I. INTRODUCTION

At the time of the economic and financial crisis, Slovenia recorded one of the largest declines in economic activity in the EU (by 8.5% in 2009, while the EU average was 4.5%; source: Institute of Macroeconomic Analysis and Development – IMAD), which resulted in an increase in the unemployment rate (in the 2008-2013 period, the number of persons in employment dropped by 9.7%, source: IMAD), additional pressure on the systems of social security (a 28% increase in the volume of budget transfers to individuals and households in the 2009–2012 period), a decrease in government revenues and further accumulation of public debt. Owing to the existing efforts of both social partners and the government, and their awareness of the need to adopt austerity measures to stabilise the internal and external situation of the country, Slovenia avoided the risk of a downward spiral.

In the second half of 2013 and for most of 2014, the key economic and labour market indicators started to show a more encouraging picture, and Slovenia's gradual recovery from the grip of the economic and financial crisis. The improved results were mainly due to the growth of investments and exports.

Despite optimistic signals coming from the above-average increase in exports and the investment market, economic growth – which depends on the expansion of export markets – remains uncertain, which is also reflected in the social and economic position of Slovenia and its citizens. For this reason, it is essential that we continue, now and in the coming years, the implementation of systemic measures to strengthen domestic consumption and improve the competitiveness indicators in the business environment, and increase economic productivity as well as economic and social security.

This forms the basis for Slovenia to overcome the crisis, and a prerequisite for a stable and sustainable fiscal framework, which is consistent with the Slovenian Constitution and the binding EU legislation on public finances. Only a development-oriented, socially responsible and economically and socially successful Slovenia, which can ensure a comparable business environment, will indeed be able to provide prosperity and the quality of a state based on social welfare. However, in the process of our country's economic recovery, we should not forget those who were most badly affected by the crisis.

One of the key priorities for the signatories of this contract should be to ensure a social market economy and provide an adequate level of social security, based on the principles of solidarity and a fair distribution of burdens.

Goals of the Social Contract

The Social Contract defines the fundamental commitments of the employers, trade unions and the Slovenian Government, and guidelines for the implementation of activities in the 2015–2016 period, which will aim:

- to provide a new development impetus – based on knowledge, experience and innovativeness – for the creation of new quality jobs, higher valued added, and for sustainable development of socially responsible economic and public sectors;
• to reduce unemployment with a special focus on vulnerable categories;

• to introduce activities addressing the crisis of values in Slovenian society, which manifests itself in a disrespect for laws and regulations, corruption, undue accumulation of wealth by individuals, growing inequalities, a systematic destruction of enterprises, the transferring of cash to tax havens, and the evasion of tax and social security contributions;

• to strengthen the competitiveness of the business environment for sustainable economic growth, and increase the global competitiveness of Slovenia by reducing the administrative burden on the economy, kick-starting investments and promoting economic cooperation;

• to create conditions for the preservation and development of economic and social security and an efficient social security system, based on the principle of equity, solidarity and equal access;

• to consistently comply with the principles of the Resolution on Regulatory Activities when drawing up and adopting legislation and implementing regulations;

• to strengthen and develop economic democracy;

• to increase internal demand;

• to achieve optimal performance, efficiency and quality of the public sector;

• to put in place a system of long-term care and personal assistance, and, with the consent of social partners concerning fundamental issues, submit a relevant bill to the legislative procedure in 2015;

• to calculate the amount of the minimum cost of living in 2016, and, in accordance with the existing legislation, adjust the amount of minimum income, which serves as the basis for the calculation of social transfers.

Social dialogue represents the basis for reaching a wide social consensus on Slovenia’s future development and an essential democratic value that must be nurtured, developed and strengthened. Effectively conducted and respected social dialogue is a prerequisite for the successful and sustainable development of a country. The focal point for negotiations will be the Economic and Social Council, which will continue to provide an appropriate framework for discussion.

A consensus between the social partners will be required on basic issues concerning labour legislation, health, pension and disability insurance and public sector salaries.
II. GOALS AND MEASURES BY INDIVIDUAL AREAS

1. FINANCES

1.1. GOALS

The main economic policy goals in the 2015–2016 period are as follows:

- gradual fiscal consolidation by applying measures to ensure the sustainability of general government expenditure; a development-oriented budget;
- efficient operation of the banking system;
- efficient management of state-owned companies and rational privatisation;
- corporate deleveraging and restructuring.

1.2. MEASURES

- The available public funds must be directed towards quality investments and towards public spending that has the fastest and the most significant impact on GDP growth.

