

# Challenges for an emerging civil society



The effects of the global crisis are beginning to be felt in this export-oriented country. They translate into rising food and energy prices, unemployment and poverty, and require a systemic response. This creates an opportunity to focus on human rights and environmental concerns, as well as on civil society issues that have been gaining momentum nationally. Slovenians therefore need to demand more from their Government than a mere boosting of the market.

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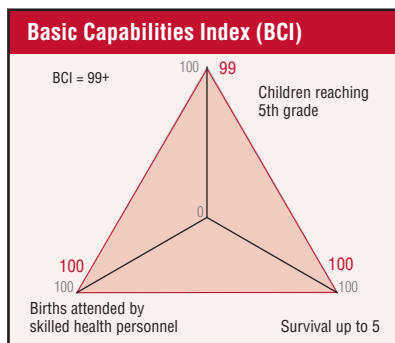
Warnings about a potential financial and economic crisis reached Slovenia in the second half of 2008, together with news of the collapse of important financial institutions, especially in the United States. The effects on the Slovenian export-oriented economy became apparent at the beginning of 2009, first among those working in the industrial sector but soon in all sectors as reduced purchasing power and difficulty in accessing credit led to lower demand in trades and services.

In fact, global food prices, degradation of the environment and climate change, as well as political bickering over access to energy were already leaving their mark in Slovenia before this. The average inflation rate in 2008, following a trend from 2007, was 5.7%. Food and beverages went up 3.8% while gas, energy and oil increased by more than 20%.<sup>1</sup> Although the changes in prices affected the whole population, people with minimal income were hurt the most.

## Unemployment

The trends in unemployment show the most detrimental and long-lasting effect of the crisis. Unemployment has risen in every region, primarily among people who were on short-term contracts. Data from February 2009 show very negative tendencies: 77,182 people were registered at the Employment Service, which is 4.4% more than in January 2008 and 15.2% more than in February 2008. It should be noted, however, that the actual number of unemployed people is substantially larger, since in the past few years tens of thousands have been erased from the statistics due to "breach of obligations" (usually failure to report or refusing work beneath their level of qualifications).<sup>2</sup>

Even more revealing are the figures for newly registered employment seekers. In the first two

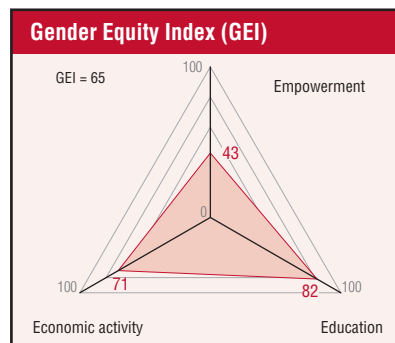


months of 2009 there were 21,052 new employment seekers – a rise of 83% compared to the same period in 2008.<sup>3</sup> Almost half of them were workers whose short-term contracts had not been extended. There has also been a staggering rise in the number of permanently unemployed – by almost 150% compared to the same period in 2008 – as well as those losing jobs due to bankruptcy, whose number has more than doubled (219%).<sup>4</sup> On average the individuals registered at the Employment Service have been jobless for almost 22 months.

## A feeble response

Attempts to combat unemployment have been inadequate. The Government passed a law on partial subvention of full-time employment in January 2009. The total sum for subventions is EUR 200 million (USD 261 million), and employers may apply for EUR 60 to 120 (about USD 78 to 157) per worker per month, depending on whether they shorten their working hours to 36 or 32 hours a week. However, experts, employers and trade unions all consider this measure insufficient.

For example, the subventions are too low to help those companies facing serious liquidity problems or the inability to maintain previous levels of production due to cancelled orders. They are also limited to a maximum of six months, although estimates suggest that the need will last much longer than that. Moreover, no subsidies are provided either



for the self-employed, who represent more than 10% of the working population, or for those who were already working part time such as people with disabilities. Another drawback is that the law does not set eligibility criteria based on business records, so companies not affected by the crisis may also be receiving subsidies.

Trade unions warn against possible abuses by employers, such as proposing annexes to working agreements that voluntarily lower their employees' wages, which means that they are still eligible for subsidies but can also reduce payment to workers due to shorter working hours.<sup>5</sup> Other abuses include shortening the work time but keeping the workload the same – workers are threatened and have to work unpaid overtime hours or with greater intensity and shorter breaks.

The Employment Service has published two additional public tenders that provide subsidies for full- and part-time employment in 2009 and 2010. Both are co-financed by the European Structural Funds. Extra points are awarded to applicants who wish to hire women or people with disabilities, and a higher amount can be claimed by those hiring persons who have been registered as unemployed for more than 24 months. An estimated 3,850 people should be employed full-time and another 400 part-time through these tenders. An additional amount has been made available for co-financing employers' professional training programmes for employees in order to increase productivity and workers' employability.

While the subsidies show the Government's concern with preventing massive lay-offs, it is also evi-

1 Statistical Office of the Republic of Slovenia. "Consumer price indices, Slovenia, December 2008". (30 December 2008). Available from: <[www.stat.si/eng/novica\\_prikazi.aspx?id=2098](http://www.stat.si/eng/novica_prikazi.aspx?id=2098)>.

2 See "Slovenia: On the erased side of the Alps", *Social Watch Report 2008*. Available at <[www.socialwatch.org/en/informesNacionales/619.html](http://www.socialwatch.org/en/informesNacionales/619.html)>.

3 Employment office of Slovenia. "Februarja registriranih 77.182 oseb". March 28 2009. Available at: <[www.ess.gov.si/SLO/DEJAVNOST/StatistichniPodatki/2009/0209.htm](http://www.ess.gov.si/SLO/DEJAVNOST/StatistichniPodatki/2009/0209.htm)>.

