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Operational Programme for Human Resources Development for the Period 2007-2013

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TABLE OF CONTENTS

1 INTRODUCTION.....	5
1.1 PLATFORMS FOR THE PREPARATION OF THE OPERATIONAL PROGRAMME	5
1.2 PARTNERSHIP PRINCIPLE	6
1.3 EX - ANTE EVALUATION.....	11
2 SOCIO-ECONOMIC ANALYSIS	14
2.1 INTRODUCTION	14
2.2 SOCIO-ECONOMIC ANALYSIS PER DEVELOPMENT AREA WITH SWOT ANALYSIS.....	15
2.2.1 <i>Competitiveness of the Slovene economy</i>	16
2.2.2 <i>Labour market</i>	23
2.2.3 <i>Human resources development</i>	37
2.2.4 <i>Social inclusion and equal opportunities</i>	49
2.2.5 <i>More efficient and cost-effective state and administrative capacity of governmental and non-governmental sectors</i>	58
3 DEVELOPMENT STRATEGY	68
3.1 PAST EXPERIENCE.....	68
3.2 KEY OBJECTIVES, TARGETS AND INDICATORS	71
3.2.1 <i>Policy Context</i>	71
3.2.2 <i>Strategic objectives with quantified targets</i>	73
3.2.4 <i>Identification and justification of priority axes</i>	79
3.3 OP HRD PRIORITY AXES	83
3.3.1 <i>Promoting entrepreneurship and adaptability</i>	83
3.3.2 <i>Promotion of the employability of job-seekers and inactive</i>	92
3.3.3 <i>Development of human resources and of life-long learning</i>	96
3.3.4 <i>Equal opportunities and reinforcing social inclusion</i>	105
3.3.5 <i>Institutional and administrative capacity</i>	112
3.3.6 <i>Technical assistance</i>	124
4 COMPLEMENTARITY OF MEASURES: STRENGTHENING REGIONAL DEVELOPMENT POTENTIALS AND DEVELOPMENT OF RURAL AREAS AND FISHERIES	125
4.1 COMPLEMENTARITY WITH THE OP SRDP	125
4.2 DEMARCATION WITH RURAL AREA DEVELOPMENT	127
4.3 DEMARCATION WITH FISHERIES DEVELOPMENT	130
5 FINANCIAL PLAN.....	132
5.1 FINANCIAL PLAN OF COMMITMENTS BY YEARS.....	132
5.2 SOURCES OF FINANCING BY PRIORITY AXES.....	133
6 IMPLEMENTING PROVISIONS.....	134
6.1 DETERMINATION OF THE IMPLEMENTATION STRUCTURE AND COMPETENT INSTITUTIONS	134
6.2 EQUAL OPPORTUNITIES, NON-DISCRIMINATION AND SUSTAINABLE DEVELOPMENT	140
6.3 MONITORING AND EVALUATION	140
6.4 FINANCIAL FLOWS	144
6.5 INFORMATION AND PUBLICITY.....	145
6.6 ELECTRONIC DATA EXCHANGE BETWEEN THE COMMISSION AND THE MEMBER STATE.....	147
6.7 COMPLIANCE WITH THE COMPETITION AND PUBLIC PROCUREMENT RULES.....	147

ANNEXES	149
ANNEX 1 INDICATIVE BREAKDOWN OF THE COMMUNITY CONTRIBUTION BY OP HRD CATEGORIES	149
ANNEX 2. SUMMARY TABLE OF OBJECTIVES AND INDICATORS	152

INDEX OF SYNOPTIC TABLES

Table (1): Creativity index and its constituent parts (index of talent, index of technology and index of tolerance) per individual region
Table (2): Employment rate according to educational attainment of the population between 15 and 64 years
Table (3): Work active population per sector according to the Work Force Survey, Slovenia and EU, 1995, 2000 and 2005
Table (4): Extent of temporary employment in Slovenia
Table (5): Extent of part-time employment in Slovenia by age groups
Table (6): Comparison of unemployment figures according to the Work Force Survey and the register of ESS
Table (7): Unemployment rate by age groups (average annual values)
Table (8): Shifts in registered unemployment for the period 1995 - 2005
Table (9): Long-term unemployment rate and percentage of long-term unemployed people (data from the second quarter) in Slovenia
Table (10): Socio-economic indicators for cohesion regions and for Slovenia in the labour market
Table (11): Employment and unemployment rate per regions according to the Work Force Survey, 2005
Table (12): Registered unemployment rate per regions
Table (13): Frequency of inclusion in informal education and employment activities, in 2004
Table (14): Percentage of population between 15 and 25 years of age at all levels of formal education, secondary schools and undergraduate programmes
Table (15): Percentage of population between 25 and 64 years of age with tertiary education, together and by gender, in Slovenia, in the period 1995 - 2005 (second quarter)
Table (16): Socio-economic indicators for cohesion regions and for Slovenia
Table (17): Situation indicators for human resources in development regions
Table (18): Share of long-term unemployed in years, per regions
Table (19): Educational structure of the population, per regions
Table (20): Share of employed people in NGOs in Slovenia

INDEX OF TABLES

Table 1: Financial plan of commitments by years, in euros
Table 2: Sources of financing by priority axes, in euros

GRAPHS

Graph (1): Matrix of development for certain European countries
Graph (2): Matrix of development for individual Slovene region:
Graph (3): Average retirement age, gender separated, for age pensioners, from 1992 to 2006
Graph (4): Percentage of the population with at least secondary education, 2002, age group 25 - 64
Graph (5): Percentage of the employed with post-secondary education according to the activity, September 2003
Graph (6): Comparison in the realisation of e-services for EU-25 citizens

LIST OF ACRONYMS

WFS	Work Force Survey
GDP	Gross domestic product
NDP	National Development Programme of the Republic of Slovenia (2007-2013)
EIB	European Investment Bank
EC	European Commission
EAFRD	European Agricultural Fund for Rural Development
SPD	Single Programming Document (2004-2006)
EFF	European Fisheries Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
ICT	Information and Communication Technology
IS	Information System
CF	Cohesion Fund
MLFSA	Ministry of Labour, Family and Social Affairs
IPEC	Inter-Entrepreneurial Educational Centres
SME	Small and Medium-Sized Enterprises
MHEST	Ministry of Higher Education, Science and Technology
MPA	Ministry of Public Administration
SISPF	System for Internal Supervision of Public Finances
NSPRD	National Strategic Plan for Rural Development 2007-2013
NSRF	National Strategic Reference Framework 2007-2013
NGO	Non-governmental Organisation
OP HRD	Operational Programme for Human Resources Development for the Period 2007-2013
OP ETID	Operational Programme of the Environmental and Transport Infrastructure Development for the Period 2007-2013
OP SRDP	Operational Programme for Strengthening Regional Development Potentials for the Period 2007-2013
OP	Operational Programme
MA	Managing Authority
RSE	Renewable Sources of Energy
RDP	Rural Development Programme 2007 – 2013
OP FDP	Operational Programme for Fisheries Development
R&D	Research & Development
SDS	Slovenia's Development Strategy
SORS	Statistical Office of the Republic of Slovenia
GOSP	Government Office for Local Self-Government and Regional Policy
HRD	Human Resources Development
OEO	Office for Equal Opportunities
IMAD	Institute of Macroeconomic Analysis and Development
BSO	Budget Supervision Office of the Republic of Slovenia
ESS	Employment Service of the Republic of Slovenia

1 INTRODUCTION

1.1 Platforms for the preparation of the Operational Programme

The Operational Programme for Human Resources Development for the Period 2007-2013 (hereinafter OP HRD) represents a joint programming document of Slovenia and the European Union (hereinafter EU). The document, which first undergoes coordination between the Member State proposing it and the European Commission (hereinafter EC) adopting the decision on its confirmation, is later jointly implemented and financed by both partners. Slovenia will direct the available funds of the European Social Fund (hereinafter ESF), the European Regional Development Fund (hereinafter ERDF), the Cohesion Fund (hereinafter CF), and other financial funds of its own co-financing into the economic convergence of the state based on the criterion of sustainable development, primarily by improving conditions for growth and employment by investing into physical and human resources, innovative knowledge-based society, ability to adapt to the economic and social changes, environmental protection and effective management. In so doing, Slovenia strives to achieve the long-term vision and goals of its own development. General objective of the OP HRD is to achieve higher employment, social inclusion, higher quality of life and reduce regional disparities, which will be realised by increasing investment into humans whose human capital will ensure higher level of innovation, better employability and higher economic growth.

OP HRD is ultimately based on the Slovenia's Development Strategy (hereinafter SDS), which was adopted in the first half of the year 2005 by the Government of the Republic of Slovenia (hereinafter the Government)¹. In 2004, the Government also adopted the Preparation Plan for the National Development Programme of the Republic of Slovenia (hereinafter NDP), appropriately amended in the middle of 2005, and thereby defined the preparation of the NDP and strategic documents for the implementation of the cohesion policy of the EU in Slovenia based thereon. The Plan for the Preparation of the NDP anticipates from all the documents to serve as an expert groundwork for the preparation of the National Strategic Reference Framework (hereinafter NSRF), whereby the NSRF is more elaborate than the NDP in the area of the cohesion policy of the EU. The NSRF thus sets out a complex strategy for the use of the cohesion policy funds in Slovenia, incorporates the set targets and the anticipated effects and as such corresponds to a platform for the OP HRD preparation.

The placement of the cohesion policy in the implementation of the renewed Lisbon strategy is founded on Integrated Guidelines for Growth and Jobs and the National Reform Programme for the Lisbon Strategy Implementation based thereon, both representing one of the key strategic orientations of the OP HRD. The same is valid for the guidelines that were adopted at the European level solely for the cohesion policy area and are entirely consistent with the goals and principles of the Lisbon Strategy. The EC document referred to is entitled *Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines 2007-2013*² and lays down Community priorities that will receive support under the cohesion policy – from Structural Funds, the ERDF, the European Social Fund as well as the Cohesion Fund. The Community Strategic Guidelines on Cohesion and Integrated Guidelines for Growth and Jobs,

¹ Government of the RS; 30000-2/2005/2004, 23.6.2005.

² Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines 2007–2013, Brussels, 5. 7. 2005, COM(2005) 0299.

as well as the National Reform Programme all represent the key foundation which the Member States closely observe while preparing the NSRF and deriving the Operational Programme therefrom, which is particularly true of setting out the objectives and priority axes³.

The above definition lays down the legal status of the OP HRD at the EU level within the framework of the EU Council Regulation which regulates the implementation of the ERDF, the ESF and the CF. On these bases, the Operational Programme is defined as:

“... a document that is submitted by the member state and accepted by the EC and that defines the development strategy with a string of the fund's development priorities in order to achieve the objectives of the ‘convergence’ with the assistance from the fund...”

In planning the OP HRD, full regard was paid to the remaining appropriate standard foundations at the EU level and national level.

1.2 Partnership Principle

Being aware of the European³ and the national normative bases concerning the role of partnership in the procedure of preparing the OP HRD, a lot of attention was given to the creation of the spectrum of networks in order to form a close cooperation with partners - a Member State and the European Commission on the one side and all relevant stakeholders on the other (competent regional, local and other public authorities, economic and social partners as well as other relevant authorities which represent the civil society, environmental partners, non-governmental organisations and bodies, responsible for the promotion of gender equality, organisations for disabled people, etc.).

The partnership does not involve only the planning but also the implementation, monitoring and evaluation of the OP HRD. By recognising the principles of the European governance⁴ in developing cooperation network (openness, participation, accountability, effectiveness, coherence), a successful realisation of efforts for the preparation of the OP HRD is ensured and its further successful implementation as well. The implementation of the partnership principle within this framework is in the continuation necessarily associated with the recognition of subsidiarity and proportionality. The aforementioned is based on the present experiences and findings, in programming and implementation of national development and cohesion policy of the EU in Slovenia. The implementation of the partnership principle includes informing the partners (communicating the facts and presenting the key contents in the form of key messages for the partners) as well as consultations with the partners (creating and maintaining the networks). Where necessary, new instruments (of interactive form) have been created. Implementation of the partnership principle was performed by the GOSP on the one hand and by different governmental bodies (for example the Ministry of Public Administration (hereinafter MPA) for NGOs) within the framework of its specific areas and competences NGOs on the other.

The preparation procedure of the OP HRD was announced within the framework of the »Preparation Plan for the NDP of the Republic of Slovenia for 2007-2013«, which was adopted by the Government in the middle of 2004 and amended in the middle of 2005. The

³ Council Regulation on General Provisions on the European Fund for Regional Development, the European Social Fund and the Cohesion Fund (Article 10).

⁴ European Governance, the White Book, European Commission, Brussels, 25.7.2001, COM(2001) 428 final.

Preparation Plan of the NDP anticipates from the document to serve as an expert groundwork in the preparation of the NSRF which is more elaborate NDP in certain specific areas of the EU cohesion policy, its programmes being prepared as individual OP. From the time of the announcement of the OP HRD and until the publication of the draft document, active networks for cooperation between the partners were set up.

In the first half of 2006, the GOSP in cooperation with all the competent ministries and the institutions at the state level prepared a draft NSRF. The first draft of the OP HRD was being prepared almost simultaneously so that the first public draft of the OP HRD was published on 4 July 2006. It contained all the key programme contents and therefore presented the groundwork for an intensive exchange of opinions between the partners.

The continuation of the document summarises key activities within the framework of informing and consulting the partners for the time span preceding and following the publication of the draft OP HRD. The chapter concludes by presenting key contents that have resulted within the framework of implementing the partnership principle.

Cooperation between the partners before the publication of the draft OP HRD

One of the milestones for the commencement of the cooperation with the widest range of partners was the third Council Meeting on Sustainable Development (21 June 2005) by the central consultation body of the Government that was devoted to a dialogue with the civil society and social partners and was immediately followed by a public presentation in the Centre Evropa (Ljubljana, 22 June 2005), entitled »Programming of the Development and Cohesion Funds in Slovenia for the period 2007-2013«, where the assistants of the GOSP presented the preparation of the programming documents, where Slovenia would define the areas to receive development funds by.

A political speech on the New Financial Perspective of the EU followed. On the basis of known global distribution of the European cohesion resources for the period 2007-2013, a public presentation of the groundwork for the preparation of the NSRF and the OP (end of 2005) was made. In cooperation with the partners, more directed implementation of the partnership principle was enforced. Within the framework of these events, special meetings were organised with the representatives of the non-governmental organisations (hereinafter NGOs) (Ljubljana, 13 February 2006, mainly intended to review the NSRF) who voiced criticism about to date cooperation and at the same time proposed certain improvements (a systematic inclusion of the non-governmental sector in the implementation of the development projects, co-financing of the activities of non-governmental organisations,...). A letter was sent by the non-governmental side which drew attention of partners involved and the wider public to the position they had in the preparation of the documents (NSRF). However, with further activities, possibilities for a closer inclusion of the non-governmental sector were identified. With the aim of realising the agreements, a working meeting with the representatives of the NGOs was held which served as a review of the activities already carried out and contributed towards the formation of joint cooperation strategies in the future (prior to the presentation of the working material of the NSRF and the OP HRD).

Implementation of the partnership principle with the representatives of regional and local authorities (regional development agencies, municipalities) took place at a common level and individually. In the former case, first workshops were carried out where the aspects of the

preparation of the NSRF were dealt with (Logarska dolina, 21 January 2005). The said partners joined another event, where to date known platforms for the preparation of the NSRF and the OP were presented.

Just prior to the publication of the OP on the internet, consultations conducted by the Minister without portfolio responsible for local self-government and regional policy with his assistants was held. In the aforementioned way the consultation with representatives of the non-governmental organisations (hereinafter NGO) was organised with the help of the Centre for Information, Cooperation and Development of the NGO and with the representatives of economy and the research sphere, in cooperation with the Chamber of Commerce and Industry of Slovenia. During the first consultation a discussion was held in the field of sustainable development and HRD. The cooperation with the NGO sector was deemed satisfactory, but nevertheless did not meet the expectations of the NGO sector. The consultation with the representatives of the business and research sector (19 June 2006) drew attention to the need for concentrating the development resources and was at the same time concluded with unanimous satisfaction regarding the increased amount of resources for human resources development and with diversity and transparency of the proposed activities. The representatives of the economy likewise stressed the importance of the consistency between the modernisation of schools and the needs of the economy. The 4th Council Meeting on sustainable development (Ljubljana, 22 June 2006) also falls within the framework of implementing the partnership principle of the central consultation body of the Government that is intended for a dialogue with the civil society and social partners on all key questions related to sustainable development. At the aforementioned meeting, the partners, among others, became acquainted with the preparation of the OP HRD just prior to the publication of its draft and found that it gave satisfactory answers to challenges posed by HRD, the competitiveness of the economy as well as sustained equal opportunities and reinforcement of social inclusion. The representatives of the NGOs were critical, believing that too small a share had been foreseen exclusively for the needs of their sector, especially for strengthening administrative competences and capacities (employment in the NGOs). The said event therefore completed a cycle of cooperation with the widest circle of partners.

Within the framework of the preparation of the NSRF and the Operational Programmes based thereon, an official web page (<http://www.svlrsp.gov.si/index.php?id=1182>) was created, which offered information on events and on the OP HRD content preparation, for all the stakeholders. The information is also available at the web site of the EU funds (<http://www.gov.si/euskladi/>). Within the information measures framework, press conferences by the minister responsible for local self-government and regional policy were held, where the OP HRD was presented. Therefore, an e-mail address was published at this web site, where suggestions, comments and questions relating to the content of the OP HRD could be made known (gorazd.jenko@gov.si).

One of the first big partnership events - a consultation with the representatives of the governmental bodies took place in Brdo pri Kranju, on June 27, 2005. In this way the governmental bodies were acquainted with the platforms of the preparation and invited to creatively participate in the preparation of the NDP, the NSRF and the OPs. In addition to numerous bilateral meetings with the representatives of the governmental bodies, two wider consultations were organized prior to the announcement of the OP HRD draft. The key identified governmental bodies for the preparation of the OP HRD were: the Ministry of Family, Labour and Social Affairs, the Ministry of Public Administration, the Ministry of Education and Sport, the Ministry of Higher Education, Science and Technology, the Ministry

of Culture, the Ministry of the Economy, the Ministry of Health, the Ministry of Legal Affairs, the Ministry of Finance, the Institute of Macroeconomic Analysis and Development, the Government Office for Growth, the Office of the Prime Minister. The aforementioned governmental bodies contributed content bases for the preparation of the OP HRD.

Cooperation between the partners after the publication of the OP HRD

After the publication of draft OP HRD, the cooperation activities between the partners further intensified. One of the key events was the 5th Council Meeting on sustainable development (Ljubljana, 28 September 2006) of the central consultation body of the Government that is intended for a dialogue with a civil society and social partners on all key questions regarding sustainable development, and which also discussed the draft OP HRD. In terms of wider approach, exchanges of opinions and proposals were realized between more representatives of different NGOs and representatives of the GOSP (for example: Ljubljana, Information Centre of the Council of Europe, September 21, 2006), where one of the key conclusions was that the openness of the OP HRD and its improved contents were deemed satisfactory, whereas the issue of administrative capacity of the NGO sector and ensuring the liquidity assets were further deemed as unsolved. Furthermore, expectations for a strong institutional support from the Government and a need for a significant increase of available means for this sector were also expressed. One of the key conclusions was that the promotion of social entrepreneurship was also expected to be included into the framework of the promotion of entrepreneurship. That the OP HRD envisaged to place within the OP SRDP. Agreement was expressed that the aforementioned content was a logical part of the priority axis of promoting entrepreneurship and was to be complemented by the contents of the OP HRD. Social partners likewise threw light on the need to ensure adequate support via sufficient amount of funds for their institutional strengthening and close cooperation in the OP HRD implementation (for example at the meeting at the Chamber of Craft on 13 February 2007). This was particularly expressed for the training of the personnel, introducing flexible forms of work, activity in the economy, on-the-job training and modernisation of programmes in the education system.

The partnership with the representatives of the regional and local bodies (regional development agencies, communities) also belongs to the framework of focused cooperation. In this way, a consultation was organised, conducted by the Minister without portfolio responsible for local self-government and regional policy with assistants (Celje, July 21, 2006). Special attention was paid to the priority axis Development of Regions, which aims at ensuring the implementation of development initiatives in accordance with the bottom-up approach and including as wide a set of activities as possible (without overlimitation by the State). The representatives of regional and local authorities touched upon HRD as well and expressed satisfaction over the concept of OP HRD as well as the openness of suggested activities and supported growing connection between the education system and the training on the one side, and educational sphere and the economy on the other. Partnership events with the representatives from regional and local authorities followed at different intervals until mid-January 2007 (for example, RRA Koroška, Dravograd, January 12, 2007). The meetings that were held in the completion phase of the preparation of the OP HRD and other programming documents mainly brought concrete contents for future implementation of the OP HRD (for example, the implementing structure) and proposal of the procedures for future preparation of the implementing documents. The representatives of local and regional bodies organised special events aiming at presenting and discussing the programming documents for the implementation of the cohesion policy of the EU in Slovenia in the financial perspective

2007 – 2013 with an emphasis on HR (Kranj, 22 November 2006, »The importance of partnership cooperation for the implementation of the projects in the area of human resources development in the Gorenjska region for the period 2007 - 2013«, Žalec, 12 December 2006, »Together in the future«, Partnership in the future: Partnership, yesterday, today and tomorrow«) where the participating institutions from regional (HRD institutions, employer's representatives, representatives of the Employment Service of the Republic of Slovenia (hereinafter ESS) and so forth) supported orientation, the contents and the principles of the OP HRD and other documents for the implementation of the cohesion policy in the Republic of Slovenia

Press conferences were held with a view to disseminating information; one of these was a specific press conference, where the operational programmes were presented as the base for the absorption of the EU cohesion policy funds in the period 2007-2013 (Ljubljana, 11 June 2006). The representatives of GOSP presented the OP HRD at other specific events as well (such as for example expert consultation upon Days of Slovene Adult Education Centres, 4 and 5 December 2006). The discussion at these events was most often connected with the content of the OP HRD, and especially with the HRD and life-long learning. Quite a few different partners submitted their proposals, remarks and questions to the websites and e-mail addresses after the announcement of the OP HRD, which can be summed up under the following points/proposals:

- supporting the integration of life-long learning at various levels and for the widest range of beneficiaries, for employed and unemployed people
- developing innovative approaches to accompanying activities for people disadvantaged in the labour market and stimulating inactive people towards active job-seeking;
- creating and forming appropriate scholarship schemes;
- establishing the area of life-long career orientation and counselling as a pillar of activity in various fields (schools, companies, various centres, NGOs, interest associations...) by setting up a central »point« (necessity to decentralise on the one side and set quality standards on the other);
- urgency for immediate legal definition of social entrepreneurship as an additional and until now unexploited instrument in the labour market, thus ensuring a modern social state;
- current implementation of the principle of equal opportunities, including gender equality, which is introduced as a horizontal theme In the process of amending the proposal OP HRD, the fourth priority axis was complemented with equal opportunities;
- visible activities for migrants, refugees and other vulnerable groups within the framework of the fourth priority axis;
- active inclusion of NGOs in the preparation and implementation of the OP HRD at a general level (consultations) and as more specific one (special meetings), observing the principle of transparency of the document, NGOs will play an active role in the implementation of a great many activities;
- the area of the implementation is, in accordance with the agreement between GOSP and the partners, appropriately defined since it takes into consideration national as well as local or regional development proposals;
- the implementation area of the OP HRD follows the principle of a simple implementation system that does not include unnecessary bureaucratic procedures that would complicate or slow down the implementation for the end- user (all within the appropriate standard frameworks).

Partnership activities in different forms (meetings with various target groups) were performed after the public (electronic) debate was closed.

Partnership events with the representatives of governmental bodies that were carried out during this phase of the preparation of the OP HRD were, aside from a series of bilateral events, in terms of the contents concentrated on the priority axes of the OP HRD. In such instances the governmental bodies submitted amendments and corrections to already forwarded material for the preparation of the OP HRD. Particularly extensive was the work of the Ministry of Public Administration, which, in the framework of its own engagement in the activities of cooperation with the representatives of the NGO sector, forwarded special material that included comments and opinions on various drafts of development programmes including the OP HRD. One of the crucial events in this stage was the organisation of an operational meeting with all the ministries involved in the implementation of the EU cohesion policy in Slovenia in the upcoming financial perspective, where the final OP HRD draft was made known and the implementing guidelines to follow on the basis thereof (Ljubljana, 11 December 2006). Since GOSP was of the opinion that the principle of partnership had to be continually implemented also in the phase of the preparation of the OP HRD implementation, such activities took place also at the beginning of 2007, when bilateral meetings were held with all the relevant ministries involved in the future implementation of the OP HRD. All unsolved questions were addressed and the guidelines were specified for the preparation of the implementing documents. Within the framework of bilateral and context specific events the meeting with the Office for Growth was of particular significance, since coordination and demarcation between the Resolution on National Development Projects 2007-2013, the OP HRD and other strategic documents for the implementation of the EU cohesion policy in Slovenia was agreed upon. In terms of the implementation of the partnership principle, a presentation and the deliberation on the NSRF and the operational programmes for the implementation of the EU cohesion policy in Slovenia was held at the competent committee of the National Assembly of the Republic of Slovenia (Ljubljana, 15 December 2006). The competent committee of the National Assembly of the Republic of Slovenia rendered a positive opinion on the proposed draft documents. Prior to this event, the National Assembly group GLOBE Slovenia in the National Assembly of the Republic of Slovenia held a discussion on the NDP as well as on NSRF and operational programmes based thereon (Ljubljana, 14 November 2006).

1.3 Ex - ante evaluation

The purpose of ex-ante evaluations is to optimise the disbursement of resources according to the Operational Programmes and to improve the quality of programming. The evaluation establishes and assesses the medium and long-term requirements, the objectives to be achieved, the anticipated results, the measured objectives if a compliance of the proposed strategy is necessary for the region, the Community value-added, the extent of abiding by the priorities of the Community, the new knowledge gained from the previous programming and the quality of the implementation, monitoring, evaluation and financial management⁵.

Within the framework of the responsibilities and the competences of the GOSP, in the preparation and coordination phase of the OP HRD with the EC, the prescribed procedures for

⁵ Council Regulation (EC) on the general provisions on the European Fund for Regional Development, the European Social Fund and the Cohesion Fund (Article 47).

the ex-ante evaluation of the OP HRD were carried out upon the commencement of the procedure for preparing the OP HRD⁶.

The ex-ante evaluation is a process intended for establishing the programme adequacy by considering the needs and the programme frameworks for each individual programme separately. It is intended for understanding the process effectiveness for individual programme proposals and for understanding the result of effectiveness which will be created with the implementation of the programmes. The assessment will especially consider the applicability and the sustainability of the results.

The body performing ex-ante evaluation of the OP HRD assured assistance and readiness for a continuous contents and organisational coordination with the GOSP and other relevant bodies (the ministries, the governmental offices) in the preparation of the OP HRD. It participated in the preparation of the OP HRD with the representatives of the GOSP and other bodies involved in the preparation of the OP HRD, at organised bilateral and joint meetings with the representatives of competent regional, local and other public bodies, with business and social partners and with other relevant bodies representing the civil society - with the NGOs and bodies responsible for promoting gender equality, etc. Certain changes were proposed regarding the content and procedures and were later included in the proposed version of the OP HRD. The consideration of the proposals in the analytical, the strategic and the implementing part of the OP HRD proposed contents need to be stressed out in particular.

Strategic environmental assessment

During the process of drafting OP HRD, the GOSP notified the Ministry of the Environment and Spatial Planning on July 4, 2006 of its intention to draft the OP. The Ministry deliberated on the matter, fully observing Directive 2001/42/EC of the European Parliament and of the Council on the assessment of the effects of certain plans and programmes on the environment that had been transferred in the Slovene legal order.⁷ Furthermore, the Ministry obtained opinion from the part of the Institute of the Republic of Slovenia for Nature Conservation, which deemed that impact assessment of plans on the protected zones did not have to be carried out. Given the nature of the activities promoted by the ESF, i.e. the promotion of immaterial activities related to human resources development, this OP does not set the framework for operations likely to have significant environmental effects, as this is usually the case with infrastructure projects (especially the ones listed in Annexes I and II of Directive 85/337/EEC). Having regard to the submission of the GOSP, to adequate normative bases and the opinion of the Institute of the Republic of Slovenia for Nature Conservation, the Ministry rendered the decision that strategic environmental assessment was not required during the OP HRD preparation phase. Notwithstanding the abovementioned, the impact of the OP HRD on environment and sustainable development has been considered within the ex-ante evaluation. Information related thereto is available on the website of the managing authority (www.svlr.gov.si).

⁶ Council Regulation (EC) on the general provisions on the European Fund for Regional Development, the European Social Fund and the Cohesion Fund (Articles 47 and 48).

⁷ Environmental Protection Act (O.G. RS, No. 41/04, 20/06, 39/06), Decree on the Environmental Report and the Environmental Impact Assessment of the Effects of Plans (O.G. RS, No. 73/05), Decree on the Types of Interventions Subject to Environmental Impact Assessment (O.G. RS, Nos. 66/96, 12/00, 83/02), Decree on Special Protection Areas - NATURA 2000 areas, (O.G. RS, Nos. 49/04, 110/04), Rules on Acceptability Assessment of Plans and Interventions in the Protected Areas (O.G. RS, No. 130/04, 53/06).

Implementation of ex-ante evaluation of the OP HRD

In the preparation of the OP HRD ex-ante evaluation, the performer of the evaluation submitted two reports on the evaluation of the OP HRD which are available at http://www.svlr.gov.si/si/delovna_podrocja/podrocje_evropske_kohezijske_politike/.

The general finding of the first report concerning the compatibility of the OP with the Regulation provisions was the one of lack of all the contents provided for by the Regulation and thus the need for appropriate amendment and coordination therewith. The second report established that the drafter appropriately amended the OP, the latter therefore being in compliance with the required content.

The findings of the first report on the evaluation of socio-economic analysis showed that the latter did not encompass all relevant areas the ESF promotes, which made the evaluator propose that analysis be amended with the missing areas. The SWOT analysis evaluation was likewise proposed, since strengths, weaknesses, opportunities and threats were at times incompatible. Later findings showed that the analytical part of the OP HRD was appropriately amended (situation analysis was complemented with the SWOT analysis) in terms of the areas covered by the ESF as laid down in the Regulation. Such an analysis allows an evaluation of the priorities and areas agreed upon, if the available data are taken account of.

The findings of the first report on the evaluation of rationality, strategy justification and internal compatibility of the programme showed that the comparison of the situation analysis with priority axes pointed to specific areas lacking comprehensive analysis, which did not allow of certainty that certain axes, guidelines and activities met the actual needs in the labour market, education and public administration. The evaluator suggested that the activities connect per content or functions and proposed a structure of priority axes and main types of activity, thereby reducing their number and improving their transparency. The amended version of the OP had a more concise and transparent definition of activities, whereas co-financing was ensured at the same time. The drafter therefore considered the recommendations, with the exception of the one that included "Promotion of social inclusion" in other priority axes, believing that special measures needed to be guaranteed for vulnerable target groups.

Moreover, the drafter renamed the fourth priority axis into "Equal opportunities and social inclusion" and also took into consideration the warning regarding doubling of priority axes and main types of activity.

Findings of the first report dealing with the conformity of the programme with national policy and national strategic guidelines were the following: it was established that priority axes, main types of activity of the OP HRD were in compliance with the goals of the Lisbon Strategy, Community strategic guidelines and the NSRF. The evaluator thus concluded that the drafting of the OP was in accordance with national policies and guidelines, but was not able to claim that the OP pursued the set goals of major development policies and guidelines solely on the base of the conformity, since the conformity involved the content and was not based on indicators which were not defined in the said version of the OP. Eliminating the deficiency by supplementing the indicator system, the evaluator agreed that the extent of priority axes of the OP HRD was adequately defined.

The evaluation drew attention to insufficient elaborateness of the principle of equal opportunities. The area is clearly and transparently defined in the new version. The renaming of the priority axis was further required, since the framework envisages direct financing of activities that contribute to this goal.

The first report on evaluation of the anticipated results and impacts established that there were some shortcomings regarding clearly defined goals and indicators. The evaluator proposed to correct the indicators.

The findings of the first report on the evaluation of the proposed implementation system showed that the management and monitoring system were devised on the basis of previous good experiences, which renders the system appropriate for the forthcoming financial period. The second report confirmed the principle of partnership to have been included in all phases of the OP drafting. The OP HRD initially insufficiently defined the responsible body for making payments to the beneficiaries. The implementing documents should clearly provide for all functions of the bodies in line with the Commission Regulation, traceability of financial responsibility and financial flows, overview of structures and their rationality, overlapping of responsibilities and tasks. The amended OP version eliminated the abovementioned deficiencies.

On the basis of ex-ante evaluation the final report concluded that the OP HRD is acceptable providing that proposed recommendations be taken into account.

2 SOCIO-ECONOMIC ANALYSIS

2.1 Introduction

HRD is necessary if we wish to achieve higher growth and economic competitiveness that sustain the prosperity of the population. From this viewpoint, the activities in the HR area need to find solutions and implement instruments and programmes that will address the challenges presented by the labour market, life-long learning, technological development and sustainable development (natural and cultural heritage). For this purpose, the programmes and the instruments will support the adaptability of individuals and companies and will stimulate the integration into the labour market, social inclusion, knowledge for development and life-long learning, institutional capacity, dialogue with the social partners and support to NGOs. At the same time, they will enable the development and the implementation of pilot programmes and the assessment of individual policies.

Analysis of the situation of the development areas arises from the preparation process of the Slovenia's Development Strategy (hereinafter SDS and the National Development Programme (hereinafter NDP), the Reform Programme for the Lisbon Strategy and the Framework for Economic and Social Reforms for Slovenia's prosperity as well as other analyses and recommendations made by the social partners and other institutions. Analysis of the situation is primarily focused on the labour market and on life-long learning area, and on the description of other individual areas by defining strengths and weaknesses of an individual development area.

2.2 Socio-economic analysis per development area with SWOT analysis

Demographic trends

Demographic characteristics represent one of the biggest challenges and circumstances that have an impact on virtually all aspects of human resources development activities. Slovenia has, similarly as other EU Member States, experienced a considerable decline in fertility, the same going for mortality. The number of the population, which was well on the increase after World War II and surpassed 2 million according to the data of the 1991 Census, fell to 1,982,000 in 1998. Decline of the fertility below the level of ensuring easy population renewal in the beginning of the 1980s was further brought about by the political and economic transition which the state found itself in. The slowing trend of mortality was first on the decrease, but restored after the economic growth in the second half of the previous decade. In fact, it did so to the extent that life expectancy has been on the increase ever since. Average male life expectancy in 2005 stood at 74.1 years and at 81.3 years for women, so that lagging behind the EU-25 average in terms of life expectancy was considerably decreased. Mean migration growth was lower than in the 1980s, mostly due to political changes, unfavourable employment conditions and high national unemployment rate. Considering the slowing down of mortality and the decline in the fertility, which had been a trend ever since 1979, the second half of the 1990s experienced negative natural growth. Despite the fact that migration growth has been annually positive since 1993 (with the exception of 1998), the number of the population was on the decrease until 1998⁸ according to the population register data; since then the population has experienced a slow but steady growth and reached over 2 million in 2005. The abovementioned trends have entailed a considerable difference in the population age structure. While the share of infants/children has decreased, the share of work active and older age groups has augmented. The process has been slow due to relatively extensive demographic losses during both World Wars, so that Slovenia is still behind the EU average in terms of older age groups share, however, the phenomenon may pose an issue to be tackled in some ten years to come, when the generations born after World war II will have become a part of the extensive older age group and the children and work active population structures will have reduced due to low fertility in the post-1980s period. The ratio between the work active population (15-64 years) and older age group (65 years and above) which currently stands at 5:1 (Kraigher, 2005; Eurostat, 2005, Development Report 2006) will have fallen to 4:1 by 2013, to less than 3:1 after 2020 and after 2040 it is estimated to stand at only 2:1. These trends are very important for the young generation not just because of intergenerational solidarity, but also because of economic development, which requires enough well-trained personnel. Namely, number of young will be reduced by 50.000 by 2050 (those up to 14 years old), which will reflect itself in the numbers of educated people. Projections show, that number of those attending secondary school will be reduced (from the current 100.000 to 78.500 already in 2013), while the number of students will continue to increase for some time, but will also be significantly reduced by 2020 and especially by 2050.

