Chapter 33

Slovenia

Tanja Renner and Ana Kralj

Abstract Slovenia is among the fastest ageing European countries and one with the most accentuated gender pension gap. Partly, we can explain this by the fact that women spent more time engaged in domestic and care work and consequently less time in employment. However, the working conditions of the employed in general are not favourable for extending working life, which is the principal reason why the vast majority of people who reach the conditions for retirement, opt to do so immediately in spite of pension system incentives to postpone retirement. As far as gender and health perspectives of extending working life in Slovenia are concerned, the following research data should be considered: poor physical and mental health has been linked to a low income, low levels of education, working class and gender.

Keywords Slovenia · Ageing · Pension gap · Pension system · Working life · Health

Introduction

Prior to 1991, Slovenia was part of the Yugoslav state, which was constituted after World War Two as a socialist federation. After the fall of the Berlin wall and the major political upheaval in the states of Eastern and Central Europe, the Slovenian Parliament proclaimed independence in June 1991 and succeeded in getting full international recognition as an independent state in 1992.

Slovenia was never a male breadwinner society since from after the World War II on, the employment rate of women was one of the highest in the world. It reached its peak at the end of the 1980s with 47% of women among the employed (Kozmik and Jeram 1997). In the ideology of socialist societies, women were one of the social subjects of emancipation and social change although their roles in private life remained almost unchanged.

T. Renner (✉)

Faculty of Social Sciences, University of Ljubljana, Ljubljana, Slovenia

e-mail: Tanja.Renner@fdv.uni-lj.si

A. Kralj

Faculty of Social Work, University of Ljubljana, Ljubljana, Slovenia

© The Author(s) 2020

Á. Ní Léime et al. (eds.), *Extended Working Life Policies*,
https://doi.org/10.1007/978-3-030-40985-2_33

Yet, the collapse of state socialism also led to the collapse of traditional economic opportunities for women and to their increased unemployment. Despite restructuring and economic growth, many women continue to prevail among structurally unemployed, meaning that they are too old, lacking skills and mobility. For many of them it represents a severe obstacle as far as extending working life is concerned.

As a new state, Slovenia inherited from the former Yugoslavia the legislation of its pension system, which was based on inter-generational solidarity. Pensions were financed on a pay-as-you-go (PAYG) basis through taxes and employers' social contributions. Economic and social consequences of the transition in the 1990s posed a severe strain on pension system. Therefore, in Slovenia, as in the majority of Central and Eastern European countries radical reforms of their pension systems were undertaken, also due to population aging. A three-pillar system (PAYG tier, mandatory pension funds, and voluntary pension funds) was introduced. The second pillar of the Slovenian pension system has undoubtedly undergone considerable growth, since more than half of the active working population are included in voluntary pension insurance. However, most of these insured persons were involved via collective insurance, while the individual pension saving segment remains marginal.

Socio-Economic Context, Labour Market and Older Workers

In the period after 2000, the social and economic conditions in Slovenia were mostly influenced by two processes: the integration of Slovenia into the European Union in 2004 and into Eurozone in 2007 and the crisis of the world-economy in 2008 which has put pressure on the welfare system. Economic crises usually affect the socially and politically weaker segments of the population. In Slovenia, during the crisis, young educated women were mostly affected in the area of labour market and employment.

In recent years Slovenia's employment rate was just a bit higher than the EU average (72.2% in EU, 73.4% in Slovenia in 2017) and the employment rate of women was slightly above average (69.7% compared to 66.5% in EU). The overall employment rate of people in the age group 55–64 is rather weak (42.7% compared to 57.1% in EU) and even weaker for women (37.5% compared to 50.9% in EU) (Eurostat News Release 2018).

It was stated that this unfavourable situation might be seen as a result of several factors:

- after Slovenia's independence its economy lost its former Yugoslav markets, hence it was forced to redirect itself towards more demanding western markets. It was a harsh process during which many of relatively young low-skilled workers lost their jobs and chose early retirement;
- limited investments into upgrading new skills for older workers which prevented them from remaining competitive and productive in the labour market;

- the ongoing restructuring of the economy with massive dismissals hit especially older workers and increased demands for a more skilled and younger workforce (Zupančič 2012).

