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**INTERNATIONAL FORUM ON PENSION REFORM:
EXPLORING THE LINK TO LABOUR AND FINANCIAL MARKET REFORMS
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Ladies and Gentlemen

Let me first start with an apology from minister of labour, family and social affairs Marjeta Cotman, who is unable to join this forum today. I would like to express her sincere regret that she is not able to be here in person and extend her wishes for the fruitful and interesting discussions.

The issue of the growing number and proportion of older people within the population as a whole is a pertinent theme in all societies, especially those with a rapidly ageing population, such as Slovenia.

Slovenia is aware of its unfavourable demographic structure and the low level of employment among older people. In 2007, the average level of employment among the 55 to 64 age group in Slovenia was 30.7%, which is 12 percentage points below the EU average (42.5%). Furthermore, the average for women was considerably lower. The reason for such a low employment level in this age group can be found in relatively early retirement, particularly the high number of early retirements at the beginning of the 1990s. The average retirement age is growing (58.1), but is on average still almost two years lower than in the European Union.

With the aim of increasing the employment level among older people, the Ministry of Labour, Family and Social Affairs is drawing up a **National Strategy of Active Ageing**. This strategy sets the following priorities:

- 1) raising the age at which a person leaves the labour market,
- 2) the development of integrated programmes for the employment of older persons, and
- 3) the establishment of active ageing and life-long learning.

Pension Reform 2000

The retirement age in Slovenia is the result of a pension reform which came into effect in 2000 and which had an important influence on when people left the workforce and, consequently, on the employment level of older people.

With this reform, stricter conditions for retirement were adopted within mandatory insurance. The full retirement age for women was raised and a longer insurance period required. It is important to know, that the new retirement parameters are being introduced gradually. With the fulfilment of retirement conditions, continuing in active employment is rewarded and retirement before the full retirement age results in a lower pension.

The beneficial effects of these measures are apparent

- from the increase of those entitled who have postponed their claim for an old-age pension,

- from a further rise in the average age (during the period between 1999 and 2005 the average retirement age increased by 2.2 years),
- from the relatively steady and balanced movements in the number of pensioners and active population, and
- from the preservation of the ratio between those insured and those receiving a pension.

Further development of the pension system in Slovenia will have to continue to pursue the goal of lengthening the period when insurance is being paid and providing suitable incentives to facilitate this.

One of the measures for preventing early retirement and facilitating flexible retirement as well as deferred retirement is the encouragement of atypical employment suitable for older people, such as partial retirement whilst working part-time.

The existing pension system enables this kind of retirement in such a way that only the minimum conditions for acquiring an old-age pension are specified. Regulations in labour legislation also follow this principle.

Encouragement of lifelong learning

Permanent learning and training is of paramount importance for the improvement of opportunities on the labour market. The special importance and role of lifelong learning will be defined in the Strategy for Lifelong Learning which is being drawn up by the Ministry of Education and Sport.

The strategy will focus on raising awareness that, through learning, individuals increase their self-confidence and develop creativity, entrepreneurial skills and knowledge, as well as other skills and qualifications needed for an active participation in economic and social life. On the basis of this strategy, special incentives will be created for companies which invest in the education and training of their employees, in particular those whose jobs may be under threat because of their low education level.

Employment Relationships Act

With regard to the fact that this is a very topical issue at the moment, I would like to point out that at the beginning of this week we completed lengthy negotiations with the social partners on the amendments to the Employment Relationships Act.

Changes to the legislation pertaining to labour, which will come into effect at the beginning of next year, will enable a greater flexibility of employment, with the introduction of new forms of atypical employment and the extension of the already existing ones.

Conclusion

Labour and pension legislation can help encourage people to stay in employment longer, but without a change in attitudes the legislation will not succeed. A positive attitude to education, suitable working conditions and an ethical attitude to older people are of crucial importance here.

Thank you for your attention.