

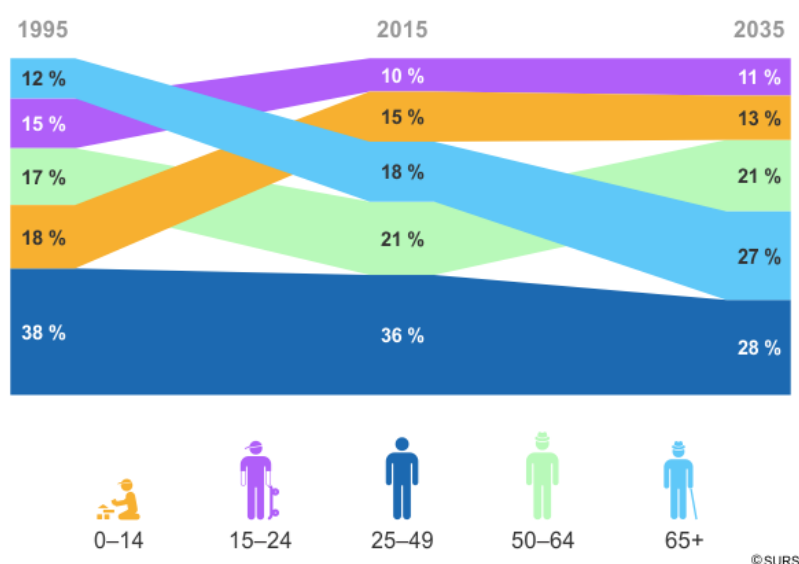
Country analyses to identify individual challenges of 55+ employment - Slovenia

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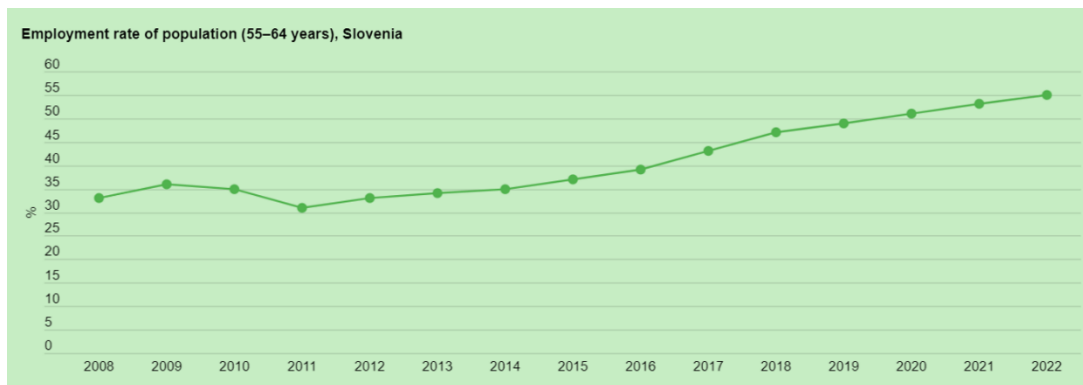
Demographic situation in Slovenia¹

Slovenia, like many European countries, is experiencing significant demographic changes characterized by an aging population. Despite the expected increase in the population in the coming years, which should reach its peak in 2025, we can expect major changes in the age structure. Life expectancy at birth is constantly increasing; from 1995 to 2015 it grew from 74.1 to 80.5 years and it is projected to extend for a further 2.9 years by 2035. However, the current fertility rate (1.58 children per woman) is not sufficient for the complete replacement of the population in the long term, which should be about 2.1 children per woman. Thus, the median age of the population will grow from 36 years in 1995 to 48.1 years by 2035. This means that the share of children under 14 years will fall by 5 percentage points. Active population between 15 and 64 years will decrease by 10 percentage points, which will largely depend on the reduction of the population of 25–49-year-olds. On the other hand, the share of the elderly is increasing, both those belonging to the older workforce (50–64 years) as well as the even older population.



The employment rate of Slovenia's residents aged 55–64 years was 33% in 2008. Three years later, it fell to the lowest level of 31% and has been increasing ever since until it reached the highest level of 55% in 2022.