- In the 2015–2016 period, the current nominal tax rates, fees, contributions and other public levies will not be increased, nor will there be any new forms of financial burden on the economy unless the Government has to impose urgent measures due to force majeure that would unexpectedly change the macro-economic circumstances. However, this does not preclude the introduction of property tax, which will replace the current charge for the use of construction land; in general, the total burden on the economic sector – already burdened by this charge – and on individuals will not increase. In 2015, a comprehensive analysis of the existing financial burdens will be made and the guidelines for their restructuring will also be drawn up, with the restructuring envisaged to start in 2016 (e.g. the reduction of tax burden on wages, pay for holiday leave, etc.). The basis for drafting the guidelines for the restructuring of financial burdens is derived from the principle of fair and equitable distribution of the financial burden, while the restructuring aims to provide a stable source of financing for mutually agreed groups and public needs, improve competitiveness indicators and raise economic productivity while protecting jobs and promoting activities for the creation of new jobs. The stated basis and measures for the restructuring of fiscal burdens are to be adopted in agreement with the social partners.

- It is necessary to continue with the recovery of outstanding financial obligations to all public treasuries and also to improve the efficiency of such recovery, introduce additional measures to fight the shadow economy and all other forms of tax evasion, including the transfer of assets to territories with more favourable tax rates and social security contributions, in particular by improving the transparency and efficiency of the inspection system. The efficiency of recovery and collection of public duties is to be encouraged by stimulating the payment of taxes and introducing even more effective criminal sanctions.

- The restructuring of banks should be completed with a view to ensuring efficient provision of banking services to economic operators, and enabling business entities to undergo fast-track financial and business restructuring, which should also be appropriately endorsed through measures for the restructuring of public debt of operating business entities. For urgent cases
where further recapitalisation of banks is required, a bank resolution fund will be set up, which will be financed through bank contributions.

- The applicable tax legislation is to be reviewed and the amendments to regulations and practices in the tax area accelerated in terms of simplifying procedures. Deregulation and elimination of administrative burdens in the area of compliance with tax obligations should not be to the detriment of efficient monitoring and prosecution of unlawful action.

- Frequent amendments to legislation, particularly in the areas concerning a wide circle of taxable persons (e.g. tax policy, public procurement legislation), do not contribute to the legal certainty of the state; consequently, amendments should be made systematically, on the basis of analysis of the existing system, with the broadest possible consensus, and taking into consideration the Resolution on Regulatory Activities adopted by the National Assembly.

- Optimisation of investment procedures in the public sector in accordance with the new EU Public Procurement Directive, which is to be implemented in 2015, and consideration of the possibility of amending the Decree on financial collateral in public procurement, which will require rational insurance conditions by means of bank or other guarantees.

- The setting up of mechanisms to ensure efficient management of state-owned assets and the adoption of the Management Strategy for Assets Owned by the Republic of Slovenia and other necessary documents of corporate governance under the Slovenian Sovereign Holding Act (ZSDH-1), which will aim to generate an appropriate rate of return on investments, while ensuring the achievement of other national economic and social goals and raising the value of these investments by providing appropriate conditions for the development of state-owned enterprises.

- The supervised and strategically thought-out privatisation of companies will be carried out on the basis of the Management Strategy for State-Owned Assets, with the aim of improving transparency and increasing responsibility. A draft management strategy for state-owned assets will be the subject of prior consultation between the Government and social partners (the signatories of the contract). Taking into account the binding directives and rules on the allocation of state aid, the privatisation process is to include conditions for withdrawal of the state from ownership with a view to ensuring the development of enterprises, the preservation of jobs, head offices based in Slovenia, honouring collective agreements and the living standards of employees, continued respect for the Slovenian language and the timely involvement of employee representatives in these processes.

- The strengthening of powers and responsibilities of financial regulators and improvement of the flow of information.

- A consideration of changes to the public procurement system should geared towards improving, simplifying and shortening procedures and generating savings, eliminating the lowest price as the selection criterion where appropriate and in line with EU directives, and increasing the inclusion of social criteria in public procurement procedures.

2. SUSTAINABLE MODEL OF ECONOMIC DEVELOPMENT

2.1. GOALS

The main goals of sustainable economic development in the 2015-2016 period are as follows:
• to provide comprehensive support for the growth and development of the economy;
• internationalisation of the Slovenian economy;
• to increase the attractiveness and competitiveness of the business environment for domestic and foreign investments;
• to make the business environment transparent, efficient and stable, without redundant administrative barriers;
• to create conditions for the opening of new high-quality jobs, with special emphasis on jobs for young people;
• to draw up the strategy for comprehensive economic development of Slovenia and for sectoral policies based on Slovenia's development strategy;
• to start-up and strengthen Slovenian manufacturing (re-industrialisation);
• to fight against social dumping.