⁸ Official statistical data relating to the population and statistical data relating to the migration are methodologically inconsistent.

2.2.1 Competitiveness of the Slovene economy

The central objective of the EU Lisbon strategy and of the SDS is a faster economic and employment growth for a better prosperity of the population. Economic growth can only be realised via competitive economy, and in order to improve the competitiveness of the economy, certain factors are required, such as knowledge transfer, its use and marketing, which can all be summed up under the collocation innovative capacity. The latter is the pre-condition for, however, it is not conducive to the improvement of competitiveness if lacking useful value and realisation in the market. The countries, known to be knowledge and innovation-based, intensively invest into R&D, have public research and educational sectors and economy closely intertwined, boast a high share of innovative enterprises, high qualified labour force and adequate ICT infrastructure with support institutions. The situation analysis regarding the economy competitiveness thus mostly focuses on the factors that proved competitive in comparable countries. The chapter analyses the following fields:

- information communication technologies:
- knowledge and research and development,
- technological development and innovation
- entrepreneurship and aspect of gender equality
- competitiveness of the Slovene regions.

One of the key basic indicators of the competitiveness of the economy is value-added per employee in the economic branches. According to this indicator, Slovenia in its work productivity falls heavily behind the EU average since the EU-25 average added value per employee is EUR 75,000, but in Slovenia amounts to mere EUR 24,180. The least productive are the micro enterprises which achieve only 73.6% of the Slovene productivity average.⁹

Information communication technologies

One of the backbones of increased productivity is investing into information and communication technology (hereinafter ICT). 40% of productivity growth (0.7 to 1.4 % of GDP), in the 1995-2000 period when the ICT industry generated 8% of GDP of the Member States, resulted from ICT. Differences in the efficiency of the economy in the developed states can, to a large extent be explained by the level of investment into ICT, by the extent and efficiency of investments into research in this area and by the competitiveness of information industry.

Access to broadband networks or services enabling faster development of information society is of fundamental importance for such development. In the Slovene urban settlements with a high concentration of users and in the vicinity of main telecommunication junctures of providers it is possible to choose among providers of different types of broadband access. Outside urban settlements, the situation is different since there is less or nothing to offer due to weak infrastructure and absence of commercial interest. In the first quarter of 2006, 54% of all Slovene households had access to the internet. In densely populated settlements, 64% of population could access the internet, in medium populated settlements the percentage amounted to 49%, whereas in sparsely populated settlements 50% of the population had access to the internet. Of these, 37% had narrowband connection to the internet, 34% broadband and 24% had wireless connection to the internet. Among enterprises with 10 or more employees, 96% had access to the internet and 62% of enterprises with 10 or more

⁹ Slovene Entrepreneurship Observatory 2004, Part 2.

employees had their own web page. Improvement is also noticeable in the use of broadband connections to the internet which enables better quality of data transfer.

By ensuring appropriate telecommunication infrastructure, the success of development of the information society will be measured with the availability of and accessibility to various e-contents and e-services. Increased demand for better and faster communication, equipment and services of digital industry and other contents (content industry) considerably stimulates the development of ICT and other development potentials in a digital society which to a large extent depend on successful integration of technology and managerial skills on the one side and of contents and creativity on the other. Development of digital contents and services is relatively new in Slovenia and does not fully function. However, with favourable economic conditions it will flourish and create numerous new jobs not only for information experts but especially for people with education in sociology, humanistic or art studies in so called »creative industry« (culture, tourism, etc.). E-contents and e-services provide important incentives for non-economic activities and at the same time contribute towards the development of economic activities and tourism. Access to e-contents and electronic services (e-accessibility) will also have to be provided for people with special needs, senior citizens and to other population groups that face the risk of being neglected given the fast advancement of ICT in all walks of life and activities.

Knowledge and research and development

Considering the share of expenditure for research and development (hereinafter R&D) in GDP (1.45% of GDP in 2004) Slovenia achieved 78% of the EU-25 average (1.86% of GDP in 2004).¹⁰ In 2004, the state financed national expenditure for R&D in the amount of 0.44% of GDP or in the amount of 0.46% GDP considering public resources from abroad, which is only 46% of the Barcelona target of 1% of GDP for public investment into R&D by 2010. The investments of the business sector into R&D in 2004 stood at 0.85% of GDP or 43% of the Barcelona target of 2% GDP for the business sector by 2010. In 2004, the total expenditure for R&D activities amounted to EUR 378.58 million, which is a 241% increase when compared to 1995. Of this sum, the business sector invested EUR 253,555 million, which is 66.98% of all expenditure. The government sector invested 19.83% of funds whereas the higher-education sector invested 12.92% of all expenditure. The rest of the resources were invested by private non-profit sector. According to the above data and the data of the Statistical Office of the Republic of Slovenia (hereinafter SORS), noticeable increase in the expenditure for R&D can be observed, however, the increase still lags behind the developed EU Member States and needs to be intensively stimulated. The investments into R&D are below the expectations in terms of the Barcelona goal, while a more acute issue represents inadequate efficiency of these investments. The problem is especially pronounced in the lack of connection in the functioning of public research organisations with the needs of the economy, especially with the specific needs of the local environments and their economies. The same holds true for higher-education system.

Considering human resources in R&D, i.e. the percentage of the researchers amongst the employed, Slovenia has recently somewhat regressed. According to this indicator, in 2000 Slovenia achieved good 87% of the EU average, but only 67% in 2004. However, positive changes are noticeable in the distribution of researchers in the employment sectors, where the percentage of researchers employed in the business sector has increased from 31.8% in 2000

¹⁰ Unless otherwise specified, the source of information on R&D and innovation is the Eurostat database New Cronos, available at the website of the Statistical Office of the European Communities.

to 41.1 % in 2004. Considering absolute values, the number of researches in the business sector has, in the last few years, increased and in other sectors decreased. Despite favourable shifts, the percentage of researchers in the business sector is still lagging behind the EU-25 average percentage (49.2%), and even more so behind some of the most developed Member States of the EU where the average percentage amounts to around 60%.¹¹ Additional problem is unsatisfactory educational structure of the researchers in the economy. In 2004, among the researchers there were only 4.7% of them holding a doctorate in science (52% with university education) when compared to 24.8% of researchers holding a doctorate in science (67% with university education) amongst the total number of researchers in the state. Strengthening knowledge in the economy is necessarily connected with investments in development. It is also linked with the level of productivity and of economic innovation. Use of knowledge in the innovation represents one of the key sources of value-added of products and services, which is the foundation for a competitive, knowledge-based economy.

Knowledge is generally considered as one of the key factors of the competitiveness of modern economy. If we are to focus on processing activities, the educational level raises concern. Enterprises in Slovene processing industry have on average 11.5% of employees with at least higher education, 21.7% of employees with secondary school education and 66.8% employees with less than secondary school education. Despite being preponderant in number among the graduates in Slovenia, women are rare in high positions in science and development. In accordance with the Lisbon and Barcelona goals as well as the goals of equal opportunities policy in Slovenia, the issues of greater mobilisation and role of women in science should be tackled, and at the same time gender mainstreaming approach, particularly in R&D policy, should be reinforced by systemic stimulation of gradual increase in R&D HR as well as by a balanced representation of both genders in the entire economy.

According to the data on the employed in R&D activity¹² in 2005, 12,600 persons worked in this field (researchers, operating personnel and others) of which 4,916 were women (39.02%). The number of researchers employed in R&D activity amounted to 7,466, the share of women being 34.79% (2,569). The situation has somewhat ameliorated in comparison to 2004¹³ (total of 10,294 persons, 3,862 women – 37.52%, 5,959 researchers, 1,948 women – 32.69%).

Technological development and innovation

The abovementioned elements result in weak innovation of the Slovene enterprises: only a fifth of enterprises are innovation active, which places Slovenia amongst the last four Member States of the enlarged EU. Important indicators pointing to ineffective investments into R&D and a weak transfer and use of knowledge are a small number of patents and a low share of export of high-tech products. Slovenia is less successful in the domain of technologic productivity of researches and when it comes to the application of the R&D activity results for faster economic and social development. The same holds true for the higher-education system. Ineffectiveness of knowledge transfer into the economy is also shown by the export of high-tech products in comparison with the total national export.

According to the SORS, there were EUR 325,355 million invested in the innovation activity in 2002. Entities registered as processing activities invested most in innovation activities of which the most numerous were entities registered for manufacturing coke, oil derivatives,

¹¹ Towards a European Research Area: Science, Technology and Innovation: Key Figures 2005

¹² Source: SORS, R&D activity 2005, 19.1.2007

¹³ Source: SORS, R&D, science and technology no.1 of 27.12.2006

nuclear fuel, manufacturing of chemicals, chemical products and plastics material (total EUR 69.7 million) and entities registered for the manufacture of electrical and optical equipment (total EUR 59.9 million). Large enterprises are known to invest most into innovation activities – 71.5% of all investments (data for 2002). They are followed by medium enterprises with 19.38% and small enterprises with 9.05% of investments into innovation activity. In 2002, 21% of all enterprises were innovation active. Innovative enterprises have an income by 6% larger and the share of export by 34% larger than non-innovative enterprises. Small innovative enterprises account for 15.2% of all employees, in medium-sized enterprises there are 36.7% of the employees and as many as 73.5% in large enterprises. The largest difference between innovative and non-innovative enterprises with respect to the productivity (income per employee) for small enterprises stands at 40.9%, at 10.3% for medium enterprises and at mere 3.6% for large enterprises, the differences, however become larger when taking into account value-added.¹⁴ There were 344 patent registrations in Slovenia in 2005, which is by 119% more than in 1998.

Entrepreneurship and aspect of gender equality

According to the analysis of Global Entrepreneurship Monitor 2006 (GEM), the number of entrepreneurs has increased in Slovenia; however, findings have shown that in comparison to other GEM countries, the difference in number of male and female entrepreneurs still persists. The discrepancy is particularly pronounced in terms of inclusion of men and women into entrepreneurship in the group of business start-ups¹⁵ in the ratio 3.7:1 to the benefit of men, and decreases to 3:1 taking into account the entire early entrepreneurial activity¹⁶. The majority of women undertake entrepreneurial activity in the 35-44 age group where their ratio considerably evens out (1.7:1), whereas the greatest difference is seen in the 18-24 age group, where the ratio reaches high: 13.8:1 to the benefit of men.

The differences in Slovenia are not to be attributed to personal reasons according to GEM 2006, but are rather of infrastructure nature: work overload and lack of support in the family, shortage of adequate jobs for quality (mostly afternoon) childcare, absence of support mechanisms paying special attention to specific needs of female entrepreneurs. Slovenia generally embraces female entrepreneurs, and the researches have shown that not only the entrepreneurs but also the public in general are of the opinion that women are equally qualified as men. What brings about the prevalence of men in the field of entrepreneurship are the little barriers that cumulate and hinder the women from progressing. The positive attitude towards female entrepreneurship should thus be fostered and complemented by a number of measures facilitating the inclusion of women in entrepreneurship, particularly in the field of:

- education and professional orientation which do not work in favour of independent entrepreneurial activity
- role models who could act as mentors to aspiring yet less experienced women
- recognition of women as equal business advisors
- disburden women of other social roles, in particular of the ones of housewives and mothers

¹⁴ The research did not identify the difference given that the profit and loss account does not incorporate value-added. The latter would have to be calculated for each case separately, which was impossible for SORS to conduct.

¹⁵ Entrepreneurs having undertaken activities to start an enterprise or having an enterprise, but not having disbursed salaries for more than three months.

¹⁶ Entire early entrepreneurial activity encompasses the abovementioned individuals, and those individuals that have had an enterprise and have disbursed salaries for more than three months and less than three years and a half.

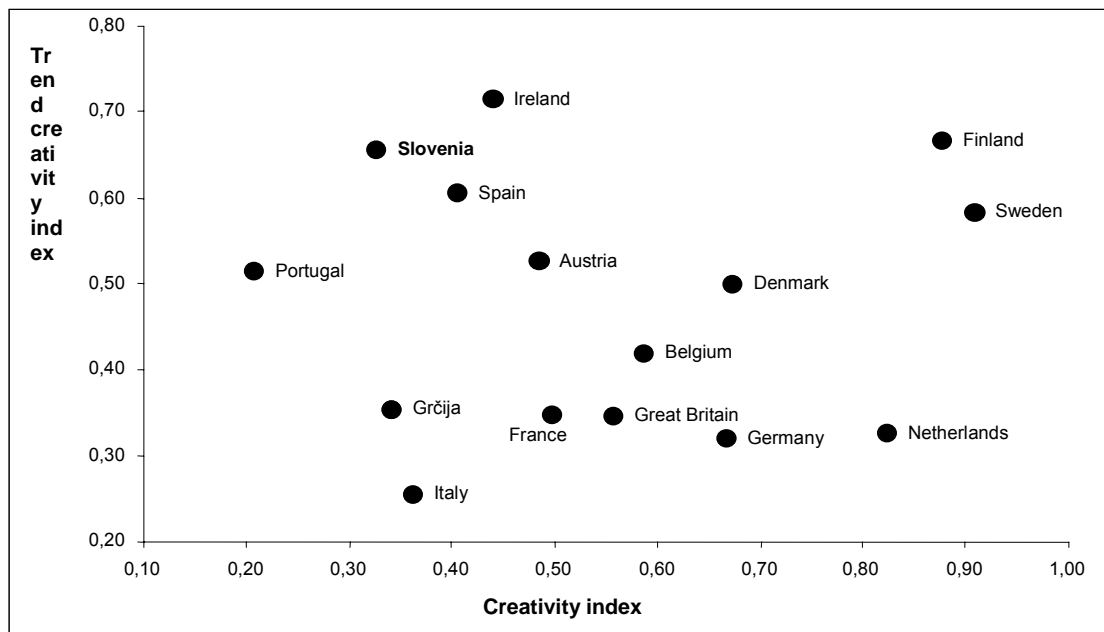
- improvement of the infrastructure conducive to entrepreneurial career

However, first and foremost, promotion of female entrepreneurship should be pursued, also in the form of special non-profit, social entrepreneurship.

Competitiveness of the Slovene regions

Competitiveness of Slovene regions was analysed via results of the study on creativity indicators of the Slovene regions¹⁷ which followed the methodology of Richard Florida¹⁸, who defines the creativity via talent, technology and tolerance indicators. The study presented an empirical basis which mirrors the potential of the country and its regions for the development of regional innovative systems and joint innovation system in the whole of the country.

Graph 1: Matrix of development for certain European countries



Source: Study on creativity indicators of the Slovene regions, Faculty of Economics, Ljubljana, 2007.

The creativity index places Slovenia on the penultimate ranking between Greece and Portugal, proportionately with the level of social development. When looked at dynamically at the trend creativity index, the results are certainly more positive. Finland and Sweden boast high values in both dimensions and are therefore to be looked up to. The Netherlands has a relatively high value of creativity index but fails to remain on an equal footing when it comes to the trend creativity index. Italy, Greece and France all have low values at both dimensions. Ireland, Slovenia and Spain have low values of creativity index but compensate for the lagging with high values of trend creativity index.

Among the Slovene regions, the Osrednjeslovenska region stands out in the value of creativity index, followed by the Gorenjska and Obalno-kraška regions. Other regions considerably lag

¹⁷ Dr Janez Malačič et al: Studies on creativity indicators of the Slovene regions, University of Ljubljana, Faculty of Economics, Ljubljana, 2006.

¹⁸ Richard Florida: The rise of the creative class, translated by Stanko Blatnik, Velenje, 2005.

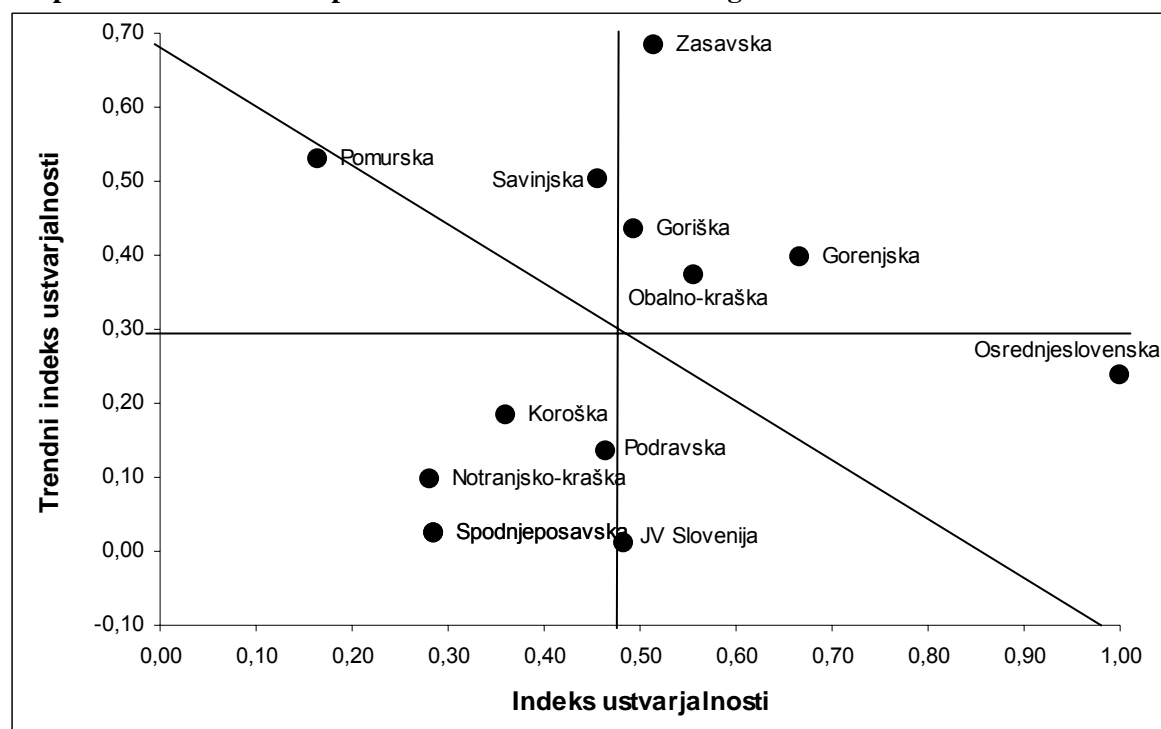
behind, mostly the Pomurska, Posavska, Notranjsko-kraška and Koroška regions. Traditional values are characteristic of these regions that proverbially reject any modern value, novelty or creativity. All regions, with the exception of the capital, prefer security over liberty and freedom of self-expression, which results in the lack of entrepreneurial self-confidence, ambition, courage and sometimes even in the feeling of inferiority.

Table 1: Creativity index and its constituent parts (index of talent, index of technology and index of tolerance) per individual regions

	Points of creativity index	Index of talent	Index of technology	Index of tolerance
Gorenjska	0,67	6,66	9,10	8,27
Goriška	0,49	5,51	4,67	7,59
JV Slovenija	0,48	5,21	8,21	3,98
Koroška	0,36	4,55	1,12	7,28
Notranjsko-kraška	0,28	4,72	3,13	2,27
Obalno-kraška	0,56	6,77	2,40	10,86
Osrednje-slovenska	1,00	12,00	12,00	12,00
Podravska	0,46	6,74	4,36	5,64
Pomurska	0,16	3,70	0,45	1,76
Savinjska	0,46	5,10	4,50	6,81
Spodnje-posavska	0,29	3,58	3,25	3,43
Zasavska	0,51	4,49	6,98	7,05

Source: Study on creativity indicators of the Slovene regions, Faculty of Economics, Ljubljana, 2007.

Graph 2: Matrix of development for individual Slovene regions



Source: Study on indicators of creativity of the Slovene regions, Faculty of Economics, Ljubljana, 2007; Y axis: Trend creativity index; X axis: Creativity index

The field right of the vertical and above the diagonal represents the “leaders”. There are no leaders that would stand out in their high value of creativity index and trend creativity index. However, the Gorenjska and Obalno-kraška regions do meet the requirements to be named

leaders, even though their values do not significantly exceed the abovementioned indexes. Bottom right quadrant likewise represents leaders (somewhat different), which is the Osrednjeslovenska region. Its trend index is slightly below average, but it boasts maximum value of creativity index, since it reached the highest values in all three content sets (mid-level indexes).

Strictly technically speaking, the Goriška and Zasavska regions also belong to leaders, however, their creativity index value nearing the average, while their trend creativity index considerably exceeds the average, particularly in the Zasavska region that by far surpasses others in the value of trend creativity index. Whether to consider the two regions as leaders or categorise them as “up and coming” regions together with the Savinjska region is somewhat subjective. The Savinjska region can undoubtedly be described as the up and coming region, whereas the Pomurska region in spite of having so high value of trend creativity index ends up as the “laggard” due to its considerably low level of creativity index. Lower left quadrant below the diagonal and upper left quadrant below it represent so-called laggards. In any case, the Pomurska region suffers from extremely low values of trend creativity index.

The Koroška, Notranjsko-kraška and Spodnjeposavska regions are also referred to as laggards. Their value of creativity index falls below average and does not show any signs of changing for the better, since they also have below-average values of trend creativity index. It is also unclear how to classify the Podravska and Jugovzhodna Slovenija regions, since their creativity index is near the average, while their trend creativity index remains considerably below average. Both regions could be referred to as laggards or the regions losing ground, since their average creativity index value is on the decrease.

Strengths, weaknesses, opportunities and threats in the field of encouraging entrepreneurship and adaptability

STRENGTHS

- Diverse scientific and research activity in the public sector with well developed international cooperation and relatively well developed fundamental knowledge;
- High employment rate of women;
- Relatively high level of formal education;
- Relatively well developed ICT network (for companies and in urban centres);
- Existing network of pre- incubators, technology parks, centres of excellence etc.;
- Basic defensive restructuring in most successful enterprises is now completed.

WEAKNESSES

- Slow re-structuring of the production and the service sector (development potential of service activities, creative industries);
- Low percentage of innovation enterprises in the economy and low level of innovation and entrepreneurial culture in private, public and non-governmental sectors;
- Very slow growth of R&D investment of public and private sector;
- Weak cooperation between private entrepreneurial sector and public research and educational institutions; low investment of the entrepreneurial sector into research and development activities;
- Research and innovation activities of the business sector focused on only few activities;
- Impenetrableness of the education and research system hinders cooperation with the economy;
- Ways of financing negatively influence the needs for market-oriented programmes;
- No radical changes in higher-education and insufficient connections with industry and economic needs;
- Lower share of researchers in the economy as opposed to in the public sector;
- Lack of certain profiles of highly-qualified workers and professionals, non-intensive management with human resources in companies, lack of preventive measures in companies for investments into education and learning;
- Poor adaptability of vocational-educational programmes and of training to the needs of the labour market, consequent

imbalance between educational programmes and training supply and the demand, needs of the economy, the labour market and individuals;

- Insufficient offer of financial resources, manners of financing enterprises;
- High mortality rate of enterprises;
- Low value-added of enterprises and sectors;
- Higher share of those with tertiary education in the public sector as opposed to the private sector;
- Low functional education of the population (low market value of skills and knowledge attained)
- Imbalance between supply and demand for technical and science educated personnel on the labour market.

OPPORTUNITIES

- More intensive training and education within enterprises (motivation of employees for life-long learning and investment into HRD), introduction of life-long learning concept, life-long career orientation of an individual;
- Development of service sector on the increase;
- Development and promotion of the concept of the evaluation of the quality of HR investment in the business sphere;
- Increasing investments into R&D and other innovation investments (together with a better efficiency of such investments) from public and private resources;
- Development of programmes for strengthening research personnel in the economy, and more intensive transfer of knowledge between the academic sphere and the economy, schools;
- More intensive use of ICT in the economy (as the base for improvement of operations and the requirements for more knowledge on an organisation and changes in enterprises);
- Connection between formal, informal knowledge;
- Underdeveloped third (non-profit) sector enables the development of new jobs and employment opportunities provided that the economy further grows;
- Foreign investments;
- Financial sources and instruments for development of enterprises;
- Promotion of restructuring of production and service sector in the light of higher value-added.

THREATS

- Further presence of administrative barriers for investments;
- Potentially more intensive »brain drain« in cases of too slow provision of incentives for R&D sector;
- Loss and lagging behind of occupational development trends in creative industries and other perspective sectors without which the production of goods is or will be threatened as well as the lagging behind the development of these activities in the EU;
- Lack of attention of enterprises for investments into education, training and development of employees;
- Further disconnection between R&D and the economy can entail lagging behind in terms of trends in R&D, the economy;
- Lagging behind in the labour market development in areas with prospects – creative industry and high technology.

2.2.2 Labour market¹⁹

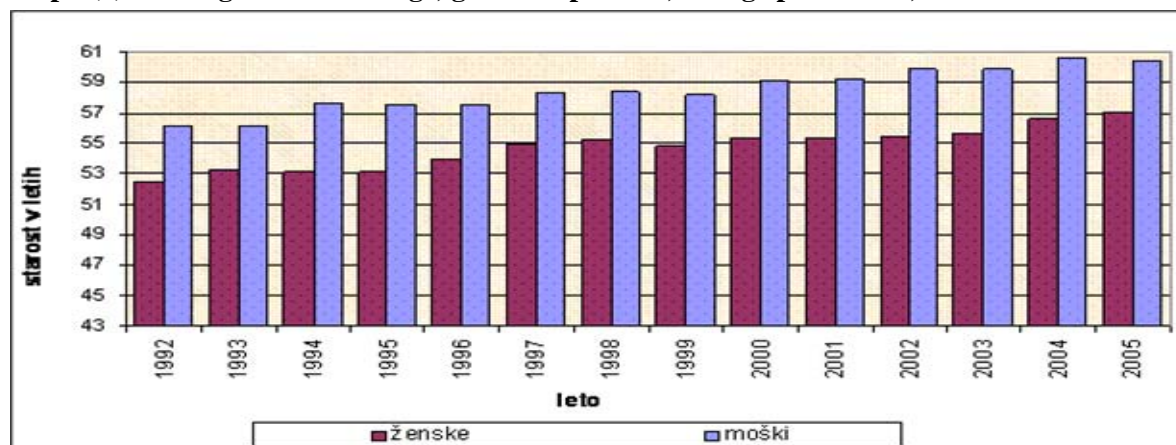
Prolonging working lives

It is anticipated that in Slovenia there will be gradual prolonging of working lives so that the age upon retirement will rise from the current 58 years to 65 years. Similarly, it is also anticipated that in the event of favourable opportunities for economic growth, there will be an increase in salaries due to the foreseen reduction of work capable population while on the other side, due to the present retirement legislation, there will be a relative reduction of pensions by comparison with salaries and very likely a voluntary prolonging of working lives of the population.

¹⁹ Based on the Spring Report 2006, IMAD, Ljubljana 2006

The average age of the population upon retirement has increased in Slovenia after the pension scheme reform, and the Lisbon goal is to increase the retirement age for 5 years by 2010. With demographic potential on the decrease after 2006 and with the ageing of the population, it is especially important to prepare a programme for active ageing which will increase the level of work activity for older people. The quantity in the area of human factor should be replaced with the quality, in other words, with more qualified and experienced labour force²⁰.

Graph (3): Average retirement age, gender separated, for age pensioners, from 1992 to 2006:



Source: http://www.zpiz.si/src/letno_porocilo/2.html

Text in the graph: far left: age, below: red: women, blue: men

Employment level

Transition into the market economy changed the labour market situation in Slovenia. The employment rate²¹ of the population between 15 – 64 years in the 1996-2005 period increased by 4.3 percentage points and was relatively high, since it stood at 66.0% in 2005 and was somewhat higher than the EU average. Looking at the age groups, we witnessed reduction in the youth (15 – 24 years) employment rate which is linked to an increased youth participation in the education rising from 53,6% to 66,9% in the 1998-2003 period and was thus among the highest in the EU. Other age groups recorded an increase in the employment rate as well, in particular the 55 – 64 years age group, which was to attribute to abandoning mass use of early retirement in the beginning of the 1990s and coming into force of the pension scheme reform.

An important indicator that the education is a key factor for employment opportunities is shown by the trends of the employment rate after attaining education which has, in the reference period, increased the most for people with higher education and increased slightly for people with a low educational level, whereas for people with a medium level of education, the level has slightly decreased.

Since the share of people with third-level education, when compared to adult population in Slovenia, is lower than the EU average, the employment rate of people with higher education in Slovenia is higher than the EU average. Towards the high differences between the levels of people with a lower and a secondary education, when compared to the employment rate of highly educated people contributes the fact that a share of population in this age group (15 – 64 years) is still in initial training. The employment rate of people with a low educational

²⁰ Source: National Strategic Report on Adequate and Sustainable Pensions in the Republic of Slovenia 2005,

²¹ Employment rate is the difference between active population and the population for a particular age group. The objective of the Lisbon Strategy is 70% employment rate for the population, in the 15 – 64 age group.

level is, in Slovenia, well below the EU average, which is to a large extent linked to a low employment rate of elderly people and to insufficient development of service sector.

Table (2): Employment rate according to educational attainment of the population between 15 and 64 years

	1996 Q2	2000 Q2	2001 Q2	2002 Q2	2003 Q2	2004 Q2	2005 Q2
Low educational level	39.6	39.7	42	41.8	38.2	41.2	40.7
- males	44.8	43.3	46.4	45.2	42.5	45.2	45.2
- females	35.6	36.9	38.3	39	34.5	37.8	36.6
Medium educational level	71.3	69.5	69.3	69.5	67.5	70.7	70.7
- males	73.8	73.4	74.1	74.3	72.7	75.3	75.3
- females	68.3	64.8	63.4	63.7	61.2	65.2	65.1
High educational level	83.5	85.8	85.7	86.4	85.2	86.8	86.5
- males	83.4	85.9	85.8	86.6	85.4	87.7	87.9
- females	83.5	85.7	85.6	86.2	85	86.1	85.4

Source: Eurostat

Structure of the employed people

In the 1995–2005 period, the employment structure per sectors in Slovenia changed for the benefit of the service economy, but it did so relatively slowly. The development of the sectoral structure was in general similar to the development in other European states, whereby Slovenia still has a noticeably high share of work active people in the agricultural and processing activities and a low share of work active people in the service sector. The percentage of work active people in the agricultural sector (farming, forestry, fishing), which has been among the highest in the EU, fluctuates from year to year with a slow decreasing tendency - according to the data from the work force survey by 10% during the 1995–2005 period (the EU average stood at approximately half this value). The percentage of work active population in industry is decreasing faster than the one in agriculture and has a constant decreasing tendency. According to the work force survey for the 1995–2005 period, the level fell from 38.1% to 31.0%, whereby the share in the processing activities fell from 35.7% to 29.4%. The entire processing activities sector experienced defensive restructuring in Slovenia. With the exception of certain branches, in most subsectors, the employment rate decreased in the 1995–2005 period. At the whole branch level, the number of initial 284,000 jobs fell for approximately 45,000 or by 16%.

The percentage of employed people in highly technological branches²² of the processing activities is gradually increasing but the lag behind the most advanced EU Member States is still obvious. In a ten-year period (1995-2005), the percentage of the employed people in high or medium-high technological sub-branches increased (from 31.0% in 2005 to 33.6% in 2005) and the percentage of the employed in medium-low technological sub-branches amounted to 27.8% in 2005, and thus improved by 3.9%. The percentage of the employed in low-technological sub-branches accounted for 38.6% in 2005 and, when compared to 1995, it reduced by 6.6 percentage points.

The share of work active persons in the service sector has been relatively low in Slovenia. According to work force survey, it equalled 46.4% in 1995 and increased to 53.8% by 2005 (EU-25 average stood at 67.7%, and EU-15 was by 2% higher). Among the service activities, the highest increase of work active people was registered in the area of business services, public administration and education. According to the data from 2002, there were 20,000

²²According to the OECD methodology of branch division per technological intensity, more in Hatzichronoglou (1997, 6–23).

people in Slovenia employed in the creative industry or in the cultural sector which represented 2.5% of the employed.

Table (3): Work active population per sector according to work force survey, Slovenia and EU, 1995, 2000 and 2005

	Slovenia			EU-15			EU-25	
	1995	2000	2005	1995	2000	2005	2000	2005
All active according to the survey								
Processing activities	53.6	48.1	46.2	35.6	33.3	30.3	35.3	32.3
Farming, forestry, fishing (A:B)	10.5	10.0	9.1	5.2	4.3	3.7	5.7	4.9
Industry (C:E)	38.1	32.7	31.0	22.6	21.1	18.6	21.8	19.6
- of which processing activities	35.7	30.8	29.4	21.3	20.0	17.6	20.3	18.3
Construction (F)	5.1	5.4	6.1	7.9	7.9	8.0	7.8	7.9
Services:	46.4	51.9	53.8	64.4	66.7	69.7	64.7	67.7
Processing services (G:I)	21.3	23.0	22.0	24.9	25.1	25.2	24.8	25.0
Financial and business services (J:K)	6.1	7.7	8.9	10.5	12.1	13.3	11.2	12.5
Public and personal services (L:P)	19.0	21.2	22.9	29.0	29.6	31.2	28.6	30.2
of which: - public administration	4.4	5.6	6.1	7.8	7.6	7.4	7.3	7.3
- education	5.8	6.6	7.6	6.6	6.7	7.1	6.8	7.2
- health and social security	5.0	5.0	5.4	9.1	9.5	10.4	9.0	9.8
- other public and personal services	3.8	4.0	3.7	5.5	5.8	6.3	5.5	6.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Assisting family members	4.2	4.8	4.6	2.1	1.7	1.2	2.0	2.0

Source: (SORS), Labour market Statistics: work force survey, Eurostat; calculations IMAD without consideration of 'do not know' answers.

The share of women amongst work active population is well above average in the activities of catering (62.1%), financial intermediation (63.2%), education (76.3), healthcare and social security (81.1%) – the data are valid for the reference year 2005.

A noticeable share of work active population works in a municipality not being a municipality of their residence. In 2000 there were 299,188 daily migrants, while in the year 2005 their number increased to 347,715. The share of male migrants is steadily going up (from 55.7% in 2000 to 56.4% in 2005), while the female share is on the decrease (from 44.3% in 2000 to 43.6% in 2005).

Labour market flexibility

Flexibility of the labour market plays an important role in terms of employing people. Aside from the simple criterion of labour market flexibility, as is the widespread use of part-time or temporary employment, econometric estimates of employment and salary responsiveness to macro-economic shocks are used to evaluate flexibility. Given that some definitions of labour market flexibility ascribe non-flexibility to statutory provisions on employment relationships, the Employment Protection Legislation Index is also used as a criterion of flexibility.

Table (4): Extent of temporary employment in Slovenia

AGE GROUP	1996Q02	1997Q02	1998Q02	1999Q02	2000Q02	2001Q02	2002Q02	2004Q02	2005Q02
15 – 24 YEARS	29.7	42.4	41.4	38.4	43.2	51	52.9	63.1	58.5
25-49 YEARS	5.3	9.1	8.3	8	9.5	9.3	10.8	13.6	14
15 – 64 YEARS	8.4	14.1	11.5	10.8	12.8	13	14.6	17.8	16.8
50 – 64 YEARS	3.4*	10.3	1.7*	2.8*	6.6	4.8	6	7.7	6.2

Source: EUROSTAT portal

Table (5): Extent of partial employment in Slovenia by age groups

Age group	1996q02	1997q02	1998q02	1999q02	2000q02	2001q02	2002q02	2003q02	2004q02	2005q02
15 – 24 years	8.5	14.8	14.9	12.9	13.4	15.8	17.6	21.8	29.1	31.9
25-49 years	4.7	4.4	4.2	3.4	3.3	3.3	3.5	3.3	4.4	4.2
15 – 64 years	6.2	7.1	6.7	5.9	5.3	5.3	5.8	5.8	8.3	7.8
50 – 64 years	13.2	14	12.6	14	10	8.2	8.9	7.9	12	9.6

Source: EUROSTAT portal.