¹ <https://www.stat.si/StatWeb/en/News/Index/5902>



Source: SURS

Reaching old age is a reflection of a higher quality of life, largely due to great advances in science and medicine. One of the tools to reduce such strong dependence of the inactive, mainly pensioners, on employed persons is postponing retirement. Active ageing and subsequent retirement also depend on good health. Data from SILC show that, based on self-assessment of health status, the share of people who assessed their health status as good or very good is growing. Between 2005 and 2014 the share of people between 55 and 64 years who assessed their health status at least as good grew from 34% to 49%. Likewise, during the same period the share of people aged 65 or more who made the same assessment increased from 18% to 27%. Involvement of the population aged 55–64 in the labour market grew from 31% to 35%, while the inclusion of 65–69-year-olds fell from 12% to 10%. Activity in old age does not mean only later retirement and thereby lower expenditure on pensions, but also the preservation of mental activity and physical health.

Despite the large progress in achieving longer life, the indicator of the length of service, which measures how many years a person aged 15 is expected to be active in the labour market, is slowly increasing. In the period discussed earlier (2005–2014), it grew from 33.5 to 34.1 years. However, the ratio between the number of insured persons and of pensioners is growing steadily. In 2005, there were 100 insured per 60 pensioners; by 2015 the number of pensioners grew to 73, and according to projections it should reach 97 pensioners per 100 insured by 2035.

For a constructive coexistence between generations it is necessary to maintain a positive interpersonal relationship and solidarity between the young, the middle-aged and the elderly. The Eurobarometer conducted an opinion poll in 2012 on discrimination in the EU. Results showed that in Slovenia 42% of respondents believe that discrimination against the elderly over 55 is widespread, compared to 14% who believe in discrimination against people younger than 30 years. On a 10-level scale of "feeling if someone would occupy the highest elected political position in Slovenia" respondents expressed the opinion that it would be more normal if they were younger than 30 years (value 6.8) than if they were older than 75 (value 5). Even when it comes to equal opportunities in recruitment, the first ranked opinion with 66% was that a person older than 55 years is in

disadvantage if the company is choosing among two equally qualified candidates, compared with 14% if a person is younger than 30 years. Similarly, on the impact of the crisis on the labour market persons over 55 were placed in the first place as most discriminated, whereas persons under 30 were placed last. Even on the topic of active ageing, 49% expressed the opinion that people older than 55 are generally viewed positively and only 45% felt that they can contribute to society as paid workers. For this reason it is necessary to raise awareness of the contribution and potential of each of the following age groups in raising the quality of life and enhancing human capital. Abilities and skills of the elderly are an important part of human capital; mobilization and use of these skills could strengthen the social status of the elderly and relieve the younger generation.

Main policy actors

Addressing the challenges of 55+ employment in Slovenia involves a coordinated effort among various policy actors, including government ministries, social partners, NGOs, and international organizations. These actors work together to develop and implement policies and programs that support older workers, promote healthy aging, and ensure economic sustainability.

GOVERNMENT BODIES

- **Ministry of Labour, Family, Social Affairs, and Equal Opportunities** is the primary government body responsible for labour market policies, including those affecting older workers. It develops and implements policies related to employment, social security, family policy, and equal opportunities.
- **Employment Service of Slovenia (ESS)** is a key institution in the labour market, providing employment services, career guidance, and training programs. It plays a crucial role in supporting older workers to re-enter or remain in the workforce.
- **Ministry of Health** is responsible for health policies, including workplace health and safety regulations. It collaborates with other ministries to promote healthy aging and address health issues that can affect the employability of older workers.
- **Ministry of Education, Science, and Sport** oversees education and training policies, including lifelong learning initiatives that are essential for upskilling older workers.

SOCIAL PARTNERS

- **Trade Unions** such as the Confederation of Trade Unions of Slovenia (ZSSS), advocate for the rights and interests of workers, including older employees. They engage in social dialogue and collective bargaining to improve working conditions and job security for older workers.
- **Employers' Associations:** Organizations like the Chamber of Commerce and Industry of Slovenia (GZS) and the Slovenian Employers' Association (ZDS) represent the interests of employers. They are involved in policy discussions and initiatives to create favorable conditions for employing older workers.

NON-GOVERNMENTAL ORGANIZATIONS (NGOs) AND OTHER INSTITUTIONS

- **Slovenian Federation of Pensioners' Associations (ZDUS)** advocates for the rights and well-being of older adults, including issues related to employment and social security. They are actively involved in policy discussions and public awareness campaigns.
- **Institute for Pension and Disability Insurance of Slovenia (ZPIZ)** manages the pension and disability insurance system in Slovenia. It plays a critical role in shaping policies related to retirement age, pension entitlements, and incentives for delayed retirement.
- **Academic and Research Institutions**, such as the University of Ljubljana and the Institute for Economic Research, conduct studies and provide data to inform policy-making on aging and employment issues.