2.2. Measures
• To provide information and specific services for the economy and for the reduction of administrative barriers in line with the one-stop shop (OSS) principle – to set up OSS contact points for foreign investors and domestic enterprises;
• to assess the impact of legislation in terms of its burden on the economy, in particular with regard to SMEs (the "SME-test");
• to enforce greater payment discipline, the state included;
• to improve absorption of EU funds via simpler, more coordinated, transparent and also more accessible tenders for enterprises and through the administratively unburdened implementation and monitoring of projects;
• to provide support for the development-oriented restructuring of enterprises;
• a smart switching from non-refundable grants to more favourable refundable sources;
• to provide appropriate incentives for enterprises throughout the entire business life cycle, in particular for young enterprises;
• to provide full and comprehensive support for development, innovations and entrepreneurship;
• to encourage both domestic and foreign investments that increase value added and create high-quality jobs;
• to strengthen and expand the Slovenian market and the single EU market with due respect for social dialogue at all levels;
• to increase the awareness of consumers; to introduce contents to educational programmes that contribute to increased domestic demand for locally produced food and Slovenian products, which have a positive long-term impact on local self-sufficiency; to increase domestic demand for home-grown food, which contributes to the preservation and development of farming and livestock activities and, indirectly, to the self-sufficiency of the country;
• to promote balanced regional development;
• to provide support and an adequate environment for the development of social entrepreneurship and cooperatives;
• to promote tourism based on sustainable development and the development of tourist destinations while creating and developing products and integrating operators; to ensure efficient and innovative marketing and promotion of Slovenia as an attractive green tourist destination; to re-establish the Slovenian Tourist Board with representative offices, with a view to supporting the promotion and development of tourism within Slovenia and across its borders;
• to encourage the development of transport with a view to shifting freight transport from the roads to the railways;
• to promote sustainable agriculture;
• to promote a responsible use of natural resources;
• to provide support for the transfer of research achievements to the markets and, consequently to enterprises and the public sector by means of accelerating the development of research organisations, on the one hand, and support for the growth and development of enterprises with high-added value and potential to create new jobs, on the other;
• to strengthen cooperation in global value chains and promote innovation-active-enterprises; to provide support for products and services with higher and high value added;
• to draw up by 31 March 2015, in cooperation with social partners, a Smart Specialisation Strategy for the next financial perspective 2014-2020, which should identify the investment priorities from development to the market – in which Slovenia’s economy will successfully perform on global markets – and form the basis for effective disbursement of funds and quality investments of European funds provided for domestic and international programmes;
• to draw up measures to promote consumption, including Slovenian trademarks, bearing in mind that an increase in domestic demand is one of the key conditions for economic growth;
• to prevent business chaining of owners who fail to settle their liabilities to creditors (employees, business entities, state), or violate legislation in any other way;
• to de/regulate activities, where appropriate and rational.

3. START-UP OF INVESTMENTS

3.1 Goals
The key goals of the start-up of investments in the 2015-2016 period are as follows:
• to improve the competitiveness of the Slovenian economy, in particular the construction industry;
• to establish an efficient public procurement system and a system of public-private partnerships;
• to improve the infrastructure in the areas of sustainable energy, regional development and sustainable transport;
• to increase the use of Slovenian wood and improve the competitiveness of the Slovenian forest-wood chain, including the paper industry;
• to improve the reputation of Slovenia concerning investments and the reputation of Slovenia as a tourist destination.
3.2. Measures

- To draw up and approve a medium- and long-term range of strategic documents and investments at the national level, in cooperation with social partners;
- to draw up, in cooperation with social partners, a strategy for domestic and foreign strategic investments; to facilitate and boost new economic development and the creation of new high-quality jobs;
- to encourage investments with the priority goals of increasing the employment rate and value added;
- to encourage large infrastructure and development projects, as well as productive investments at regional and local levels;
- to accelerate the implementation of strategic investments in the areas of energy, transport and construction;
- to eliminate redundant procedures hindering strategic investment and, consequently, create new jobs (harmonised environmental, spatial and construction legislation for the geographical siting of facilities; transposition of the new EU Energy Directive for the siting of infrastructure facilities of European significance into Slovenian legislation);
- to strengthen investment financing of small and medium-sized enterprises through various sources, the Slovene Enterprise Fund and SID Bank;
- to rationally encourage the establishment of new enterprises and the development of micro-, small- and medium-sized enterprises (SMEs) through public tenders;
- to continue the implementation of the scheme for energy-efficient building construction and the renewal of public and private building, which should encourage the use of national wood to the largest possible extent;
- to appropriately strengthen the policy of attracting foreign direct investments and the internationalisation of enterprises with a view to increasing annual exports by 5%;
- to promote the visibility of Slovenian brands and trademarks and Slovenia's attractiveness for investments in tourism infrastructure.