However, is this situation really unfavourable? What lies behind the curtain? In Slovenia, 70% of people who reach the conditions for retirement, opt to retire immediately, another 17% choose an early retirement scheme and the third reason for retirement is health-related issues (Kavaš et al. 2016).

According to the data (Humer and Hrženjak 2015; Leskošek 2017), older women are most at risk of poverty. A more detailed insight into the risk of poverty (see Table 33.1) shows that poverty has a greater impact on women, people, aged 65 years or more, unemployed people as well as older households and single households. Women are twice as likely to be classified as poor compared to men—mostly due to the horizontal segregation of labour market—which is why we can speak about the feminisation of poverty in old age. In the age group 75 and over, the gender gap further widens and the comparison with other EU countries reveals how unsatisfactory the situation in Slovenia is—while the at-risk-of-poverty rate among men in this age group in Slovenia is lower than the EU average, the rate among women is much higher than the average.

Pension System and Extending Working Life Policies

There are different kind of pensions in Slovenia: old age pensions based on pension contributions during the working life, family pensions, widowhood pensions and pensions for disabled persons. State pensions were available during the period 1999 to 2012 for people over 65 years of age who were not employed or whose pension contributions didn't suffice for a pension. The state pension was abolished in 2012 by the *Social Security Act* and replaced by two other policy instruments, by financial social assistance which in 2018 amounts to of 385 Euros per month, and by care assistance. The two combined could overpass the state pension which was far below the poverty line.

In spite of financial incentives to prolong working life available from January 1st 2013 on, the majority of employees opt for retirement as soon as they can. These facts are in clear contrast with the basic aims of the pension system reform act from 1999, which gradually raised the full retirement age at 61 years for women and 63 years for men penalising retirement before this age by lower pensions and the last pension reform entitled *Pension and Invalidity Insurance Act* from 2013. Its main goal is to prolong the working life with the help of various legal and policy measures:

- by increasing the retirement age to 65 years and 40 years of pension contributions for both genders;
- by lowering pensions in case of early retirement and
- by increasing pensions for 1% for 3 months of delay, 4% per year and up to 12% in total if retirement is postponed.

Table 33.1 At-risk-of-poverty rate, by age and gender (in %). *Source* Statistical Office of the Republic of Slovenia [2018](#)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Age 65+	Total	21.3	20.0	20.2	20.9	19.6	20.5	17.1	17.2	16.4
	Men	11.7	11.4	9.5	10.5	11.7	13.2	10.8	10.2	10.4
	Women	27.5	25.5	27.1	27.8	25.0	25.5	21.6	22.2	20.9
Age 75+	Total	25.9	25.2	26.0	27.0	24.5	26.0	21.1	20.5	20.4
	Men	12.4	12.1	10.7	12.0	12.0	12.6	9.7	10.1	10.5
	Women	32.2	31.4	34.0	34.6	31.5	33.5	27.4	26.6	26.5

As far as the psychosocial risks of older workers are concerned, the *European Working Conditions Survey* (2012) reports that 34.6% of workers aged 55 and more in Slovenia experience stress at work always or most of the time, a figure that is almost twice as high compared to the 25–39 age group. It appears that age management within labour market in Slovenia is not well developed since the majority of enterprises do not reflect about a more ageing friendly environment. Moreover, 42% of employers stated that they do nothing to adapt to an ageing workforce or to meet their needs in any way. According to Zupančič (2012), it appears that the major constraints to longer working life are likely to be adverse working conditions rather than a lack of motivation to work since work is still considered as one of the most important values in Slovenia. Lack of lifelong learning access, lack of individual self-confidence along with the increased ideological pressures of individual responsibility for one's own life as well as general negative attitude towards prolonged working life supposedly on behalf of unemployed youth are hindering the higher employment participation of older people in Slovenia.

State policies aimed at prolonging working life help to a certain extent: there are, for example, initiatives such as *Comprehensive support to enterprises for active ageing workforce* with 30 million of euros available for inclusion of 12.500 older workers in the period from 2017 to 2022. Another policy measure which is already in place is the state compensation via deduction of taxes to enterprises which employ older workers. The new pension reform act which is in its preparation phase will emphasise the following measures as far as the prolonging working life is concerned: introduction of financial support for mentorship schemes for older workers, part-time employment and adjustment of work place for older workers. From the mid-1990s on in the public debate about policies concerning the situation of older people there are several important actors. Besides the Ministry of Work, Family and Social Affairs there is a non-governmental Federation of Pensioners' Association and a political party Democratic Party of Pensioners that gets from 4 to 10% of vote and is politically rather strong due to its often crucial role within the various coalitions in power.