The labour market flexibility, measured by the popularity of temporary and part-time employment has increased in Slovenia in the 1995-2005 period, which shows that the popularity of temporary employment has drastically increased, but part-time employment is still in relatively modest use. The latter can be attributed to the ‘lack of flexibility’ of the social protection systems to flexible forms of employments and to the fact that part-time employment is relatively costly for the employer. The young population (15-24 years), especially young women are most exposed to increased flexibility; whereas in terms of the sectors, the most flexible area is culture of which atypical types of employment are characteristic and apart from the flexibility it also encompasses higher mobility, part-time contract employment, temporary work and partial »ad-hoc« employment (project work at local, cross-border, interregional and global levels), volunteer activities or low-paying activities, and a high number of self-employment which is often classified as so-called micro-enterprises or small enterprises. Increased flexibility, as measured via the extent of part-time and temporary employment, has above average affected the young population and is most noticeable in the service sector and in the areas of social, cultural and healthcare work.

Unemployment

Data on trends of unemployment in Slovenia are usually provided by two main sources: the work force survey managed by SORS, which gives internationally comparable data on population activity, and the data from the register of the unemployed that is managed by the ESS. The results obtained by the two sources vary somewhat, however, the difference is experiencing gradual decline.

Table (6): Comparison of unemployment figures according to the work force survey and the register of ESS

	Number of unemployed people according to the the work force survey	Number of unemployed according to the register	Registered unemployed that are not unemployed according to the survey	
	In thousands		In thousands	In %
1998	77	126	63	50.0
1999	71	119	60	50.4
2000	69	107	54	50.4
2001	57	102	50	49.0
2002	58	103	53	51.4
2003	63	97	44	45.3
2004	64	93	41	44.0
2005	67	92	38	41.3

Source: SORS

Apart from the differences in the definition, the underlying reasons for a relatively large difference between registered and survey unemployment in Slovenia are the following: (i) high work »inactivity« of registered unemployed people that are not actively seeking employment which is to a large extent linked to a high percentage of long-term unemployment when the people become passive and are of the opinion that they cannot find employment (so-called discouraged workers); (ii) work activity of registered unemployed people in so-called black economy²³ or in an activity performed by assisting family members²⁴ in family activity (trade, enterprise, farm). Towards the abovementioned differences, the following are certain contributory factors: (i) provision of certain rights by the social insurance system for the person with unemployment status ensured upon registering which in itself increases the interests of the unemployed individuals to register; (ii) poor ratio between the number of counsellors and the number of the unemployed, which reduces the possibility for more intensive monitoring and conselling on the one side and supervision over the activities of the unemployed person on the other.

The rate of survey unemployment stood at 7.4% in the second quarter of 1995 and exceeded 7% by 2000, after which it fell below 7% in 2001 and, in the 2001 – 2005 period fluctuated between 6.3% and 6.7%. Total survey employment rate accounted for 6.5%, comparable data for women amounting to 7.1%. The unemployment rate amongst women has more or less equalled 7% since 2001. If unemployment for the 1998 - 2005 period²⁵ is considered per age groups, it can be seen that the highest decrease of unemployed occurred with the youth (15 - 24 years), which is still relatively high. Among the young women experience significantly higher unemployment rate of 17,8%, while among young men the comparative number is 14,6%.

²³ The extent of the non-observed economy is estimated relatively high according to various sources.

²⁴ A relatively high share of assisting family members among active population in comparison to EU Member States.

²⁵ Prior to the 1998-2005 period, the Work Force Survey took place once a year.

Table (7): Unemployment rate by age groups (average annual values)

	15–24	25–49	50–64	Total
1998	18,6	6,5	5	7,9
1999	18,1	6,3	5,6	7,6
2000	16,8	5,7	6,2	7
2001	18,1	5,1	4,8	6,4
2002	16,7	5,4	4,3	6,4
2003	17,4	5,9	4,3	6,7
2004	16,3	6,8	4,3	6,3
2005	16	5,9	4,4	6,5
Difference 2005 – 1998 in p.p.	-2,6	-0,6	-0,6	-1,4

Source: SORS

The analysis of registered unemployment shifts in the last ten years shows that the number of registered unemployed people is reducing but this is mainly due to crossing out from the register for reasons that do not represent employment of unemployed people. This striking out was especially increased after the amendments of the Employment and Insurance against Unemployment Act of 1998 came into effect (Official Gazette RS, no. 69/98)²⁶. The most (over 40%) of striking out from the register occurred for reasons that did not translate employment but due to breach of obligations, mainly because the person registered as unemployed was not available for employment. Due to transition into various forms of unemployment (schooling, retirement, maternity leave and so forth), a good third of the unemployed people are crossed out not for employment reasons. As many as 20% are crossed out for other reasons, a good half of them due to voluntary withdrawal from the register of the unemployed people.

Joint inflow into unemployment has a tendency to increase especially due to an increased influx of people who have lost fix-time contract employment. Total inflow into unemployment from around 80,000 in 1995, through the second half of the last decade, increased and amounted to around 95,000 in 2004-2005. Inflow of people whose fix-term contract employment expired, in cumulative terms, increased from around 25 % in 1995 to 36% in 2005 and corresponded to an often cited reason for the inflow. Approximately a quarter of total inflow into the registered unemployment represents an inflow of first-job seekers. The remainder of the inflow into registered unemployment is attributed to various other reasons of loss of employment, the most common being a notice by the employee and a notice by the employer due to business reasons. A quite frequent cause of inflow into unemployment is bankruptcy; the latter has, however, considerably reduced.

The number of registered unemployed people who gained employment is on average smaller as it was in the 1990s especially due to a smaller number of people included in employment through active employment policy programmes (public works and other programmes of subsidised employment); whereas, the number of non-subsidised employments of unemployed people is on average a bit higher as it was in the second half of the previous decade.

²⁶ The included Article 70 stipulated when the ESS could cease to keep a record of the unemployed in its register. Aside from obtaining employment or moving into self-employment, other reasons encompass three groups: transition into inactivity, breach of obligations on the part of the unemployed and various other reasons of statutory nature.

Table (8): Shifts in registered unemployment for the period 1995 - 2005

Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Number at the beginning of the year, in thousands	123,5	126,8	124,5	128,6	126,6	114,3	104,6	104,3	99,6	96,0	90,7
2. Total inflow during the year, in thousands	79,6	86,5	78,5	77,0	80,8	82,3	87,7	87,4	94,2	95,6	94,4
- first-job seekers	22,1	21,1	17,9	18,6	19,6	20,5	21,9	21,4	25,4	26,0	21,7
- employed people whose fix-time employment contract expired	20,3	23,4	23,7	29,5	30,8	28,2	32,1	32,9	32,2	33,1	34,5
- notice by the employee	9,2	8,9	9,8	9,9	8,4	9,8	10,0	8,8	8,3	8,3	7,0
- bankruptcy	8,6	11,6	8,0	6,7	6,6	6,9	5,8	7,5	7,0	4,7	4,6
- permanent labour surplus and business reasons	9,8	12,5	14,4	10,6	6,9	5,2	5,4	6,1	10,0	11,0	10,6
- other reasons	9,5	9,0	4,7	1,7	8,4	11,9	12,5	10,7	11,3	12,6	16,0
3. Total registered unemployed during the year (3 = 1+2), in thousands	203,2	213,2	202,9	205,6	207,4	196,7	192,3	191,7	193,9	191,6	185,1
4. Total outflow during the year (4 = 5+6), in thousands	76,4	88,7	74,4	79,0	93,1	92,1	87,9	92,1	97,9	100,8	92,6
5. gained employment	60,0	54,6	56,1	55,4	62,4	60,2	52,7	52,2	50,5	54,3	53,9
In % from (3)	29,5	25,6	27,6	27,0	30,1	30,6	27,4	27,2	26,1	28,3	29,1
- through public works programme	4,3	4,7	5,4	10,6	10,3	10,5	9,4	7,6	6,7	6,1	5,7
- assistance programme for self-employment	3,2	2,3	1,6	1,6	1,6	1,7	1,7	1,0	1,2	1,7	1,7
- through other programmes stimulating employment	11,7	7,6	10,7	15,8	10,9	11,7	10,3	4,0	4,5	8,3	5,8
- in non-subsidised employment	40,8	40,0	38,4	27,4	39,5	36,4	31,2	39,6	38,1	38,1	40,7
6. crossed out for other reasons	16,4	34,1	18,3	23,5	30,7	31,9	35,3	39,9	47,3	46,6	38,7
In % from (3)	8,1	16,0	9,0	11,4	14,8	16,2	18,3	20,8	24,4	24,3	20,9

Source: ESS

Long-term unemployment

The level of long-term unemployment in Slovenia²⁷, which is an indicator of labour market problems and of social connections, increased in the period 1996 – 2000 and achieved its peak (4.1%) in 2000 after which it slowly decreased to 3.2% in 2004, which is only slightly less than in 1996.

The perseverance of substantial long-term unemployment problems is shown by a relatively high percentage of long-term unemployment in the group of unemployed people (age group 15 – 64) which in the second quarter of 2005 equalled 51.0% and was slightly higher than in 1996. The data on the percentage of long-term unemployment per age groups show that the problem of long-term unemployment has reduced in the last ten years among the youth (15 - 24 years of age) and the middle generation (25 – 49) but has increased for the older generation. Data from the register of the unemployed show that long-term unemployment most commonly occurs as a combination of age and poor education and with higher employment hindrances (for example disability). In the last years, the percentage of long-term unemployed first-job seekers has also increased.

²⁷ Long-term unemployment rate is the ratio between the number of long term unemployed (more than a year) and the number of active population.

Table (9): Long-term unemployment rate and percentage of long-term unemployed people (data from the second quarter) in Slovenia

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Percentage of long-term unemployment, 15 – 64 years of age	49,8	51,9	45,3	41,8	62,7	63,2	54,7	56,7	53,1	51,0
Long-term unemployment rate	3,4	3,4	3,3	3,3	4,1	3,7	3,5	3,5	3,2	No data

Source: Eurostat, 11. 04. 2006.

Needs for employment of workers

Inflow into and outflow out of unemployment can be determined on the basis of work force survey results and forecasts on the needs of the employers,²⁸ which showed that in 2006 there would be certain changes in the educational level when compared to December 2005 forecasts. Therefore, fewer employees with the first and second educational levels were anticipated, and the number of employees with the remaining levels of education was to increase. The number of employees with the fourth and above seventh educational level was expected to increase above average whereas business entities predicted above average growth of employment for people with the fourth, fifth and third educational levels.

On the basis of the survey, business entities predicted a need for 29,466 workers in 2006. Least requirements were forecast by the agricultural sector, i.e. 442 vacancies in 2006 which amounted to 1.5 % of the forecast vacancies. Non-agricultural sector forecast a need for 13,074 workers in 2006 (44.1% of all the needs). The remaining part of 54.4% was forecast by business entities in the service sector that were to employ 16,148 workers in 2006.

Among the three activities that forecast vacancies, processing activities that were to employ 6,828 workers stood out as this accounted for 23% of the vacancies. An important share was also represented by the forecasts in construction and trade activities, motor vehicle and appliances repairs (the former sector forecast - 5,538 vacancies (19.9%), the latter - 5,904 vacancies (18.7%). More than 2,000 vacancies were forecast by the real estate and renting services and business services, and 2,853 or 9.6% in the education, transport activities, warehouse and connections, healthcare and social protection, public administration, defence and compulsory social insurance. Least needs were forecast in smaller activities as for example in the mining industry and no needs were forecast by business entities acting in the fishing industry.

Forecasts of redundancies

Business entities forecast 7,328 redundancies in 2006 and there were 689 business entities that are still planning making workers redundant. The majority of the redundancies were forecast by the non-agricultural sector where business entities planned 5,185 redundancies, which accounts for 70.8% of all forecast redundancies. Within the framework of this sector, the majority of the redundancies were forecast by the processing industry, namely 4,407 or 60.1% respectively. Of all forecasts, the manufacture of electrical and optical equipment stands out (996 of redundancies), closely followed by manufacture of textile, textile goods and clothing (879), manufacture of paper, publishing and press (611) and manufacture of food, drinks, feeding stuffs and tobacco goods (537). In non-agricultural sector, a larger share of redundancies was forecast by business entities from construction and mining, whereas the

²⁸ Employment forecast for 2006 (results of the survey LPZAP)

least redundancies were forecast in the sector whose main scope of activities incorporates the supply of electricity, gas and water. The redundancies in the non-agricultural sector in the last years have preponderantly arisen due to the reduction of employment, most exposed being work intensive industries with low value-added per employee.

The service sector forecast 1,864 redundant workers for the current year, which represents the total share of 25.4%. The biggest forecast was made by the trading activities, repairs of motor vehicles and appliances (759 workers or 10.4%) and more than 100 redundancies forecast by the business sector were in trading activities, warehousing and connection, education, real estate and renting services and business services.

The agricultural sector, proportionately to its size, forecast 279 redundant workers. All the redundancies were forecast in agricultural activities, hunting and forestry, whereas fishing entities did not forecast and redundancies.

Active employment policy

Countries differ from each other by the level and the structure of expenditure destined to active employment policy. In 2003, Denmark (1.79% of GDP), Finland (1.72%), Sweden (1.63%), Holland (1.4%) and Germany (1.62%) invested the most into active employment policy. In comparison with the said countries, Slovenia invested relatively few resources into active employment policy since the percentage of GDP stood at around 0.4% for a number of years and in 2004 and 2005 it amounted to 0.34% of GDP. The actual effectiveness of the active employment policy programmes is considerably difficult to estimate directly on the basis of the active employment policy data, that is why a comparison of expenditure structure and analysis of its effectiveness is needed.

Active employment policy programmes in Slovenia in the last ten years have not been evaluated by independent institutions which would assess either influence of an individual programme on possible employment or so called »dead-weight effect«²⁹. A study carried out by Klueve *et al.* (2005) can be regarded as a reference when evaluating the active employment policy programmes³⁰. The study shows that the programmes with »assistance and penalties« most increase the possibility for participants to gain employment. These programmes include all activities that increase the effectiveness and the intensity of job-seeking as well as counselling to the unemployed people, including penalties for non-performance of assigned obligations and for inactivity. The study concludes that the improvement in effectiveness can be achieved when the programmes are goal-directed and the training connected to the actual post.

In order to secure better effectiveness of the programmes, it would be necessary to join the contents of active employment policy programmes that have a clearly defined purpose and thereby transcend current segmentation of active employment policy, ensure stable financing thereof and increase target-oriented programmes with regard to the needs of the employers and unemployed.

²⁹Needlessness of certain activities within active employment policy programme is measured via a control group of unemployed.

³⁰The study provides the results of 130 evaluation studies on active employment policy in the EU.

Undeclared work

In 1997, the Government of the Republic of Slovenia adopted a Programme on identifying and preventing undeclared work and employment. The activities are directed by the Committee of the Government of the Republic of Slovenia on uncovering and preventing illegal work and employment, which is managed by the representative of the Ministry of Labour, Family and Social Affairs. Certain recent researches have shown, especially by using the method of the labour market labour force that the estimated extent of grey economy varies from 7.3% to 11.8%, whereas according to some other analyses undertaken as an audit of GDP for the period 1995-2002, the extent of grey economy was found to be at around 6.5%³¹.

In 2005, the supervisory bodies found 1,890 statutory breaches (2004 - 2,504). There were 1,211 (1,733 in 2004) cases of illegal work and 679 (711 in 2004) breaches in terms of illegal employment, of which 1,170 (1,674 in 2004) breaches concerned legal entities and 720 (830 in 2004) breaches concerned individuals.

The most cases of illegal employment were found in catering industry (164 breaches), followed by trading industry (108 breaches), land transport activities (97 breaches) and construction (88 breaches).

Regional characteristics of the labour market

Regional development disparities in Slovenia are reflected in the regional particularities of the labour market. The problems are concentrated in the cohesion region (NUTS-2 territorial division level) of east Slovenia which according to the last available data (2003) achieved only 62.6% of the average EU-25 development level, the issues being to a lesser extent also present in the cohesion region of the west Slovenia which achieved the 91.7% of the average EU-25 development level.

³¹ Source: Report on activities and effects of preventing illegal work and employment in 2005.

Table (10): Socio-economic indicators for cohesion regions and Slovenia in the labour market

INDICATORS:	West Slovenia¹	East Slovenia²	Slovenia
GDP per capita according to purchasing power (in %, EU-25 = 100), for 2003	91,7	62,6	76,0
Rate of employment, 2005, in %	56,7	54,3	55,4
Share of employees in the service sector (G to O ³) (in % among all employees in individual territorial units), year 2005	61,1	46,8	53,5
Unemployment (in %), for 2005	5,3	7,6	6,5
Share of young people among unemployed (in %), year 2005, young by 25 years of age	25,1	26,4	25,9
Share of unemployed with 1 st and 2 nd level of education related to entire unemployed population (in %), year 2005	20,6	26,5	24,3
Share of women in the entire unemployed population (in %), year 2005	45,9	51,8	49,6

1) West Slovenia: Gorenjska, Goriška, Obalno-kraška and Osrednjeslovenska (all NUTS 3)

2) East Slovenia: Pomurska, Podravska, Koroška, Savinjska, Jugovzhodna Slovenija, Zasavska, Spodnjeposavska, Notranjsko-kraška (all NUTS 3)

3) NACE classification activities, work-active population

4) Unfinished or finished primary school.

Source:

SORS

Source of data related to the field of interest of labour market is the work force survey.

- Eurostat, New Cronos for GDB (situation on 19.10.2006).

East Slovenia displays lower employment rate, significantly lower share of employed people in the service sector and significantly higher unemployment rate. The unemployment rate in east Slovenia stands at 7.6% and in west Slovenia at 5.3%. The unemployment structure is also significantly worse in east Slovenia than the country's average.

Regional disparities in the employment rate were in 2005 somewhat less pronounced, while the unemployment rates remained relatively high and stable. The employment rate is in the Osrednjeslovenska region by 1.8% higher than the lowest one in the Zasavska region, whereas the unemployment rate in the Pomurje region is twice as high as the Goriška region unemployment rate. The unemployment rates in the west of Slovenia vary from 4.6% in the Goriška region to 5.4% in the Gorenjska region, while the ones in the east of Slovenia persist high above the national average, the highest being in the Pomurska region with 10.1% when taking into account the data at the local level, the discrepancies between the unemployment rate remain even higher.

The number of the registered unemployed persons reached its peak in December 2006 in the Podravska region (16,351 persons), the Osrednjeslovenska region (15,371 persons) and the Savinjska region (12491 persons). Considering the local level, Ljubljana (9,479 persons) and Maribor (6,600 persons) registered the most unemployed persons.

Table (11): Employment and unemployment rate per regions according to the Work Force Survey, 2005

Region	Employment rate in %	Employment rate in %, according to the survey
Pomurska	55,8	10,1
Podravska	51,6	9,0
Koroška	53,1	(6,6)
Savinjska	55,4	6,6
Zasavska	49,7	(9,0)
Spodnjeposavska	53,2	(8,1)
Jugovzhodna Slovenija	58,6	(5,2)
Osrednjeslovenska	56,8	5,1
Gorenjska	57,0	5,4
Notranjsko-kraška	58,3	(4,9)
Goriška	57,1	(4,6)
Obalno-kraška	55,0	(6,9)
Slovenija	55,4	6,5

Source: SORS

In terms of dynamics, at the level of 12 development regions (NUTS—3 territorial division level) the ratio between the least developed Pomurska region and the most developed Osrednjeslovenska Region during 2000 and 2003 increased from 1:1.969 to 1:2.095. Coefficient of variation, calculated on the basis of the GDP data of the 12 development regions equalled 24.5 in 2002 and 26.3 in 2003. The level of registered unemployment has reduced in all regions since 2000 but at the same time, the differences between the lowest (Goriška) and the highest (Pomurska) unemployment rate are increasing. When measured with coefficient of variation, inter-regional differences between unemployment are falling. Regions with above average registered unemployment rate are: Pomurska, Podravska, Savinjska, Zasavska, Spodnjeposavska and Koroška. However, in all regions there is a problem of structural unemployment. In 2004, the share of unemployed first-job seekers increased and the share of long-term unemployment also remains high, in all regions exceeding 45% of unemployed people. Goriška and Osrednjeslovenska region stand out, but high registered unemployment rate is also recorded in Pomurska, Zasavska, Savinjska, Spodnjeposavska, Podravska and Koroška regions. According to the share of young among the unemployed, the latter is particularly pronounced in the Pomurska, Savinjska and Zasavska regions where their share exceeds 25%.

Table (12): Registered unemployment rate per regions

Development region (NUTS-3)	2000	2001	2002	2003	2004	2005	2006I-VI
Osrednjeslovenska	8,8	8,0	7,7	7,5	7,5	7,6	7,4
Obalno-kraška	8,8	8,7	8,3	8,0	7,9	7,5	7,6
Gorenjska	9,7	8,7	8,2	8,0	7,6	7,3	7,0
Goriška	5,9	5,6	6,1	6,3	6,7	6,5	6,5
Savinjska	13,1	13,1	13,6	13,1	12,5	12,7	12,3
Jugovzhodna Slovenija	10,4	9,6	9,7	8,4	8,2	8,8	8,9
Pomurska	16,6	16,3	17,7	17,6	16,8	17,1	16,8
Notranjsko-kraška	10,4	9,4	8,8	8,6	8,1	7,9	7,3
Podravska	18,1	17,4	17,1	15,8	14,2	13,5	13,4
Koroška	9,9	9,9	11,3	12,2	11,4	10,6	10,6
Spodnjeposavska	13,4	13,9	14,1	14,6	12,7	11,5	11,0
Zasavska	14,9	14,3	14,8	15,6	14,4	13,8	12,6
Slovenija	11,8	11,2	11,3	10,9	10,3	10,2	9,9

Source: SORS

Strengths, weaknesses, opportunities and threats of promoting the employability of active and inactive job seekers

1. STRENGTHS

- Above-average high employment rate population of 15-64 years of age;
- Increased share of employed in high-tech and medium high-tech fields;
- Low unemployment rate;
- Tertiary education and training as a preparation for work engagement in (active) old age;
- Relatively well developed institutions in the labour market;
- Good employers' cooperation with the ESS.

2. WEAKNESSES

- Low employment rate and high unemployment rate of low educated people;
- Low employment rate in services and a persistent high share of employees in work intensive activities;
- Ineffective transition from education into employment as a result of which young people are faced with an increasing number of difficulties in seeking the first-job;
- Increase in the number of unemployed females especially due to restructuring of textile and manufacturing industries which employs mainly (poorly qualified) female work force;
- Limited occupational and spatial mobility of work force;
- Structural problems in registering unemployed people; high long-term unemployment, increase in the number of first-job seekers amongst young unemployed people (15-24 years), high percentage of elderly as well as poorly educated among unemployed people, increased unemployment rate of people with tertiary education, regional and local disparities in the unemployment rate, other groups of disadvantaged people (disabled people...);
- Unfavourable educational structure of the population as regards educational attainment (workers above 40 years of age with reduced possibilities of employment and mobility);
- Unfavourable educational structure of the population as regards the needs of the economy (overabundance of people with economic or social science education and deficit in the personnel with natural science education, which hinders the employability of the former);
- Segmentation of existing active policy employment programmes;
- No data on the effectiveness of the active employment policy programmes;
- Inconsistency between the active employment policy and the desire for competitive economy and enterprises;
- Undeclared work;
- Redundancies arise especially with workers with low educational level or in work intensive industry as well

as in some perspective industries, for example in the optical industry;

- Unsuitably trained and educated people are driven out of the labour market, life-long learning and HRD;
- Hindering the reform process on the labour market and rigid employment legislation (lack of flexibility of employment relationships);
- Administrative barriers faced when performing active employment policy measures.

3. OPPORTUNITIES

- Growth in professional and spatial mobility in the common European labour market (employment abroad and returning with experiences);
- To date experience in performing active employment policy programmes enables creating more effective and friendlier programmes of social inclusion of inactive people and people with less possibilities for inclusion in the openlabour market;
- Creating a sustainable financing of active employment policy programmes;
- Development of programmes which will, with their content and time focus, bring about favourable and mitigating effects of the restructuring of the economy on the labour market and on employment;
- Increasing the employer's role in programming and implementation of the programmes;
- Increasing effects and the importance of life-long career orientation;
- Possibility to activate new partners from non-profit sector and civil society, as co-creators and implementers of new programmes, and beneficiaries of educational programmes for inclusion in the labour market;
- Third (non-profit) sector with its informal organisational structures and activities provides an appropriate framework for development and popularisation of alternative, more flexible, mobile and administratively less demanding forms of employment and employment relationship;
- Cooperation between the economy and the education systems would enable efficient planning of educational programmes and indirectly higher employment and competitiveness of labour force.

4. THREATS

- Increasing unemployment amongst people with low education and those with tertiary education;
- Negative demographic trends;
- Due to a gradual long-term and permanent character of the unemployment, the unemployed are increasingly facing high risk of social exclusion;
- Danger of »benefit traps« - due to passive income, people prefer to choose to be passive as opposed to active;
- Increase in unemployment and the number of beneficiaries of the unemployment assistance as a consequence of employment relationship flexibility (those re-entering i the register of unemployed people).

2.2.3 Human resources development

Education and training of population are the two most important factors for realising the goal of a knowledge-based society. According to the latest Eurostat research on the inclusion of adults in education and training on the basis of the European model, Slovenia ranged above the EU average (10.2%) in 2005 with 15.3% and thereby exceeded the goals of the Lisbon strategy in this area (12.5%). Despite a generally favourable indicator on the participation of adults in education and training in Slovenia, the worrisome is the difference in the number of participating adults in the education with respect to their education. In the EU, the difference between the least (ISCED 0-2) and the most (ISCED 5-6) educated is 7.2, and in Slovenia it amounts to 8.4 (in Denmark for example, it is as low as 1.9). The IMAD calculations on the average years of study of the active population draw attention to the gap in the accessibility. In the academic year 2004/2005, further education was offered by 360 organisations and other appropriate business entities. They conducted 18,000 different training, qualification and specialisation programmes and general education programmes, i.e. programmes for general needs and leisure. The participants of these forms of education do not gain the higher level of

formal education but qualifications for employment or wider general education. The educational programmes were followed by 300,000 participants, 110,000 of them obtaining a certificate or a public document after successful completion. The majority of the participants, according to the available data related to their age, were 25-29 years of age (16.3%), followed by the age group 35-39 (13.9%). By the age group 35-39 years of age, there are more males and in the age group 40-44 years there are more women. The greatest gender gap remains in the age group above 50 years of age; the education is at this stage exclusively more important to women than to men. As many as 84% of participants undertook programmes due to work needs. From year to year, the number of participants interested in programmes for general needs and leisure is falling. According to the academic year 2001/2002 there were 20% of participants enrolled in these programmes and in 2004/2005, there were mere 11%.

The table below shows the data on the number of participations according to the activities. The distribution across the activities shows that the agriculture, construction and industry attest the higher share of a single inclusion. There are 58% of such cases in the agriculture, 53% in the construction and 49% in the industry. The highest number of participants in two, three or more informal education programmes goes to professional activities (state and social services, electricity industry, finances, insurance business and business services).

Table (13): Frequency of inclusion in informal education and employment activities, in 2004

Employment activity	One participation	Two participations	Three or more participations
Agriculture and forestry	58,3	0	41,7
Industry	48,9	24,2	26,7
Electricity industry	30,8	23,1	46,2
Construction	52,9	32,5	23,5
Trade	40	24,7	35,3
Transport and communication	39	26,8	34,1
Finances and business services	34,9	30,2	34,9
State, social and other services.	30,7	25,2	44,1
Inappropriately identified	55,5	16,8	27,7

N = 809

Aside from regulators and experts who traditionally represent groups with higher participation in informal education – 2/3 of those employed in this sector included in informal education – there is a relatively high level of participation of qualified agricultural occupations (78%). Technicians and military occupation, with approximately 50% participation take the third place. There are 40% of service occupations and wholesalers involved in informal education. Simple occupations and industrial occupations are most deprived of the access to informal education and regarding the share of participations, they are well behind the national average. Considering the number of participations in informal education per occupation, regulators senior-officials and managers proverbially rank first, 56% of those participating in informal education having been included in three or more programmes of informal education in 2004. The group is followed by experts with a 44% level of participation. In a relatively good position there are service occupations and traders, 36% thereof having been involved in at least one educational programme, which is by six percentage points less than the national average. On the other hand there are agricultural occupations, machine operators and those

active in crafts and trades where more than half of the participants list only one participation. The highest share (71%) is attested by farmers and is followed by the machine operators. Surprisingly enough, 29% of certain simple workers participating in informal education attested a participation in three programmes and a comparable share of them in two programmes.

Average number of schooling years of adult education³² in Slovenia increased for the period 1995 – 2005, more for women than men. According to the data obtained with the work force survey, the indicator value increased by 0.8 of a year (from 11.0 years in 1995 to 11.8 years in 2005); whereas, according to the data from the register of active work population (SORS), this value was somewhat lower and equalled 0.6% of a year (11.0 years in 1995 and 11.6 years in 2005). Average number of schooling years has been on the increase due to a higher enrolment of youth and adult population in formal education (secondary school, college and university). The educational structure of active work population in Slovenia has therefore improved and in 2005, according to the data from the SORS register, 21.9% of active work population has a college or university level education which, when compared to 1995, means a 6.6% increase. Gender gap is also noticeable. Average number of schooling years of active women increased from 11.04 years in 1995 to 11.95 years in 2005, and from 10.94 to 11.31 years for active men. Difference between men and women, which in 1995 stood at 0.1 year, increased to 0.64 during these years. We presume that faster growth in the average number of schooling years of females can be attributed to faster growth of female graduates when compared to male graduates.

Average years of schooling of active population has increased more in the public as opposed to the private sector, the difference between the two sectors persisting to the benefit of the private sector. In the preponderantly public sector, the average number of schooling years increased from 12.4 years in 1995 to 13.2 years in 2005, and in the private sector from 10.6 to 11.1 years. The difference between the sectors increased from 1.8 years (1995) to 2.1 years (2005). In the preponderantly public sector the share of active population with college and university level education increased in the 1995-2005 period by 0.9% and in the private sector by 4.8%. The difference in the percentage of employed people with college or higher education between the two sectors increased so that in 2005 there was approximately three times more active population with higher and university education (48.5%) in the public sector, whereas in the private sector, it stood at mere 14.3%. Legislative provisions contributed towards this as they made the requirements for performing work in the public sector stricter.

The highest average in the years of schooling belongs to the area of education, followed by public administration, defence, social security and financial management. The activities with low percentage of active population with tertiary education (processing activities, fishing, catering), including private households with employed people, ranked in the last three places. Average number of active population in the period 1995–2005 increased for all activities, except for construction where it in fact reduced (by 0.15 of a year). The increase was the lowest in agriculture, hunting and forestry (by 0.27 of a year). The gap in the average years of schooling of active population between the activity with the highest average in the years of schooling and the activity with the lowest average in the years of schooling increased from 2.8 in 1995 to 3.9 in 2005 in the period 1995–2005.

³² The indicator »average number of years of active schooling of active population« allows of determining the educational level. Its advantage is that it is a synthesis indicator on the stock of knowledge capital, but does not provide any information on the quality of education, and takes into account only formal education.

The share of youth, enrolled in secondary level increased, but the number of enrolled youth has decreased due to the reduction in the population. In 2004, the share of enrolled youth amounted to 77.9% (15 – 19 years generation), which was by 10.6 percentage points higher than in 1996. The structure of youth according to the types of secondary schools drastically changed in the period 1995–2004. A share and number of the young enrolled in lower vocational schools fell, however, the participation in technical and general secondary schools as well as in vocational technical programmes increased. The percentage of youth (15-19 years of age) between 1995 and 2004 fell in lower vocational schools from 2.3% to 1.8%, and the percentage of youth in the vocational schools fell from 19.0% to 14.4% in 2004, which was the lowest percentage in the entire reference period. In 2004, there were 18,000 young enrolled in secondary vocational schools, which was significantly less than in 1995 (28,900) and the number of young in lower vocational schools fell from 3,400 to 1,300 in the course of that year. An opposite trend was experienced in technical and general secondary schools as well as in vocational technical programmes. The percentage of youth in technical and general secondary schools was on the increase during all those years – 1995-2004 period, except for 1995 and 1996. More than half of the said generation enrolled in the abovementioned schools in 2002. The number of enrolled students in general and technical secondary schools (in Slovenia referred to as “gimnazije”) increased from 24,904 in the academic year 1995/1996 to 39,040 in the academic year 2003/2004 which meant an increase from 23.8 % to 39.5% among the generation concerned that was enrolled in secondary schools. The percentage of youth enrolled in vocational technical programmes greatly increased (from 1.8% in 1995 to 6.2% in 2004) as well as their number, i.e. by approximately 2.8 times. The share of pupils to attend programmes of secondary level is evened out, but the differences in the share of women and men, enrolled in individual secondary school programmes show that secondary school education is still gender segregated. The females prevail in the fields like textiles, chemistry, pharmaceuticals, economy, healthcare, education and pedagogical studies, humanities, culture and personal services. The males are mainly represented in the programmes on forestry, woodworking, construction, paper and press, electro-technics, informatics and metallurgy, mechanical engineering, transport, and mining. Both genders are equally represented in only three vocational programmes, namely in agrofood industry, catering and tourism as well as in the general educational programme.

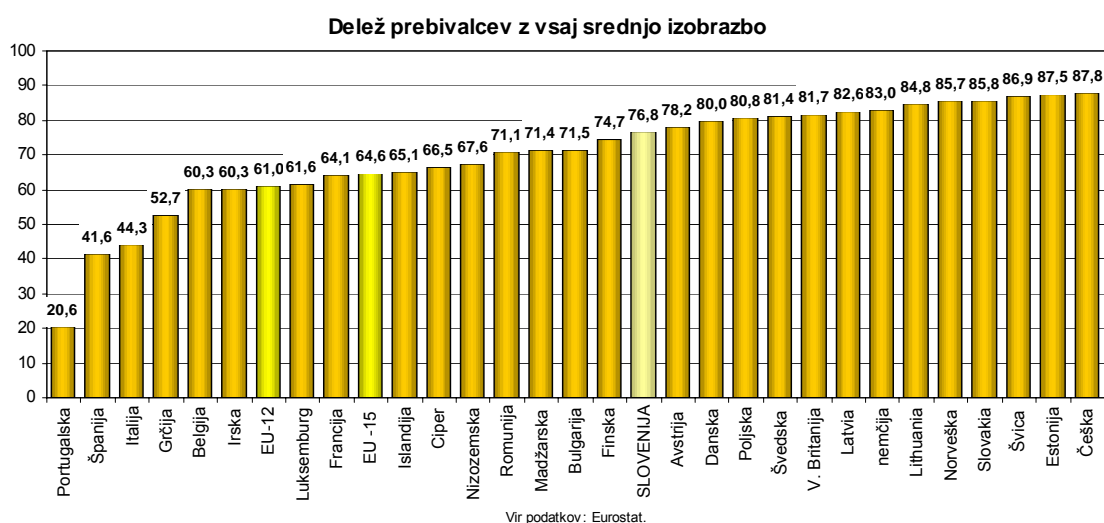
Full-time undergraduate studies: similarly to other developed countries, the numbers of students in Slovenia enrolled in regular undergraduate programmes has significantly increased in the last ten years. Between 1995 and 2005, it almost doubled and in 2005 there were 71,000 full-time students in Slovenia, the percentage of the 19–23 age group for the first time exceeding 50%. A decade earlier there was only a quarter of students from this age group.

Table (14): Percentage of population between 15 and 25 years of age at all levels of formal education, secondary schools and undergraduate programmes

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Percentage of population between 15 – 24 years of age at all levels of education											
Total	No data	No data	No data	53,6	56,3	59,3	62,7	65,2	66,9	No data	No data
Male	No data	No data	No data	49,7	51,8	54,8	58,1	59,9	62,5	No data	No data
Female	No data	No data	No data	57,8	61,1	64,1	67,5	70,7	71,5	No data	No data
Inclusion of youth in the secondary schools, in % of youth between 15 – 19 years of age											
numbers in thousands	102,1	104,7	104,8	103,5	103,0	100,9	100,6	98,8	100,1	98,8	No data
- % from youth between 15 – 19 years of age	67,3	69,2	70,2	70,8	72,2	72,5	74,9	75,4	77,2	77,9	No data
Inclusion of population in full-time undergraduate programmes											
numbers in thousands	36,0	45,6	49,0	53,0	55,2	59,0	62,7	63,8	66,5	69,7	71,0
- % between 15 – 19 years of age	24,6	30,8	32,9	35,3	36,5	39,1	41,9	43,2	46,1	49,6	52,1

Source: Eurostat

Graph (4): Percentage of the population with at least secondary education (second level of secondary education) – 2002, age group 25 - 64



Text in the graph: top line: share of population with at least secondary education

Slovenia in the 1995-2005 period increased the percentage of the population with tertiary education³³ thus following the trends of other developed countries. According to the results from the work force survey for the second quarter, the increase was demonstrated in 5.8% in the reference period. In 2005, exactly a fifth of the population between 25 – 64 years of age had tertiary education (2005 15.7 %; 1995 - 14,2 %). Increase of people enrolled (youth and adults) in tertiary education and growth in number of graduates were typical of this period. In the 1995-2000 period, the increase was only slight since the percentage of population with tertiary education increased only by 1.5 percentage points. Between 2000 and 2005 the

³³ Data on the inclusion of 15-24 age group into all levels of formal education have been only available as of 1998.

growth was faster and the percentage increased by 4.3%. The reason for this was to be found in large increase of people enrolled in tertiary education in the second half of the 1990s (from 47,900 in 1995 to 91,500 in 2000) and of graduates (from 7,200 in 1995 to 11,500 in 2000).