4. PUBLIC SECTOR

4.1. Goals

The public sector is a powerful social sub-system, not only important for economic development and social cohesion, but also for the development of the country. An efficient and effective public sector contributes to the competitiveness of the economy. Its organisation must be rational, its services must be of high-quality and equally accessible, and completely adjusted to the needs of users. The functioning of the public sector should be financially sustainable and comparable with other EU Member States. In line with the above, further efforts are needed towards:

- an efficient, high-quality and user-friendly public sector;
• the quality and simplicity of legislation; the reduction of bureaucracy – where appropriate, a simple business and legislative environment for economic development, the satisfaction of citizens, and the reduction of administrative burdens placed on the public sector;

• the establishment of sustainable, stable and financially sustainable operation of the public sector;

• high-quality human resources management in the public sector – improved flexibility (personnel, wages, rewards);

• the development of professional and functional capacities within the public sector.

4.2. Measures

Given the current fiscal crisis, the following measures need to be taken in accordance with the objectives of fiscal consolidation, specifically:

• to strengthen social partnership that is based on the system of applicable collective agreements and other agreements between the Slovenian Government and representative public sector trade unions, with a shared commitment to analyse or examine the relevance of the currently applicable regulations;

• to improve public sector efficiency with available resources;

• to reduce other expenditure (e.g. public procurement, efficient and cost-effective asset management, information technology, etc.);

Enhanced activities in the field of public management at all government levels can bring long-term effects that will improve the quality of public services, ensure a better business environment and more competitive economy. With a view to achieving goals in terms of better quality and efficiency, measures will be implemented:

• to improve the quality and efficiency of systems and organisational rationality, introduce systematic programme planning for performance review, set up management by objectives and measurable objectives and process indicators, optimise and streamline processes and services to achieve an organisation which is more rational, higher quality and more efficient, at national, regional and local levels;

• to introduce systemic human resource management with mechanisms of clear criteria regarding responsibility and motivation; to reform the wage system with incentive mechanisms, and introduce a model for restructuring in terms of timely adaptation of employees to new tasks in the public sector;

• to make additional financial investments in the development of competences and functional skills and innovativeness of employees; to introduce a competency model in the civil service as well as clear and transparent criteria for career advancement and permanent training;

• to improve legislation and administrative procedures (including the elimination of backlogs and the introduction of the "one-stop-shop" system at the national, regional and local levels); to reduce legislative burdens and simplify procedures for the economic sector and citizens, impose mandatory use of basic guidelines and introduce mandatory impact assessments; to reduce bureaucracy and deregulate the system within the public sector where appropriate, and eliminate administrative backlogs, modernise administrative procedural law, introduce tools for
appropriate monitoring of administrative procedures and establish adequate platforms for quality cooperation with interested groups;

• to encourage responsible, open and transparent operations and conduct a zero tolerance policy against corruption, strengthen integrity and carry out measures to reduce corruption risks, improve transparency in the fields of public procurement and public tenders as well as in the field of financing and management of public institutions, and arrange rotation of civil servants;

• to increase cost-effective and efficient management of tangible property of the state and government information technology, and establish central management and administration of both systems;

• to ensure efficient operation of inspection services.

In the broader field of the public sector, the activities will aim:

• to draw up, adopt and gradually set up clear standards and norms for public services, in agreement and cooperation with social partners;

• in cooperation with social partners, to define the scope of the public service providers network and ensure stable and sustainable financing of the public service network of agreed quality;

• in the event of any amendments to the Institutes Act (Zakon o zavodi), to redefine, in agreement with social partners, the principles of public financing, the organisation of a status system and changes, the labour law status of employees and cooperation of employees in the management of public institutes and system possibilities/limitations of public sector activities on the market.

5.HEALTH

5.1.Goals

The main goal in healthcare is to retain the rights arising from the compulsory health insurance, improve the existing healthcare system in terms of strengthening the public healthcare service and ensuring the system's long-term financial sustainability, which will be achieved by improving the operation at all levels, introducing changes in the area of financing without imposing an additional burden on employers, separating the provision of public and private healthcare services and strengthening the role and responsibility of the ZZZS (Health Insurance Institute of Slovenia) to define the scope and standard of rights.

The healthcare system will be strengthened so as to ensure equal access to health care for all insured persons who need and are entitled to health care services. The quality, safety, accessibility, efficiency and financial sustainability of the functioning of the healthcare system will be ensured through amendments to legislation and on the basis of the Resolution on the National Plan of Health Care 2015 – 2020.