A new proposal for pension reform and a new increase in the retirement age to 67 was intensively discussed by the government and the social partners in the period between June 2016 and March 2017. The main proposals of the *White book on pensions*, a document which precedes the next pension reform, issued in April 2016 by an inter-ministerial commission, were:

- an increase in the retirement age to 67 years (from 65 at present);
- an extension of the length of Services to 42 years;
- an extension of the period for calculating the pension basis from the current 24 years to 34 years.

The employer organisation, the Chamber of Commerce and Industry (GZS), fully supported the government's proposals and called on social partners to facilitate the adoption of the pension reform by 2020 at the latest.

The Association of Free Trade Unions of Slovenia (ZSSS), the largest trade union organisation in Slovenia, opposed the increase in the retirement age stating that due to health reasons, a retirement age of 67 years is a too harsh retirement condition

and leads to the poverty of all those who would not be able to cope with the high intensity of work.

Furthermore, in the opinion of ZSSS, raising the retirement age will be acceptable only under the conditions that health and safety at work are actually improved, that young people actually enter into regular employment immediately after completion of schooling and not at the age of 30, and that employers really provide jobs for workers aged from 60 to 67 years (ZSSS 2017).

Some of the positive examples of the activities, which provide older people with opportunities to prolong working life, escape loneliness and further marginalisation, have been initiated by non-governmental organisations, often at the level of local community. One such movement in Slovenia, building on intergenerational cooperation, is *Simbioza*, where young people were mobilised to teach elderly the use of ICT, especially basic skills like e-mail and Internet. What started as a local activity in the Slovenian capital Ljubljana became an all-Slovenian phenomenon with more than 25,000 participants.

Gender and Health Impacts

As far as gender implications of extending working life are concerned, women's activities and concerns within the private sphere appear to be very important. What follows is a short review of some family life phenomena we consider important and are somewhat specific to Slovenia.

Research studies inquiring into the division of labour in Slovenia paint a similar picture: women as homemakers and caregivers devote a disproportionate amount of time to family life and to household (Švab et al. 2012; Humer and Hrženjak 2015). In 75–80% of cases it was exclusively women who, in addition to bearing a full workload, did the majority of housework and childcare in Slovenia in 2011. The figures on the amount of time spent on household work even more clearly demonstrate an unequal division of domestic labour. In Slovenia, women aged 20–74 spend almost 5 hours per day on domestic work (including childcare), which is about twice as much as men do (Švab et al. 2012).

Due to lifelong care for children, elderly relatives or other dependent persons, women experience pension penalties, a high risk of poverty and economic dependency in old age. For example, results for Slovenia show quite a substantial gender pay gap (23% in years 2003–2007 in the same position at the same employer), that will have an impact on the gender pension gap. In 2016, the Slovenian gender gap in pensions was 18.9% (European Commission 2018). It is higher for older cohorts; one out of four women born before 1945 had been in employment less than 14 years. Thus, an important issue emerges which has to be addressed in future research and policy measures. According to Hrženjak (2016) the consequences of the unequal division of labour and especially women's long-term care work together with projections of extending working life for women and men to 67 years of age have not

been researched yet and were not addressed properly in the so called *White Book*, a document which precedes the next pension reform in Slovenia.

In order to understand the health impacts of prolonging working life in Slovenia we have to mention some characteristics of the transition into the neoliberal capitalist system at the beginning of the 1990s and their influence on social security and health care systems. The Slovenian welfare system was reorganised by means of partial privatisation of social and health services. The cost of health care, which was fully covered by compulsory health insurance, was relocated on individual optional health insurance combined with the old compulsory one which now covers just basic healthcare needs. Therefore, old age became even more important risk factor. Along with structural system changes a strong neoliberal ideology of 'individual responsibility for one's own health' pervaded popular media and medical consulting rooms.