Even though Slovenia in the period 2000 – 2005 drastically increased the percentage of the population with tertiary education, it is nevertheless still behind the EU-25 average. In 2005, it lagged behind by 2.7 percentage points, which was by 0.9 percentage points less than in 2000. The percentage of the population with tertiary education in Slovenia in the second quarter of 2005 stood at 20.0% (EU-25 - 22.7%), and in the period 1995 – 2005 even increased. The difference amounted to 3.8 percentage points in 2005, and the lowest difference was recorded in 1995, amounting to 2.4 percentage points. The EU-15 average equalled 23.8% in 2005 and 16.6% in 1995. In 2005, the highest share of population with tertiary education boasted the Scandinavian countries: Finland (34.5 %), Estonia (33.6 %) and Denmark (32.9 %). The percentage of females with tertiary education is higher than of males and at the same time their percentage is increasing faster, in 2005 thus being higher by 5.9 percentage points (females 23.0 % and males 17,1 %). However, there are fewer women with postgraduate education than there are men.

The number of young people enrolled at university or higher education institutions has been increasing in the past years. In the academic year 2004/2005, there were 91,229 students enrolled in higher education programmes, 59.4% thereof being women. There were fewer female students in higher educational professional programmes, namely 48.6%. The same ratio of female students as in the previous years was at higher schools and faculties that offer programmes in the area of healthcare, social work and pedagogical work. The share of female students exceeded the level of their male counterparts in the area of social sciences economy, law, art and humanities. The share of male students strongly exceeded the share of females in technical studies, science, maths and informatics.

The share of female graduates (63.2%) in 2004 topped the share of male graduates but the share of those that further scientific or academic career considerably drops, especially at the top levels. Gender gap at the masters, specialisation or doctorate studies are being reduced year by year, the share of females steadily increasing. The share of females to acquire a postgraduate degree (master's, specialisation) was somewhat higher than for males (56.4%) in the same year, nevertheless, in the recent years, the share of new doctoral degree holders has been reducing, namely from 49% in 2001 to 40.6% in 2004.

According to the data for 2001, there were 25.4% women among the academic personnel, and 11.1% of females in a position of a full professor. Females are likewise underrepresented in the structure of university and academic research councils where their share stands at 17.2%. Slovenia had in 2004 5.9% of active population with higher level education - males 4.8%, females 7.2%, total 12.7%, whereas 10.4% males and 15.6% females had university level education. Gender gap evens out at the specialisation level after the university, master's and doctorate programmes - 1.5% of Slovenes had one of these three titles but the gender gap was negligible.

Table (15): Percentage of population between 25 and 64 years of age with tertiary education, together and by gender, in Slovenia, in the period 1995 - 2005 (second quarter)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total	14,2	13,4	13,1	14,4	15,4	15,7	13,8	14,5	17,8	18,8	20,0
Male	No data	12,8	12,5	13,0	14,0	14,1	11,7	13,0	15,2	16,1	17,1
Female	No data	13,9	13,5	15,9	16,9	17,3	15,8	16,1	20,4	21,7	23,0

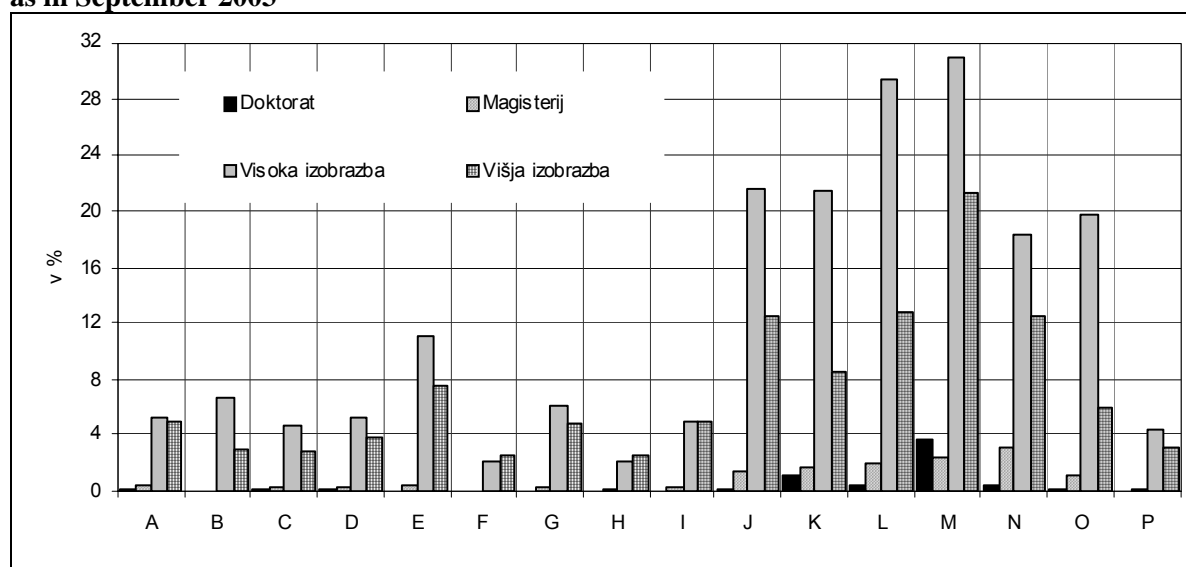
Source: Eurostat, calculations IMAD, SORS.

The percentage of people with tertiary education is according to a number of econometric analyses of economic growth factors considered an important factor of economic development. Slovenia will have to increase the percentage of the population with tertiary education in order to achieve higher economic growth and development, which may only be achieved through the effectiveness of the education of youth on the one side and increase in the incentives for the education of adults and elderly people on the other, since the lag behind the developed countries in this respect is in Slovenia smaller or practically non-existent for younger generations as opposed to older generation.

In the future, Slovenia needs to open up its higher-education space, thus providing possibilities for creation of new, quality private universities. Increase in the number of higher-education establishments will give rise to the competitiveness of study programmes, thereby improving their quality. The latter would also act as an attractive incentive to foreign students and foreign professors and researchers, primarily to those Slovenes living in border areas as well as abroad.

Comparative analysis of the involvement of the population in formal education shows that Slovenia, when compared to developed countries, is significantly less behind in terms of enrolment of youth in formal education than the one of adults. Preliminary data of a new research conducted by the Slovene Adult Education Centre on the enrolment of adults in the education show improvement when compared to 1998. Nevertheless, Slovenia is still greatly behind the developed countries, especially the Scandinavian countries where life-long learning is experiencing a boom.

Graph (5): Percentage of the employed with post-secondary education according to the activity as in September 2003



Source: SORS ; Text in the graph: doktorat = PhD; magisterij = master's degree, visoka izobrazba: university level education, višja izobrazba: higher education

The differences according to the activity sector are also indicative as shown by the above graph. The educational level of employees is relatively low in the processing industry which is along with agriculture under the highest competition pressure. A question is being raised on the competitiveness of processing enterprises as well as on the employability of potentially unemployed people as a consequence of reducing the number of employees.

According to the indicator on the number of university graduates in programmes such as mathematics, natural science and technology, considering the 20-29 years age group, Slovenia with a value of 8.2 graduates per 1,000 residents considerably lagged behind (by almost 30%) the average EU-15 (11.9) as well as behind the EU-25 average (10.9) in 2001, which in the labour market translates as a shortage of skilled workers from these fields (data provided by Eurostat). The link between enrolled students and graduates in a particular study programme (with a certain delay) depends on the programme effectiveness, the latter being smaller in technical field than in other fields (the findings refer to the reference generation from the 1990s) according to a longitudinal analysis prepared by dr. Milena Bevc and colleagues in 2001. Besides unfavourable structure of graduates – shortage of graduates in science, mathematics, informatics, healthcare and social care on the one hand, and overabundance of those with a degree in social studies, law and economy, it is the duration of studies itself that is likewise somewhat unsatisfactory, given that it lasts on average seven years, whereby it needs to be taken into account that actual requirements foresee the time span of five years. Slovenia thus sees a solution in the implementation of the Bologna process that corresponds to a comprehensive modernisation of higher education system and provides opportunities for horizontal and vertical mobility at the national and international levels, whereas the quality of teaching and researching is to be raised via foreign experts and return of national experts from abroad, thus improving internationalisation and international comparability.

The share of public expenditure for education in GDP in Slovenia accounted for 6.02% in 2002 and persisted significantly above that EU-25 average. The provisional data for 2003 show that the share somewhat increased, i.e. to 6.09%, ranking Slovenia above most European countries (4-6% of GDP) and well above the EU-25 average which according to Eurostat in 2003 stood at 5.10% (and in 2002 at 4.94%). Relatively high percentage of public

expenditure of GDP earmarked for education is nevertheless still lower than in certain Scandinavian countries. With high percentage persistently on the increase, Denmark (8.51% in 2002), Sweden (7.66 % in 2002) and Finland (6.39 % in 2002) stand out, all of them also at the top according to some other education indicators – the percentage of population with tertiary education, writing skills, enrolment of adults in education. In this respect, Slovenia finds itself considerably behind and should look up to them. Regarding the share of public expenditure for education in GDP, Slovenia in 2002 fell on the 7th place, whereas public expenditure for tertiary education in GDP ranked 8th among all EU Member States.

According to the share of public expenditure in GDP for tertiary education, Slovenia likewise exceeds the EU Member States average. In 2003, according to the first estimate of SORS, the percentage of public expenditure earmarked for tertiary education accounted for 1.36% of GDP which, considering the drop-out and lengthy programmes, points to programme ineffectiveness and to less than desired use of public resources. Analyses at the same time show that the current system for financing undergraduate programmes, and especially post-graduate programmes, does not ensure equal opportunities in education for all social levels. Due to high »non-tuition« costs for education, and in the case of part-time programmes to high tuition, the access to education is hampered for those that are not wealthy enough to finance it themselves or materially not deprived enough to be awarded a scholarship.

(Border) economic advantages of formal education are in Slovenia, when compared to most old EU Member States high, irrespective of the measuring method (relative salaries, rate of employment, individual rate of return for various/successive education categories). Nevertheless, high level of students' potential (also permanent) outflow from the country is present among senior students, especially among the Erasmus students (participants in international student exchange) and among students in technical, natural science and mathematical fields. As already stated, these are critical profiles regarding the labour market needs and relative availability of such skilled workers when compared to other countries. They also correspond to the profiles that have been most represented among emigrated top experts (researchers) in the last 10 years.

Regarding the incentives from the field of scholarships, there were 30,713 company scholarship beneficiaries in 1990, and in the academic year 2003/04, there were 2,969 company scholarships, 375 or 12.6% of them being tendered by the state and the remaining scholarships were given by enterprises and other organisations. Impossibility of long-term human resource planning and absence of long-term employment policies in the economy related thereto affect the extent of awarding company scholarships. The exception is to be found in regional scholarships schemes that were successfully introduced in the majority of the Slovene regions.

Losses in the education process: according to the EUROSTAT data, the structural indicator of early school leaving – the percentage of 18–24 years age group having only primary school completed and excluded from further education or training is not deemed worrisome if compared to total population of this age group, given that according to comparative data for 2001 this percentage (7.5%) was significantly lower than the EU-15 average (18.9%) or the EU-25 average (17.3%). According to the national research, the problem is not negligible at the secondary level; however, dropping-out at the tertiary level seems to be troubling to contemplate. Even though the number of students (full-time and part-time) per 1,000 residents in Slovenia has already exceeded 50, the problem of considerable drop-out and study length persists. According to the data on enrolment, successful completion of the first year and

enrolment in the second year in the period 1991 – 2001 stood at only 60%-68% (Zgaga, 2004, page 44), which points to a not very rational use of public resources for tertiary education. Despite the estimates on modest public resources, relatively many resources are earmarked (1.36 GDP) for tertiary education, which is comparable to the EU average level. Bevc (2002), in a longitudinal analysis on study effectiveness, warns of the lengthy studies problem and finds that in eight years of studying only 50% of the student generation completes the course, 6% of students study as long as eight years and 44% of students fail to complete the programme.

Quality of education – the research on writing skills from 1998 shows lower writing skills of the Slovene youth when compared to other countries. Similar concern has been raised in the last International Comparison of Mathematics and Science Achievement of Children conducted by TIMSS 2003, since the highest knowledge level of mathematics for a primary school pupil remains 4 times lower than the international standard, 7 times lower than the corresponding level in Great Britain and 5 times lower than in Russia, Belgium, Lithuania, Latvia and Hungary.

Incompatibilities also arise due to non-intensive HR management in companies, which mirrors in insufficiently expressed interest of enterprises for investments into training and education, especially of less educated staff. The employed in Slovenia do not fully harness their potential at work. There is a critically small number of personnel experts per 100 employees and the enterprises are national labour market-oriented, the level of employment flexibility is low, decisions on the HR management are centralised and the latter is insufficiently supervised. Special need arises for high-educated staff of vulnerable target groups to maintain and develop their own cultural identities, encourage cultural diversity and greater social inclusion and adapt these key groups to the labour market demands, at the same time opening the labour market towards easier inclusion of vulnerable target groups. A need for better enforcement of more flexible forms of education (for example distant learning, use of methods and techniques adapted to the disabled, materials in mother tongue and so forth) and employment arises in the same context. The area of investing into HR in enterprises is not systematically monitored, there are, however certain enterprises known to invest considerably into education of their employees. The highest budget for the education in 2004 amounted to 3.62% and maximum average hours of education and training per employee stood at 156,58 hours. The highest percentage (100%) of inclusion in the education and training was achieved by few enterprises that likewise included in the education and training employees on the maternity leave and other regular absences. The highest share of internal educators in 2004 equalled 33.33%, and the highest percentage of measured quality of the education undertaken also stood at 100%.

The discovered deficiencies or unsatisfactory indicators on HRD require at least two types of interventions namely, improvement of the education and training system capacity-building of an individual to improve the educational or training level, thereby gaining more mobility. The EU programmes in the area of education and training follow two fundamental goals: setting up comparability of education and training systems and promotion of mobility.

Regional characteristics of human resources development

The situation in regional development was most fully expressed by the development risk index which shows vast development disparities between the cohesion region of east Slovenia (index 127) and more developed west Slovenia (index 73). At a more detailed territorial

division level (NUTS—3 development region level) the differences are even more noticeable. Dependency ratio has grown in all regions, thus decreasing regional disparities.

Table (16): Socio-economic indicators for cohesion regions and for Slovenia

INDICATORS:	West Slovenia	East Slovenia ²⁾	Slovenia
Average years of schooling, year 2005 ³⁾	11,36	10,66	10,98
Dependency ratio 2003-2005 (on 30.06 of each year)	106,1	103,6	104,7
Anticipated life span from birth (1999-2003)	77,6	75,1	76,2
Synthesis development indicator: Development risk index ⁴⁾	73,0	127,0	100,0

1.) East Slovenia: Gorenjska, Goriška, Obalno-kraška and Osrednjeslovenska (all NUTS 3)

2.) East Slovenia: Pomurska, Podravska, Koroška, Savinjska, Jugovzhodna Slovenija, Zasavska, Spodnjeposavska, Notranjsko-kraška (all NUTS 3)

3.) Data: 2002 Census

4.) Development risk index is a synthesis indicator, calculated on the basis of the indicators of the economic development, labour market, population, education and environment for the 12 development regions.

The percentage of employed with high and higher education is above average only in Osrednjeslovenska and Obalno-kraška regions. Positively deviating as regards their share of students are Osrednjeslovenska, Obalno-kraška, Gorenjska, Goriška regions, whereas Primorska and Spodnjeposavska regions lag behind. Another problem lies in so-called »brain drain« since high-educated remain in the university centres (mainly in Ljubljana) where they are offered better possibilities for further growth. Regional centres in less developed regions are poorly equipped with educational infrastructure, especially with higher and university education centres which are concentrated mainly in Osrednjeslovenska, Podravska and Obalno-kraška regions. It is regional educational centres that could match suitably the »demand and supply« in the labour market, in accordance with the needs of the economy in the region. Great disparities are also present in scientific-research institutions which are mainly located in the Osrednjeslovenska region.

Table (17): Situation indicators for human resources per development regions

NUTS-3 development region	Average years of schooling,	Percentage of people with higher or university level education
Osrednjeslovenska	11,27	11,60
Obalno-kraška	10,70	10,10
Gorenjska	10,70	8,00
Goriška	10,42	10,70
Savinjska	10,39	5,80
Jugovzhodna Slovenija	10,14	5,40
Pomurska	10,02	4,00
Notranjsko-kraška	10,29	9,40
Podravska	10,60	5,80
Koroška	10,33	7,10
Spodnjeposavska	10,19	6,40
Zasavska	10,34	4,40
Slovenia	10,64	7,30

Source: IMAD

Strengths, weaknesses, opportunities and threats in the human resources development area

STRENGTHS

- High inclusion of youth in education, of females in particular;
- High share of highly educated and qualified persons who have the possibility of inclusion in life-long learning and development of competitiveness;
- High share of persons with completed 4-year secondary school programme;
- Relatively high share of public use of GDP for education;
- Great economic profit from educational attainment (at the tertiary level in particular);
- Constant prolonging of educational period of active population;
- Low rate of drop-out in primary and secondary schools;
- Increase in inclusion of women in formal and informal education, the share of women surpassing the one of men;
- Relatively high inclusion in life-long learning;
- Considerably more women included in education and training taking place after the age of 50.

WEAKNESSES

- Lack of systems of motivation and counselling regarding education and training;
- Inadequate educational structure of the population per educational attainment (workers above the age of 40), decreasing the possibilities of employment and mobility;
- Inadequate adaptability of programmes of education and training to the labour market needs, causing imbalance between the offer of programmes and the needs of the economy, labour market and individual;
- Insufficient cooperation with social partners, economy, non-governmental and non-profit sectors, NGOs in the preparation of education and training programmes;
- Large regional disparities in terms of stock and flow of knowledge capital and educational institution networks, underdeveloped offer of education programmes and uneven dispersion of adult education centres;
- High drop-out rate in under-graduate programmes;
- Low functional literacy in the 16-64 age group, low inclusion of adults in education and training, low share of population with tertiary education, lower average number of years than the EU-15 average (25-64 age group);
- Prolonging the duration of post-graduate programmes;
- Low applicable value of knowledge obtained at secondary and tertiary level;
- Inadequately educated and qualified persons excluded from life-long learning, labour market and HRD;
- Lack of adequate knowledge for partnership cooperation regarding knowledge transfer;
- Lower level of knowledge of natural sciences and mathematics than elsewhere;
- Low mobility;
- Low inclusion of economy and employers in defining the needs of education and training;
- Lower writing skills of youth than elsewhere;
- Decrease in the number of women holding academic titles;
- More adults with higher educational level included in adult education;
- Inclusion of adults in education and training programmes on the decrease;
- Single inclusion of adults in any form adult education the most frequent;
- Simple and so-called industrial professions the least included in informal education and training.

OPPORTUNITIES

- Introduction of life-long learning and subsequent increase in value-added;
- Intensified education and training in enterprises (motivating employers for life-long learning and HRD);
- Intensified use of ICT in economy and use of ICT infrastructure;
- Integration of formal, informal knowledge;
- Improvement in applicable knowledge of active population;
- Growth of occupational and spatial mobility in the common European labour market (employment abroad, returning with experiences);
- Setting-up of mechanisms with a stimulating effect for education and training through scholarship schemes and the Fund for the development of personnel;
Possibility of increase in foreign languages skills of schooling youth through foreign guest teachers;
- Establishment of stronger local partnerships (schools, life-long learning centres, economy);
- Relatively well-developed network of public R&D institutions for promotion of life-long learning strategy;
- Implementation of the Bologna declaration – greater international comparability and attractiveness of tertiary education;
- Greater mobility of students, pupils, professors, researchers and other employed (partial exchange programmes, practical training, knowledge transfer from the EU Member States, internationalisation, particularly of SMEs).

THREATS

- Continued low effectiveness of study programmes (losses in tertiary education);
- Lengthy procedure of coordination laying down contents of necessary programmes, education of providers and motivating activities for older generations that promote their inclusion;
- Further restructuring of sensitive sectors, thereby increasing the number of the unemployed, low qualified workers included in life-long learning;
- Insufficiently developed infrastructure (personnel, organisations, programmes, counselling network, R&D activities, information and promotion activity) in the field of adult education.

2.2.4 Social inclusion and equal opportunities

Among vulnerable groups³⁴ of population with a greater level of social exclusion risk and unequal opportunities fall:

- people with very low income (poverty risks) whose survival is often dependent on social transfers (unemployed³⁵, single-parent families, older single people, older single females); in December 2005 there were 93,757 beneficiaries of social assistance and 23,583 unemployed beneficiaries of monetary compensation and assistance.
- people with disabilities (people with disabilities without such a status, with heavier injury, unemployed); in 2005, there were 9.9% of unemployed disabled people, which is still more than in 1995 (5.2%) but nevertheless less than in 2002 (18.35%), with inappropriate housing conditions),
- homeless people (health and housing problems) - Slovenian Departments for Social Security work with about 400 homeless people per year. Especially in the case of long-term homelessness and due to longer exclusion from the labour market, these people lose their ability to work, professional knowledge, skills and working habits;

³⁴ National report on social protection and social inclusion strategies 2006 – 2008, Ministry of Labour, Family and Social Affairs, Ljubljana 2006

³⁵ Particularly disadvantaged are long-term unemployed (older generations and women with no or low educational level), unemployed young with low education (drop-outs, first-job seekers with lack of experience)

- the Roma community (unemployment, low level of education, poor housing conditions);
- migrants, refugees, asylum seekers (without sufficient knowledge of language, employment, housing conditions);
- children and adolescents who have development difficulties and other vulnerable groups (victims of violence, addicts, people with mental health disorders and so forth) – Slovenian Departments of Social Security provide assistance to around 2,200 people with mental health disorders and around 1,300 females experiencing violence abuse annually.

Senior citizens

Demographical changes in the population structure have brought about a noticeable extension of the scope of care for elderly, so that in 2004 the institutional care capacities were increased by 4% and the capacities for domestic help increased at a somewhat slower pace. There was a dramatic increase in claiming the right for home care assistance for people that required assistance in performing most or all vital functions. It will be necessary to increase the extent of these activities since, according to Eurostat, the number of people older than 65 years or more will increase by 26,815 or 16.5% of the total population structure from 2005 to 2013.

The employment rate of elderly people (55-64 years) in Slovenia in 2005 stood at 30.8%³⁶. The situation is slowly improving since it amounted to 29% in 2004 and 23.5% in 2003, but nevertheless still remains low. In comparison to the European Union (EU-25, 42.5% and EU-5, 44.1%) Slovenia falls among the countries that have the lowest employment rate of older age groups. There is also a noticeable gender gap, since the employment rate of older females stood at 18.5% in 2005 (2004 - 17.8% and 2003 - 14.6%) and remained lower than the employment rate of elderly men, which amounted to 43.1% in 2005 (2004 - 40.9% and 2003 - 33.2%).

The reasons for such situation can be found in the past orientation of the manufacture for the most part concentrated on textile, clothing and footwear industry as well as on manufacturing metal and mechanical equipment. Large enterprises employed less educated work force in textiles, especially low educated older women with limited possibility to requalify quickly. The early retirement at that time allowed for the retention of social security for the listed category of people and protected them from entering in open unemployment. The stated differences consequently led to lower percentage of employed older people and to lower average retirement age in terms of statistics. It is a known fact that older workers with years become less inclined to changes, need time to adjust to new working conditions and are at the same time distinguished for long-term experiences and knowledge which can positively affect the competitiveness of the enterprise.

Foreigners in Slovenia

On the basis of amendments to the Employment and Work of Aliens Act, which introduced some changes in this area, the number of valid working permits for foreigners in Slovenia significantly reduced in 2001. At the end of 2001, there were 33,982 valid permits, which was by 15.7% less than at the end of 2000. It is important to emphasise that the figure mostly relates to foreigners who have worked in Slovenia for a longer period of time and not so much

³⁶ Source: Eurostat.

to new jobs. The majority of foreigners (as in the past years) were employed in construction and agriculture. The reasons for employing foreigners are mainly to be attributed to structural disparities between the supply and demand of labour market and therefore labour force shortage and readiness of foreign labour force to work in difficult working conditions.

There were 53,841 foreign workers with various working permits in the Slovene labour market at the end of October 2006, 3,552 of them being EU citizens who, in accordance with the implementation of free movement of workers, no longer need working permit and are equal to the Slovene citizens as regards the employment; and 50,289 citizens of third countries, among which the majority are citizens of former Yugoslavia, namely 42,776. The number of economic immigrants represented good 6% of active population of the Republic of Slovenia. The main problem hindering employment of the immigrants is their low educational level, lack of sufficient knowledge of the Slovene language and lack of acquaintance with the underlying principles of the Slovene labour market. Therefore, within the framework of the active employment policy framework, it is an important challenge in the area of employment to raise the educational level of migrants.

Ethnic minorities

Considering the number of the members of ethnic Italian minority, after the population and household census in 2002, there were 2,258 people (701 people less than in 1991 or 23.7%), which represented 0.11% of the total population. During the academic year 2003/2004, 264 children were enrolled in kindergarten with the Italian as a teaching language in nationally mixed coastal municipalities. 385 pupils were enrolled in 3 primary schools with branches with the Italian language, whereas in the 2004/2005 academic year a total of 291 pupils visited 3 secondary schools with the Italian as a teaching language.

6,243 persons were registered as members of Hungarian minority during the population and household census in 2002, which was by 22% less than the previous census records, i.e. 1,757 persons, representing 0.32% of the population. In nationally mixed area, in the five Prekmurje municipalities (Lendava, Dobrovnik, Hodoš, Šalovci, Moravske Toplice) reside 5,212 members of the Hungarian national community, which is 83.5% of those to have declared themselves to be Hungarians in the Republic of Slovenia. Outside the nationally mixed area there are 1,031 members of this community, which represents 15.5% of all such members of Hungarian national community.

In the school year 2003/2004, 249 children were enrolled in bilingual kindergartens in Pomurje, 942 pupils were in school year 2004/2005 enrolled in primary schools, while 280 pupils were attending secondary education in bilingual school in Lendava.

Roma ethnic minority

At the 2002 population and household census, 3,246 people declared themselves as members of the Roma community and 3,834 stated the Roma language as their mother tongue. When comparing the data from the 1991 population and household census, it is shown that 2,259 registered as members of the Roma community, which was by 30.5% less than in 2002. According to the data of the Slovene Departments for Social Security, there should have been 6,264 Roma members in 2003, and according to the municipalities' data in 2004, there were 6,448 Roma members residing in these municipalities. Despite the official data on the population, it is estimated that there are between 7,000 and 10,000 Roma members in the

Republic of Slovenia. The Roma communities are in terms of territory differently represented. Most of them are in the North-east (more socially included) and in the South-east of Slovenia where integration problems are most noticeable.

Legal bases for special conditions regarding the education of the Roma children were introduced in new educational legislations in 1996, and in 2000 and 2001 further amendments were added in the Organisation and Financing of Education Act, Kindergarten Act and Elementary School Act. Better situation in the area of education will be achieved by the implementation of the "Development and education strategy for the Roma minority in the Republic of Slovenia", which was adopted in May 2004 by the Ministry of Education, Science and Sport, whereas early enrolment of Roma children in pre-school care (at least two years before entering the school or no later than by four years) would contribute to better inclusion of the Roma children in the education. Early enrolment in the kindergarten is sensible mainly for the purpose of learning the language (Slovene or Roma) and early socialisation. Good results have been noticed in the introduction of the Roma assistants in the classes with the Roma children, facultative learning of the Roma language and continuous training of teachers, non-segregation of the Roma children etc. The problem of including the Roma members in the education system is mainly connected with the problems of early school leaving without gaining sufficient knowledge and skills to perform a certain job.

Among the basic conditions for improving the entire social and economic situation of the Roma people as well as their social integration is the area of employment. Current situation in the labour market, with a relatively high rate of unemployment and distinctive structural and regional unemployment is especially unfavourable for the Roma members due to the disparity between the supply and demand in the labour market. Only approximately 2% of the Roma members are employed and as many as 98% remain unemployed. The latter depend on social state aid whereas some of them work illegally (gathering raw materials, collecting forest fruits, etc.).

People with disabilities

Special vulnerable group is represented by people with disabilities. Analysis of the situation in the employment shows that the position of the disabled people in the labour market is less favourable, the disabled people are less included in the labour market, the unemployment rate is higher than the average unemployment rate and the duration of unemployment is longer for disabled people. The data show that the first step taken - registering of a disabled person as unemployed, is already considered as critical for this population that does not opt to register. In the labour market (unemployed and employed disabled people) there is only one quarter of disabled people (of 170,000 only 43,000 are employed).

In the past, the process of transition ensured the population concerned its social security through a retirement system, which nowadays in figures stands for an above-average retirement rate of this population – there are 100,000 retired disabled people registered amongst 500,000 recipients of pensions. The national budget resources earmarked for the people with disabilities are still mainly intended for compensations (passive measures) and not for training measures. According to an OECD study in 2003, the percentage earmarked by countries, including EU Member States, for disabled people is mainly intended for passive incomes (compensation, pensions) and generally does not exceed 10% of total resources. Only the Scandinavian countries have between 10% and 15% earmarked for active resources, whereas middle European countries, including Slovenia, earmark less than 10% of

resources for active programmes. If the disabled people choose to register, their structural characteristics – age and education – do anything but contribute towards gaining employment. After 2000, the number of unemployed people with disabilities people has been stable (approximately 20,000) among all unemployed people (approximately 100,000), which means that the percentage of the disabled people represents 20% in the whole unemployment structure. Only every seventh disabled person is included in all measures of active employment policy (including rehabilitation employment), which means that the majority of the disabled people are left to themselves and passive contributions.

Gender inequality

Work activity of women in 2003 in Slovenia amounted to 57.6% and remained above the EU average (close to the Lisbon goal of 60%), the work activity of men stood at 67.4% above the EU average³⁷. The difference between Slovenia (and other new EU Member States) and the EU average is even larger when the data related to gender gap in employment are considered as an equivalent of full working hours. Since females in Slovenia preponderantly work full-time, the gender gap equals 10.6%; if we measure the equivalent of full time when compared to the EU average, it stands at 21.9%. Therefore, men with 41.8 hours per week and females with 40.9 hours per week on average work more per week than the EU average, however, overtime for both genders is below the EU average. With the increase in the employers' demands, numerous reductions in the labour force, diversification of the working process and the introduction of new technologies, the opportunities of parents to harmonise work and family life has been reduced in Europe and in Slovenia.

Unequal position of women in the labour market is shown in pay gap between men and women with comparable level of education. Employment Relations Act introduced equal pay principle for equal work value according to which the employer is obliged to give equal pay irrespective of the gender. As established by the Office for Equal Opportunities (hereinafter OEO) in the Analysis of the situation conducted in February 2005, women with the same level of professional qualifications as men on average earn 10 percentage points less than men. The largest differences between the pay of men and women are found between qualified and highly qualified workers and between workers with university level of education.

Despite a more solid base, at least in terms of education, OEO has found that the number of women in the highest management positions in enterprises is extremely low. Even though their representation in the highest positions has grown in the past years, there were only 4% of women among board presidents or vice-presidents in the largest enterprises and among the board members; there were 22% of women in 2003. At the management level, the women assumed 29% of positions and in 100 most successful enterprises in Slovenia there were only 3 women among the presidents and vice-presidents.

The Advocate of the principle of equality in 2005 deliberated on 49 discrimination cases of which 42 were solved. Among the petitioners there were: 17 women, 24 men, 5 NGOs, 2 trade unions, 1 petition was anonymous. Among the petitions received, 17 of them pertained to gender discrimination and 32 to discrimination on the basis of special personal circumstances. With the opinions issued in 2005, the Advocate found discrimination based on gender or other specific circumstances in 6 cases, and in 11 cases, there were no signs of

³⁷ Data source: Final report, research: Parents between work and family

unequal treatment. Age discrimination is most often reported in catering industry (7%), financial intermediation (5%), municipal companies, mining, traffic and industry (4%).

Social economy

The development of Slovenia and sustainable regional development will not be possible without developing modern social economy which enables equal integration of those groups of population which for various reasons find themselves insufficiently competitive or interesting for employers in the labour market. The development of such quantitative and even more so qualitative (diversification) social economy is one of the fundamental opportunities in the area of stimulating employment reintegration and stimulating equal opportunities and social inclusion.

Social economy has been present for a long time in Slovenia but we do not utilise the whole range of advantages and opportunities of its concept. One of the most widespread forms of social economy in Slovenia are the sheltered enterprises which, according to the data for 2004, are 156 in number and which employ 13,580 people, 6,348 of them categorised as the disabled. This form of social economy is based on the primary mission of the sheltered enterprises, which is the training and employment of disabled people. Tasks connected with integration and reintegration of the disabled people in working and living environment are professional treatment of disabled people, humanisation of their work and improvement of their quality of life.

Apart from the sheltered enterprises as a form of social economy, another form of social economy is being introduced in Slovenia, namely the employment centres. The platform for the employment centres lies, as for the sheltered enterprises, in the Vocational Rehabilitation and Employment of Disabled Persons Act (2004). In 2006, there were 7 active employment centres which together employed approximately 100 disabled persons.

Social inclusion in the area of cultural contents

Key challenges in the area of social inclusion of vulnerable target groups also mirror in the area of preserving and developing their special cultural identity. The attitude towards diversity raises concerns and there is an increased need to develop cultural pluralism. By increasing tolerance and by enforcing multiculturalism, positive influences are expected on people's work motivation, which will consequently allow a better qualitative contribution of social inclusion of vulnerable target groups towards the development of the Slovene society and last but not least, towards improving quality of life and greater openness and appeal of Slovenia for immigration and foreign investments.

At the systemic level, a special problem is represented by the dispersion and smallness of the organisations (connected to general problems of training and absorption capacity of NGOs) that deal with interests of vulnerable groups and their insufficient management, organisation and development capacities, which entails limited systemic development opportunities for greater inclusion of social groups also through cultural creativity.

Information on umbrella organisations which operate in the area of cultural dealing with target groups are only indicative: approximately 40 people that represent cultural interests of the said target groups in Slovenia (Association of Blind and partially sighted of Slovenia, Slovenian Association of Friends of Youth, Gerontological Association of Slovenia,

Slovenian Association of deaf and hard of hearing, Italian and Hungarian national communities, the Roma community, other minority and ethnic groups and immigrants) have permanent employment. These organisations in their activities regularly include over 1,000 volunteers, for example as animators and mentors.