INTERNATIONAL ORGANIZATIONS

- As a member of the **European Union**, Slovenia aligns its policies with EU directives and strategies related to employment and social policy. EU initiatives and funding programs, such as the European Social Fund (ESF), support projects aimed at improving employment prospects for older workers.
- **Organization for Economic Co-operation and Development (OECD)** provides policy recommendations and conducts research on aging and employment, which Slovenia can use to inform its national policies.

Age management

Many times it seems that some professions are somehow more intended for older people, and some for younger people. In Slovenia, older working people are present in a smaller percentage than the entire working population, mainly among sellers, and in a larger percentage among farmers, officials and professionals, and in a slightly larger percentage also in public sector activities.²

In a narrower sense, age management means planning and implementing an active aging strategy at the organizational level, which focuses on the continuous involvement of older employees in the work environment and the extension of their active period of life. Age management at the organizational level includes: 1) employment and retirement policy for the elderly; 2) training, development and promotion of older employees; 3) developing flexible forms of work; 4) creating jobs tailored to the elderly and 5) changing attitudes regarding older employees.

There are three pillars of elderly management: 1) the individual level, which includes tradition, culture, gender, health and social security; 2) the organizational level, which contains age management, changing stereotypes, health prevention and curative, synergy and employment policy; 3) the social level, which includes non-discrimination, employment policy, lifelong learning, the health system and the promotion of active ageing.³

OVERVIEW OF POLICY INITIATIVES AND PROGRAMS

Active Aging Strategy: Slovenia's Active Aging Strategy aims to promote longer working lives, improve the employability of older workers, and enhance their quality of life. It includes measures for lifelong learning, health promotion, and flexible working arrangements.

1. Lifelong Learning and Skills Development:

- Continuous Education and Training: Programs to provide older workers with opportunities for continuous education and training to update their skills and remain competitive in the labour market.
- Digital Literacy Programs: Initiatives to improve digital skills among older adults to ensure they can adapt to technological changes in the workplace.

2. Health Promotion and Workplace Adaptations:

² <https://www.stat.si/doc/pub/starejsi.pdf>

³ https://sl.wikipedia.org/wiki/Management_starosti

- **Healthy Aging Programs:** Initiatives focused on promoting healthy lifestyles and preventive healthcare to maintain the physical and mental health of older workers.
- **Workplace Health and Safety:** Measures to improve workplace ergonomics, prevent occupational diseases, and adapt work environments to the needs of older employees.

3. Flexible Working Arrangements:

- **Part-Time and Flexible Hours:** Encouraging employers to offer part-time positions, flexible working hours, and telecommuting options to accommodate the needs of older workers.
- **Phased Retirement:** Options for phased retirement that allow older workers to gradually reduce their working hours while transitioning to full retirement.

4. Anti-Discrimination and Awareness Campaigns:

- **Combating Age Discrimination:** Enforcement of anti-discrimination laws and policies to protect older workers from age-related biases and unfair treatment in the workplace.
- **Public Awareness Campaigns:** Initiatives to raise awareness about the value of older workers and combat negative stereotypes.

5. Social Inclusion and Participation:

- **Community Engagement:** Programs to encourage the active participation of older adults in community activities and volunteering, fostering social inclusion and a sense of purpose.
- **Intergenerational Programs:** Initiatives that promote interaction and cooperation between different age groups to facilitate knowledge transfer and mutual support.

Employment Programmes for Older Workers: Specific programs and incentives are designed to encourage the employment of older workers, such as subsidies for employers who hire older employees and training programs to enhance their skills.

1. Subsidies and Financial Incentives:

- **Hiring Incentives for Employers:** Financial subsidies and incentives for employers who hire or retain older workers. These incentives can help offset the perceived higher costs of employing older individuals.
- **Support for Self-Employment:** Grants and financial assistance for older workers interested in starting their own businesses or pursuing self-employment.

2. Job Search and Placement Services:

- **Tailored Job Placement:** Services provided by the Employment Service of Slovenia (ESS) to help older workers find suitable employment opportunities. These services include personalized job search assistance, career counselling, and job matching.

- Job Fairs and Recruitment Events: Events specifically aimed at connecting older job seekers with potential employers.