In the area of health and older people there is a very interesting discourse analysis carried out by Pahor and Domanjko (2006) who analysed 352 bibliographical units written by professionals from various disciplines. The authors discovered that regarding health related issues older persons are treated primarily as older bodies, prone to health risks and diseases. The examined sources frequently use terms such as problems, help, save, rescue in relation to older people and there is a general tendency to essentialise (unite and generalise) characteristics of older people. Their voices and experiences are overlooked or considered unreliable. There were only a few units, which tackled discrimination, exclusion and abuse of older people who are often stereotyped as fragile and passive rather than active and vital. The analysed sources are characterised by the biomedical model and there is an absence of gender sensitive language.

In 2013, a thematic issue of the *Slovenian Journal of Public Health* reported results of various research studies about gender and health. The data show a strong correlation between the subjective perception of health and socioeconomic status. Poor physical and mental health has been linked to low income, gender, low levels of education, working class and other indices of disadvantage. Furthermore, the data has shown that problems identified by government statistics and medical experts do not necessarily correspond to the health problems identified by women and men themselves. To fully understand their health issues and women's in particular, it must be recognised that health is determined by both contextual factors and the structural sources of people's lives (Ule and Kurdija 2013).

Due to rising health care costs in an ageing society, the key problems faced by health policies and individuals is how to stay healthy and vital for as long as possible. The most frequent background of contemporary health policies is emphatically neoliberal—the individualisation of care for one's own health. Health promotion activities that focus on diet, smoking prevention and exercise without addressing poverty, social isolation, gender discrimination, socioeconomic inequalities, occupational and household hazards and environmental pollution thus remain very partial and deeply unfair.

Concluding Remarks

Ageing policy in Slovenia was severely affected by the economic crisis and consequent austerity measures, which had an extensive impact on the quality of life of older generations. A more comprehensive approach to ageing policies in Slovenia is becoming one of the major issues that should be tackled by the Slovenian welfare state in the future (Hlebec and Rakar 2017: 45). There is a strong need for research in the area of extended working life in Slovenia for the ageing policy instruments should rely much more on research findings. Changing the attitudes of employers towards older people, such as the prevailing perspective that they are less productive and competent, more susceptible to disease and disability, more reluctant to embrace professional development, more sensitive to changes and less willing to accept them in comparison to their younger counterparts, remains a challenge. However, when thinking about the future possibilities of European welfare and considering the intersections of gender, age, class and other factors that influence the lifecourse of majority of people, one cannot but wonder about less discussed options of future development.

Accounts of changes in education, health and social policy architecture in recent decades in post-industrial Western countries followed faithfully by Slovenia focus on several themes under varying labels: neoliberalism, investment state, enabling society, activation, and similar. Among the key dimensions characterising recent policy changes are: an eclipsing of the social by economic concerns, a turn toward social investment, accentuation of individual responsibilities of citizens, and recognition of lifecourses in flux. Each of these themes separately and together prioritise labour market participation or market citizenship over other contributions citizens make or might make to society. Instead to view a prolonging working life in terms of various forms of prolonged employment we might consider a replacement with other possible concepts. One is a concept of autonomous versus heteronomous work, the other is the capability approach, developed by Sen (1992) and Nussbaum (2000) which—similarly to the first one—speaks of meaningful contributions to society instead of employment based on market value of work. The third one is the discourse of the universal basic income (UBI) which would enable the other two concepts to show better their social, intellectual and political superiority compared to the mainstream discourses embedded in pension systems and reforms. The UBI in its gradual form would contribute significantly to raise not only the livelihood but the human dignity of two population groups mostly affected by the crisis, children and youth on one hand and older people on the other.

References

- Eurofound (2012). *Fifth European Working Conditions Survey*. Luxembourg: Publications Office of the European Union. Retrieved March 6, 2019, from https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1182en.pdf.

