

SPRING 2019 REFORM BAROMETER – SLOVENIA

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To a large extent	In comparison with the previous years the social partners had more opportunities to participate in the making of NRP in 2018. As no changes were made ZDS still continues to emphasize the need to reduce tax burden, especially on labour costs. Slovenia 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. 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 and financial social assistance for unemployed). 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	We agree with the Commission assessment that not enough progress or no progress was made on the reforms that were recommended to Slovenia.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure that the nominal growth rate of net primary government expenditure does not exceed 3.1 % in 2019, corresponding to an annual structural adjustment of 0.65 % of GDP. Adopt and implement the healthcare and health insurance act and the planned reform of long-term care . Ensure the long-term sustainability and adequacy of the pension system, including by increasing the statutory retirement age and by restricting early retirement. Increase the employability of low-skilled and older workers through lifelong learning and activation measures.	Important	Unsatisfactory	The recommendation is important, but not enough effort and realization was made in this area. Regarding the nominal growth rate of net primary government expenditure, the new government adopted a coalition agreement, that has a lot of new measures that involves additional budgetary expenditure, but is not yet clear where the necessary funds to fulfil it will come from (additional taxes...?). Regarding health care, long-term care and pension system, no progress was made in this area. The new minister of labour (since September 2018) first statements do not recognize the necessity for pension reform. Previous government adopted the white book on pensions as the foundation for the new pension reform, but the new minister of labour did not make any progress yet.
CSR 2	Develop alternative sources of financing for fast-growing companies. Lower the barriers for market entry through the revision of product market regulation and limiting administrative burden. Enhance competition, professionalisation and independent oversight in public procurement. Carry out the privatisations according to the existing plans.	Helpful (but not a priority)	Unsatisfactory	Slovenian ministries should increase the effectiveness of EU funds absorption (Speeding up the process for publishing the calls for proposal for projects and activities co-founded by EU funds. Limiting the administrative burden for beneficiaries and eliminating delays for verifying and certifying the expenditure incurred by the ministries).

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

Taxation and Public Finances	No progress
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 2019 Reform Barometer?

No.

Reform priorities for 2019

	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	Measures to reduce tax wedge (redefining social contributions) and general tax burden are needed, especially for high skilled workers.	no
Priority 2	Wage bargaining and wage-setting policies	Wage bargaining in the private sector should not be run by the government. Developments on minimum wage policy, where the new law was adopted in December 2018, the changes are significant as they enforce a new definition of minimum wage, which is in total collision with the wage definition of the basic labour code. The consequences of this change is also a total denial of social dialogue and the diminished role of the sectoral collective bargaining, in the area of determining wage policy by sectors of activity.	no
Priority 3	Pension and health care reforms	These reforms are on the agenda for several years, but there is no progress in this area. The employers must be actively involved in the preparation. No additional burden for the employers is acceptable (as we already have high social contributions).	yes
Priority 4	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.	yes
Priority 5	R&D and Innovation	Support for companies, tax reduction.	no