Regional aspects of social exclusion

Table 18: Share of long-term unemployed in years per regions

STATISTICAL REGIONS	Share of long-term unemployed among all unemployed (in %)						
	31.12.2000	/annual average					
		2001	2002	2003	2004	2005	I–VI 2006
Osrednjeslovenska	61	57,5	50,5	43,2	42	44,9	47,7
Obalno-kraška	51,7	51,2	51,2	42,5	39,8	39,3	35,9
Gorenjska	59,2	55,8	47	38,5	37,2	35,8	35,4
Goriška	58	55,5	48	44,6	41,9	44,7	43,5
Savinjska	62,1	58,3	55,2	52	48,7	50,3	52,4
Jugovzhodna Slovenija	67,1	65,4	59,5	53,3	48,6	50,6	50,8
Pomurska	58,4	58,7	54,2	52,8	50,1	53,3	53,2
Notranjsko-kraška	58,5	56	52,9	41,4	41,6	44,7	43,6
Podravska	64,4	62,2	59,3	53,4	48,6	47,7	46,6
Koroška	58	55,6	50,9	44,4	49,1	50	47,1
Spodnjeposavska	60	57,4	56,2	51,3	52,3	51,6	50,7
Zasavska	63,2	59,1	53,1	48	48,8	48,4	46,6
SLOVENIA	61,4	58,9	54,4	48,6	46,2	47,3	47,5

Source: Janja Pečar: Regions 2006 – selected socio-economic indicators per regions, IMAD, Workbook no.15, Ljubljana, 2006

A common cause of long-term unemployment is to be found in low educational structure of the population. The latter is an acute problem in the Notranjsko-kraška region, in Pomurje and Podravje, whereas it is considered a somewhat less weighty problem in the Gorenjska and Osrednjeslovenska regions.

Table 19: Educational structure of the population per regions

Statistical regions	No education, incomplete primary school education or only primary school education (2004)
Osrednjeslovenska	29.2
Obalno-kraška	23.2
Gorenjska	25
Goriška	28.1
Savinjska	32.4
Jugovzhodna Slovenija	31.2
Pomurska	36.2
Notranjsko-kraška	41.5
Podravska	34.1
Koroška	27.5
Spodnjeposavska	31.7
Zasavska	35
SLOVENIA	33.3

Source: Janja Pečar: Regions 2006 – selected socio-economic indicators per regions, IMAD, Workbook no.15, Ljubljana, 2006

Strengths, weaknesses, opportunities and threats of social inclusion and equal opportunities

STRENGTHS

- Developed services for employees (healthcare, social care, education);
- Strengthened social dialogue and partnership;
- Relatively low level of poverty which reduces the risks of social exclusion and also the pay gap;
- Third (non-profit) sector as a partner in programming and implementing the programmes on work and social inclusion and executor of active employment policy measures;
- Widening the extent of care for elderly people, which is especially affected by demographic changes in the structure of the population;
- Established basis for informing the public of the combat against discrimination and of problems related to the inclusion of vulnerable groups;
- Relatively well integrated national minorities;
- Relatively small pay gap regarding the gender;
- Equal access to education for all social groups.

WEAKNESSES

- Insufficient inclusion of vulnerable social groups and discriminatory treatment (national minorities, the Roma community and other ethnic groups, immigrants, disabled people, individual age groups and so forth);
- Insufficient support network for the development of the third (non-profit) sector, social entrepreneurship and the network for sustainable partnership with non-governmental organisations in terms of integration in labour market;
- Higher risk level of social exclusion and poverty in the labour market for people at a disadvantage in the labour market, for those with very low income, disabled people, young people with special needs, the Roma community members, refugees, immigrants;
- Demographical trends showing ageing of the population and consequently smaller share of younger age groups;
- Low number of established enterprises managed by women;
- Insufficient entrepreneurship in rural areas;
- Inappropriate system for stimulating the development of social entrepreneurship and other forms of stimulating the development of new forms/sources of employment;
- Low employment rate of elderly people (above 55 years of age);
- Persistent gender gap regarding the employment rate of older women;
- Insufficient integration of women and men in atypical forms of employment;
- Low percentage of women in leading positions and public functions;
- Poor integration of the Roma national community;
- Poor access of disabled and of other vulnerable groups to the labour market;
- Non-existence of enterprises that would harness unique capacities of vulnerable groups, which would be an important incentive for those groups;
- Cultural impenetrableness of the society and subsequent intolerance towards vulnerable groups.

OPPORTUNITIES

- Motivation and readiness of various target groups of civil society toward solving their own social problems in a non-profit way;
- Integration of vulnerable social groups (disabled people, the Roma community) in social inclusion programmes improves their employment and educational opportunities that result in better social inclusion, cultural diversity and access to services in private, governmental and non-governmental sector;
- Possibility to recognise cultural diversities of vulnerable groups based on creativity as a development potential;
- Creation of a system and emphasising social entrepreneurship by recruiting representatives of vulnerable groups;
Development of innovative forms and connections at various (local, regional and international) levels for implementing the programmes on the combat against discrimination and on social inclusion.

THREATS

- Threat of excluding vulnerable social groups from the labour market hinders their possibility for social inclusion;
- Loosing cultural identity and diversities and consequently increasing exclusion and weakening of good neighbour relationships and relationships with ethnic groups of former Yugoslav republic;
- Increasing social differences between individual categories of employed and social groups, thus generating social exclusion;
- Further lack of awareness and discriminatory attitude of the public and of the employers regarding the problems of vulnerable groups in the labour market;
- Lack of matching activities co-financed by ESF with investments co-financed by ERDF.

2.2.5 More efficient and cost-effective state and administrative capacity of governmental and non-governmental sectors

The expenditure of the state sector, in comparison with GDP, has reduced only in the last two years, partially also with reducing expenditure for investments. When comparing GDP in 2004 and 2006, the expenditure was reduced by 0.8 percentage points and stood at 47.3% of GDP in 2005 and 47.1% in 2004, which was slightly higher than the EU-25 average. Reduction in the percentage of expenditure was partially achieved through a greater rationalisation of the state (lower percentage of intermediate consumption and income payments from property) and through a pension scheme reform (slight decrease in the percentage of GDP for expenditure concerned) and partially through reducing the percentage of expenditure for investments. Percentage of so called »productive expenditure« of the state in GDP which most contribute towards economic growth, amounted to 16.1% in 2004, which was less than in EU-15 in 2003, when it stood at 16.8%.

Healthcare

The total expenditure for healthcare, when compared to the previous year, increased in 2004 but to a lesser extent than the GDP. Nominal increase of total expenditure value in 2004, when considering its value in the previous year (5.0%), was lower than the increased GDP (7.9%). Lower nominal growth of expenditure for healthcare than the growth of GDP reflected in the lower share of the total expenditure in GDP (from 8.7% in 2003 to 8.5% in 2004). The share of current expenditure or total expenditure for healthcare without investments in GDP was reduced from 8.2% to 8.1%. A quarter of expenditure for healthcare is financed from private resources.

Almost three quarters of healthcare expenditure (2004 - 74.6%) were used for financing treatment services, medicine and medical-technical equipment. When considering the share of total expenditure, expenditure for long-term medical care followed (2004 - 8.0%). The said expenditure (2004 – SIT 42.548 million or EUR 177 million), together with expenditure for long-term care – social services (SIT 28.362 million or EUR 118 million), increased above average (by 10.3%) when compared to 2003.

Even though there are on average 29,000 people per year provided healthcare and social services, the average waiting times for admission in institutional care sometimes remain long and can take up to 12 months. Current estimate of potential users of long-term care is at around 45,000 people, however, considering the demographic projections, the figure will increase to over 60,000 people in a few years.

In terms of the number of healthcare workers, a certain deficiency of doctors (primary level) and of nurses (secondary and tertiary level) has been observed in the last few years. Slovenia has per 1,000 residents around 2.48 doctors, 0.65 dentists, 1.8 nurses (or 6.4 providers of healthcare) and 5.96 hospital beds. Per resident, it earmarks USD 1.370 (public and private resources according to public-private partnership method), or around 8.23 % of GDP for healthcare. With these resources, the state has secured relatively good access to healthcare services since there were, per resident, annually around 6 doctor's appointments at primary and secondary levels, and per 1,000 residents around 153 admissions to hospital treatment and 1.5 days of hospital care in hospitals in 2003. Aside from this, the healthcare service issues, per each resident, around 6 medical prescriptions per year. The abovementioned reflects a

relatively good access of the citizens to healthcare services, which is, from many viewpoints, at the level of economically most developed countries.

Poor health is connected to high expenses of an individual and of the state, which causes poorer employability and social exclusion. According to the data of the World Health Organisations (WHO) on sick absence from work, it was found that Slovenia, in this area, does not deviate from the average of other European countries. The number of absences from work due to illness or injury in the period from 1990 to 2003 significantly reduced in Slovenia, i.e. – from 17.1 working days in 1990 to 13.6 working days in 2003 per employee. The data, slightly undervalued due to a lack of inclusion of some countries, for EU-25 stood at 12.78 working days in 2003 and for EU-15 at 12.94 working days in 1999 (WHO, 2005). Aside from this, Slovenia in the data includes absences of unemployed people that are entitled to compensation during illness or injury. In 2003, there were 152,862 such days. Absences from work due to donating blood are also included. According to a study from 2003, undertaken by European institution for improving living and working conditions (EUD), Slovenia had the highest share of active women and employed women among the European countries. Due to small children and since flexible work is still not developed in Slovenia, a more frequent absence of women due to care and attendance is understandable. It is interesting that there are fewer sick absences for employees with part-time employment.

Injuries at work are increasing in Slovenia and therefore, there is a greater number of injuries per 100,000 employees in Slovenia than in almost all European countries (WHO, 2005), with young people being most exposed. 52% of employees are exposed to a painful posture for as much as a quarter of working time. Among new Member States, Slovenia has the highest level of physical violence between co-workers, 66% of employees suffer from general fatigue which results from a feeling that health and employee's security are threatened due to work, 70% are certain that the work they perform now they will not be able to perform at the age of 60 and the percentage of the employees dissatisfied with working conditions is almost as double as the EU-15 and significantly higher than in other Member States (EUD, 2003). Alcohol, smoking, traffic accidents, unhealthy eating habits and increased stress at work additionally contribute towards absence from work. Furthermore, employees in Slovenia, when compared to employees in other European countries, are the most burdened – Slovenia is among the countries where employees with full-time employment realised most working hours per week in 2003 (EUD, 2005). Therefore, due to mental disorders, and especially due to weakened productivity, according to the estimate by the SORS, the costs in Slovenia in 2005 exceeded 3% of GDP, whereby the prevention and public healthcare measures in the area of mental health are still in initial stages. Considerable differences in terms of health between regions and individual groups of population, especially among people with mental disorders who are an extremely vulnerable group due to the associated grave stigma persist in Slovenia.

In healthcare systems, ICT³⁸ is one of the fundamental tools which along with organisational changes and development of new skills contributes towards more effective development, better efficiency and higher productivity, better access to and promotion of quality improvement. ICT must provide better and easier access to health services for the citizens and easier work and faster access to required information to medical workers.

³⁸ National strategy of the development of information in health – e-Health 2010 was adopted in December 2005 and comprises a review of achievements and unsolved problems in the area of health-related informatics and special strategy tasks for the period till 2010.

In the period from 1992 to 2002, under the management and sponsorship of ESS, the first successful steps were taken in computer literacy in the Slovenian healthcare system: basic fitting with computer technology, introduction of computer data exchange, setting standards and databases, introduction of card system of health insurance (hereinafter KZZ system). The infrastructure was introduced for the whole healthcare system and the applications were developed especially for health insurance and partially for health statistics. Reliable identification of patients and medical workers at all levels of healthcare system was ensured with KZZ system, and with a network of self-service terminals, 250 largest locations of Slovene healthcare system were connected. Recognition in Europe was thus achieved and the experiences are used in similar card projects in other countries. Despite early basic informatisation of healthcare organisations in 2005, there is still no integrated or at least connected healthcare information system. Many healthcare information systems are better developed internally or for the needs of public healthcare institutions and are intended especially for their own needs; however, they are not adequately connected between each other.

Justice

The efficiency of the justice is of key importance for creating a development-supportive environment and the key problem of the judicial system in Slovenia are large court backlogs. Among these, the most problematic are the ones that cause large direct and indirect economic damage (blocking of assets). In statistical terms, court backlogs are unsolved court files per individual judicial body whose number exceeds half of the average annual matter allotment to an individual judicial body in the Republic of Slovenia.

According to the judicial statistics, in the period from 1990 to 2000, the number of matters was the highest in 1990 and the lowest in 1995 (during the time of re-organisation of the justice). The number of new matters amounted to 592,505 in 1990 and was reduced to 527,856 in 2000. The number of unsolved matters (backlogs) increased from 199,893 in 1990 to 533,225 in 2000. It is important to emphasise that in 1998 there were most unsolved matters and since then the total number of court backlogs has been gradually reducing. On the basis of the data on the movement of unsolved matters and court backlogs from the judicial statistics for 2002 and 2003 it is evident that the trend in the past few years has been the one of the reduction of unsolved matters and court backlogs. However, worrisome is the trend of increasing the number of unsolved minor cases. The ratio between unsolved matters at the end of the year and solved ones during the year is the same for minor as well as for major cases. The Report by the State Prosecutor's Office for 2002 cites initiation of a criminal procedure against 15,484 people. In 76% investigated cases it was successful in proving reasonable ground for a commitment of a criminal offence. In 2002, 7,440 people were convicted, 867 were acquitted and against 2,936 people a judgement of refusal was issued. The prosecution was successful in 66% of charges. There were 27% of judgements of refusal (mainly due to statute of limitations). In 448 appeal cases, deliberated on in one year, the prosecution succeeded in 325 matters, i.e. in 78% of the matters. Since 1998, the number of reported known offenders has been around 30,000 annually. On the basis of the estimates, it is possible to conclude that the work of the prosecution has no negative effect on the work of the court. According to the report of 2002, the Office of the State Attorney General of the Republic of Slovenia dealt with 61,646 matters in one year. Annual allocation of new matters is 22,998 and at the end of the year the Office of the State Attorney General of the Republic of Slovenia had 38,111 unsolved matters. The Office of the State Attorney General of the Republic of Slovenia has an important role in so called preliminary procedures in civil and other

procedures and retribution of damage due to unlawful convictions. The 2002 statistics showed that the Office of the State Attorney General had 61,400 matters. The total value of the disputes stood at SIT 681,071,013,630 or EUR 2.8 billion and is still growing.

Considering the number of unsolved matters at the end of 2004, i.e. 566,588 matters (this number does not include misdemeanours), it would be necessary to reduce the figure by half (to 284,000 files) by 2010. In 2005, the judicial bodies undertook 620,345 new matters. Judicial bodies had, together with unsolved matters from previous years, a total of 1,186,856 matters. They issued a decision on 662,840 matters or 55.8 % of all filed matters. 524,016 unsolved matters remained as at 31 December 2005, which was by 7.5 % less than at the beginning of 2005.

In 2005, when compared to 2004, the number of judges increased by 195 and therefore, 969 judges pronounced judgements in 2005. One of the key factors for large court backlogs is to be ascribed to unsuitable information system of the judicial bodies.

Public services

Not so much the structure of the expenditure of the state, but the effectiveness of ensuring public services is the important factor of the development. Analysis on the effectiveness of state operations, for example world scales of competition place Slovenia very low. In this respect it is necessary to separately expose institutional and administrative organisation which defines the business environment of enterprises as well as institutional environment of an individual, for example, in the field of ensuring judicial protection. Recently, a problem of the ineffectiveness of the operation of healthcare and social services has augmented.

The institutional environment in Slovenia is among the least supportive for economic development and competitiveness. The greatest weaknesses are in the area of taxes, business environment and overburdening with regulations, liberalisation and network activity regulation, privatisation, labour market and legal state. According to estimates of the EBRD³⁹ and the World Bank (BEEPS⁴⁰), the institutional competitiveness somewhat deteriorated in Slovenia between 2002-2005 (estimate based on the opinions of Slovene enterprises). In 2005, Slovenia was on the 20th place amongst the 22 EU Member States (excluding Luxembourg, Cyprus and Malta) in terms of the index on the simplicity of business operation and on 63rd place among all countries included in the analysis (the World Bank). The most problematic is the average number of days required to open a new enterprise since Slovenia with 60 days for mere 9 complex procedures strongly exceeds the average of other European countries (the EU average EU is 27.6 days for 7.5 procedures). Slovenia progressed in the area of registering an independent entrepreneur by 2006 - state portal for business entities e-VEM (one-stop shop) is intended for existing and future independent entrepreneurs. The services can be carried out electronically via the internet at home or at one of the numerous access points in Slovenia. The portal e-VEM is an internet three-level solution completely

³⁹ The European Bank for Reconstruction and Development has estimated transitional reforms in 27 states where it has operated via a special transition index since 1994. The latter covers 6 key areas of reforms (liberalisation, privatisation, enterprises, infrastructure, financial institutions and legal environment). Each of the 11 indicators it is composed of reflects a synthetic estimation of the progress.

⁴⁰ Both banks conducted Business Environment and Enterprise Performance Study in 1999, 2002, 2005 for the 26 transition countries, Turkey and other chosen countries. The study bases monitoring of the enterprise performance on two fundamental questions – the regulation of the enterprises (licensing, taxes, customs, labour market and trade regulation) as well as on questions relating to institutions and ownership rights (corruption, criminal and legal system).

developed in J2EE environment and integrated with various establishment of public administration.

In the EU Member States e-administration has been monitored since the adoption of action plan e-Europe 2002. The Member States have made a comparison between themselves at level of e-service for residents (G2C) and for business entities (G2B), and at the level of use of such services. The methodology »Government Indicators for benchmarking e-Europe« was utilised for this purpose which is still in use; however, new methodology is currently being prepared. In the period from 2001 to 2006, the Slovene public administration underwent a number of organisational changes. In accordance with these changes and availabilities, e-administration developed, which was, in this period, marked by strategic and programming documents like: SEP-2004, Strategy for electronic operation in local self-government, Slovene Strategy in information society and others.

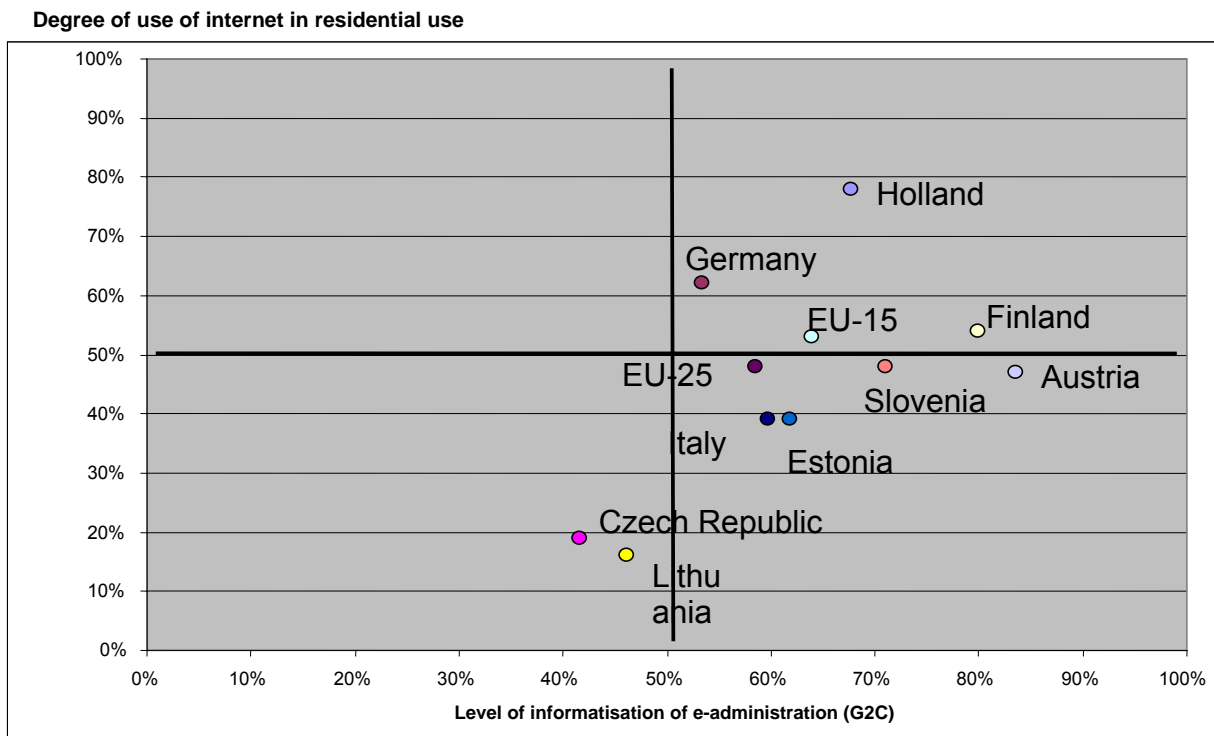
At the end of 2005, the government adopted a Programme of Measures for Reduction of Administrative Barriers with which we monitor the objective of effective public administration for the citizens and for the economy and introduce better regulation in the preparation of acts and decision-making process. Within the framework of eliminating administrative barriers (OAO), the total number of all received proposals in the box OAO 2005 and 2006 was 147 of which 103 were answered. To some documents it was not possible to reply as they were anonymous or they did not relate to solving a particular problem. Apart from the abovementioned proposals, the Administrative Unit management coordination for OAO sent additional 16 proposals at the beginning of the year.

Slovenia has, despite some critical estimates, made large progress in the administration area when compared to other EU Member States. The last measurement was published by the European Commission in June 2006. Surveys were carried out in 25 EU Member States and in Norway, Iceland and Switzerland. In the e-administration area, the surveys were carried out on the basis of 12 basic e-services for the citizens and 8 basic e-services for business entities. E-services that were monitored represent only a small yet an important part of e-services that can be compared with EU and other countries. The results of the surveys for the 28 countries showed that Sweden (89%) and Austria (87%) have the most developed internet services and Slovenia, being on the 15th place is, among new Member States, only behind Estonia. When compared to EU-25, Slovenia is on the 13th place and above the EU-25 average.

In order to establish the real situation of e-administration it is not sufficient to monitor only the number of e-administration services or their development but also their use. In EU a number of surveys have been carried out which can be compared with the e-administration development level, however, no accurate and comparative data is available. A comparison is provided below on the available data. The comparison is made between the development level of e-administration for the residents (G2C) and the percentage of households that use the internet (regular users) in individual countries (data for the first quarter of 2005). Slovenia falls in the lower right quadrant and still boasts a lot of development opportunities. At the same time it can be established that Slovenia has, when considering the level of regular internet use in households, relatively appropriate level of e-administration development. Only Finland and Austria rank before Slovenia with similar percentage of households that are regular internet users.⁴¹

⁴¹ Available only for those countries that could provide data.

Graph (6): Comparison in the realisation of e-services for EU-25 citizens



Source: Strategy of the e-administration of the Republic of Slovenia for the period from 2006 to 2010 (SEP-2010), »E-administration for a better public administration«, 2006

Institutions in the labour market

In Slovenia, the central implementing institution of the active employment policy is the Employment Service of Slovenia (hereinafter ESS) which undertakes activities affecting the reduction of the number of unemployed people, the reduction of structural disparities in the labour market, the reduction of regional disparities related to the unemployment rate and an increase in the employability and social integration of vulnerable groups among unemployed people.

Structural share designated for public employment services is relatively stable in total funds for active employment policy. In 2005, the percentage increased especially due to increased costs for renovation of the business premises. The expenditure also includes programmes for thorough counselling and motivation which are an important part of the entire employment policy and are indispensable for subsequent inclusion of people into other programmes that aim at successful exit of an unemployed person in the form of direct employment. The volume of programmes for thorough and intensive counselling has reduced in the last years in Slovenia but the volume of short-term workshop programmes has increased.

By 2008, the effectiveness of the ESS should increase with a greater number of counsellors since currently there is one counsellor per 320 unemployed people; the goal is to cut this ratio in half. The goal is also to further educate the counsellors and train them for counselling assistance to unemployed people while at the same time keeping a permanent record of the needs and activities of unemployed people, given that this would allow for financial resources to be more purpose-directed. According to data from a survey among employers annually taken by the ESS, in 2005, employers searched for candidates with the assistance of the ESS in 60.1% cases of vacancies. In connection with the modernisation of the ESS a reform of

other institutions that encroach on work and labour market is also required, for example of Departments of Social Security, Fund for Human Resources Development and Scholarships. Due to large fragmentation of various transfers that aggravate the effective monitoring and transparency in awarding assistance, a single entry point will be established at the Departments of Social Security.

Important contribution towards the reform of the institutions in the labour market will be ensured through information support and connection between records, by providing e-services for clients, and with the intention to eliminate bureaucratic barriers.

Non-governmental organisations and social partners

In establishing support for public institutions it is also necessary to provide appropriate support to social partners and non-governmental bodies or to programmes and projects that will provide for the development and strengthening of potentials of partners at national, regional and local levels. It was found that NGOs do not fully harness their potentials. Results of the latest research⁴² in this area point to a non-supportive environment for the development of NGOs, which is consequently reflected in a low level of administrative-technical capacity of NGOs. Data comparison between 1996 and 2004 shows a 39% growth in the total number of registered NGOs (to over 20,000) in which over 900,000 people are included. The share of the employees, however, has not augmented in NGOs and amounts to 0.74% of active population, which places Slovenia at the bottom of the European scale. The Slovene non-governmental sector is mainly represented by organisations in which volunteers work. Most, i.e. 80.6 % of NGOs do not have employees. Turnover of NGOs represents 1.92% of GDP. According to this indicator, Slovenia is well behind the rest of the EU Member States since the average percentage of turnover of NGOs in 22 world countries accounted for 4.7 % of GDP as early as 1995. Researches have further shown that during eight years, the average turnover of NGOs has reduced in real terms. Turnover structure of NGOs shows that in 2004, the most important source of income were incomes received from municipalities (28.7 %), the second most important being membership fees (18.9 %), whereas the possibility of drawing on the EU funds remained almost completely unexploited. Relatively poorly developed is the development of non-profit, socially beneficial services that could for example integrate a larger number of vulnerable groups in the labour market which is, among others, also reflected in insufficiently developed service sector. According to the rate of employment in the service sector, Slovenia is lagging behind the EU-25 average which stood at 67.7% in 2005 and only 53.8% in Slovenia. The lag is most pronounced in the area of healthcare and social security.

In Slovenia, NGOs are organised in three legal forms: establishments, societies, private institutions. Of more than 20,000 NGOs, in 2005 the state financed more than one tenth of them, namely 1,827 societies, 245 private institutions and 99 establishments. With reference to individual legal form, NGOs on average received the following financial resources: establishments SIT 14.9 million, private institutions SIT 6.9 million and the lowest amount was received by societies, namely SIT 2.6 million per society, which represents an annual income for 1/3 of an employed person.

⁴² Kolarič, Črnak-Meglič, Rihter, Boškič, Rakar: *Size, extent and role of private non-profit sector in Slovenia*, FDV, 2006.

The extent of the work by volunteers in NGOs, when calculated in hours for full-time employees, translates the work in the amount of 7,000 full-time employed workers (7,125). The contribution of volunteers in fact exceeds by 26% the extent of full-time employed NGO employees' work and work of those NGO workers in NGOs that receive payment.

Table (20): Share of employed people in NGOs in Slovenia

Employees in NGOs	1996	2004
0	85.3 %	82 %
1	4.9 %	5.4 %
2	3 %	4.4 %
Above 2	6.8 %	9.1 %

Source: Z. Kolarič, A.Črnak-Meglič, L. Rihter, R. Boškić, T. Rakar: *The size, extent and the role of private non-profit sector in Slovenia*, FDV, 2006

In contrast to undeveloped social dialogue culture, it can be claimed for Slovenia that it is distinguished by actively developed social dialogue which, according to the opinions of the analysts and of the social partners, enables a successful transformation of Slovenia into a market economy. Slovene trade unions existed as a part of the Austrian trade unions at the end of the 19th century. At first they acted as educational organisations and self-help organisations and then gradually evolved into organisations fighting for workers' rights. With the changes in the employment legislation at the end of the 1980s, the foundations for a development of collective bargaining were created as a fundamental instrument of industrial relations. In a modern sense of the word, industrial relations in Slovenia were successfully developing after 1990 when the social partners assumed a new role and gained importance in Slovenia⁴³. At the same time, in the period after establishing a tripartite dialogue after the independence until today, the development of trade unions has experienced pluralisation and an important decline of members. Today, there are 7 representative confederations of trade unions active in Slovenia and 28 trade unions which are representatives of an individual activity or trade. In the first half of the 1990s, the membership in trade unions decreased to about 60% of active population of Slovenia. In the second half of the 1990s, the trade unions lost around a third of its members. In 1998, the rate of membership in trade unions fell to 42.8% and has been relatively constant ever since. Despite this, it is important to mention that 40% of active population being member of trade unions is the highest percentage among the new EU Member States, outranking even certain old EU Member States.

There are 4 organisations currently active in Slovenia which represent the employer's interests and are as such included in the collective bargaining process at all levels, namely: Chamber of Commerce and Industry of the Republic of Slovenia, Chamber of Craft of Slovenia, Association of Employers of Slovenia and Association of Employers in Craft Activities of Slovenia. Having undergone certain structural modifications (amendments to the Chamber of Commerce and Industry Act), employer's organisations were left with decreased powers, which considerably endangered the quality of tripartite and bipartite social dialogue.

The resources for the functioning of the trade unions and employers' associations are obtained from membership fees and a slighter share of resources comes from public resources as a result of managing projects at a national or European level.

⁴³ The research undertaken among the members of the National Assembly has shown that the National Assembly members evaluated the trade unions as the most influential interest groups in shaping policy; whereas the Chamber of Commerce, as employers' representative took the fourth place.

Social partners in Slovenia operate in the Economic and Social Council (hereinafter ESC), which was established in 1994 and represents a framework within which a democratic relationship between social partners was strengthened. ESC is a consultation body and issues decisions which are adopted unanimously and are binding on all three partners. The influence of ESC is also expressed in the opinion of the National Assembly of the Republic of Slovenia according to which all legislation and policies that affect the interests of social partners in any way, must be prior agreed upon by the ESC. The administrative costs for the ESC are financed by the national budget.

Despite periodic estimates on less developed bipartite dialogue in Slovenia, the comparative analyses with new Member States show that this dialogue is on an enviably high level and even when compared to EU-15, it is not considerably behind in terms of its development. However, with different employee's and employer's organisations certain deficiencies can be noticed. In an analysis⁴⁴ focusing on administrative capacity of social partners, the social partners (trade unions and employers) mainly pointed to insufficient number of qualified people for managing collective bargaining and to lack of information.

Social dialogue in Slovenia is well developed at a tripartite level, and with an additional training of social partners it would be necessary to stimulate further development of autonomous bipartite social dialogue at a branch and entrepreneurial levels.

Strengths, weaknesses, opportunities and threats in institutional and administrative capacity

STRENGTHS

- Developed services for employees (healthcare, social care, education);
- Strengthened social dialogue and partnership;
- Setting-up of a system of basic e-services via ESS internet page;
- Established and functioning VEM system enables a faster access to enterprises;
- Functioning system of so called social state;
- Assured basic services for lessprivileged population groups as well;
- Continuous improvement of public services.

WEAKNESSES

- Administrative barriers and inefficient public administration (acts as non-partner to enterprises);
- Relatively low efficiency in using financial and human resources in public administration;
- Lack of motivation for stimulating management towards rationalisation of operations;
- Systematic approach to self-evaluation and constant improvement of process is effective only in some organisations of public administration;
- Quality management is despite high declared priority often neglected;
- Deficient horizontal connection;
- Low growth in electronic commerce between users and public administration;
- Weak administrative capacity of non-governmental sector; lack of access to specific educational and training programmes, lack of verification of programmes run by NGOs, undeveloped systems of control and evaluation of NGOs programmes, unstable management structures not ensuring sustainable and permanent cycle of programme, unsuitable ICT infrastructure as an important support system for NGOs partnership cooperation, insufficient number of professional personnel at national, regional and local levels, poorly skilled personnel for working with target groups (disabled people, the Roma community members);

⁴⁴ Barbara Lužar (2006): »Social Dialogue Capacity Building at the sectoral and local level Slovenia«, a contribution at a workshop – the organiser European foundation for the Improvement of Living and Working Conditions, Ireland

- Lack of connection and low cooperation in NGO sector;
- Vagueness of criterion and measures in public administration in instances where defined objectives and strategies are not achieved;
- Undeveloped civil dialogue culture;
- Conflict of interests between different groups, question of selecting representative organisations;
- Weak competences for performing defined objectives in programmes;
- Certain vulnerable groups underprivileged (access to healthcare services).

OPPORTUNITIES

- Increased administrative capacity of non-governmental and non-profit sector through appropriately trained professional and volunteer personnel;
- Restructuring and modernisation of state administration and other public institutions as policy making and decision taking bodies.;
- Motivation and readiness of various target groups of civil society to participate in non-profitable activities to solve their social problems;
- Establishing top management structure in public administration and NGO sector;
- Introducing project approach concept in administration sector;
- Rationalisation of public tender procedures;
- Developing standards for measuring impact and result of operation of institutions and individuals;
- Modernisation of public records;
- Increased administrative capacity of NGOs;
- Higher level of flexibility of NGOs to follow fast changes of needs of society comparable to the public sector;
- Non-profit operating of NGO as an advantage in developing public-private partnership in the area of social activities;
- Readiness of NGOs to engage in and take over partnership roles;
- Great use of opportunities offered by the ICT in all areas;
- Simplification and unification of procedures for programme implementation and implementation of social transfers;
- Participation of bodies and institutions in self-evaluation;
- Evaluation of new regulations to eliminate administrative barriers;
- System for measuring quality in public administration and its use for better quality of services;
- Use System for ensuring users satisfaction;
- Large NGO development potential; high levels of motivation, initiative and innovation of workers in NGO sector;
- Modernisation programme for the ESS of Slovenia and new doctrine in working with unemployed people and employers;
- Setting-up of central institution for HRD;
- Public administration in the service of population and economy.

THREATS

- Institutional uncertainty due to numerous administrative and organisational changes;
- Insufficient growth in the efficiency and effectiveness of public administration - it is behind the EU;
- Barriers in connecting public administration in complex inter-ministerial tasks and projects;
- Risk of hindering the development of tripartite and bipartite social dialogue due to introducing the principle of voluntary employers' associating;
- Too rapid and too extensive reform can affect the quality and transparency of services in the labour market;
- Public administration functioning on the basis of party affiliation and not on competences.

3 DEVELOPMENT STRATEGY

3.1 Past experience

In the areas financed by the OP HRD, Slovenia has relatively rich experience from the period 2004-2006. SPD places as its key objective economic growth, creation of jobs and harmonious regional development, which was very close to the Lisbon objectives in terms of the content. The resources were directed towards employment and human resources that should contribute towards the development of a wide range of adaptable and special skills and knowledge in the labour market. SPD with a dual approach stimulated preventive and active measures in the area of life-long learning, active labour market policies, entrepreneurship and adaptability of human resources, adaptability of the labour market and social inclusion. Horizontal cross-cutting issues for the promotion of equal opportunities were also laid down as well as the labour market aspects from the area of information technology and incentives for local employment.

At the general level, it is possible to determine a considerably more demanding management of the ESF resources when compared to other funds since, to a large extent it concerns support to individuals. This means that individual eligible costs can be relatively low which is reflected in significantly higher administration work overload per one unit of awarded funds. With time, the programme managers have gained additional experience which will, in connection with new opportunities enabled by new regulations, create a possibility to introduce simplifications. Simplification of programme management is, in the context of increased amount of funds (by more than four times), a precondition for a smooth implementation of OP HRD.

The abovementioned administrative complexity has become a considerable challenge for the implementation and control system. A great many projects with the initial administrative lack of experience in information system and key support elements for monitoring experienced considerable difficulties in the ESF management. Additional troubles were brought about by the specific character of the Slovene education system whose framework obstructed monitoring of the activities at the level of individual projects within certain programmes. Slovenia strived to eliminate as many shortcomings as possible that appeared in the management and control system. At the end of 2005, Slovenia prepared a proposal amending and modifying the SPD, given that the functions of the intermediate bodies for the ERDF and the ESF were transferred to the managing authority with a view to achieving as efficient implementation of the SPD 2004-2006 as possible, by simplifying the implementation and subsequently the procedures of the use of funds of the structural policy in Slovenia. The proposal was endorsed at the Monitoring Committee session for the SPD on December 16, 2005 and on December 22, 2005 at the Government session (Decision of the Government of Slovenia No. 54402/-10/2005), while the amendment of the SPD saw official endorsement on August 8, 2006 in the Commission Decision 8/VIII/2006 on the amendment of the Decision C (2004) 2122 on the approval of the SPD for Community structural assistance within framework 1 in Slovenia CCI 2003 SI 16 1 DO 001 (no 3083-3/2004-445), which paved the way for a more comprehensive approach to problem-solving related to management. 2006 saw invigorated controls, project approach for the instruments where it had not been provided for before, and further activities in the field of the information system (including the ESS information system), all with the aim of optimising the processes of the ESF management.