4 Employment office of Slovenia. "Zavod sklenil pogodbo o subvencioniranju z 41 podjetji". 30 March 2009. See: <[www.ess.gov.si/slo/Dejavnost/NovinarskoSredisce/NovinarskeKonference/2009/04-03-09.htm](http://www.ess.gov.si/slo/Dejavnost/NovinarskoSredisce/NovinarskeKonference/2009/04-03-09.htm)>.

5 KS90. "Subvencioniranje delovnega časa, vloga in ukrepi sindikata". 25 March 2009. See: <[www.sindikatsi.si/index.php?p=novice&id=183](http://www.sindikatsi.si/index.php?p=novice&id=183)>.

dent that all these measures have a very narrow range, in terms of both funds and timeframe. They do not demonstrate long-term planning or address structural problems but are merely a counter measure to the current situation. Permanent employment is not a requirement in any of them. This is very much in accordance with employers' demand for "greater flexibility" in the labour market – meaning more and more people employed on short-term contracts. This holds true also for applicants for state subsidies, who may lay-off their employees as soon as the subsidy runs out.

### Shifting headlines

With the decline in the economy, there has been a substantial shift in media attention. While issues of migrant workers (especially in construction) and the exploitation they faced (no contracts, inappropriate working conditions, low wages, racism) were featured in the media towards the end of 2008, their situation and the problems they face now there is little demand for their services have been swept under the rug. Headlines instead draw attention to financial difficulties in Slovenia's major companies.

Also, the media are used to make draconian measures more acceptable. For instance, they highlighted the announcement by the general director of the Chamber for Industry and Commerce that 30,000 to 50,000 people would lose their jobs in 2009: this does not help the workers but just legitimizes further lay-offs. The leading business journal, *Finance*, gave a similar estimate of 46,000 redundant workers. The numbers from the Employment Service are much lower, however: approximately 10,000 new employment seekers by the end of 2009.

### Poverty and social changes

The Human Rights Ombudsman addresses poverty as a problem needing to be urgently addressed,

since it is a multi-layered phenomenon that deeply affects human dignity. Although Slovenia declares in its Constitution that it is a "social state", more and more Slovenians are facing poverty. According to official data, 11.5% of the population lives below the EUR 500 (about USD 653) poverty threshold.<sup>6</sup> These statistics do not take into account the fact that the poor often experience human rights violations in the areas of social care, health and education.

There is increasing poverty both among the elderly who live on small pensions and among the youth. In fact, more and more young people are being raised with minimal opportunities for development, few incentives, low self-esteem, difficulties integrating into society and few job opportunities. Moreover, it is getting more and more difficult for young adults to start their own families, as they are unable to enter the housing market. A whole sub-class of people who feel unhappy, cheated and useless and who resent society is being created. New systemic approaches are needed: financial aid is not enough; it is mandatory to reassert values such as solidarity and community.

### Human rights and global issues

Lately, human rights have been gaining centre stage in the country. The new coalition Government, elected in 2008, has declared that respect for human rights, democracy, the rule of law, social protection and an open society are basic values. It also committed itself to change in light of the new challenges posed by global developments.

This is partly due to the impetus gained in 2008 by NGOs and related organizations<sup>7</sup> (together with attention to issues such as climate change, the Millennium Development Goals, the relevance of civil society and respect of human rights, as well as accountability of governmental institutions) when

Slovenia held the presidency of the EU. Raising more awareness about these issues, both among the public and civil servants, and the creation of links and forums where initiatives can be presented to the Government are needed to have a lasting effect.

Discrimination, disrespect of Constitutional Court rulings, slow judicial procedures, children's rights, social security and the pension and health systems are among the most common topics in complaints filed at the human rights bodies in Slovenia. According to the Human Rights Ombudsman the values that should guide society, especially in times of crisis, are human dignity, mutual respect, trust, honesty and willingness to help the vulnerable.<sup>8</sup>

### An open question

However, the question remains whether Slovene society, which in the past ignored human rights and environmental issues, will demand that their Government adopt a rights-based approach and effectively protect them or whether the pressing economic issues will take precedence. One example is the case of the so-called "erased" – non-ethnic Slovenes who were denied legal status after independence in 1991. The issue should have been settled, but successive governments have not respected the ruling of the Constitutional Court. Right-wing political parties oppose this ruling in fear of having to bestow large amounts of compensation on the victims.

In terms of the environment, wind power stations in protected areas, gas terminals in the sea and another coal-based power station are all being planned. If the responses to the current and manifold crises focus on reviving the economy and consumerism, issues such as environmental policy will continue to give way to plans for keeping jobs and boosting the market. ■

6 Statistical Office of the Republic of Slovenia. "Kazalci dohodka in revščine". 27 March 2008. See: <[www.stat.si/novica\\_prikazi.aspx?ID=2032](http://www.stat.si/novica_prikazi.aspx?ID=2032)>.

7 Although there is no legal definition of an NGO, in 2008 these organizations and the topics they advocate for gained ground thanks to Slovenia's EU presidency.

8 Human Rights Ombudsman. *Thirteenth Regular Annual Report of the Human Rights Ombudsman of the Republic of Slovenia for the year 2007* (Abbreviated version), 2008. Available from: <[www.varuh-rs.si/fileadmin/user\\_upload/word\\_in\\_PDF/LP-2007/LP07\\_ANG\\_-\\_za\\_splet.pdf](http://www.varuh-rs.si/fileadmin/user_upload/word_in_PDF/LP-2007/LP07_ANG_-_za_splet.pdf)>.