5.2.Measures

• To ensure equal access to safe, quality and effective healthcare services that patients need and are entitled to, and thus reduce the inequality in health and shorten waiting periods;
to develop and promote preventive programmes for strengthening general and occupational health and safety, promotional programmes for a healthy lifestyle and programmes for the early detection of diseases;

to optimise the public healthcare network at all levels of healthcare, in particular to strengthen primary healthcare and public health activities and the role of healthcare centres as the central healthcare institutions at the primary level;

to transparently delineate the provision of public and private healthcare services at public healthcare providers and to equalise and increase the effectiveness of supervision over concessionaires and public healthcare institutions;

to regulate the area of concessions by granting concessions on the basis of public tenders and for a limited period when a public healthcare institution cannot provide services in sufficient scope in accordance with the adopted network, and provided that concessionaires are bound by the same rules, *mutatis mutandis*, as public institutions;

to upgrade the emergency medical service system;

to introduce mechanisms for a more efficient use of available resources and improve the quality of healthcare services;

to unburden the health budget of expenditures unrelated to health that have no basis in insurance;

to ensure that changes are made in the organisation, administration and management of public healthcare institutions with the aim of optimising the processes, rationalising finances and enhancing the autonomy and responsibility of the management;

to change the fundraising system in healthcare by abolishing complementary health insurance and introducing a suitable substitute, which will not put an additional burden on employers;

to standardise materials, services and equipment by introducing a transparent and uniform public procurement system in healthcare with joint public procurement;

to set up mechanisms for the detection and prevention of corruption;

to improve the performance and quality of the public healthcare network by increasing computerisation and integrating and homogenising information systems;

to appropriately develop and recognise the competences of healthcare workers;

to strengthen the role and responsibility of the Health Insurance Institute of Slovenia as a buyer of healthcare services on behalf and for the account of insured persons;

to determine the procedure for the registration of occupational diseases;

to adopt measures for managing, preventing and remedying the consequences of occupational diseases and to examine the possibility of introducing a differential contribution rate for occupational diseases and occupational injuries at the employers' level;

to examine the possibility of reducing the period in which wage compensation for sick leave is paid by the employer;

to optimise medical and occupational rehabilitation in order to improve the conditions for a faster return to work of workers after sick leave;

to co-finance preventive and promotional programmes of social partners for healthy and safe working practices.
6. WAGES

- Sectoral collective agreements constitute a foundation for determining the scale and method of calculating wages in the private sector.
- The signatories of this Contract will strive to ensure that inflation and the growth in labour productivity are taken into account in bipartite bargaining on wages for collective agreements in the private sector.
- In the public sector, the Public Sector Salary System Act and the Public Sector Collective Agreement, together with collective agreements for particular activities, form a basis for determining the wage scale and calculation method.
- The growth of gross wages in the public sector cannot be higher than in the private sector.

7. LABOUR MARKET

7.1. Goals

The key goal in the area of employment is to gradually increase the employment rate in the population aged between 20 and 64 years and achieve the EU 2020 target, i.e. a 75% employment rate, and to provide for and promote faster entry into the labour market for young people and other hard-to-place job seekers, and to achieve an appropriate balance among safe employment, employment flexibility and reduced segmentation on the labour market.

All the measures in this Chapter should be carried out in cooperation with the social partners. Any amendments to the Employment Relationships Act require the consent of the social partners.

7.2. Measures

- To monitor the effects of the 2013 labour market reform and other legislative amendments concerning the labour market since 2013 and, following discussion by the Economic and Social Council and if necessary, to draft proposals for further measures to achieve the goals for the labour market;
- to reregulate the possibility of work for retired persons;
- to examine the adequacy of the regulation of temporary lay-offs with the possibility of including instruments of the Employment Service of Slovenia;
- to introduce incentives for employers to increase the use of part-time employment within job-sharing, mentoring schemes, work-from-home jobs and teleworking;
- to draw up a proposal for the establishment of a severance pay fund;
- with regard to the active employment policy, to conduct a comprehensive analysis of the effectiveness of measures implemented within the 2007–2013 financial perspective (payments until 2015), and on that basis and in agreement with the social partners to develop active employment policy measures with the aim of ensuring and promoting a faster entry into the
labour market for young people and other hard-to-place job seekers, with particular emphasis on the long-term unemployed, elderly and disabled;

• to formulate a scholarship policy for deficit occupations and examine the possibility of greater application of company scholarships;

• with regard to health and safety at work, to analyse the situation regarding the National Programme of Health and Safety at Work and its implementation, on the basis of which it should be established whether the measures provided in the Resolution on the National Programme of Health and Safety at Work of 2003 are still adequate considering the situation assessed and the goals set in the Resolution; to draw up a proposal for the strategy in this area based on the findings of the analysis and taking into account the strategic framework for safety and health at work for the 2014–2020 period;

• to identify the reasons for the low labour participation rate in the elderly population, to assess the effects of the implemented amendments of systemic legislation and, based on the findings, to develop further measures aimed at ensuring that employees stay in the labour market longer and at creating conditions for the transfer of knowledge from older to younger employees within specific jobs;

• to strengthen the role of social partners in the implementation of active employment policy measures;

• to develop a mechanism for promoting effective training of employees and the unemployed.