Despite the abovementioned problems it faced, Slovenia remained relatively successful in implementing the ESF measures. By December 31, 2006, the paying authority received some EUR 30 million worth claims for reimbursement (41.7%), whereas the Community contribution cumulatively amounted to EUR 19 million on that same day. Based on the cumulative values of indicators in the 2004-2006 period of the SPD implementation, the direction of progress in achieving the goals of the second priority can easily be ascertained. Target value of the number of participants at the level of the second priority for the whole programming period by the end of 2006 had already been exceeded by 37.4% at the level of the entire priority (initially planned 42,200 participants have now risen to up to 58.275). Moreover, target values of the promoted enterprises and projects were also exceeded, as well as the number of gross jobs, created in FTE (target value 1,500 turned into 5,088), the entire realisation amounting to 339.2%. The share of participants to have successfully concluded a programme or a training programme and to have got employed has been rising from one year to the other. Relative indicator of the share of the long-term unemployed in comparison to the rest of the unemployed has likewise risen, however, the number of long-term unemployed has, in absolute terms, decreased by 4,485 persons.

On the demand side it is not possible to bypass large needs in the area of HRD in the entire segment ranging from inactive and socially excluded to an insufficient number of highly trained personnel in enterprises and research-educational institutions. Therefore, an open access to funds will be of key importance in the upcoming period. This approach will not be focused on nature or origin of target beneficiary, but will primarily enable and promote innovative solutions and projects. Special project approach in programme management will represent one of the areas where the possibilities can extensively broaden in the future.

Public discussion agreed upon that reference to the needs of the economy was of key importance for the effectiveness of the programmes, valid for both, modernisation of education programmes and training of individuals (unemployed, educational deficit etc.).

Within the framework of the second SPD priority, there was structural fragmentation observed in certain instruments, which raises some concerns about reaching critical mass for exerting influence and the problem of transparency. In the context of efficiency, independent evaluation especially highlighted training programmes for the inactive at work, training of the employed and, from the point of view of the necessity, adjustment of the programmes to the needs of the economy.

HRD was likewise promoted within the framework of the Community Initiative Interreg, where most frequent activities incorporated the following:

- cooperation between educational institutions
- cross-border oriented programmes of education for regional work force
- acceleration of cross-border expert knowledge transfer
- promotion of development and use of e-work and e-learning
- training programmes aiming at entrepreneurial capacity-building
- exchange programmes

Most projects covered the first of the abovementioned activities, organisation of workshops in the field of traditional crafts and e-tools preparation. Less interest was expressed by the participants for the projects which incorporated cross-border education and formal attestation obtained subsequently. More projects which involved youth were anticipated, especially those encouraging the young to stay in the home environment. Projects to involve older generations

or minorities were likewise smaller in number. The programmes of territorial cooperation will thus consider the promotion of education as a horizontal theme, in accordance with the needs of the projects and project promoters in a clearly defined cross-border framework. Simplification of the procedures will play a great role in the successful implementation, given that a multinational character of the projects calls for additional work and efforts made on the part of the applicants.

Basic principles of Equal (experimentation, innovation and transnationality) have likewise proved to be of paramount importance for the solution of mutual problems, and are thus, along with good practice of Equal, fully taken into account in further programming of the ESF. Integration of good practices in the existing policies is taking place at the horizontal (the level of organisations operating in the same or similar field) and the vertical level (the level of regional and national policies) as well as in different areas.

Implementing the CIP Equal, Slovenia likewise experienced similar problems, stemming from initial difficulties related to programming and performance of controls. In addition, certain specific situations in the state itself hindered the CIP Equal implementation, e.g., numerous small-sized NGOs and lack of connections between minor project providers. Public tender for the selection of the CIP Equal projects thus ended with 26 projects selected. Nine possible projects were narrowed down to four that are now aiming at ensuring concentration of activities and setting-up of quality development partnerships.

- Measure 1: facilitate access to and re-entry into the labour market to those experiencing difficulties in integrating or re-integrating the labour market that should remain open to everyone (employability)
- Measure 5: promote life-long learning and work experience that enable entry into labour market to those who suffer from discrimination and inequality related to the labour market (adaptability)
- Measure 8: reduce gender gaps at workplace (equal opportunities)
- Measure 9: assist asylum seekers in integration (asylum seekers)

Lack of experience of development partnerships in implementation and CIP Equal rules hampered the commencement of projects, the delay in the implementation only growing. Even National Support Structure (hereinafter NSS) providing assistance in the implementation of projects to development partnerships and bridging the gap between the providers and the managing authority was set up within the MLFSA only at the end of 2005, bestowed upon the role of the managing authority. Considering simultaneous lack of administrative capacities at the MA and the NSS and development partnerships, the delays in the implementation and control performance steadily increased, which entailed delays in payments. Slovenia made efforts to deal with the delays as they came, mostly by transforming organisational structure of the managing authority and strengthening control performance, also by way of outsourcing. Key headway made can be observed in the fact that the majority of the projects will achieve the goals set in their contents, despite a somewhat lower use of funds as initially foreseen. Most of the development partnerships likewise stress key role of transnational partnership cooperation and exchange of good practices and experiences.

The experiences learned during the implementation of the CIP Equal will substantially contribute to a more effective use of the ESF funds in the new programming period. The experiences gained in the field of controls and programming will facilitate the financial management of the ESF funds in the new financial perspective. Providers and development partnerships will build on experiences learned when implementing innovative projects, while

the contacts established represent a good base for further exchange of good practices and experiences.

3.2 Key objectives, targets and indicators

3.2.1 Policy Context

In accordance with the Regulation, each Member State must prepare programming documents at two hierarchical levels. The NSRF was thus prepared at the first level, defining the general strategy of the Member State of achieving a faster convergence. Within the framework of this programme, an analysis of the situation, strategy, definition of basic mechanisms to achieve the set objectives, including the identification of the number of OPs and basic financial allocations were all laid down. It is of key importance that in the document mentioned the conformity with the Strategic Community Guidelines on Cohesion and with the National Reform Programme (the Lisbon strategy) is demonstrated on the one side and with the Joint Report on Social Inclusion on the other side. General orientation set out in the NSRF is as follows:

**to improve the welfare of the Slovene citizens
by promoting economic growth, job creation, strengthening human capital and
guaranteeing a balanced and harmonious development, in particular of the regions.**

General orientation on the one hand defines welfare as a global goal, but on the other hand special emphasis is given to stimulation of growth and job creation, the main goals of the Lisbon Strategy, and to a balanced regional development.

Specific thematic and territorial objectives that Slovenia will pursue with the assistance of the cohesion policy funds will be the following:

- promotion of entrepreneurship, innovations and technological development,
- improvement of the quality of educational system and research-development activities,
- improved labour market flexibility along with guaranteeing employment security in particular by creation of jobs and promotion of social inclusion,
- ensuring conditions for growth by providing sustainable mobility, improving quality of the environment and providing adequate infrastructure,
- balanced regional development.

Special emphasis will be given to achieving the goals of improving administrative and institutional capacities, in particular of the public sector, which is a prerequisite for accelerating economic growth in Slovenia.

OP HRD 2007-2013 defines priority axes that are directly and indirectly connected to the priorities defined in the European and national development programmes and that arise from the labour market conditions, and from requirements for the development of competitiveness and modern social and efficient state. The programme will thus provide a key contribution to achieving the SDS, NDP, Integrated Guidelines for Growth and Jobs for realising the revised Lisbon Strategy, Reform Programme for the Implementation of the Lisbon Strategy in Slovenia, and Economic and Social Reform Framework for greater prosperity. Community

Strategic Guidelines on Cohesion, Integrated Guidelines for Growth and Jobs and within their context in particular Employment Guidelines will be of key importance for the OP HRD at the EU level and will seek to:

- implement employment policies aiming at achieving full employment, improving equality and productivity at work, and strengthening social and territorial cohesion
- promote a life-cycle approach to work
- ensure inclusive labour markets, enhance work attractiveness, and make work pay for job-seekers, including disadvantaged people and the inactive
- improve matching of labour market needs
- promote flexibility combined with employment security and reduce labour market segmentation
- ensure employment-friendly labour cost developments and wage-setting mechanisms
- expand and improve investment into human capital
- adapt education and training systems in response to new competence requirements.

In the context of the national documents, the OP HRD is bound by priorities to the third and second goals of the NSRF, i.e. improve the education system and R&D activity quality and improve labour market flexibility combined with employment security especially by creating new jobs and promoting social inclusion. The programme is likewise closely intertwined with the fifth goal of ensuring harmonious regional development, and indirectly with the first goal of strengthening entrepreneurship, innovation and technological development.

For the implementation of strategic documents concerned, detailed sectoral, strategic, action or implementing programmes have been devised per individual areas, where the objectives, instruments and potential sources are set out (national and local budget, private funds, and Structural Funds). The crucial ones are:

1. Reform programme for the implementation of the Lisbon Strategy in Slovenia
2. Economic and Social Reform Framework for greater prosperity
3. Programme of active employment policy measures for the period 2007-2013, based on the OP HRD
4. Programme of measures for the promotion of entrepreneurship and competitiveness 2007-2013
5. Resolution on the national programme of higher-education development
6. Resolution on the national programme on adult education
7. Strategy of life-long learning
8. National literacy development strategy of Slovenia
9. Action programme on social inclusion and Joint memorandum on social inclusion
10. National report on strategies of social protection and social inclusion 2006-2008
11. Action programme for the people with disabilities 2007-2013
12. Resolution on national research and development programme
13. Reform of scholarship policy
14. Programme of measures for reduction of administrative barriers

Certain relevant measures in the Reform programme for the implementation of the Lisbon strategy in Slovenia, related to the employment guidelines and playing an important role in the OP HRD should be underlined:

- programmes increasing employability of the unemployed and employed
- promotion of prolonging working lives
- improvement of workers' and enterprises' adaptability by promoting adaptable forms of employment and life-long learning
- increase in private investments into human capital
- modernisation of the higher-education system (implementation of the Bologna process and the Lisbon strategy)
- promotion of active ageing and life-long learning
- high representation of women in the active employment policy programmes and special programmes on the promotion of employment of women
- employee-friendly working hours and shifts
- programmes for and intensive work with those facing difficulties in entering the labour market
- implementation of programmes in non-profit sectors
- promotion of friendly forms of flexible labour market
- safeguard employment via life-long learning and reduce structural disparities
- modernisation of the university, networking of providers, better adaptability to the economy, higher quality and competitiveness
- ensure education for sustainable development
- expand employment opportunities by acknowledging informal and occasional learning and provide for transparency of all procedures related thereto
- improve adequate financial incentives for the employers and employees

The Structural Funds are an important condition for successful implementation of individual activities and contribute towards the realisation of the goals of sectoral policies, for they indispensably complement the scope of financing and foster the principles of evaluation and partnership.

3.2.2 Strategic objectives with quantified targets

One of the basic starting points of the OP is to determine synergies between individual policy areas. The extent of drawing rights, when compared to the previous programming period, is four times larger and therefore, in the area of HRD, it allows a wide scope of positive effects. Despite the wide scope, the activities in an individual priority axis are focused on areas that are mainly conducive to development and execution of new approaches, as well as on those areas that are effective and follow the development policy. Therefore, the purpose of the programme is not to disperse the funds for a wide scope of eligible activities but rather for a coherent package of activities that will to a great extent utilise the opportunities and solve the key problems in the labour market. Activities that will allow implementation of economic and social reforms will be particularly promoted since many measures in this area concern changing the legal frameworks. Equally important are also financially more demanding measures through which the state will enhance higher adaptability of the employed to changing employer's demands, technological development and economic competitiveness, knowledge transfer between the economy and higher education and research institutions, life-long learning, higher activity of individuals, more fair social state and in general enable development of a more efficient state. Administrative overload aspect, intertwined with the concentration principle, will be taken account of, which will provide for the transparency of the allocation of funds as well as of management costs.

Key general orientation in the implementation of the OP HRD is to:

**invest into people
whose capital will provide
higher level of innovation, employability and economic growth,
which is the best way to ensure
high employment, social inclusion, reduction of regional disparities and
high standard of life.**

Stemming from the general orientation, the following **strategic objectives** will be pursued:

1. Strengthen (top) human potentials in order to strengthen economic competitiveness and ensure creation of quality jobs.
2. Increase and accelerate outflow and mobility from the unemployment or inactivity by rendering the labour market more flexible and thus reduce the problem of long-term unemployment and regional disparities.
3. Modernise the education and training systems in order to provide top quality, openness to international flows and standards in line with the needs of the economy.
4. Strengthen social inclusion of vulnerable groups and contribute to reinforcement of the equal opportunities concept by combating against any kind of discrimination.
5. Develop appropriate institutional and administrative capacities for effective structural change, growth, jobs and development of the economy as well as of all individuals within the framework of well developed civil and social dialogues.

With the available resources, Slovenia will strive to achieve the best effects, especially long-term ones, through systematic and continuous investments into people and by strengthening their capacities, educational level and competences, which can most effectively contribute towards reducing the differences between individual regions and towards increasing employment rate, competitiveness of the economy and realisation of the final goal – welfare of the population.

As regards achievement of the common quantified goals defined in the NSRF for all three operational programmes, the specific contribution of the OP HRD will focus on:

- increase of GDP growth rate by 0.75 percentage points per year on average
- number of gross jobs created thanks to cohesion policy measures (33,900)
- increase in the employment rate, in line with the NSRF contribution, from 65.9% to 67.6%
- decrease in the registered unemployment rate from current 10.2% by 2.2%
- reduction in gender gap as regards unemployment, which currently stands at 3.6% by 10%
- increase in part time employment from current 10.1% to 15%
- modernisation of 150 publicly-approved education and training programmes
- increase of the share of innovative enterprises in Slovenia from 21% to 44%
- prevention of increasing regional disparities expressed in the variation coefficient “development risk index” amounting to 34.2%

Success in achieving abovementioned strategic objectives of the OP will be assessed with reference to the targets below, while specific objectives and corresponding targets are also defined for each priority axis⁴⁵:

OP HRD quantified targets		Baseline (last available data)	2013 target	Source
1	Number of participants benefiting from OP HRD		270.000	CIS
2	Adult participation (25-64 years of age) in life-long learning - in %	15,3%	20,7%	Eurostat
3	Share of researchers in business sector among all researchers	41%	50%	SORS
4	Number of gross jobs created		22.300	CIS
5	Employment rate in 15-24 age group	35,3%	38%	SORS
6	Employment rate in 55-64 age group	33,5%	43,5%	SORS
7	Increase in average employment rate in four most underperforming regions according to Labour force survey data.	51,9%	53,9%	SORS
8	Coefficient of variation in regional unemployment	30,7%	26%	SORS
9	Decrease in unemployment gender gap (in % points)	3,6 p.p.	-10%	SORS

CIS: Central information system; SORS: Statistical Office of the Republic of Slovenija;

There are two target groups that deserve and receive special attention in the OP and its general main types of activity. On the one hand, the target group of the **young** is focused at, representing one of the priority groups of the horizontal principle. The measures aiming at increase in the employment rate of the young, development of their entrepreneurial potentials, fostering of education and prevention from exclusion will all amalgamate as one of the main activities of the OP. At the OP level, augmenting work activity among the 15-24 age group from 35.3% to 38% is likewise considered as one of the basic goals. The approach follows the underlying principles of the Youth Pact that lays down investment into knowledge-based economy in its development goals and orientations. The strategy of investing into youth, involving education, training, motivating, counselling and guiding facilitates a more rapid and effective integration of the young into the labour market.

A similar approach is undertaken with respect to the **older people**, where Slovenia with its 33.5% work activity rate of the old ranks at the bottom of the European countries. A considerable amount of unexploited opportunities remains untouched in this segment, of the opportunities that not only imply impetus for the economy but also reduce the problem of social exclusion and poverty. Active ageing is deemed as a value enabling economic growth, sustainable public finances and greater social welfare and sustainable development, which are the platforms of the NSRF and the OP HRD.

Both orientations are in compliance with the “Council recommendations of March 27, 2007 on the 2007 up-date of the broad guidelines for the economic policies of the Member States and the Community and on the implementation of Member States' employment policies” for Slovenia. The Council concludes that active ageing measures need to be accelerated as well as the elimination of the obstacles preventing the employment of the young.

⁴⁵ Unless specified otherwise, the indicators will be annually monitored.

At the NSRF level, i.e. the level of all three operational programmes Slovenia has set an indicative objective to earmark over 60% of available resources for the Lisbon expenditure which not only translates the efforts made towards achieving the Lisbon goals, but also one of the highest shares among the recipients of the cohesion policy funds. A predominant part of the OP HRD is incorporated in this framework, namely: priority axes one to four, and within the framework of the fifth priority axis »Institutional and administrative capacities«, only the part dealing with. »Modernisation and strengthening of the labour market institutions«. **Total indicative share within the OP HRD framework that will be earmarked for the Lisbon expenditure therefore exceeds 85%.**

Coordinated, cross-sectoral approach of the instruments will have to be ensured during the implementation, providing access to public incentives for all projects that will contribute to the achievement of the set goals and will at the same time attest adequacy. Guaranteeing synergies between the OPs, individual priority axes and at the level of individual projects will likewise play an important role, particularly the one of creating multiplicative effects at the overall level. Already in the NSRF, the recognition of synergies and making best use of every opportunity in the implementation structure was thrown light upon. This will be attained by quality planning, active role of the managing authority in terms of the content and greater involvement of external independent experts in the preparation, monitoring and evaluation of the instruments' implementation.

3.2.3 Basic principles

The first basic principle laying foundation for the OP HRD is the principle of **non-discrimination** and respect and promotion of **equal opportunities**, gender equality being particularly highlighted therein.

The principle of non-discrimination will be ensured by preventing any inequality or discrimination based on gender, race, ethnicity, religion or belief, age, sexual orientation and in particular disability as regards the implementation of and access to the Structural Funds.

Equal opportunities and gender equality is a principle that will duly be taken account of in the design of all measures within priority axes where deemed sensible and justified.

The analysis of state-of-play conducted showed that Slovenia boasts relatively low level of poverty as well as relatively satisfactory accessibility to education, which reflects itself in the decreasing trend of general social exclusion; however, the results also pinpointed the increased risk of social inclusion and poverty for those harder to employ, persons with low income, the disabled and other functionally impaired people, older generations and young people with special needs, Roma, refugees and migrants. What also lacks is a well functioning system of incentives to tackle the issue, in the form of, for example, social entrepreneurship. As evident in the continuation, indirect actions to be taken have been gathered under a special priority axis, whereas the aspect of equal opportunities will be dealt with in a horizontal, mainstreaming manner, i.e., during the implementation of other priority axes.

Special attention has been given to the field of gender equality, where Slovenia needs to stress a relatively favourable gender pay ratio, whereas the setbacks include female entrepreneurship which has been well under average, persistent gap in the employment rate of older females and a low share of females in senior positions. The approach undertaken to solve the issue

will be similar to the one undertaken in the field of equal opportunities: activities intended for females within the fourth priority axis will be carried out, while first and foremost, the principle will be incorporated in the content and criteria of other priority axes (gender mainstreaming). Females will therefore, on the basis of the state-of-play identified, be put at the forefront of the fourth priority axis, whereas the first priority axis will deal with female entrepreneurship in general and promotion thereof. Gender equality aspect will pro-actively be taken account of where deemed reasonable and justified. Monitoring of the activities will take into account the goals, laid down in the Resolution on the national programme for equal opportunities of women and men in the labour market by 2013.

The measures to ensure equal opportunities and gender equality will be carried out in two ways in the OP HRD. Activities of the fourth priority axis have been designed for this particular goal, aiming at improving employment opportunities of vulnerable groups. Additional, on the basis of the horizontal principle, OP HRD promotes inclusion of these target groups in all other activities, otherwise not explicitly target group-oriented. Key goals to be achieved via horizontal measure of equal opportunities are:

- inclusive labour market – promotion of employability and employment for all
- lifelong learning – ensuring adequate education to all
- development of those aspects of the OP HRD that will contribute to social reintegration, motivation/drive, self-initiative attitude and inclusion

In order to achieve the goal of ensuring equal opportunities, the following OP HRD activities deserve particular attention:

- Accessibility and inclusion in the labour market: fostering the employment of vulnerable groups in general and of women and men in the areas where they are less represented (atypical jobs); aid to employers to develop and carry out plans for equal employment; promoting the employment of vulnerable groups in general and, in particular, of women in entrepreneurship. The activities will mainly be carried out within the following priority axes: 1st (Promoting Entrepreneurship and Adaptability), 2nd (Improving Employability or Job-Seekers and the Inactive) and 4th (Promoting Social Inclusion).
- Education and training: fostering the process of inclusion of vulnerable groups in vocational training that leads to vocational qualifications and jobs; greater participation of vulnerable groups in education and training that improves the chances of employment in the services sector. The activities will mainly be carried out within the following priority axes: 1st (Promoting Entrepreneurship and Adaptability), 3rd (Development of Human Resources and Life-Long Learning) and 4th (Promoting Social Inclusion).
- Establishment of enterprises: creating support services to aid entrepreneurs and improve the business operations of vulnerable groups; improve the financial services for all who are starting up business activity; assistance to networks and associations for target groups. The activities will mainly be carried out within the following priority axes: 1st (Promoting Entrepreneurship and Adaptability) and 4th (Promoting Social Inclusion).
- Coordination of professional and family life: assistance to employers who allow their workers to suspend their careers in order to take care of their children and give them the chance to help their families by performing services; better access to training and promotion of options to work from home for parents with poor transport links. The activities will mainly be carried out within the following priority axes: 1st (Promoting Entrepreneurship and Adaptability) and 4th (Promoting Social Inclusion).

OP HRD is further based on the **sustainable development** principle, which is as a fundamental principle also defined in strategic and implementing documents of the Republic of Slovenia, while the National Environmental Protection Programme defines its environmental dimension. The sustainable development objectives are at the same time of course also the objectives of the EU - Göteborg. The sustainable development principle represents a commitment to pursue such kind of development and consequently also the activities of this OP that will sustain balance between the economic, social and environmental aspects. Given the nature of the OP HRD co-financed activities, the document will significantly contribute to strengthening social dimension of the development by promoting employment, increasing equal opportunities and reducing social exclusion – the latter has been provided as one of the priority axes that incorporates activities aiming at improving employment opportunities of vulnerable groups. In terms of environmental objectives the OP HRD will as much as possible use a pro-active approach, which will allow integration of environmental aspects in the pursuit of other objectives. Such pro-active approach is particularly relevant in the so called “win-win” situations, where changed behavioural patterns create value-added for all involved. Through investments in education and capacity-building OP HRD will ensure conditions for sustained economic growth, but will also build awareness, the required activities and capacities for the achievement of sustainable development, environmental awareness and tolerance. These areas represent an important aspect of modernisation of curriculums and are key competences that sustain a modern, open and cohesive society, while introduction of sustainable development and environmental issues in the schooling system in fact represents a precondition for full integration of these principles in usual patterns of behaviour and business in the long run. Furthermore, in the framework of entrepreneurship promotion, including social entrepreneurship, particular attention will be given to job creation that make use of environmental potentials (eco-innovations, third sector in the field of promotion and preservation of natural assests, ...). Abovementioned activities will also directly contribute to economic objectives, in particular by strengthening and mobilizing top human potentials in the triangle private sector, research and academic sferes, as well as by investing in employees’ human capital. OP HRD will thus complement the activities of the OP SRDP and the OP ETID and in this way provide direct and indirect incentives within eligible ESF activities for ensuring sustainable development. In this spirit, the NSRF likewise sets out that co-financed activities will be implemented in accordance with the principle of inter-generational and harmonious sustainability, in other words, that the needs of today’s generations are met in the way that will not hamper the needs of the future generations to be fulfilled in the same way.

The principle of **innovation** with underlying value-added will be exercised in the programmes dealing with unsolved yet acute problems in the labour market or with the employability of vulnerable target groups on the one hand, and on the other opening channels for new aspects of and solutions to these problems. Promotion and dissemination of the idea of innovative and active approaches in the labour market correspond to the activation of the providers to disseminate the approaches that will rapidly and effectively facilitate the adaptation and flexibility of both the employers and job-seekers in rapidly changing markets. The principle has been integrated in the OP implementation on the basis of respecting adequate criteria that foster innovative approach or with special development instruments. Searching for new ideas, innovative approaches and their promotion all constitute a chain of good practices that will stimulate other subjects in the labour market to use the same approaches. The innovation in this sense encompasses new ways of organising work, new approaches to education and training, HRD, promotion of activities in the labour market, new aspects of inclusion into the labour market for all groups.

The principle of **transnationality** is apart from innovation also an important factor conducive to the achievement of the set goals. Slovenia did not specify a special priority axis, since it intends to promote transnational project on the basis of the horizontal principle. This means that in the selection process, projects that are prepared in cooperation with partners from other countries will be given special emphasis. In this framework those areas will be most relevant, where the value added of transnational approach is particularly noticeable (thematic approach), which is more specifically presented in the next chapter of the OP (second, third, fourth and fifth priority axes). Further pursuing and upgrading of all effective innovative measures that have been developed within the EQUAL framework The transnationality principle is particularly relevant in the fourth priority axis that deals with the issue of social exclusion and labour market discrimination, especially measures aimed at target groups in the labour market, e.g. projects for reconciliation of family and work life, special activities for the young, the people with disabilities and other people with motor impairments, projects for social inclusion of ex-convicts and drug users, etc. With contrast to the activities of Objective 3 that stresses exchange of good practices and networking, the OP HRD will foster co-financing of implementing projects. The preparation phases of the project idea will thus be financed under Objective 3, while comprehensive transnational projects that incorporate the full implementation of the envisaged activities will be eligible for assistance from the OP HRD.

Last but not least, the partnership principle should be emphasised as one of the core principles of the OP HRD, being duly taken account of during the implementation, monitoring and evaluation phases. Close cooperation between the government and the partners in this respect is conducive to better implementation and realisation of the goals of the OP, allows insight for the partners into the implementation of the OP as well as monitoring thereof and proposing evaluation of individual aspects of strategic goals of the OP. Hence, contribution will be made to strengthening social and civil dialogue while conducting development policy of the Republic of Slovenia in general.

3.2.4 Identification and justification of priority axes

The allocation between priority axes is balanced and reflects the meaning of the contents that will be financed within the framework of individual axes, as well as the requirements that arise from the situation analysis according to individual development areas and described by SWOT analysis:

OP human resources	ESS resources; euro, current prices	%
SKUPAJ	755.699.370	100,0
1. Promoting entrepreneurship and adaptability	262.114.965	34,7
2. Promoting employability of job-seekers and inactive	140.018.678	18,5
3. Human resource development and life-long learning	164.661.965	21,8
4. Equal opportunities and Reinforcing social inclusion	63.848.517	8,4
5. Institutional and administrative capacity	97.051.506	12,8
6. Technical assistance	28.003.739	3,7

Therefore, over a third of resources are earmarked for **stimulating entrepreneurship and adaptability**, which translates the needs in this field, since the available funds in general increase annually by more than five times as opposed to the previous period. The reason is to be found in low unemployment rate, which is inevitably conducive to the demand for intensive increase in the productivity among the active population, and on the other hand arises from the unexploited potentials in fostering and harnessing innovation, technological development and entrepreneurship per se. R&D activities will therefore be promoted, with an increased number of developers, highly qualified personnel and HRD in the enterprises with the aim of raising employability and mobility of job-seekers/employed and enhancing competitiveness of the employers. Investing into HR will significantly contribute to a larger share of innovation enterprises in Slovenia, which is one of the goals of the NSRF. Medium and long-term inflow of highly qualified personnel into the economy needs to be secured, whereby different measures and institutions outside the education system likewise assume a considerable responsibility. A systematic and comprehensive approach will thus set up a system of incentives for matching the education with the needs of the economy (e.g. scholarship schemes) with the aim of reducing structural disparities in employment, improving qualification structure of HR and their employability. Flexibilisation of the labour market and safeguard of the employment are a prerequisite for greater employment, employability and economic growth, which corresponds to one of the key goals of the Slovenia's Development Strategy, the NSRF and the OP HRD. In the context of decreasing unemployment, a goal of increasing the share of the employed working part time was laid down which not only embodies greater flexibility but also better adjustment of the conditions for young families etc. These activities will be jointly carried out with social partners who will also endeavour to promote and enable greater flexibility of the labour market and simultaneous improvement in employment opportunities.

Growth of the economy and entrepreneurship largely depends on highly qualified labour force, whereas the latter, in its turn, is generated only by quality education and training systems and intensive inclusion in lifelong learning. Slovenia has already earmarked a considerable share of the funds to this end, nevertheless the ESF funds are indispensable for an upward mobility of the school system and for fuelling the desire for continuous education and training. Over one fifth of the ESF funds are thus allocated to HRD and **lifelong learning**, which is a 3.2 time average annual increase. Increased amount of funds will secure a comprehensive

modernisation of the education and training systems along the whole vertical. The systems will provide for internationally comparable quality, involved in international knowledge flows. As pointed out in the recommendations of the Council on March 27, 2007, strengthening of the connection between the education and training systems and the labour market with the needs of the economy on the other hand will play a crucial role in this process. Moreover, individuals will be encouraged to actively participate in the education and training systems, which will raise their educational level, increasing their employment opportunities and mobility. What is being aimed at, is at least a 20.7% share of the adults involved in lifelong learning at the end of the period.

A somewhat lesser increase in the funds earmarked for is to be noticed in the priority axis **Promotion of the employability of job-seekers and inactive** (one fifth of the funds), mainly due to a considerable drop in the unemployment rate. The problem of long-term or structural unemployment nevertheless persists in Slovenia and is addressed by being allocated to more funds. The activities will strive to eliminate those characteristic traits of the unemployed that prevent them from obtaining a job – they will especially target educational structure and qualifications of the unemployed and inactive. There is a considerable shortage of support activities dealing with the target group of the inactive by motivating and encouraging them to actively seek for a job. The core of the priority axis corresponds to increasing the inflow into the employment, which is closely intertwined with the general goal of creating new jobs. Via active and preventive approach that encompasses motivating, providing lifelong career orientation, education and training, we wish to ensure access to active employment policy measures for the unemployed. Regional disparities in terms of employment and unemployment rates will also be tackled, so as to fully exploit the human potential in all regions of the state.

Equal opportunities and reinforcing social inclusion is the priority axis that will mostly focus on how to exploit the employment potential of the vulnerable and excluded groups, and is earmarked for 8.4% of the funds, which is by 3.8 times more when compared to the programming period 2004-2006. The main goal of the axis is to enable access to employment and training by developing social and other innovative forms of entrepreneurship that create new jobs and propagate social and other services of public interest. The vulnerable group incorporates young, older persons, women, people with disabilities, Roma people, migrants, refugees, ex convicts and addicts, parents of very young children, children with special needs and other vulnerable groups facing difficulties in integrating the labour market and obtaining a job. Equal opportunities will be promoted as a positive value, which is to raise awareness of people and reduce discriminatory attitude. The principle of equal opportunities is treated as a horizontal priority in the OP and is specially described in chapter 3.4. The abovementioned activities will hopefully spur quality development of the NGO sector, whereas lively activity is anticipated in terms of exchange of good practices and projects pertaining to social inclusion promotion via transnational partnerships.

The field of institutional and administrative capacities, in the context of effective provision of public services regarded as the key factor of state's competitiveness, appears as a novelty within the ESF framework. The very same segment left something to be desired, given that Slovenia in international comparative studies only got characterised as considerably incompetent. The priority axis Strengthening institutional and administrative capacities is earmarked for one eighth of the funds, intended also for promotion of the development of NGOs and civil dialogue as well as for further enhancement of the social dialogue. Special measures aim at improving efficiency and effectiveness of the public sector

services for the population and economy, including the field of justice, and the measures promoting an entrepreneurship-friendly environment. A considerable reduction in the setting-up period of companies is anticipated (from current 61 days to only 7 days at the end of the period). Similarly ambitious goals are set in the field of the effectiveness of public administration and justice (reducing the length of procedures and the share of court backlogs). Healthcare services are currently hard-to-access for certain, which burdens the economy and generates indirect costs to the population due to the lost time. Institutions in the labour market whose improved organisation and competence are being targeted at are thus supposed to more rapidly and effectively provide new jobs, which was also mentioned by the Council in its revised guidelines. Another aspect of the main type of activity refers to strengthening social and civil dialogue and equipping the NGO sector and social partners with skills that secure services conducive to growth and creation of new jobs.

Slovenia has set itself the goal of fostering the development of the **NGO sector** from two aspects in the forthcoming financial perspective: on the one hand, a part of the funds in the fifth priority axis is directly earmarked for capacity-building of the NGO sector, on the other, throughout the entire OP, along the horizontal, NGOs are envisaged to assume the role of those partaking in the implementation of the priority axes. Certain envisaged activities even consider NGOs as priority beneficiaries, which is especially true for the activities of the fourth priority axis. In order to achieve the desired results (integration of NGOs in the implementation), the OP HRD has envisaged an indicative share of the funds to be allocated to the NGO sector, namely 7% of the funds or EUR 53 million.

A similar, yet more focused approach is envisaged for **social partners** as laid down in the Regulation on the ESF. At least EUR 2.7 million are allocated to strengthening the social dialogue and the competences of social partners within the priority axis Strengthening institutional and administrative capacities, in addition, the first priority axis will contribute at least EUR 4,1 million of the ESF funds to joint actions between social partners and the state, where the latter will be deemed as conducive to the highest value-added (forecasting the needs for HR, etc.). On the basis of the estimated extent and costs of the envisaged activities, indicatively allocated funds for social partners will thus amount to at least 0.9% of the OP HRD funds, given that this represents a solid basis for additional strengthening of the social dialogue and the partners directly, and a basis for invigoration of other joint activities with the state. Regardless of the abovementioned, in the event that the goals of joint activities are effectively reached, the said amount can be appropriately changed on the basis of recommendations from the mid-term evaluation⁴⁶.

⁴⁶ Effectiveness of social partners' involvement in OP HRD implementation is foreseen to be evaluated in the framework of general evaluation on reaching the goals of the OP, which would be implemented in the middle of the programming period.

3.3 OP HRD priority axes

3.3.1 Promoting entrepreneurship and adaptability

Rationale

Achievement of full employment objectives set by the EU is strongly conditional on the ability and capacity of the economy to create quality and productive jobs as well as on the innovation, knowledge and adaptability of individuals in light of anticipated economic changes and positively focused management. The growth of employment will only be achievable through stable economic growth which will be based on promoting modernisation of technological industry, increasing investments into knowledge and innovation, developing entrepreneurship networks, promoting entrepreneurship, developing stimulative environment for investments, foreign and domestic direct investments, increasing the growth of SMEs and creating a flexible labour market.

The activities in this priority will especially focus on stimulating the mobility of highly educated personnel and on training the employed people. It must be taken into consideration that job security in a flexible labour market arises primarily from better trained individuals. Better qualifications are also important from the aspect of causation between better qualifications and growth in the demands of posts, innovation and development of new services. However, for the development breakthrough in the labour market, a special emphasis must be given to the development of new and more demanding or better posts especially those with higher value-added for which special instruments will be required. It is important to create a synergy with activities in the priority axes of the second operational programme OP SRDP that will strengthen the offer and quality of R&D activities in the public sector and increase the scope of the activities in the private sector. This will increase the demand for highly qualified personnel and as such correspond to the key goal of the priority axis. A flexible labour market or new organisational forms of work additionally require stimulation of various flexible work forms and further development of new posts within the framework of promoting entrepreneurship.

The goal of the priority axis is the following:

**establishment of adaptable and competitive economy
by investing into human resources development to acquire knowledge and skills,
by training, educating and providing scholarships and by connecting economic,
educational, research, development and employment spheres**

The activities carried out within the framework of the first priority axis will pursue the following **specific objectives**:

1. Enhancement of business R&D capacities and better cooperation among academic, research and economic spheres.
2. Promotion of HRD in enterprises with the aim of increasing employability and mobility of workers and strengthening competitiveness of the employers.

3. Establishment of a system of incentives via a systematic and comprehensive approach for matching the education system and the needs in the labour market so as to reduce structural imbalances in employment, improve qualification structure of HR and strengthen employability.

4. Creation of new employment opportunities by fostering entrepreneurship, flexible forms of employment and other innovative approaches that prevent entry into unemployment.

