Slovenia

Confederation of Public
Service Trade Unions of
Slovenia

Government of the Republic of Slovenia

Employers:

Association of Employers
of Slovenia

Chamber of Commerce and
Industry of Slovenia

Chamber of Craft of
Slovenia

Association of Employers
for Craft Activities of
Slovenia

Slovenian Chamber of
Commerce

Ljubljana, 2 October 2007