3. Training and Upskilling Programs:

- Vocational Training: Courses and training programs focused on vocational skills to help older workers transition to new roles or industries.
- Re-skilling Initiatives: Programs aimed at re-skilling older workers in areas with labour shortages or growing demand.

4. Public Works and Community Service:

- Public Works Programs: Temporary employment opportunities in public works projects that provide older workers with income and work experience.
- Community Service Initiatives: Programs that engage older workers in community service activities, offering them meaningful work while benefiting the community.

5. Consulting and Mentoring:

- Mentorship Programs: Initiatives that leverage the experience of older workers by involving them in mentoring roles where they can guide and support younger colleagues.
- Career Consulting Services: Professional career consulting services to help older workers navigate career transitions and plan their professional futures.

EVALUATIONS OF ACTIVE AGING STRATEGY AND EMPLOYMENT PROGRAMS

Evaluating the effectiveness of measures aimed at promoting 55+ employment in Slovenia involves examining various reports, studies, and analyses conducted by government agencies, research institutions, and international organizations. Here's a summary of findings from available evaluations and assessments:

1. European Commission Country Reports:

The European Commission regularly publishes country reports as part of the European Semester process. These reports often include assessments of labour market policies, including those targeting older workers. According to the 2020 European Semester Country Report for Slovenia, the active aging measures were acknowledged as crucial, but the report highlighted the need for stronger implementation and better alignment with labour market needs.

2. OECD Reviews:

The OECD's "Pensions at a Glance" reports provide insights into the effectiveness of retirement and employment policies across member countries, including Slovenia. The 2019 report noted that while Slovenia has made progress in extending working lives, challenges remain in ensuring adequate income and employment opportunities for older workers.

3. National Evaluation Reports:

Slovenia's Ministry of Labour, Family, Social Affairs, and Equal Opportunities periodically evaluates the impact of its employment programs. A 2018 report from the ministry indicated that employment subsidies and training programs had positive outcomes in terms of increasing employment rates among older workers. However, the report also pointed out the need for continuous improvement in program design and delivery to maximize effectiveness.

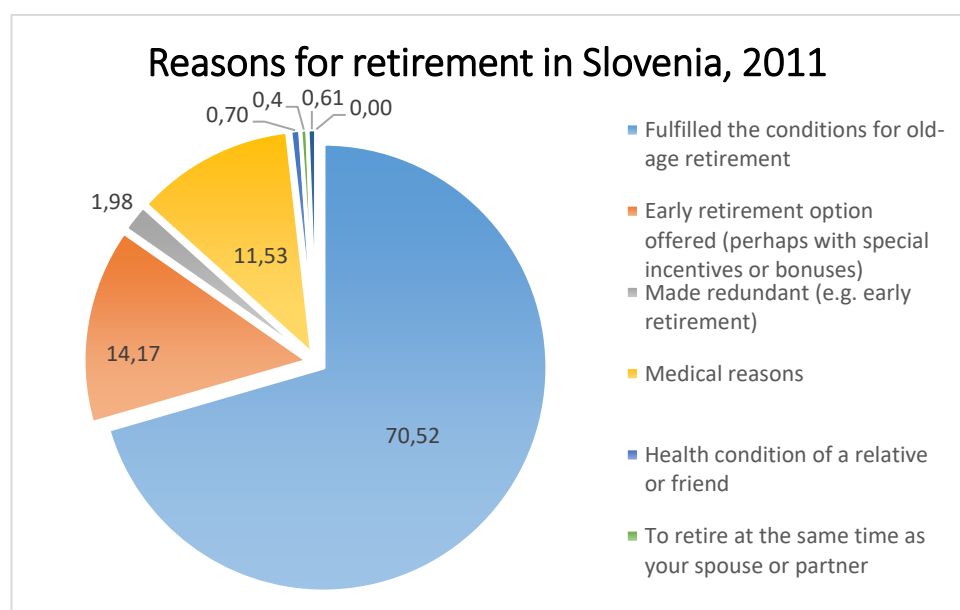
4. Research Studies:

Studies conducted by Slovenian research institutions, such as the Institute for Economic Research, have analysed specific programs and policies. A study from 2017 examined the impact of lifelong learning programs on the employability of older workers, finding that participants in these programs were more likely to remain in employment compared to those who did not participate. The study recommended increasing accessibility and targeting of such programs.