8.PENSION SYSTEM

8.1.Goals

To provide and maintain a fiscally sustainable pension system based on intergenerational solidarity and decent pensions in the period to which the Social Contract applies. We will make every effort to maintain the purchasing power of pensions and the living standard of retired persons.

8.2.Measures

• To monitor and discuss the effects of the pension and disability insurance reform of 2012 in terms of the achievement of its goals, in particular fiscal sustainability and decent pensions (including analysis of the differences in pensions of men and women);

• by the end of 2015, to prepare expert groundwork for the reform of pension and disability insurance after 2020, the purpose of which is to present a range of possible solutions for ensuring the fiscal sustainability of the pension system and decent pensions;

• to draft amendments to disability insurance and establish whether adequate conditions are provided for exercising the right to occupational rehabilitation and employment rehabilitation of persons with work-related disabilities, and whether adequate social security of persons with work-related disabilities is ensured, with the possibility of introducing a differential contribution rate for employers;

• to amend compulsory supplementary pension insurance so that it provides adequate social security for employees who retire early due to performing demanding work harmful to health until their retirement within compulsory insurance;
to establish a demographic fund within the reorganisation of the Pension Fund Management in order to ensure additional resources to finance the compulsory pension system in the long term. The purpose of the demographic fund is to provide additional resources for the fiscal sustainability of compulsory pension insurance in years of a low ratio between the number of insured persons and the number of retired persons;

to conduct a study and prepare grounds for the establishment of a single expert body (the Pension and Disability Insurance Institute, the Health Insurance Institute, the Employment Service, and long-term care and the confirmation of suspected occupational diseases) at the national level.

9. IMPLEMENTATION OF EU COHESION POLICY

9.1. Goals
The central goal of EU Cohesion Policy is economic, social and territorial cohesion. The European structural and investment funds provide support supplementing the national, regional and local measures for achieving the headline targets of the Europe 2020 Strategy. With regard to cohesion policy, we will promote the partnership by strengthening social dialogue and the institutional capacity of social partners. We will start the implementation of the Operational Programme for the Implementation of the European Cohesion Policy 2014–2020, conclude the implementation of operational programmes for the 2007–2013 period and successfully draw on cohesion funds.

9.2. Measures
To support measures concerning the cooperation of social partners within the Operational Programme for the Implementation of the EU Cohesion Policy 2014 – 2020 aimed at the following:

- attaining the objective of strengthening the capacity of social partners;
- conducting studies and analyses in social dialogue, industrial relations and the labour market;
- supporting the establishment of expert bodies and models for promoting the exchange of experience and good practices in social dialogue;
- conducting trainings and exchanging experience and good practices;
- promoting cooperation with the private sector, non-governmental organisations and public institutions, and innovativeness in the content of social dialogue at the national, sectoral, regional, local and business levels;
- carrying out activities concerning the development of co-management at different levels and health and safety at work;
- supporting the establishment of social partners’ centres for the peaceful settlement of disputes;
- supporting activities for informing and raising awareness of legislation and labour rights;
- preventing the shadow economy and supporting social partners in the strengthening of their role;
- promoting programmes that ensure health and safety at work for all generations at the enterprise level;
strengthening social dialogue in the comprehensive regulation of pension and disability insurance and facilitating closer cooperation between enterprises, public institutions and social partners on the labour market with the aim of providing support to active ageing;

- integrating educational and training institutions with the wider environment;
- harmonising standards and education programmes with the needs on the labour market;

- to attain the headline targets of the Europe 2020 Strategy.

10. QUALITY EDUCATION SYSTEM

10.1. Goal

To develop a quality education system enabling individuals to achieve a high level of general and occupational competences for successful occupational integration in the private and public sectors and in life, active participation in democratic decision-making processes, strengthened inter-human solidarity, the promotion of a social market economy and consolidation of the constitutionally defined structures of a state based on social welfare.

An increase in the development level of society requires the establishment of an education system that ensures excellence at all educational levels, facilitates access to education and knowledge, and adapts the content of study programmes to the needs of modern society. Educational programmes must provide the skills and competences required for employability and creative work also during unemployment.