- Eurostat News Release (2018). *Europe 2020 employment indicators*. Retrieved March 6, 2019, from <https://ec.europa.eu/eurostat/documents/2995521/8818246/3-20042018-AP-EN.pdf/c4d4085d-7e32-438b-bc44-61eca9a6998b>.
- European Commission (2018). *2018 Report on equality between women and men in the EU*. Luxembourg: Publications Office of the European Union. Retrieved March 6, 2019, from <https://op.europa.eu/en/publication-detail/-/publication/950dce57-6222-11e8-ab9c-01aa75ed71a1>
- Hlebec, V., & Rakar, T. (2017). Ageing Policies in: Before and After "Austerity". In L. Tomczyk & A. Klimczuk (Eds.), *Selected Contemporary Challenges of Ageing Policy* (pp. 27–51). Kraków: Uniwersytet Pedagogiczny w Krakowie.
- Hrženjak, M. (2016). *Nekaj misli o Beli knjigi o pokojninah in enakosti spolov*. Retrieved March 6, 2019, from <https://spol.si/blog/author/majda/>.
- Humer, Ž., & Hrženjak, M. (2015). *Pravična plača, dostojna pokojnina*. Mirovni Inštitut. Retrieved March 6, 2019, from http://www.mirovni-institut.si/wp-content/uploads/2015/01/Pension_gap_porocilo_slo.pdf.
- Kavaš, D., Koman, K., Kump, N., Majcen, B., Sambt, J., & Stropnik, N. (2016). Aktivno in zdravo staranje za aktivno in zdravo starost. Analitsko poročilo DR3 projekta AHA.SI. Institute for Economic Research. Retrieved March 6, 2019, from http://www.staranje.si/sites/www.staranje.si/files/upload/images/aktivno_in_zdravo_staranje_za_aktivno_in_zdravo_starost-analiza-2.pdf.
- Kozmik, V., & Jeram, J. (1997). *Položaj žensk v Sloveniji v devetdesetih: poročilo Urada za žensko politiko za obdobje 1990-1995*. Ljubljana: Vlada Republike Slovenije, Urad za žensko politiko.
- Leskošek, V. (2017). Revščina starejših žensk v Sloveniji. *Javno zdravje*, 1(1), 66–73 (2017).
- Mršela, A. K., & Ignjatović, M. (2013). Women, work and health. In M. Ule (ed.), *Slovenian Journal of Public Health*, 52(2), 137–147 (2013). Retrieved March 6, 2019, from <https://content.sciendo.com/view/journals/sjph/52/2/sjph.52.issue-2.xml>, <https://doi.org/10.2478/sjph-2013-0015>.
- Nussbaum, M. (2000). *Women and Human development. The Capability Approach*. Cambridge: Cambridge University Press.
- Pahor, M. & Domanjko, B. (2006). Zdravje starejših v očeh strokovnjakov. Delovno gradivo s posvetovanja Celostna obravnava starostnikov, 24. November 2006. Visoka šola za zdravstvo. Retrieved March 6, 2019, from http://www2.zf.uni-lj.si/ri/publikacije/starostniki2006/3_PahorDomajnko.pdf.
- Sen, A. (1992). *Inequality Re-examined*. Oxford: Clarendon Press.
- Statistical Office of the Republic of Slovenia (2018). At risk of poverty rate by age and gender, Slovenia, annually. Retrieved March 6, 2019, from https://pxweb.stat.si/pxweb/Dialog/varval.asp?ma=0867206E&ti=&path=../Database/Demographics/08_level_living/08_silc_poverty_indic/10_08672_at_risk_poverty_rate/&lang=1.
- Švab, A., Kuhar, M., & Renner, T. (2012). Behind and beyond Hajnal's line: Families and family life in Slovenia. *Journal of Comparative Family Studies*, 43(3), 419–437.
- Ule, M., & Kurdija, S. (2013). Self-related health among women and their assessment of the health care system. In M. Ule (ed.), *Slovenian Journal of Public Health*, 52(2), 87–98 (2013). Retrieved March 6, 2019, from <https://content.sciendo.com/view/journals/sjph/52/2/sjph.52.issue-2.xml>, <https://doi.org/10.2478/sjph-2013-0011>.
- Zupančič, M. (2012). *Silver workers-source of knowledge sharing and potential for the*. Ljubljana: Ministry of Labour, Family and Social Affairs.
- ZSSS (The Association of the Free Trade Unions of Slovenia). (2017). Odziv Zveze svobodnih sindikatov Slovenije na Belo knjigo o pokojninah.. Retrieved March 6, 2019, from <https://www.zsss.si/wp-content/uploads/2016/07/deklaracija-BK-o-pokojninah.pdf>.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution 4.0 International License (<http://creativecommons.org/licenses/by/4.0/>), which permits use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.