5. European Social Fund (ESF) Evaluations:

Projects funded by the ESF in Slovenia are subject to evaluation to assess their effectiveness and impact. ESF evaluations have highlighted successful initiatives that improved the skills and employment prospects of older workers, but also pointed to the need for better coordination between different programs and more comprehensive support services.

55+ employment challenges



⁴ https://www.staranje.si/sites/www.staranje.si/files/upload/images/ier_analitsko_porocilo.pdf

The majority of Slovenians want to retire as soon as possible. In Slovenia, young people also support early retirement, as they believe that this is the only way employment opportunities will open up for them as well. Some countries solve this problem with the so-called gradual retirement; this means that older workers work progressively fewer hours per week before finally retiring. Such gradual retirement can be measured by the share of older workers (50-64 years) whose working hours are shorter than full-time. Slovenia ranks among the countries with a low value of this share; in 2012 it amounted to 9.8%; it was less than the average share in the EU-27 by more than 10 percentage points (20.4%).

Young people in Slovenia advocate for the early retirement of older people also because they believe that this would also open up more stable jobs for them. Slovenia is known for having the highest share of fixed-term employment among EU member states among young employees (15-24 years), namely 72%, and compared to this share, a relatively small share of fixed-term employment among older employees (50-64 years old), 7%.

Slovenian organizations are already implementing certain measures, namely: 1) discriminatory age restrictions do not appear in advertisements; 2) promoting the formation of age-mixed or diverse work teams and the cooperation of older and younger colleagues; 3) age-related medical examinations: care for prevention and curative care; 4) identification of health-risk jobs and risk assessment for individual (older) employees; 5) communicating with employees about retirement plans; 6) constant communication with employees regarding their intentions and wishes to extend their work activity - even beyond the retirement age; 7) identifying, retaining and transferring the key skills of the elderly; 8) exemption from working overtime for older workers. The least frequently implemented measures are: 1) promotion of active aging strategies and age management policies in organizations; 2) management training on age management; 3) extended vacations aimed at building a career; 4) option: reassignment of older employees to lower levels – lower salary, easier work and less responsibility; 5) flexible work practices (working at home, condensing work obligations to 4 days a week, etc.)⁵

Many times it seems that some professions are somehow more intended for older people, and some for younger people. In Slovenia, older working people are present in a smaller percentage than the entire working population, mainly among sellers, and in a larger percentage among farmers, officials and professionals, and in a slightly larger percentage also in public sector activities.⁶

According to the Labour force survey results (SURS, 2023)⁷, the main reason why retired people continue working is that they enjoy working and being productive. Less than a

⁵ https://sl.wikipedia.org/wiki/Management_starosti

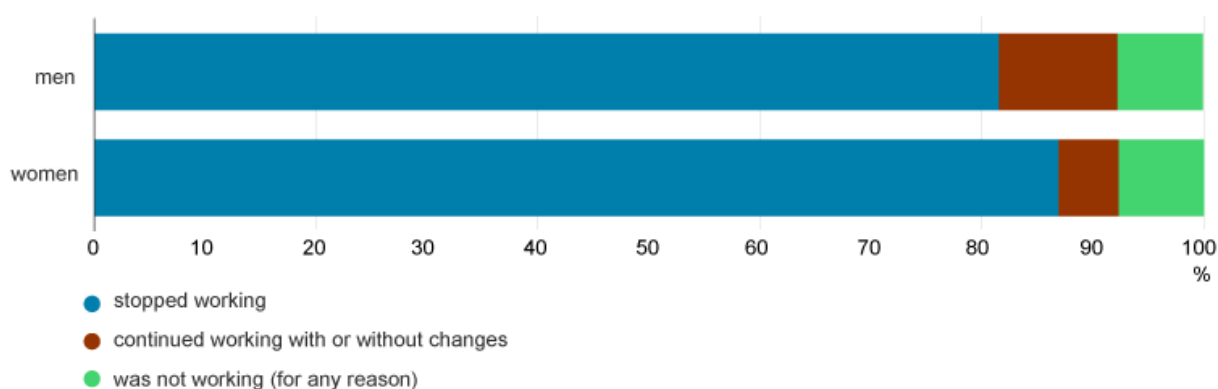
⁶ <https://www.stat.si/doc/pub/starejsi.pdf>

⁷ <https://www.stat.si/StatWeb/en/News/Index/12764>

tenth of respondents – more men than women – decided to continue working after they started receiving old-age pension. The most common reasons for continuing to work are the joy of work and being productive, financial necessity and maintaining social inclusion.