Activities for increasing adaptability and qualifications of individuals as well as for knowledge transfer will be especially focused on three aspects:

- (i) support to technological, higher educational and scientific demands of the economy and of knowledge transfer (highly qualified personnel, researchers),
- (ii) support to the development of economic competitiveness (training of employees),
- (iii) support to less educated, especially those who are usually not involved in on-the-job training and have the highest possibility to shift into unemployment (including the younger adults).

In order to match the economy and labour market needs, special attention will be given to the implementation of new scholarship policy and to modernising the system and the framework of national vocational qualifications, in addition to training and education.

A separate section that matches the economy and conditions in the labour market will be focused on stimulating flexible labour market, knowledge transfer between generations which will, in the long-run, positively influence the employment and employability of elderly and young people by taking into the consideration the guidelines of »Youth Pact« and further development of new jobs within the framework of promotion of entrepreneurship.

Implementing and monitoring the effectiveness of the horizontal theme “**Ensuring Equal Opportunities**” will have the following focus within the 1st development priority: (I) carrying out activities for older people, in line with the active ageing strategy (employing and keeping the employment of the elderly, intergenerational instructor and mentor schemes for the transfer of knowledge, job rotation); (II) gender mainstreaming (for example promoting entrepreneurship for women); (III) flexible forms of employment relationships for both employers and employees, especially in the area of guaranteeing better opportunities for adjusting and coordinating professional and family lives; (IV) the young and establishment of links with companies in looking for suitably-trained job seekers – study grants, intergenerational instructor and mentor schemes for the transfer of knowledge.

With the resources invested, the Republic of Slovenia will achieve the following progress in the field of individual, abovementioned specific objectives⁴⁷:

⁴⁷ Unless specified otherwise, the indicators will be annually monitored.

Promoting entrepreneurship and adaptability - quantified targets		Baseline (last available data)	2013 target	Specific objective	Source
Output					
1	Number of "young researchers" in private sector due to OP HRD implementation effect	181	500	1	CIS
2	Number of transfers of highly qualified staff into or within business sector on the basis of OP HRD (cumulative)		450	1	CIS
3	Number of employed persons involved in life long learning (cumulative)		70,000	2	CIS
	of which women		50%	2	CIS
4	Number of developed vocational standards	50	500	3, 4	CVT
5	Number of developed vocational catalogues	30	400	3, 4	CVT
6	Number of scholarship scheme recipients (cumulative)		47,500	3	CIS
7	Number of private co-financiers of scholarship schemes	1,100	2,200	3	CIS
8	Number of projects in the field employment flexibility promotion (cumulative)		175	4	CIS
9	Number of start-ups - cumulative	1527*	8,400	4	CIS
Result					
10	Number of applicative technologies, patents and innovations for the needs of business sector as a result of supported activities (cumulative)		115	1	CIS
11	Average duration of training per employed person in supported enterprises after the project completion (in hours)		increase by 10%	2	CIS
12	Percentage of all scholarship recipients who maintained a job one year after the end of contractual obligations		90%	3	CIS
13	Number of self-employments - gross jobs created - on the basis of supported activities, 12 months after the project completion (cumulative)		7,000	4	CIS / ESRS
14	Increased percentage of part-time employment in all employment	10%	15%	4	SORS
<small>CIS: central information system; SORS: Statistical Office of RS; ESRS: Employment Service of Republic of Slovenia; CVT: Center for vocational training; * refers to the yearly average for 2004-2006 period</small>					

Aside from the creation of new jobs, two other key goals are worth mentioning, namely, the rise of research intensity and of general competence in the economy, which represents an important prerequisite for value-added growth and prevention of job outflow from Slovenia. New flexible forms of employment are intended to generate a more flexible labour market, which will provide for higher work activity of the population and for adaptability of the economy to the global trends – both in the interest of increasing competitiveness and prosperity in the state.

Policy context

The priority axis is founded on European and national development documents and results from the conditions in the labour market in Slovenia: The content framework is represented by the following documents:

- SDS, especially the fourth priority axis: Modern social state and higher employment,
- Integrated Guidelines for Growth and Jobs (2005 - 2008) which were adopted by the European Council for implementing the revised Lisbon strategy and its goals,
- National Reform Programme for the Implementation of the Lisbon strategy in Slovenia which at the same time includes strategic orientations of the Republic of Slovenia in the area of employment and the objectives of the integrated guidelines, especially guideline 8: Facilitate all forms of Innovation, Guideline 15: Promote a more entrepreneurial culture and create a supportive environment for SMEs, greater

cooperation between enterprises and educational and research-development institutions as well as stimulating personnel mobility, Guideline 18: Promote a life-cycle approach to work, Guideline 21: Promote flexibility combined with employment security and reduce labour market segmentation, Guideline 23: Expand and improve investment in human capital,

- Framework of economic and social reforms for increasing the prosperity in Slovenia,
- Draft National Development Programme 2007 – 2013 and NSRF,
- Lisbon orientation of the cohesion policy reflects in resources which Slovenia earmarks for the ESF programmes and for supporting the programmes of stimulating competitiveness and innovation; the second means of including the Lisbon goals in the cohesion policy involves amending measures for increasing economic growth and employment,
- Resolution on National Research and Development Programme,
- Resolution on National Programme of Adult Education.

The content and the goals of the priority axis complement the activities of the Seventh Framework Programme for research and technological development, which in the HRD field especially promotes international mobility of the researchers or their joint, all-European projects (demand for involvement of partners from several Member States). The projects are complex in their nature and call for high level of qualification from the participants, which is where the OP HRD intervenes. The document targets at strengthening competences and competitiveness of the Slovene research activity and economy in general, which lays a solid foundation for the upgrading of the activities within the Seventh Framework Programme and other programmes as well. Bearing in mind the set goals, the abovementioned incorporates highly complementary programmes.

The contents of the priority axis Promotion of Entrepreneurship and Adaptability are sensibly connected in the framework of the following **main types of activity**:

1. Experts and researchers for competitive enterprises,
2. Training and education for competitiveness and employment,
3. Scholarship schemes,
4. Stimulating the development of new employment opportunities.

3.3.1.1 Experts and researchers for competitive enterprises

Rationale

Strengthening knowledge in the economy as one of the underlying key competition factors is necessarily connected to investments into research and development. This is a condition for increasing innovation, value-added and productivity of the economy.

Quality human resources are of key importance for economic growth of the state and for its competitiveness and visibility at the global level. These objectives will be pursued through measures directed at education, development and maintenance of competent human resources for the needs of the economy. This concerns strengthening knowledge and capacities of the personnel, increasing the share of highly educated personnel in the economy, giving priority to technical knowledge, increasing quality and application of science and R&D work, stimulating mobility of the personnel from knowledge institutions into the economy and from large into SMEs. Research excellence for economic competitiveness will be achieved by

connecting research and development potentials as a backbone to economic competitiveness of Slovenia, by accentuating innovation, technological and service development, primarily in the areas of research and technology development (technological platforms and networks, technological centres, research centres of excellence, integration of R&D and higher-education centres).

The main activities to be supported are the following:

a) Young researchers for the economy, strengthening post-graduate knowledge of HR in the economy

In the context of the young researchers for the economy programme, the young are trained through work on actual research projects that are conducted in an individual enterprise or an organisation. The programme is a programme at a doctorate-level education intended for training of HR for R&D in the priority areas of research and technological development - the areas where the enterprises require new knowledge for the development of high technological products and services. In the context of the doctorate studies for the needs of the economy, the measure will, among others, enable the candidate and the employer, together with the knowledge institution, to decide on the curriculum that will best suit the development of the candidate at the workpost and the possibility for the mentor of the researcher to be employed in the economy. Priority will be given to those projects that attest inter-disciplinarity. The employers and HR will also have the opportunity to access post-graduate studies abroad, at the top knowledge institutions.

b) Stimulation of the mobility of highly qualified personnel

According to past experiences, young researchers in science mainly remain in R&D institutions after completing a doctorate or masters. This prevented direct placement and application of their knowledge in the economy as well as obtaining applicable knowledge. Promotion of the transfer of researchers from knowledge institutions into the economy has positive effects on the researcher gaining applicable knowledge as well as on strengthening appropriate expert knowledge in the economy itself. It also indirectly affects increased shifts of researchers through knowledge institutions.

Transition of developers and other highly qualified personnel from large enterprises into SMEs will also be fostered: large enterprises are more likely to employ highly qualified personnel since these are often of the opinion that large enterprises offer better working conditions and safer and more attractive careers. On the contrary, SMEs can benefit importantly from the knowledge transfer and increased innovation capacities if they employ highly trained personnel for activities in the area of research, development and innovation. The measure will stimulate knowledge placement of highly qualified personnel into the economy and will stimulate Slovene enterprises to obtain top personnel from abroad especially in the areas experiencing a deficiency in knowledge of such personnel in Slovenia.

c) Setting-up of interdisciplinary groups (teams) for work on technologic-development projects in the economy

The activity is intended for creating special development groups (teams) in which highly qualified personnel (researchers, engineers, business people and so forth, with at least a university level education and appropriate work experience) that are employed at knowledge institutions or in enterprises will participate, as well as highly educated personnel that has just finished at least a university level studies (»fresh« graduates and post-graduates), national and from abroad.

Beneficiaries or target groups

Activities will be intended for enterprises and their employees, namely for researchers at knowledge institutions and enterprises, as well as for young, national and foreign highly educated personnel who have just completed their studies.

3.3.1.2 Training and education for competitiveness and employability

Rationale

Slovenia is experiencing a lack of sufficient flexibility of employers and individuals in the sense of geographical and occupational mobility and of ability to fast adapt to the needs of the labour market. This is linked to the demands for greater investments into human capital and participation of adults and the unemployed in life-long learning. With the set measures, planned directions aiming at increasing the employability by augmenting the educational level, capacities and basic skills (key competences) will be implemented, in particular for the employees - high-educated personnel or key personnel that sustains competitiveness in the economy on the one side and target groups that are on the verge of losing employment on the other. This particularly pertains to the latter group, given that being replaced by another, more qualified worker, is, from the point of view of the employer, cheaper than constantly investing into education and training. The redundant workers are thus left with lesser opportunities of obtaining another job. The instruments dealing with the very problem are included into main type of activity "Promotion of new employment opportunities".

Building awareness of the employers of the necessity of investments into HRD and subsequent quality HR management in the enterprises thus remain of paramount importance and will be addressed with utmost attention.

A special section includes programmes intended for senior workers within the framework of measures on Active Ageing Strategy as well as for young people in line with the guidelines of the European Youth Pact. These activities stimulate older population into activating their life and subsequent later exit from the labour market and on the other side into knowledge transfer to younger generation with reference to active ageing. Concept of wider mentorship schemes emphasise the importance of knowledge dissemination between employees or knowledge transfer to new employees, especially young first-job seekers with no work experience. This is valuable knowledge, enriched with work experience and actual skills gained at work.

The main activities to be supported are the following:

1. Promoting education and training of employees in order to achieve greater employability and increased competitiveness of enterprises (scheme »job rotation«, career development, career orientation – regional career schemes, modernisation and extension of vocational standards and catalogues and so forth),
2. Mentorship and tutorship schemes for transfer of knowledge, skills and competences (inter-generational, connected with active ageing, to new employees, internal know-how, internal tutorship, training of young without work experience, coaching and so forth),
3. Various forms of stimulating enterprises to increase investments into HRD and measuring the quality of such investments.

Beneficiaries or target groups

- Private sector – enterprises and their employees, including social enterprises, in particular SMEs and enterprises in areas, lagging behind;

3.3.1.3 Scholarship schemes

Rationale

Development of technological and business infrastructure is one of the key foundation stones for the development and competitiveness of the economy in the state. It needs to secure adequate inflow of personnel into the economy in line with its demands, whereby studies have shown that the present financing system of undergraduate and post-graduate programmes does not allow equal opportunities in the education to all social classes and even more importantly, there is a problem of unfavourable structure of graduates. As already indicated in the analytical part, there is a shortage of graduates in science, mathematics, informatics, healthcare and social care on the one hand, and overabundance of those with a degree in social studies, law and economy. It is therefore justified to stimulate and guide students into those areas where there is deficient supply, which would also strengthen the long-term employment policies of the business sector, where the lacking attention given to this area could represent a serious problem for competitiveness. The assistance from the OP HRD for scholarship schemes will be given in accordance with the needs of the economy, given that the main type of activity will be implemented via direct partnership with the business sector. Human resources need to be stimulated by awarding grants so as to later ensure adequately qualified personnel for knowledge and technology transfer for the purpose of accelerating the development of products and services in the economy.

The main activities to be supported are the following:

1) Incentives of uniform regional scholarship schemes

Co-financed will be company scholarships awarded by the employers, regional scholarship schemes carriers and municipalities. The aim of awarding company scholarships from the regional scholarship schemes is to reconcile the interests of the employers, scholarship schemes carriers and the state. The schemes that will base on the partnership between regional development carriers will thus enable:

- reconciling the supply of and demand for HR in individual regions
- augmenting the educational structure in the region
- alleviating structural unemployment
- making it more interesting for enterprises to introduce company scholarships and plan the needs for HR in regions
- stimulating the return of qualified personnel from university centres to regions
- decreasing the outflow of HR in large centres, thereby reducing regional development disparities
- matching labour market need with the supply of HR

2) Other forms of scholarship schemes

The set involves awarding company scholarships to employers that are not included in regional scholarship schemes. The number of scholarships is intended to increase and incentives for employers will reinstate company scholarships as the basic form of financing the study programmes in line with the labour market and economy needs. The said schemes can encompass special incentives for those aspects that correspond to priority at the strategic level (special addition to scholarship for certain type and fields of education).

3) Innovative schemes for matching study programmes with the needs of the economy

Usual scholarship schemes can be accompanied by innovative schemes or incentives, such as a system of short-term financial incentives for the students for matching study programmes with the needs of the economy or special awards for a contribution to the sustainable development of the society.

Beneficiaries or target groups

- enterprises (including social enterprises) and economic associations,
- regional development institutions,
- municipalities,
- pupils and undergraduate and postgraduate students.

3.3.1.4 Promotion of the development of new employment opportunities

Rationale

Creating new employment opportunities and forms will be the main goal of the envisaged activities. To this end, set guidelines will encompass: (i) increasing flexibility and competitiveness of enterprises and of employees as well as stimulating regional and sectoral mobility, (ii) stimulating new employment and activating and motivating human resources for searching and recognising entrepreneurial potentials, (iii) stimulating self-employment, (iv) implementing projects for introducing flexible forms of employment, innovative and more productive forms of work organisations including better conditions for health and safety at work and homework, and (v) establishing a more flexible labour market, all with a view to increasing employment opportunities and preventing the passage into unemployment.

With the objective of strengthening entrepreneurial spirit and mentality as one of the channels of creating new employment opportunities, Slovenia will pursue and elaborate the programme of assistance in self-employment, which is intended for people from target groups that wish to realise their business idea, and demonstrate conditions and capacities to realise self-employment, which creates new jobs in profit and non-profit sectors. Special attention within this instrument will be given to stimulating self-employment of females.

A special challenge to tackle is presented by the sectors and activities whose competitiveness by and large does not base on knowledge but on price competitiveness. Considerable restructuring from the sectors into the activities with value-added took place in the past but not with the swiftness desired, thus lagging behind some of the similar states. A considerable increase in the redundant workers is anticipated to take place in these sectors in the future, thus it seems sensible to invest as early as possible into retraining and outplacement in the

context of sector restructuring. With a view to preventing the passage of the workers made redundant into open unemployment or long-term unemployment, inclusion of this target group into active employment policy measures is envisaged (outplacement, informing, counselling, motivating) and projects within and outside enterprises encouraging these workers to fulfil their self-employment desires will be promoted⁴⁸. Special institutions in this segment are work funds that operate at local and regional levels, establish and strengthen the connections between social partners with the aim of activating the redundant workers.

The problem of downsizing and dealing with the employees facing the risk of being made redundant, devising target activities and implementing projects will be first and foremost tackled by the subjects that can significantly contribute to solving the problem. Social partners (employers, trade unions) will be involved as well in the context, insofar as their input will remain considerable. Joint activities will not only focus on the abovementioned activities but will also incorporate other activities (e.g. forecasting the needs/demands for certain profiles and types of training). For the purpose of joint activities with social partners pursuant to Article 5 of the Council Regulation (EC) No 1081/2006 on the European Social Fund, at least EUR 4.1 million will be earmarked within the framework of the priority axis.

The programmes will also be directed at providing and stimulating part-time work and temporary employment, home work, innovative forms of work organisation which give greater flexibility to the employee and the employer and at the same time greater opportunities for reconciling work and family life, which results in better productivity and more efficient use of working time. A prerequisite for the effective cooperation in HRD between public and private spheres is adequately elaborated national qualification structure, including the development of new occupational standards, the development of new qualifications in new vocational sectors and the development of qualification framework. The framework will contribute towards a more effective and flexible use of individual's capacities and knowledge, it will link career and academic pathways of obtaining qualifications into a single, transitional and clear system that will be adaptable to the needs of the society, economy and individuals in the light of life-long learning. Therefore, the access to education and training will be strengthened as well as the transfer of gained knowledge, skills and capacities, and recognition will be given to informally gained knowledge and further education. Since the qualification framework as well as new occupational standards and qualifications will significantly improve the adaptability and employability of people and workers in particular, and also taking into account the importance of joint actions with the social partners and complementary approach with other activities, the above mention activities will be financed under priority axis Promoting entrepreneurship and adaptability.

The main activities to be supported are the following:

1. Stimulating and promoting entrepreneurship and innovation (searching for ideas, innovations,...) including stimulating female entrepreneurship for the women who wish to fulfil their entrepreneurship-related ambitions (information, motivation and counselling, tailored education and training, support in the elaboration of a business plan, so-called voucher system involves programmes offering assistance to unemployed on the pathway to self-employment);

⁴⁸ Number of persons involved in these programmes will be presented in the framework of yearly implementation reports.

2. Promoting and stimulating more flexible work arrangements (projects dealing with rotations for multitasking of employees at work, developing, stimulating and introducing flexible forms of employment and work at home);
3. Slovenian qualification framework and support structures, evaluation methodology and recognition of informal and occasional knowledge, development and adoption of national vocational standards, introduction of qualification framework, further development of key competence concept and development of a system for directing and advising the users.

Beneficiaries or target groups

- Economic and public sector (enterprises, agencies, chambers, associations, institutions, social enterprises, NGOs, social partners...),
- Individuals (employed people, individuals losing employment, in the case of stimulating self-employment the unemployed can be considered the beneficiaries as well).

3.3.2 Promotion of the employability of job-seekers and inactive

The priority axis is directed towards stimulating and supporting inactive and unemployed people to actively undertake solving of their unemployment, to gain and retain employment and is as such included in the integrated EU guidelines.

Envisaged activities will be intended for direct interventions in the labour market, for elimination of short-term and other problems in the employment and in the labour market that cannot be successfully solved through other systemic solutions nor policy measures. The priority axis is the foundation for the realisation of the revised active employment policy.

The objective of the priority axis is to:

improve the conditions for job-seekers and inactive people to enter the labour market and employment

With the activities that will be undertaken within the framework of the second priority axis, we wish to pursue the following **specific objectives**:

1. Encourage inactive persons for a successful entry into the labour market
2. Increase outflow of the unemployed into the labour market
3. Improve educational structure and qualification of the unemployed and inactive

With the resources invested, Slovenia wishes to achieve progress in the abovementioned specific objectives as follows⁴⁹:

Promoting employability of job-seekers and inactive - quantified targets		Baseline (last available data)	2013 target	Specific objective	Source
Output					
1	Number of participants involved in the 2. priority axis operations (cumulative)		80,000	1-3	CIS
	of which for women		45,000	1-3	CIS
	of which for inactive		8,000	1	CIS
2	Number of subsidised jobs for the unemployed - cumulative		6,400	2	CIS
	of which for women		3,600	2	CIS
Result					
3	Share of young unemployed persons below 25 years benefiting from Active Employment Policy measures before reaching 4 months in unemployment and for adults before reaching 12 months in unemployment *	75%	100%	2	CIS / ESRS
4	Share of long-term unemployed benefiting from Active Employment Policy measures *	26.1%	28%	2	CIS / ESRS
5	Number of persons who acquired National Vocational Qualification	1,600	3,200	2	CIS / CVT
6	Decreased share of unemployed with no or low education in total unemployment *	39%	29%	3	ESRS
7	Number of beneficiaries in employment 12 month after project completion - cumulative		14,300	1, 2	CIS / ESRS
8	Survival rate of subsidised jobs one year after project completion		60%	1, 2	CIS / ESRS
Impact					
8	Reduction of average unemployment duration *	2 years and 1 month	50%	2	ESRS

CIS: central information system; ESRS: Employment Service of Republic of Slovenia; * apart from OP HRD also some other activities will contribute to indicator's target

Policy context

The priority axis is based on European and national development documents and stems from the conditions in the labour market in Slovenia. The content framework is represented by the following documents:

- SDS, especially the fourth priority axis: Modern social state and higher employment,
- Integrated Guidelines for Growth and Jobs (2005 - 2008), adopted by the European Council for the implementation of the revised Lisbon strategy and its objectives,
- National Reform Programme for the Implementation of the Lisbon strategy in Slovenia which at the same time includes strategic guidelines of the Republic of Slovenia in the area of employment in accordance with the Integrated Guidelines, especially Guideline 17: Implement employment policy aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion, Guideline 20: Improve matching of labour market needs, Guideline 21: Promote flexibility combined with employment security and reduce labour market segmentation;

⁴⁹ Unless specified otherwise, the indicators will be annually monitored.

- Framework for economic and social reforms for increasing the prosperity in Slovenia,
- Draft NDP 2007-2013 and NSRF;
- Employment and Insurance Against Unemployment Act;
- Resolution on National programme for adult education;
- Lisbon orientation of cohesion policy is reflected in the resources which Slovenia earmarks for ESF programmes and for supporting the programmes on stimulating competitiveness and innovation; the second way of including the Lisbon objectives in the cohesion policy involves complementing measures for increasing economic growth and employment,

Rationale

The priority axis is focused on the key critical points of the Slovene labour market – bridging the gap between the employers' demands and supply in the labour market, low level of flexibility on the sides of employers and individuals that translates in the need for larger investments into human resources and involvement of adults in life-long learning.

Prior to identifying the measures for the unemployed to be undertaken, Slovenia has to own up to being quite unsuccessful in encouraging the inactive for their active integration into the labour market in the past. The new instruments will thus particularly focus on the vulnerable group of inactive, activating them and including into active employment policy programmes that increase their employment opportunities.

Measures for the unemployed encompass active approach to solving one's own unemployment and adequate career orientation, as well as reducing disparities between the supply and demand in the labour market which are a result of low educational level of job seekers that do not meet the demands of the employers in the labour market; furthering and promoting active ageing policy. A great emphasis is also given to programmes including the young people in the labour market in accordance with the guidelines of the European Youth Pact.

Stimulating the activities must include measures assisting job-seeking and eliminating barriers for a successful entry into the labour market (job-seeking skills, setting employment objectives, identifying missing knowledge and competences and so forth) and accelerating employment irrespective of whether it concerns first employment, re-entering labour market or desire to prolong work activity.

One of the most significant areas within the priority axis will remain to pursue the activities dealing with the unemployed and their personal growth by including them into education and training projects (also on-the-job training) with a view to improving the educational structure and qualification of the unemployed, their position in the labour market and achieving as rapid and stable employability as possible. The activities likewise endeavour to raise awareness of the meaning of educational level, competences, skills and know-how of each individual.

It is sensible to systematically and strategically implement the activities of education and training at national, regional and local levels in order to achieve the most positive outcomes and effects. From the point of view of an individual, a comprehensive and integrated approach to organising career orientation in Slovenia will take place, given a considerable dispersion of

institutions currently catering for a wide range of target groups by providing counselling, education and training and HRD. The fifth priority axis within the framework of Modernisation of labour market institutions to this very end envisages capacity-building of the ESS in terms of representing a single entry point of the lifelong career orientation system. Counselling carried out on the basis of the system for the inactive and unemployed is the focal point of the priority axis.

Implementing the priority axis, widespread mechanisms and incentives must be carried out and new employment opportunities created through the implementation of pilot projects that will search for new solutions on how to include target groups in the labour market, especially in perspective activities and international projects that will provide for exchange of experiences, results and good practices. It is important to use experiences and results of previous projects within the framework of CIP EQUAL as well as other good practices (for example project ICTEM, developed within the framework of Leonardo da Vinci).

Priority axis framework will secure transnational approach that will be implemented via horizontal principle, which means that the tender specifications will contain priority criteria that will act as a stimulus to transnational cooperation and exchange of good practices.

The envisaged preventive and curative measures, at the level of development of the employment and training systems will increase employability of the unemployed, ameliorate the prospects of long-term safeguard of a job and greater flexibility in the labour market considering the rapidly changing demands of the employers. The effect of the measures will be monitored at a 6-month or 12-month intervals after the inclusion in the programmes, whereby as rapid inclusion in the activity of employment as possible will be considered as effect (prevention, new start).

Implementing and monitoring of the effectiveness of the horizontal theme “**Ensuring Equal Opportunities**” will meanwhile focus on the following within the 2nd development priority: (I) schemes for facilitating employment of unemployed women as well as other unemployed or inactive individuals from vulnerable groups; (II) activities aimed at training and education to improve the job prospects of individuals from vulnerable groups, mainly unemployed disabled or other functionally impaired individuals; (III) programmes that will tackle the issue of employability or employment for the jobless or inactive young in the labour market; (IV) programmes aimed at solving the issue of employability or employment for the jobless or inactive senior citizens in the labour market; (V) activities aimed at preventing the possibility of long-term unemployability of the unemployed and their social exclusion.

The main activities to be supported are the following:

1. Strengthen informing, counselling, motivating, lifelong career orientation and development of multi-media aids for an effective career counselling to unemployed and inactive;
2. Programmes/projects encouraging the inactive to enter the labour market;
3. Training and education of the unemployed to obtain the required knowledge and skills;
4. On-the-job training and other short forms of training;
5. Stimulate employment in regions with low economic potential;
6. Support to innovative measures and specific approaches in the area of active labour market policies and international projects (for example connecting contents of CIP, EQUAL and EIM), and the development of new forms of preventive activities for moving into open unemployment).

Beneficiaries or target groups

- Individuals (unemployed and inactive people, job-seekers, individuals involved in education and so forth);
- Economic and public sector (employers, NGOs, chambers, associations and other).

3.3.3 Development of human resources and of life-long learning

Rationale

The third priority axis entitled “Development of human resources and of life-long learning” will be focused on activities aiming at individuals on the one side, and at developing and modernising educational systems and training systems on the other.

One of the most important factors and, at the same time, prerequisites for the development of the society is HRD. Knowledge-based society implies that it is not possible to expect appropriately trained human resources only within the framework of formal education or in a limited period of time. It is thus important to develop elements and mechanisms for life-long learning that will enable quality inclusion of an individual in life and work.

Within the context of a complex society that has development objectives set high, it is not possible to provide quality training of human resources without making changes in certain areas of education. Therefore, with high costs of formal education that are typical of all developed countries focused on the development, it is necessary to provide an appropriate system for ascertaining and ensuring quality at all levels of formal education. Effective mechanisms of monitoring and supervision of quality need to be introduced, either with instruments of external evaluation or self-evaluation. The quality of education must be provided with instruments raising competences and various types of literacy, whereas certain elements in educational programmes, for example early introduction of a foreign language and inter-cultural dimension in the curriculum need to be strengthened as well.

At all educational levels it is important to develop various forms and possibilities of education in order to provide various educational pathways and possibilities of schooling (private schooling) and to ensure implementing pluralistic programmes. In particular in the area of vocational and professional education, it is of great importance to open various pathways that will provide professional qualifications. Moreover, it is necessary to strengthen cooperation with social partners and civil society in the same field, and to create conditions for linking schools with the economy at the local and regional levels and with other employment systems outside the economy (e.g. culture) to improve the quality and to increase the attraction of vocational education.

HRD in the modern society is more and more based not only on the formal but also on other, informal forms and methods of education. In light of this fact, life-long learning has become a must in the modern society. Elements of life-long learning must be strengthened by including and recognising various forms of education and learning (formal, informal, occasional), by providing mechanisms for inclusion in the education also after gaining occupational qualifications, by stimulating adult education and by providing the required infrastructure for supporting these objectives.

Community strategic guidelines on cohesion also emphasise that in preparing the programming documents, it is necessary to take into consideration the existing Community initiatives for the ICT, including the initiative i2010 – European Information Society for Growth and Employment, accelerate the development of public and private goods and services in the ICT, and at the same time, strengthen the investments into human capital which will, with the knowledge and creativity, enable a creation of competitive economy.

Within the framework of human resources and life-long learning, special attention must be given to the development of higher-education infrastructure and to revising higher-education study programmes. Within this section, it is important to follow the openness principle and the international competitiveness principle so that greater attention will be given to, for example, increasing the number of guest foreign experts and to setting up a system of international evaluation of higher education.

From the point of view of transnational cooperation, networking of those at the European level that meet the criteria of interdisciplinarity and transdisciplinarity should reinforce the efforts for excellence at the undergraduate and postgraduate levels. This is particularly important in the field of interinstitutional cooperation that is conducive to joint degrees.

Activities of the third priority axis are complementary to the EU »Life-Long Learning« Programme which is the fundamental programming instrument in the area of education and training and, within its framework, connects the contents of the programmes, such as Comenius, Erasmus, Leonardo da Vinci, Grundtvig, Jean Monnet. The complementarity is based on disseminating good practices for the purpose of institutionalisation, transversal activities, international mobility and indispensable international partnership at the implementation level since a formal partnership of at least three EU Member States is required. Education and Training 2010 Programme and the Seventh Research Framework Programme should also be mentioned in this respect, as well as other European Community programmes on information society: e-contents, Safer internet, etc. The priority axis further takes into account internationally renowned methodologies (OECD, IEA), as for example for the projects of the system (quality) evaluation. The results will thus be comparable at the international level, and will represent a basis for so-called evidence-based policy and for shaping of measures for quality improvement in the future at the national level. Numerous are relevant documents at the EU level that direct the activities of the priority axis in terms of their programming, however, the complexity of the Lisbon (renewed) strategy and the adoption of Council conclusions on a coherent framework of indicators and benchmarks for monitoring progress towards the Lisbon goals in education and training should be particularly highlighted.

The priority axis content framework is also laid down in national sectoral and regulatory documents, as for example in Vocational education act, Organisation and financing of education act, Adult education act, Children and adolescents with special needs act, Resolution on national programme of education in the RS by 2010, Memorandum and strategy for life-long learning in Slovenia, National strategy for development of literacy, Guidelines for analysis, control and prevention of school violence, Guidelines for more effective integration of the Roma people in the education system, Breakdown of language policy in Slovenia, Basic premises for drafting of programmes in the field of children and adolescents with special needs, Basic premises for drafting of programmes in the field of vocational education, Basic premises for “gimnazije” programme reform, National programme for inclusion of civic education, Strategy for inclusion of migrant pupils in

education system, Strategy for development of information society SI2010, National strategy for e-education 2006-2010, Action plan for further informatisation of schools, etc.

Within the framework of the third priority axis, within the framework of “**ensuring equal opportunities**” the programmes for improving the capacities of an individual for work and life in a knowledge-based society will especially be stimulated; whereas this does not directly relate to the main types of activity within which the programmes for improving the quality and effectiveness of education and qualification systems will be implemented. By improving the capacities of an individual, the horizontal measures will particularly reflect in the reduction of the educational deficit, in greater participation of individuals in education and training, in improving their functional literacy, as well as in improved capacities of teachers and other educators and in the gain of new competences (related to the use of ICT). Sustainable development will merit special attention in the course of elaborating the programmes and contents of the training and education systems, as well as equal opportunities and non-discrimination. Education system can significantly contribute to awareness and capacity-building of the population that play a crucial role in the process of achievement of goals in both fields.

The objective of the priority axis is:

**human resources development for work and life in a knowledge-based society
by modernising the system of education and training and by stimulating life-long
learning**

With the activities that will be undertaken within the framework of the third priority axis, we wish to achieve the following **specific objectives**:

1. improvement in the quality of the education system along the entire vertical and of the training system including improvement in the qualification structure of the education providers,
2. augmentation in the participation of individuals in the education and training process thus ensuring greater employability and mobility.

With the resources invested, Slovenia will achieve the following progress in individual abovementioned specific objectives⁵⁰:

⁵⁰ Unless specified otherwise, the indicators will be annually monitored.

Human resource development and life-long learning - quantified targets		Baseline (last available data)	2013 target	Specific objective	Source
Output					
1	Number of educational institutions involved in the quality evaluation	193 (i.e. 10% of all)	1205 (i.e. 61% of all)	1	CIS / MES
2	Number of publicly approved education and training programmes (without higher education) involved in quality assessment	72 (i.e. 31% of all)	294 (i.e. 87% of all)	1	CIS / MES
3	Number of publicly approved study programmes in higher education with external evaluation	0	200 (i.e. 75% of all)	1	CIS / MHEST
4	Number of educational institutions implementing Key competence programmes	0	1370 (i.e. 43% of all)	1	CIS / MES
5	Number of e-content projects for the needs of education and training systems	0	130	1	CIS
6	Number of participants in education and vocational training programs (cumulative)		63,000	1, 2	CIS
	of which adults not employed in the education and vocational training system		33,000	2	CIS
7	Number of education and training days per participant		10	2	CIS / MES
Result					
8	Share of renewed publicly approved study programmes in vocational education	5%	100%	1	CIS/MES
9	Share of renewed/new publicly approved study programmes apart from vocational education below higher education level	28%	52%	1	CIS/MES
10	Share of renewed study programmes in higher education	30%	100%	1	CIS/MHEST
11	Number of visiting foreign professors and experts in higher education (cumulative)		150	1	CIS/MHEST
12	Share of adults successfully concluding education and training programmes		80%	2	CIS/MES
CIS: central information system; MES: Ministry of education and sports; MEHST: Ministry of higher education, science and technology					

Key competences or abilities that the target the quantified targets in the above table are: 1. mother tongue skills, 2. foreign language skills, 3. mathematic skills and basic skills in science and technology, 4. digital skills, 5. learning to learn, 6. social and citizenship skills, 7. entrepreneurial attitude and self-initiative, 8. cultural awareness and expression. The competences are identified as an amalgam of knowledge, skills and relations that meet the needs of the circumstances. What is referred to as key competences are those competences that people need for self-fulfilment and personal growth, active citizenship, social inclusion and employment.

The contents of the priority axis Human Resources Development and Life-long learning are sensibly connected in the framework of the following **main types of activity**:

1. Improve the quality and effectiveness of education and training systems,
2. Improvement of individual's qualifications for work and life in a knowledge- based society,
3. Quality, competitiveness and responsiveness of higher-education.

Rationale for the first two main types of activity

Despite relatively high percentage of GDP for education, and a wide network of educational institutions (and training institutions), and high educational level of younger population, somewhat insufficient participation of adults in education and training can still be noticed. There is also too many young people that do not manage to complete schooling and enter the labour market without appropriate occupational education. Educational and training systems

do not respond rapidly enough to the work needs and to the life in economic and social environment which is marked by rapid technological development, European integration process and globalisation processes. Adult education in Slovenia has gained an equal position in the educational system with the Resolution on Adult Education in the Republic of Slovenia by 2010 (adopted in 2004) where the need for further investments in life-long learning is acknowledged. This represents an important base for achieving higher adult education level, for raising the educational level, whereby 12 years of successfully completed schooling is considered as the basis of educational standard, greater employment and further education opportunities. Therefore, Slovenia has to continue developing and modernising various educational offers that will be based on the needs of an individual and of the society, and will adapt to the needs of labour.

In order to achieve these objectives, it is necessary to develop and implement education and training of expert workers, quality, counselling and information activity, organisational infrastructure, promotional and animation activity. Individuals and social partners must be aware of the importance of life-long learning for economic growth and competitiveness that sustains the prosperity of the population of Slovenia. Therefore it is necessary to develop incentives and measures increasing the demand for education and training of an individual and of social partners, to harmonise the incentives and measures at the national and regional levels, and to develop and maintain the basic infrastructure for education and training. Activities within the framework of implementing life-long learning will stimulate realisation of strategic directions and guidelines in the area of education and training, in connection with priority tasks of economic and social development and of development of employment system at the national and local levels.

