

SPRING 2018 REFORM BAROMETER – SLOVENIA

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	The NRP was discussed and approved by the Economic-social council. One consultation in the preparation period was organised by the Ministry of labour. ZDS continues to emphasize the need to reduce tax burden, especially on labour costs. Slovenia also needs to seriously address demographic changes (pension, health reform) and deficit of skilled workers on labour market.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	ZDS finds the social dialogue in the process of preparing of structural reforms (the reform of the long-term care and healthcare systems, pension system) crucial. The reforms must be accepted in cooperation with the social partners on the highest level. The social dialogue especially considering health reform has been on a very low level. Access to finance is still a very important issue. For the activation of low skilled and older workers more should be done also in making work pay with tax reduction (not by increasing the minimum wage). We also support the necessity of measures to make public administration more efficient and reduce the administrative burden on business.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Pursue a substantial fiscal effort in 2018 in line with the requirements of the preventive arm of the Stability and Growth Pact, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Slovenia's public finances. Adopt and implement the proposed reform of the healthcare system and adopt the planned reform of long-term care, increasing cost-effectiveness, accessibility and quality care. Fully tap the potential of centralised procurement in the health sector. Adopt the necessary measures to ensure the long-term sustainability and adequacy of the pension system.	Important	Unsatisfactory	Pressure on the wage increase from the public-sector employees is high in the past months. This could have a negative impact on public finances. There has been no social dialogue regarding the health reform - the "final" proposition was sent to Economic and social council in December 2017, but the prepared Health Care and Health Insurance Act was not prepared with the involvement of social partners and is not acceptable for many different reasons. No specific measures were determined for the pension reform. The elections to the National Assembly will take place in June 2018, which should also be taken into consideration.
CSR 2	Intensify efforts to increase the employability of low-skilled and older workers, particularly through targeted lifelong learning and activation measures.	Important	Unsatisfactory	Not much has been done on this area, the employment of older workers is still a problem. More should be done to make work pay - tax and social contributions for low income and older workers.
CSR 3	Improve the financing conditions, including by facilitating a durable resolution of non-performing loans and access to alternative sources of financing. Ensure the full implementation of the bank asset management company strategy. Reduce the administrative burden on business deriving from rules on spatial planning and construction permits and ensure good governance of state-owned enterprises.	Important	Mixed	Not much has been done in this area.

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	No progress
Innovation and skills	Unsatisfactory
Access to finance and Financial stability	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2018 Reform Barometer?

No.

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Making work-pay: interplay of tax and benefit system	Further measures to reduce tax wedge (redefining social contributions) and general tax burden are needed.	no
Priority 2	Pension and health care reforms	The employers must be actively involved in the reforms of the health and pension systems, no additional burden for the employers is acceptable.	yes
Priority 3	Labour market mismatch and labour mobility	The issue of deficit of adequate workers on the labour market should be addressed in connection to education system and also availability to employ foreign workers	no
Priority 4	Bank lending conditions	The banks should support investment and business opportunities.	no
Priority 5	R&D and Innovation	Support for companies, tax reductions.	no