In Slovenia, a little more than four-fifths (84.3%) of persons stopped working after they started to receive old-age pension. Less than a tenth (8.0%) decided to continue working with or without changes. Among them, there were more men (65.0%) than women (35.0%). The gender ratio among those who decided to continue working was also similar at the level of cohesion regions - about a third were women and two thirds were men.

Persons at the beginning of receiving old-age pension by activity situation, Slovenia, 2023

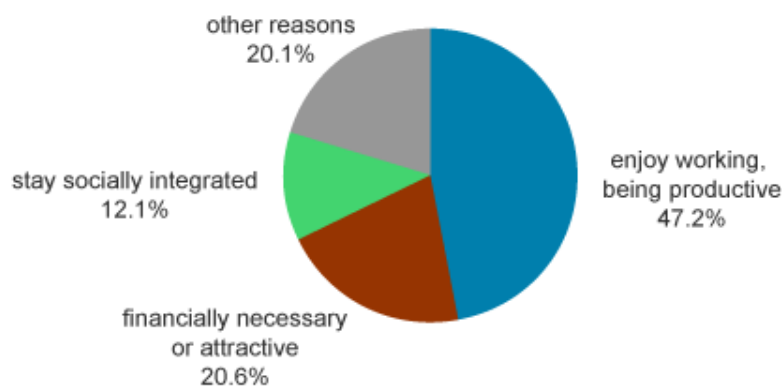


The differences between cohesion regions are reflected in the share of persons who decided to continue working at the beginning of receiving old-age pension, which was 4.6 percentage points (p.p.) higher in West (Zahodna) Slovenia (10.5%) than in East (Vzhodna) Slovenia (5.9%). On the other hand, the share of persons who were not working just before and after they started to receive old-age pension was 7.9 p.p. higher in East Slovenia (11.2%) than in West Slovenia (3.4%).

Various reasons to continue working after they started receiving old-age pension

Almost half (47.2%) of respondents cited the joy of work and being productive as the main reason to continue working after they started receiving old-age pension. 20.6% of people chose financial necessity or financial attraction of the work, 12.1% chose social inclusion and 20.1% other reasons.

Main reasons to continue working at the beginning of receiving old-age pension, Slovenia, 2023



Source: SURS

4.3% of persons who were not working for the first six months after they started receiving their statutory old-age pension entered the labour market again and started working at least one paid job of a minimum duration of 3 months or occasional work. Among the reasons to re-enter the labour market, half (50.2%) indicated the enjoyment of work and being productive. The second most common reason was financial necessity or attractiveness (30.4%), and the rest mentioned other reasons (19.4%).

SECONDARY DATA WITH INFORMATION FROM STAKEHOLDERS' INTERVIEWS

One of the major challenges for elderly workers is adapting to fast-paced technology. Rapid technological changes create apprehension about inclusion in modern work processes. To help older workers, it's important to provide incentives that build on their skills and experience. Digitization and health issues also impact their motivation and ability to perform tasks. Understanding, intergenerational support, and additional training are crucial. Encouragement and assistance can counter their fears and self-doubt. Staying active in the workforce is key, but many workers over 55 are not used to the tools that can ease their workload. Supporting them in using these resources can enhance productivity and help them remain active and efficient.

Indeed, challenges faced by older workers vary significantly across industries. In manufacturing, mastering production automation and quickly acquiring new knowledge are crucial, requiring support to adapt to evolving technologies. In service industries, delivering fast, high-quality services is essential, necessitating investment in older employees. Physically demanding sectors, like manufacturing, pose challenges due to the intensity of the work. In the ICT sector, older workers need additional digital skills, which can be difficult for those over 55. Staffing gaps in elderly care and healthcare demand skills in caring for the elderly and sick. The nature and form of work greatly influence these challenges. For instance, healthcare has less physical burden due to a larger workforce, while social care, especially with elderly or dementia patients, is more demanding. Overall, the type and intensity of challenges depend on the specific industry and job requirements.

Preventive activities for mental and psychological health are becoming more common. Since a healthy mind resides in a healthy body, focusing on preventive healthcare can help older workers remain effective in their jobs. Prioritizing health prevention helps manage the challenges of a profit-driven society, balancing capital with empathy and respect for individual needs. For those aged 55 and older, who may lack the motivation and energy of younger workers, additional measures like employer subsidies are necessary. These measures depend on financial resources and tenders. Politics play a crucial role in shaping rights and policies, and there are significant gaps in legislation, system arrangements, and education, especially in healthcare and nursing. Addressing these gaps requires a systematic approach from high school through retirement.