10.2. Measures

- To gradually implement the UNESCO and OECD recommendations concerning the financing of education from public funds, i.e. to allocate 6% of GDP to education and to use 2% of the allocated funds for tertiary education;
- to gradually implement the recommendation of the EU concerning the financing of research and development;
- to maintain and implement consistently the applicable norms and standards at all levels of education and to introduce any changes exclusively in agreement with the social partners;
- to improve the administration and management of public educational institutions and research organisations;
- to apply a more stable financing (lump-sum financing) of higher education and public research institutions through a system of multi-year and institutional contracts with 2011 as the base year for the financing of the primary pillar (for determining funds);
- to ensure access to tuition-free studies for all, except those who have already used this option;
- to improve the responsiveness of the entire education system through the participation of all social partners in the planning and implementation of vocational, specialised and higher education;
- to improve the flow of knowledge among the education, research and enterprise sectors and promote investments by the enterprise sector in the knowledge triangle (education, research, innovation) in accordance with new innovation models;
• to include experts from the enterprise and public sectors in the implementation of specialised study programmes;
• to ensure that traineeships are paid;
• to regulate apprenticeship systemically and ensure stable and long-term financing;
• to promote vocational and specialised education among young people, employers and parents with full participation of all social partners, particularly with regard to deficit occupations;
• to set up an effective system of career orientation at all education levels with the active participation of all social partners;
• in accordance with the UNESCO recommendation on teachers' status, to allow all teachers' organisations to participate in the development and implementation of education policies;
• to increase the accessibility of various forms of lifelong learning, particularly in the area of training;
• to implement an appropriate recognition system for informal vocational qualifications;
• to develop and include in the education system the provision of information to young people about entrepreneurship, health and safety at work, the functioning of the welfare state, social partnership and rights in the labour market;
• to ensure the financing of the Slovenian Quality Assurance Agency for Higher Education.

11. LEGAL CERTAINTY/RULE OF LAW

11.1 Goals

Clear, comprehensible, transparent and unambiguous legislation is a foundation for ensuring that people trust the legal system of Slovenia and respect legal provisions. The level of legal certainty, people's trust in the legal system and the work of state and judicial authorities also depend on how rights are exercised in practice, the duration of administrative and judicial procedures, the accessibility of legal remedies and predictability and stability of legal norms. The development of legislation must depend on politics to the minimum possible extent. The operation of all state authorities and institutions must be independent, fast, transparent and effective. This refers to the responsible inspection services, supervision services and to the police, the prosecution service and the judiciary.

The attitude of people should be changed, so that they no longer think that all problems in society will be solved by the courts, but rather that it is prudent to respect the legal order because of the proper functioning of prosecuting authorities and justice administration and other state authorities whose work is indirectly related to the operation of judicial authorities.

An interlinked and coherent legal system that, in particular, functions effectively, is the main foundation for ensuring legal certainty and a social environment that fosters economic growth, reduces the shadow economy and corruption, prevents unfair competition, and generates sustainable development and social progress.

The social partners agree that we need a stable, consistent and effective legal system.
The predictability and stability of the legal framework, legislative compliance and the consistent implementation of court and administrative decisions and people's trust in the rule of law are the cornerstones of Slovenia’s economic and social development.

11.2 Measures

- To strengthen the efforts towards the effectiveness of courts, the State Prosecutor's Office, the State Attorney's Office and inspection services and the use of supervisory mechanisms by ensuring their independence, the highest level of competence and ethics, simplifying procedures as far as possible, and providing adequate staff, material and financial conditions for work with special emphasis on the continuing education of employees in the justice administration;
- to promote the use of alternative methods of dispute settlement;
- to develop systemic measures, which will facilitate the uniformity of case-law;
- in developing legislation, to pursue the goal of further reducing the duration of court proceedings and to implement the right to trial within a reasonable time;
- to develop clear, comprehensible and unambiguous legislation while taking into account the Resolution on Regulatory Activities and to ensure its stability, particularly in the case of procedural solutions;
- to conduct a systemic analysis of the implementation of legislation on insolvency proceedings within a special inter-institutional implementation group and, if necessary, to draft a set of measures to improve the implementation framework;
- to amend the Claim Enforcement and Security Act, so that enforcement means cannot extend below the minimum wage decreased by taxes and contributions, and to examine the suitability of case-law and legislation with the aim of preventing disproportionate encroachment on the reimbursement of labour costs;
- to amend the legislation on takeovers, to ensure that employees are better informed and takeover procedures more transparent and that the possibility of abuse is reduced, in accordance with the EU regulations on takeovers (Directive 2004/25/EC, Directive 2001/23/EC) and the Worker Participation in Management Act;
- to apply the rules of the Employment Relationships Act concerning the transfer of workers in the case of a change in employer due to the transfer of a company or part thereof, including in the case of the transfer of activity due to the grant of a concession and in cases of the transfer of competences/activity within the public sector entailing the transfer of employees;
- to change the system of establishing companies with the aim of preventing their abuse and violations of legislation;
- in developing new amendments to legislation (particularly the Court Fee Act and the Act Amending the Legal Aid Act), to pursue the goal of ensuring the right of access to courts and the opportunity to apply legal remedies with particular emphasis on labour disputes;
- to adopt measures, including the amendment of legislation, to increase the effectiveness of the punishment of persons violating labour and social legislation and provide greater protection to employees' representatives at the employer in connection with performing their function;
- after an examination of compliance with the Constitution, to amend the Labour and Social Courts Act to allow the authorised representatives of social partners, who are employed to
represent their members in labour and social disputes, to be eligible for the reimbursement of costs of proceedings in the same manner and amounts as lawyers.

III. SOCIAL DIALOGUE

Together with the social partners, the Slovenian Government will make every effort to restore people's trust in the state and its political, social, cultural, welfare, financial, economic and other cornerstones. The social dialogue, which has a long history in the Republic of Slovenia, is one of the key elements of the functioning of a state. Since 1994, the Economic and Social Council has been its main platform in Slovenia.

The Economic and Social Council is a tripartite body of social partners and the Slovenian Government established to consider issues and measures concerning economic and social policies and other issues related to the specific fields of the partners’ dialogue. It is the foundation of a tripartite dialogue among the Slovenian Government, unions and employers.

The role of the Economic and Social Council and the cooperation of social partners in the search for balanced solutions that would improve the social and financial situation of individuals and enterprises are particularly important in this time of economic and financial crisis. In order to strengthen the social dialogue, the Government will strive to ensure the following, both at the national level and the level of enterprises:

• appropriate inclusion and financial resources for the strengthening of the social dialogue of social partners in the 2014–2020 financial perspective and the exploration of other possibilities for the stable, high-quality and effective operation of social partners;

• the inclusion of good practices developed by the social partners within the projects implemented in the 2007–2013 programming period;

• the active participation of social partners in the preparation of strategic documents within the European Semester.

During the validity of the Social Contract, the signatories undertake to jointly strive to achieve the goals of the Contract and to implement any amendments by mutual agreement.

IV. MONITORING OF THE SOCIAL CONTRACT AND ITS VALIDITY

The partners agree that the signatories are jointly responsible for the implementation and enforcement of this Contract and by signing it guarantee that we will act in accordance with our respective competences to ensure the implementation of the provisions of this Contract.

We undertake to monitor the realisation of obligations adopted by the Contract and to promptly draw attention to potential non-compliance with the agreed orientations.

The signatories will discuss the implementation of the provisions of this Contract at the sessions of the Economic and Social Council in September 2015 and September 2016.

The partners agree that the Contract is valid when it is signed by the Government and the majority of employers' and employees' organisations that are members of the Economic and Social Council.
A signatory to this Contract may be any organisation that participated in the negotiations for this Contract throughout their duration. The members of the Economic and Social Council that did not participate in the negotiations may subsequently also accede to this Contract. The provisions of the Contract referring to the cooperation or agreement of social partners shall apply to its signatories.

The Contract shall apply as of the date of its signature up to 31 December 2016.

The social partners agree that the provisions of this Contract may be amended during its validity with the agreement of the signatories.

The Contract shall be published in the Uradni list Republike Slovenije (Official Gazette of the Republic of Slovenia).
SIGNATORIES:

Government of the Republic of Slovenia
Minister of Labour, Family, Social Affairs and Equal Opportunities
Dr Anja Kopač Mrak, m.p.

Employers:
Association of Employers of Slovenia
Jože Smole, m.p.

Chamber of Craft and Small Business of Slovenia
Branko Meh, m.p.

Association of Employers in Craft and Small Business of Slovenia
Drago Delalut, m.p.

Slovenian Chamber of Commerce
Mariča Lah, m.p.

Employees:
Slovenian Association of Free Trade Unions
Dušan Semolič, m.p.

Confederation of Public Sector Trade Unions of Slovenia
Branimir Štrukelj, m.p.

Slovenian Federation of Trade Unions – Alternative
Zdenko Lorber, m.p.

Confederation of New Trade Unions of Slovenia – Independence
Drago Lombar, m.p.

Association of Workers’ Trade Unions of Slovenia – Solidarity
Roman Šuen, m.p.

Trade Union Confederation 90 of Slovenia
Peter Majcen, m.p.
Pergam Confederation of Trade Unions of Slovenia
Dr Janez Posedi, m.p.

Ljubljana, 5 February 2015