There are likely projects encouraging employment of older workers, but the main incentive known is that employers pay lower contributions for workers over 60. No other major incentives are currently recognized. More could be achieved with sufficient resources and political responsibility. Improvements are being made, but social consciousness and legislation need to change to support this discourse. Employment of older workers could be encouraged with more vacation days, fewer working hours (even four hours a day), and flexible schedules. Allowing retirees to work while receiving their full pension and salary, rather than just 40% of their pension, would also be beneficial.

There are initiatives to address these issues, but the state and politics lack a long-term strategy. The focus should be on retaining our well-educated staff rather than relying solely on foreign labour. Maintaining our own workforce should be a priority. The state should proactively legislate to guide employers on training workers from age 40 to prepare them for later work life. As an aging society facing a labour shortage, it is crucial to keep older employees working longer. Early retirement leads to a loss of valuable knowledge and wisdom. Many larger companies already implement age management, changing perceptions about aging, managing knowledge, and developing health management tools. They design suitable work environments, maintain older workers' mobility and efficiency, and manage intergenerational relations. Transforming human resources management is necessary to address productivity, absenteeism, adaptability, and the working environment. Larger companies offer age ergonomics, intergenerational cooperation, flexible working days, and part-time work options. Occasionally, measures or subsidies are aimed at workers 50+.

Good practices exist in modern companies investing in personnel. When workers reach a certain age and their family obligations decrease, they appreciate being respected and welcomed at work. These workers stay physically and mentally healthy, contributing significantly without frequent absences. Success depends on individual attitude and a supportive environment, but such stories are rare in our health and social care sectors.

Collective agreements only define rights and do not incentivize employing vulnerable groups, especially older people. National projects aim to preserve the vitality of the elderly, but other incentives are lacking, except for those at the Employment Agency for different reasons. Measures to encourage and retain older workers and retirees, including

financial allowances, exist in various institutions like the employment office. However, our social health segment does not have a strategy for this.

Mikro+Polo from Maribor, a laboratory supply company, sets an example as they strongly encourage, regardless of age, relaxed functioning in the company, hybrid working hours from home, at work, everyone takes responsibility for quality work done. This is not usually the case in industrial companies, there is no listening, it is still not recognized that personnel capital is the biggest capital in the company, regardless of age. Certainly with additional understanding of the elderly, coordinating workplaces for the elderly, encouraging movement at the workplace, working from home, regular medical check-ups, socializing, trips, etc. The Employment Service of Slovenia, unit Kranj, has an average age of employees of 45+ years. They approach it openly, positively, in the same way as they advise and treat their users. What they teach, they also do. Partly because there are simply no younger candidates, and partly because they are aware of the value and wealth of the elderly. For as in the social healthcare trade unions, the unions are the ones who are actually taking some initiatives. They are trying to show some guidelines that should be followed so that these older employees can actually be motivated and activated in the end. But the readiness is not high, probably because of the burdens during the working life, the willingness of our older workers to extend, to work beyond the retirement age or conditions for early retirement is actually very small and rare.

The elderly naturally react more slowly, which can be a disadvantage for employers needing quick responses. However, teamwork between younger and older generations can bridge this gap. Older and younger workers can support each other, with older workers offering problem-solving experience and younger ones bringing speed and digital skills. Even less educated workers can master technology with training.

Older workers analyse and solve complex problems better due to their experience, while younger workers often make more mistakes due to speed and superficiality. Effective teamwork is crucial, ensuring all employees, regardless of their contribution, feel equal. Mentoring by older workers is important, encouraging and helping younger ones without being authoritarian.

Training in organization and prioritization is needed as some people, regardless of age, are naturally disorganized. Modern society's emphasis on speed has led to more errors and higher complaint rates. Companies need to teach conflict resolution and recognize individual differences to ensure a harmonious work environment.

The willingness and ability to acquire new knowledge should be encouraged as lifelong learning benefits everyone. Challenges should be seen as opportunities for growth, and it's important to teach appropriately to avoid burdening employees. Embracing different cultures and perspectives enriches the workplace. The arrival of foreign labour should not be a cause for apprehension but seen as an opportunity for mutual growth.