Elements of life-long learning which equip an individual with better capacities for work and quality inclusion in the modern society can be strengthened through various methods, namely with the development of different types and forms of education and training, in public and private schooling, with the introduction of various educational programmes, with the development of an integral support system and infrastructural activities. Better capacity of an individual in vocational and professional education can be achieved by improving the quality of educational programmes that are developed through a closer cooperation with social partners, by modernising the existing and developing new methods of education and by creating conditions for linking schools with the economy at the local and regional levels.

Teachers are an important factor enabling life-long learning. Quality and systematic training of teachers and other educators to evolve from classical teachers to “seekers, researches and developers of talents” and provide assistance to every individual in order to develop their potential is the key condition for enabling and raising capacities of an individual for work and life in the modern society. The qualification of education providers is considered as an important factor of systemic changes that considerably affects the entire education system. Access to ICT equipment, e-contents and electronic services (e-accessibility) will also have to be provided to people with special needs, elderly people and to other population groups for whom a risk exists that, with a rapid advancement of information and communication technology in all areas of life and activities, they will be neglected. Therefore, it is necessary to develop appropriate e-contents and to ensure organisational and personnel models in education institutions.

Lack of balance between the offer of educational and training programmes and the needs of the economy, labour market and individuals have as a consequence that the educational and training system do not sufficiently address the demands, which holds true for programme

development, initial and simultaneous training of teachers and programme providers, as well as for arranging a possibility for on-the-job training, therefore entirely intensifying vocational education and training. Reform in the area of education and training must include the whole vertical of the system and adequate training of education providers from compulsory schooling to vocational schooling by including other elements of life-long learning in order to realise the concept »from the cradle to the grave«.

3.3.3.1 Improvement of quality and effectiveness of education and training systems

This main type of activity preponderantly concerns the following areas of operation: (i) raising the quality of education and training systems, (ii) improving the system of vocational education and training and (iii) improving the accessibility to ICT and digital contents that stimulate creativity and innovation and (iv) improved competences of education providers.

The activities within the said field primarily aim at: higher quality and effectiveness of education and training systems that can be further broken down hierarchically, in line with their area of activity in: development of the evaluation of various forms of learning provided simultaneous counselling, informing of the possibilities of education and training in the neighbourhood and promoting implementation of a quality system with a special emphasis on the extension of (self-) evaluation model and increase in the number of counsellors; variety and flexibility of offered (especially of vocational) education and training in accordance with the needs of the economy and the labour market, the development and inclusion of e-contents in education and training systems and augmentation of the competences of education providers for new contents and tasks. Implementation of systemic changes to a large extent depends on the personnel that carries out the training and is the carrier of the changes.

The main activities to be supported are the following:

- modernisation and development of new, more flexible and quality education and training programmes, including a development of a wide range of short, individualised formal and informal programmes, where vocational education and training of the adults are most important
- instruments and mechanisms raising quality of education and training and evaluation systems
- mechanisms and instruments raising literacy or foreign language skills
- opening up of the education and training systems, via partnerships and appropriate information measures
- access to ICT, digitalisation of materials and development of e-contents that would be implemented during education and training systems
- improved competences of education providers in the education and training systems that work with youth and adults for the use of (most) modern forms and methods of teaching related to the use of ICT
- improved competences of principals and the management in the educational establishments for an autonomous role of those establishments and cooperation with the environment.

Beneficiaries or target groups

In line with the abovementioned activities, the beneficiaries or target groups of co-financing will be primarily:

- highly qualified education and training providers (e.g. public or private organisations and individuals involved in preparation, planning and implementation of education and training)
- training participants themselves (teachers, educators, counsellors and other professional workers, mentors, providers and counsellors in the area of adult education and vocational education, employers and unions, principals and directors of educational organisations, and so forth)
- public funds, public institutions, representatives of NGOs (institutions, establishments, societies), individuals, companies etc. that contribute in one way or another to setting-up and implementation of education and training system.

The list of beneficiaries is best left as open as possible since the system is simultaneously being set up on the one hand, and since there is a lack in availability of HR on the other, thus allowing for quality, efficiency and competitiveness of the beneficiaries.

3.3.3.2 Improvement of individual's qualifications for work and life in a knowledge-based society

This main type of activity mainly concerns increasing the participation of individuals in educational and training processes.

The activities within the said field thus mainly aim at:

- reducing educational deficit of adults and particularly of those that have only primary or lower vocational school or low literacy level, and increasing the participation of adults (especially drop-outs) in education and training
- increasing the number of participants from socially vulnerable groups in the education and training processes and the number of participants in vocational education and training
- improving functional literacy of the population for active inclusion in life and work;

In general, the results of the undertaken activities will reflect in higher educational level of an individual and in improved competences of an individual for life and work in a knowledge-based society. Main type of activity will provide additional assistance to the population in its life-long learning by raising functional and information literacy, preponderantly to those with general and lower vocational qualifications.

The underlying principle of the demarcation between the measures and the beneficiaries within this type of activity or priority axis and the first two priority axes promoting HRD is based upon target groups and methods, given that the first priority group aims at enterprises and the employees that attend education and training programmes, and the second priority axis covers the unemployed, whereas the said field of activity refers to the activities of lifelong learning of those neither falling within the category of the unemployed nor being involved in any education provided for by their enterprise or being employed in non-business sector.

The main activities to be supported are the following:

- co-financing participation in education in order to increase the adult educational level
- raising literacy level with various forms of educational and training programmes,
- training for the development of new competencies

Beneficiaries or target groups

In line with the abovementioned activities, the beneficiaries or target groups of co-financing will be primarily:

- highly qualified education and training providers (e.g. public or private organisations and individuals involved in preparation, planning and implementation of education and training),
- participants in training themselves (teachers, educators, counselling and other professional workers, mentors, employees in institutions that deal with digital contents, providers and counsellors in the area of adult education and vocational education, employers and unions, principals and directors of educational organisations, and so forth),
- public funds, public institutions, representatives of NGOs (institutions, establishments, societies), individuals, companies etc.

3.3.3.3 Quality, competitiveness and responsiveness of higher-education**Rationale**

The Lisbon strategy is, in the area of higher education - one of its key levers - implemented via Bologna process. Universities propel the development of knowledge and its transfer and as such need to adapt to the needs of the modern society and the economy, both of which base on knowledge. Achieving the best efficiency and quality of higher education institutions requires an open higher-educational space by developing new institutions and greater competitiveness. Due to diversification of knowledge, it is necessary to establish a flexible system to develop study programmes and teaching methods in accordance with the set guidelines.

Globalisation and strong competition demand different and new forms and methods of education that have been utilised in Slovenia and in almost whole of Europe up to now. Knowledge alone does not bring successful progress. Those gaining education at various levels need to be equipped not only with formal education, but with specific practical competences for employment in a particular area, and need to display readiness for continuous education in attained professional area, the ability and will to always familiarise themselves and conquer new knowledge outside gained education as well, whenever this may arise.

The fundamental objective of higher-education development in the Republic of Slovenia is to provide quality education for as large a share of the population as possible. Obtaining such education is only possible on the basis of a high quality educational, research, expert and artistic functioning of higher education institutions that respond to the needs of local and wider community. Higher educational institutions and programmes must be subject to constant evaluation and internalisation in order to assure quality.

In Slovenia, we wish to implement qualitative, competitive and responsive higher education which will greatly contribute to the development and success of the economy. The main guidelines for achieving the set goals are:

- open and responsive higher education system;
- quality and international comparability higher education system;
- flexible higher education that will properly respond to the needs of the society by taking into consideration the implementation of life-long learning;
- further knowledge exchange in the triangle higher education/knowledge/economy;
- internationalisation of higher education and increased attractiveness of Slovene higher educational and research space;
- development of study programmes and new forms of teaching and learning.

The main activities to be supported are the following:

- implementation of the Bologna process with an emphasis on the modernisation of the study programmes and methods of teaching and support to the creation of new, modernised higher education institutions. The implementation of the Bologna process is linked with quality higher education that is based on a modular system, evaluation and recognition of informal channels of obtaining knowledge and experiences, tutorial approach to teaching, problem-based learning, opening up of higher education institutions to the environment with the support to improvement programmes, promotion of partnership forms of cooperation between the economy and higher education that creates a triangle of economy-higher-education-science, promotion of visits of foreign professors and researchers that will make an input to the development of study and research activity, promotion of returning of Slovene experts from abroad and their integration in higher education and research areas. Development of career orientation, career counselling for higher education students with a view of timely planning and development of the careers of future highly educated personnel are likewise aimed at. Shortening lengthy studies needs to be guaranteed by adequate systemic measures and incentives, thus raising the effectiveness of the study programmes and rational use of public funds, and equal opportunities of inclusion into undergraduate and postgraduate study programmes to all social classes.
- setting up a system of quality internationally comparable higher education system (external evaluations). The activity involves support for a comparable system of external and international evaluations and setting up of an international system that abides by the standards and guidelines ensuring quality in the European higher education area, united under European Association for Quality Assurance and European university Association.

Beneficiaries or target groups

- Higher-education institutions in the Republic of Slovenia that are accredited by the Council of the Republic of Slovenia for higher education, and other public and private institutions operating in the preparation and planning of higher education;
- Independent national and international experts, teachers, researchers and students.

3.3.4 Equal opportunities and reinforcing social inclusion

Rationale

Social activation of people considered as vulnerable or underprivileged in the labour market is the basic presumption for all activities within this priority axis. Promoting social inclusion is closely connected with ensuring equal opportunities, preventing inequality or any discrimination based on sex, racial or ethnic origin, religion or belief, age, sexual orientation and especially on disability or any other form of functional impairment.

The fundamental orientation we pursue is to provide access to employment and social inclusion for everyone, thereby preventing any form of discrimination in the labour market and improving the employability of vulnerable groups. A long-term objective of the priority axis concerning the target group is to safeguard full employment, adequate quality of productivity at work and social cohesion and integration in the society.

In order to promote employment, employability and social inclusion of vulnerable groups, it is necessary to realise and enforce instruments and programmes that will create appropriate environment motivating people for greater activity on the one hand, where people will find work faster and easier and at the same time benefit from the required level of social protection, and on the other, preventing any form of discrimination of vulnerable groups in the labour market. To this end, it is necessary to develop and implement programmes with revised employment policy and with incentives for education and training that will increase the possibility for activity and will prevent unemployment of vulnerable groups and non-activity traps. Accessibility to lifelong education and training is still unsatisfactory for certain vulnerable groups, the European initiatives such as e-Learning, foreign language learning and acknowledging linguistic diversity and the European plan of skills and mobility being particularly vocal about the issue by raising awareness of the people and abolishing discriminatory practices in the employment procedures through promotion of actions, thereby contributing to higher employment of vulnerable groups.

Transnational approach will be ensured within the framework of the priority axis implementation and will most probably lie on the principle of thematic approach (implementation of the projects involving refugees and migrants and their children, etc.) or on the horizontal principle, which means that tender specifications will encompass priority criteria that will foster transnational cooperation and exchange of good practice. Special stress will be given to transnational approach linked with innovative approaches and to exchange of good practices and information.

The objective of the priority axis is to:

to reach higher level of social inclusion, to diminish the risk of social exclusion for vulnerable groups and through combat against all forms of discrimination also contribute to the concept of equal opportunities

With the activities that will be undertaken within the framework of the fourth priority axis, the following **specific objectives** are pursued:

1. Enable the access to employment and training for the vulnerable groups by developing social and other innovative forms of entrepreneurship that create new jobs and disseminate social and other public services.
2. Promote equal opportunities and social inclusion among the young, in particular in the education and training system.
3. Enhance awareness of the public about equal opportunities as positive values and stimulate the employers to abolish discriminatory practices in employment.

With the resources invested Republic of Slovenia will achieve the following progress in the abovementioned specific objectives⁵¹:

Equal opportunities and reinforcing social inclusion - quantified targets		Baseline (last available data)	2013 target	Specific objective	Source
Output					
1	Number of participants involved in 4. priority axis activities (cumulative)		12,000	1, 2	CIS
	of which for women		7,000	1, 2	CIS
	of which for young		3,000	2	CIS
2	Number of co-financed projects (cumulative)		285	1 - 3	CIS
	of which projects in the field of culture		60	1	CIS
3	Number of educational institutions participating in accessibility and equal opportunities programmes for education and training systems	0	80 (i.e. 6% of all)	2	CIS
Result					
4	Gross jobs created (vulnerable groups) - cumulative		1025	1	CIS
5	Number of children benefiting from accessibility and equal opportunities programmes in education and training system - cumulative	0	30,000	2	CIS
Impact					
6	Decreased share of unemployed disabled persons in total unemployment*	12%	8%	1	ESRS
7	Decrease in unemployment gender gap (in % points)*	3,5 p.p.	-10%	1	ESRS
CIS: central information system; ESRS: Employment service of Republic of Slovenia; * apart from OP HRD also some other activities will contribute to indicator's target					

The effectiveness of the eradication process of discriminatory practices will be assessed upon evaluations.

Policy context

The priority axis is based on European and national development documents and results from the conditions in the Slovene labour market. The content framework is represented by the following documents:

⁵¹ Unless specified otherwise, the indicators will be annually monitored.

- SDS, especially the fourth priority axis: Modern social state and higher employment,
- Integrated Guidelines for Growth and Jobs (2005 - 2008) which were adopted by the European Council for the implementation of the revised Lisbon strategy and its objectives,
- National Reform Programme for the Implementation of the Lisbon strategy in Slovenia which includes strategic directions of the Republic of Slovenia in the area of employment in accordance with the integrated guidelines, especially Guideline 17: Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion, Guideline 18: Promote a life-cycle approach to work, Guideline 19: Ensure inclusive labour markets, enhance work attractiveness and make work pay,
- National Strategy for the Development of Literacy,
- Framework of economic and social reforms for increasing the prosperity in Slovenia,
- Draft NDP 2007-2013 and NSRF,
- National Report on Strategies of Social Security and Social Inclusion 2006-2008,
- Equal opportunities for people with disabilities – a European action plan,
- Action plan for people with disabilities 2007-2013,
- Resolution on promotion of employment and social integration of people with disabilities,
- Social Security Act,
- Employment and Insurance Against Unemployment Act,
- Aliens Act,
- Employment and Work of Aliens Act,
- Lisbon orientation of cohesion policy reflects in the resources which Slovenia earmarks for the ESF programmes and for supporting the programmes on stimulating competitiveness and innovation; the second method of including the Lisbon objectives in the cohesion policy involves amending measures for increasing economic growth and employment.

The fourth priority axis »Equal opportunities and reinforcing social inclusion« will be especially focused on three content areas, its main difference from activities foreseen in other priority axes lying in the type of activities focusing primarily on vulnerable target groups in the labour market. The priority axis envisages specific approaches to increasing the social and labour inclusion of these groups. The three areas are the following: the first area will include social inclusion from the aspect of social security, employment and entrepreneurial policy. The second area will relate to equal opportunities and support of social inclusion in the educational process, whereas in the third area innovative measures for promotion of social inclusion and access to employment in the field of culture will be implemented, utilising cultural and creative potentials as their medium. The three aspects will secure a complex approach to solving the problems of equal opportunities and social inclusion. The following main fields of activity will be pursued:

1. Equal opportunities in the labour market and promotion of social inclusion;
2. Increasing accessibility and equal opportunities in the educational system;
3. Increased employability of vulnerable groups in the field of culture and support to their social inclusion.

3.3.4.1 Equal opportunities in the labour market and reinforcing social inclusion

Rationale

The programmes of the main type of activity concerned will aim at target groups in the labour market that can be identified as underprivileged due to the combination of certain traits that hinder their situation as regards employability and prevent successful integration into the labour market and employment. The latter are represented by those in long-term unemployment, above 50 years of age, young, first-job seekers, people with disabilities, members of ethnic groups, refugees, the Roma community members, ex convicts, drug addicts and those in recovery, migrants and females.

The priority axis tries to tackle the problem of hampered accessibility to employment such vulnerable groups are faced with through a comprehensive and well organised approach. Adequate measures of such approach are intended to promote, build awareness and eradicate the prejudice, usually displayed by general public as regards employment of vulnerable groups.

Demarcation between the activities of the fourth and the second priority axis (the segment of inactive-oriented activities involves information and counselling activities, and the segment of unemployed-oriented activities involves education, training and employment subsidies) lies in the fact that the measures of the second priority axis are devised for a broader range of target groups and their needs, therefore groups which vulnerable groups may also take part of in accordance with the horizontal principle. Such measures are by and large inadequate for a more intense and actual integration, education, training and employment and may also arise later in connection with the safeguard of a job. Moreover, demarcation is also evident in that the activities of this priority axis are not carried out within the framework of so-called “classic” measures of active employment policy, but rather in line with the principle of innovation. This refers to the activities that promote development and implementation of new forms of integration of vulnerable groups in the labour market.

The same approach will allow simultaneous intensified promotion of the development of the third sector, at present somewhat underdeveloped; also in the field of social entrepreneurship that boasts large development potential. Social entrepreneurship is known to actively incorporate the vulnerable groups that do not catch up with the demands of an increasingly more flexible labour market, and on the other hand to promote the development of services that are ousted from the labour market despite proving their benefit for the environment and social welfare. Some examples: provision of various social services, humanitarian activities, activities in the field of education and training and creating jobs in the culture, activities of education and training and other services in public interest (promotion of partnerships in nursing homes, learning assistance for children with deficits, projects of home care services for older and dependent adults, projects of education and childcare, daily care services projects, projects of social inclusion of asylum seekers, migrants and the Roma people).

In the context of eradication of discrimination in the labour market and ensuring gender equality, execution and support of special programmes for reconciliation of family and working life, promotion of employers to enable reconciliation of family and working life of their employees are planned. The latter will be achieved with more flexible forms of work, adapted working hours, promotion of and awareness-raising about the importance and added

value of such working environment offered by family-friendly enterprises, further with upgrade of the existing programmes and development of new programmes and approaches of the enterprises to childcare adjusted to the needs of the employed and their children, as well as developing new programmes and services providing care for the elderly and other family members of the employees..

The implementation phase of the OP will encompass evaluations of the extent of discriminatory practices in the labour market. The results thereof will influence the drafting and implementation of the programmes that will prevent such practices in future and simultaneously enhance equal opportunities in the labour market.

The main activities to be supported are the following:

1. Creation of new opportunities to access the employment and training, creation of new jobs and promotion of activities throughout the active period of the vulnerable groups, by stressing the importance of service sector and NGO sector.
2. Fostering of social entrepreneurship and creation of favourable conditions for its development, network and develop new forms of social, social-care (care services for children, older dependent persons) and other services in public interest (reconciliation of family and work life).
3. Support for innovative measures and projects of local, regional, national or transnational cooperation related to enhancing social inclusion and combat against any discrimination pertaining to employment and labour market.
4. Promotion of activities related to employment of the members of vulnerable groups with the aim of promoting their social inclusion and raising awareness of the employers and public of the phenomenon of discrimination in the labour market.

Beneficiaries or target groups

- Economic, public and non-governmental sector (employers, enterprises, agencies, chambers, associations, institutions, NGOs...),
- All vulnerable groups and individuals in the labour market.

3.3.4.2 Increasing accessibility to and equal opportunities in the educational system

Rationale

One of the important aspects that must be taken into consideration by every development-oriented country is ensuring social inclusion, accessibility to and equal opportunities in educational system. It is the development of social skills that is increasingly more important in the complex and risk-full society. The school is an important factor that decisively affects further possibilities for a successful inclusion of an individual in life or work and conditions the position of an individual in the labour market. Therefore, the elements of educational work and of school as an institution that need to be strengthened are those that increase the accessibility to and possibility for a successful inclusion of socially vulnerable groups and everyday life

Certain mechanisms inevitably need to be designed in order to contribute to a more effective inclusion of vulnerable groups (the Roma minority, pupils with special needs, migrants) into school system with a view to attaining as high educational levels as possible. Moreover,

implementing curricula, means and methods of education, adjusted to the needs of the target groups need to be carried out at the primary and secondary school levels. Children with special needs should be provided with clearly defined and targeted education programmes equipping them with necessary skills for future independent life and integration in the labour market. The main type of activity thus envisages activities aiming at the abovementioned by preparing programmes that take into consideration the special needs, and the need for constant assistance, thereby fostering easier completion of the educational process (extra teacher in the Roma community classes, programmes for comprehensive knowledge of the language, culture and last but not least of their proper identity). Without a timely integration in the early phases of the education system, vulnerable groups in their later phases must have significantly less chances to successfully enter the labour market.

The main activities to be supported are the following:

- drawing up programmes adjusted to the needs of the target population with a view to effective integration in the education system (meeting required standards) not only at the primary school level, development of programmes aiming at strengthening competences and at providing effective training for later independent life, inclusion in the labour market (especially for those with special needs), creation of information points providing information on basic rights and possibilities in the field of education and training
- drawing up programmes and their implementation for successful integration of vulnerable groups in the education and training systems, whereby the experiences and programmes of the Departments of social security and NGOs are taken into account, while their implementation calls for a connection between the three parties
- drawing up and implementation of programmes for a more effective realisation of the inclusion concept for the children with special needs

Beneficiaries or target groups

Those eligible for co-financing will mostly be highly qualified private and public institutions in the field of education and training and entities, whether public or private, that deal with the drawing up and implementation of programmes. With respect to certain contents, NGOs or their representatives can participate (institutions, associations) as well.

3.3.4.3 Increased employability of vulnerable groups in the field of culture and support to their social inclusion

Rationale

Access to employment and training of vulnerable groups may be achieved by promoting social and innovative forms of entrepreneurship and self-employment that create new jobs and the field of culture or creative sector can be of significant importance in this regard. Namely, culture or creative sector boasts yet unexploited potential for social integration and creation of new jobs due to its specific character and growth trends. All over Europe it represents an opportunity for increased employability of those groups that find themselves, due to certain impediments and vulnerability, in an unequal starting point to assert the principle of equal rights in terms of participating in the labour market.

The aim of this activity field is thus to mobilise, motivate and activate **individuals** from vulnerable groups to strengthen their social inclusion and employability. The objective may

only be attained, among others, through administrative capacity-building and professional operating of **organisations and self-employed** that act in the field of culture or creative sector, since individual is usually incapable of providing necessary support services for his/her sustained employment.

The main activities to be supported are the following:

In the field of training:

- training for improved employment opportunities of vulnerable groups
- training for gaining knowledge in the field of cultural project management for the projects that are carried out by the organisations and self-employed in the field of culture and creative sector
- development of teaching materials and training methodologies, adjusted to the needs of vulnerable groups working in the field of culture and creative sector,
- training of education/training providers for work with vulnerable groups

In the field of employment:

- assistance in obtaining work experience via support for self-employment in the field of culture, creative sector
- alternative forms of employment services (assessment of the needs and development of specific skills, competences and knowledge for culture and creative sector, assistance in job-seeking, self-employment and labour market integration in culture and creative sector)
- counselling and informing of vulnerable groups about their creative potentials and (self)-employment and business activity in culture and creative sector
- informing of organisations and self-employed of creative potentials of vulnerable groups for their integration in the work
- purchase of adjusted equipment needed for work of vulnerable groups members at their specially adapted workplaces

Beneficiaries or target groups

- Natural persons that are members of vulnerable groups and legal persons that act in the field of vulnerable groups represented by the Hungarian and Italian ethnic minorities, Roma community, other ethnic groups (particularly from former Yugoslav republics) and immigrants, persons with different forms of disability (motoric, sensory and mental impairments) and specific social groups (young facing difficulties in obtaining a job, senior citizens, women)
- Employees in public and non-governmental sectors and self-employed in the field of culture.

3.3.5 Institutional and administrative capacity

Rationale

The fifth priority axis “Institutional and administrative capacity” is, with its strategic and integral approach to improving administrative and institutional capacities, directly mirrored in the Strategy on Economic Development, Reform Programme for the Implementation of the Lisbon Strategy, the Framework of Economic and Social Reforms for Greater Prosperity in Slovenia, within the framework of development priority “Effective and cheaper state” and also indirectly, within other development priorities where modernising the structure and the systems is an important element in achieving the objectives like greater employment, capacities and competitiveness. Within the Reform Framework, an integral approach to required changes is given which will lead to new and modernised legislative, systemic and programming solutions in different areas. For practical and effective implementation of reforms, the activities in the field of administrative and institutional capacity are indispensable.

The growth in efficiency and success of public administration is of key importance for achieving the set strategic and reform objectives since without a better operational system of the public administration achieving the general NSRF objective is hampered.

In all the required areas, the activities will focus on efficient public administration, namely on the activities for efficient management and quality, revision of administrative processes and elimination of administrative barriers, project management, effective measuring system, e-administration and ICT solutions and modernisation of justice connected therewith. For effective implementation of individual reform changes and for larger priority projects, institutional support will be given to project groups or institutions which will be the carriers of preparation, development, implementation, modifications and evaluation of priority projects when this will not be arranged with a different approach.

The second important set is supporting the reform of institutions in the labour market, indispensable for successful implementation of development projects and reform measures which will be realised under other priorities, especially under the second and the fourth priority axes of the Operational Programme. With reference to development-related priorities, special attention will be also given to healthcare institutions which will become, given the demographic and healthcare trends, increasingly more important in providing better population health state and bettering their outlooks in the labour market. For the development of projects and for the preparation and implementation of good legal framework, a partnership approach is necessary and therefore, a special activity in supporting non-governmental and non-profit organisations and social partners will be emphasised. In the globalisation processes that aggravate trading conditions and consequently exert influence on reducing the role of a social state, it is the NGOs that are gaining importance. The latter are relatively small and flexible, capable of translating the initiatives of individuals and the groups for publicly beneficial interest. With their non-profit operations they can importantly contribute towards a sustainable social development, social prosperity growth and quality of life.

The objective of the priority axis is:

development of appropriate institutional and administrative capacities for effective structural adaptation, growth, new jobs and economic development

With the activities that will be undertaken within the framework of this priority axis, the following **specific objectives** are pursued:

1. Ensure efficiency and effectiveness of the public sector, including in healthcare and justice, comparable to the level to other developed EU Member States and valid standards.
2. Augment the level of quality and effectiveness of the labour market institutions in providing employment and increasing employability of the service users.
3. Reinforce civil and social dialogue as well as competence of the non-governmental sector and of social partners to provide services that are conducive to growth and job creation.

With the resources invested, Republic of Slovenia will achieve the following progress in the abovementioned specific targets after the closure of the financial perspective⁵²:

Institutional and administrative capacity - quantified targets		Baseline (last available data)	2013 target	Specific objective	Source
Output					
1	Number of e-government services accessible over the internet	308	323	1	CIS/MPA
2	Number of trained persons in the health systems in the area of quality and safety - cumulative		500	1	CIS/MH
3	Number of health care entities benefiting from the OP with established quality systems	4	50	1	CIS/MH
4	Number of trainings for the employees of the ESRS	50	100	2	CIS/ESRS
5	Number of NGO and social partner representatives involved in education and training		500	3	CIS
	of which social partner representatives		50	3	CIS
6	Number of NGOs beneficiaries or project contractors		85	3	CIS
Result					
7	Number of days necessary for establishing a corporate entity*	61	7	1	MPA
8	E-government on-line availability (in %) *	87	95	1	EC
9	Reduced average duration time for juridical procedures (in months)*	9,5	6	1	MJ
10	Increased usage of ICT, e-contents and e-services by medical personnel *	60%	80%	1	MH
11	Increase in public e-health care accessibility (as share of all health care users)	22%	40%	1	MH
12	Number of trainings per employee at the Employment Office	2.8	5.0	2	ESRS
13	Share of successful placements relative to all job intermediations by Employment Office	6%	10%	2	ESRS
14	Number of e-services intended for unemployed persons and employers at ESRS	7	14	2	ESRS
Impact					
15	Public administration services users' satisfaction (1-5) *	3.5	4.2	1	MPA
16	Health care system users' satisfaction (1-5)*		4	1	MH
17	Quality assessment of Employment Office services by unemployed persons (1-5)*	4	4.5	2	ESRS

CIS: central information system; EORS: Employment service of Republic of Slovenija; MPA: Ministry of public administration; MH: Ministry of health; MJ: Ministry of justice; * apart from OP HRD also some other activities will contribute to indicator's target

⁵² Unless specified otherwise, the indicators will be annually monitored.

Contribution of the OP to institutional and administrative capacity-building of the non-governmental sector that adds to growth and job creation will be measured via evaluations.

Policy context

Main types of activity of priority axis “Institutional and administrative capacity” are an important development area of Slovenia and can be found in the SDS (third development priority Efficient and Cheaper State) and in the National Reform Programme (third priority axis Efficient and Cheaper State - Measure 36: Rationalisation of public sector operations, Measure 37: Impact assessment of regulations, Measure 38: Setting-up central access to records on ensuring rights from the public funds, Measure 40: Setting up real-estate register) and in the National Development Programme, and Measure 41: Enforcing public-private partnerships and private financing for constructing large infrastructure projects. In terms of the reforms of the institutions in the labour market, the contents are defined in Guideline 9: Facilitate the spread and effective use of ICT, Guideline 17: Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion, Guideline 20: Improve matching of labour market needs, Guideline 21: Promote flexibility combined with employment security and reduce labour market segmentation, further on, the National Reform Programme for the Implementation of the Lisbon strategy in Slovenia which at the same time includes strategic guidelines of the Republic of Slovenia in the area of employment and the objectives of the Programme for the Development of the Labour market and Employment by 2006.

The contents of the priority axis Institutional and administrative capacities are sensibly connected within the framework of the following main types of activity:

1. Efficient and effective public administration;
2. Reform of the institutions in the labour market;
3. Promotion of the development of NGOs and of civil dialogue;
4. Healthcare in the information age

3.3.5.1 Efficient and effective public administration

Rationale

According to the findings of the analysis, further development necessitates efficient public administration. In terms of this criterion, Slovenia lags considerably behind developed countries, despite certain positive improvements, which calls for a modernisation of the public administration. Main type of activity “Efficient and effective public administration” addresses the abovementioned problem in a complex way and takes into consideration three development areas, of which two (development of the system of efficiency and effectiveness of the public sector and e-administration) are general fundamental development areas directed towards establishing environment and conditions for efficient (reducing costs for the given extent of services) and effective (best results for stakeholders in the given extent of services) administration. The third area refers to special environment -modernisation of justice- of key importance in order to achieve the set objectives.

Efficiency and effectiveness of administration are based on efficiency and effectiveness of the functioning of the administration, which depends on the capacities, know-how and motivation of public administration employees. The management plays the key role and must be highly

qualified and equipped with modern and quality managerial skills. It is sensible to further pay attention to impact assessment of regulations and to preventing further creation of administrative barriers.

The second key for greater efficiency is the e-administration which greatly increases access to services for citizens and legal entities by offering electronic services, data and information. In accordance with the e-administration development curve (DeMarco, Gartner Group), Slovene e-administration has found itself, after the initial great enthusiasm and swift development followed by lesser interest, in a state of renewed impetus and therefore, to achieve a change it will be necessary to invest a lot of effort and substantial resources. By setting up e-services, there are fewer administrative barriers and the procedures are optimally renewed. Special attention will be given to G2G relations since, by linking public administration institutions and their records, the needs for citizens' activities with the administration are lessened and the efficiency of the institutions' operations improved. Considering the savings to be achieved and positive effects created, significant investment will take place in the e-administration which has, according to the Cap Gemini measurements, advanced in the last two years from the 15th to the 7th place in the EU.

Modernisation of justice will be enforced through numerous simultaneously undergoing development fields. These encompass radical modernisation of procedures, more adapted award system which will take into consideration different demand levels for solving the matters, quality and quantity of the performed work, and infrastructure support to efficient functioning of justice. Each of the said areas can independently give rise to greater efficiency of justice, whereas joint influence exerted will undoubtedly bring about sustainable efficiency.

The main activities to be supported in order to achieve the goals of the main type of activity **are the following:**

- (1) Development of public management: enforcing the use of modern managerial techniques for managing changes and achieving business excellence in the public sector; development of human resources and knowledge management; development of a system for strategic planning and for monitoring the achievement of the set objectives and results.
- (2) Development of a system ensuring efficiency, effectiveness and quality of public administration operations: activities will be directed towards the development and setting-up of efficient and effective standards for the public administration which will arise from the analysis of its operations; an introduction of compulsory ex-ante regulatory impact assessment and introduction of impact assessment methodology on the economy; development of the Programme for the Reduction of Administrative Barriers and of dialogue for public participation in the preparation of regulations (methodology on consultancy); evaluation of common assessment framework (CAF) and inclusion in EFQM; introducing project management methodology, monitoring and measuring effects of the project management system; setting up information-supported model for monitoring the quality of public administration operations.
- (3) E-administration: State portal E-administration: the objective of further development of the state portal E-administration is to ensure constant availability, support to e-democracy and to participation of interested public in decision-making, in eliminating administrative barriers and further development of electronic public administration services (service portal e-forms, life situations and administration, integration with registers, generator of e-forms and support to central information system for receiving applications, delivering, informing, and integrating services for local self-administration). e-administration for

legal entities: activities in the area of e-administration for legal entities will have a clear target orientation. The objectives that are aimed at: permanent provision of a single entry point for legal entities, provision of Internet-based conduct of procedures related to the registration of companies and insurance, enabling Internet business conduct of the legal entities with the state (for example registration and de-registration, notification of changes related to employees and their family members for the needs of health, pension and disability insurance, registration of the recruitment needs with the ESS, submission of annual reports, submission of full information to tax administration, obtaining licences for performing additional work, licences for operations, completing employment booklets). The whole system will be based on modern technology and information architecture with a single entry point.

- (4) Modernisation and linking official records and data exchange with the EU: linking the land register, the land cadastre and the cadastre of buildings with direct connections with the real estate and spatial database and providing information infrastructure, setting up single real estate system, improving the quality of data in the land cadastre, creating central records for social transfers and data bases for deciding on social rights, setting-up electronic archives via a single entry point, setting-up »metaregister« of official records, providing secure access (security schemes) to official records for end users and for information systems, data exchange with EU institutions, ensuring connectability between registers and other official records of the Republic of Slovenia, electronic data exchange between public administration institutions of the Republic of Slovenia and other Member States of the EU;
- (5) ICT infrastructure: activities within the framework of ICT infrastructure will be directed towards the objectives of establishing and unifying ICT services, of standardising and modernising their equipment; the concrete objectives are the following: optimisation and standardisation of ICT, modernisation of server and communication infrastructure for public administration, obtaining IT services (postal systems, intranet and internet systems), setting up single contact centre (setting up a single entry point for an effective technical and content assistance for e-administration services users), setting up single e-administration architecture and joint solutions.
- (6) Modernisation of justice:
 - (a) *modernisation of procedures*: revision of existing business processes for optimisation, adjustment to new technical solutions, introduction of new business processes, harmonisation with legislation,
 - (b) *informatisation*: modernisation of existing infrastructure as a foundation for optimisation of processes, developing new systems for new business processes (G2 to C, G2 to B, G2 to G...)
 - (c) *HRD*: setting up a training system qualifying HR for successful dealing with the contents, management, technology and modern tools.

The measures within the main type of activity on the one hand target at the optimisation of the processes, education and training of the personnel related thereto, and on the other at the modernisation and introduction of new information tools and solutions, indispensable for efficient performance and achievement of goals.

Beneficiaries or target groups

The target groups for developing the efficiency and effectiveness systems in public administration are all levels of managerial structure in the public administration, legislation drafters and also all public administration employees who with their knowledge and work contribute towards better results for the citizens and economy. E-administration is directed towards citizens and legal entities that should be provided easy access to public administration services and at the same time, it must offer support to its employees in order to raise their efficiency and effectiveness.

The target groups of modernisation of justice are especially decision makers, judges, prosecutors, state defenders, lawyers, assisting personnel, assistants, expert assistants in the judicial bodies, office of the public prosecutor, office of the state defenders and administration in other judicial bodies.

3.3.5.2 Reform of the institutions in the labour market

Rationale

The priority axis follows the Regulation on ESF, which defines the activities for increasing and improving institutional capacity and efficiency of public administration and services at national, regional and local levels. From the viewpoint of supporting the implementation of reforms and good management, the activities will be connected with the improvement of the quality of services provided by institutions in the labour market, with setting up of the information system in support of quality of services, and monitoring, evaluating and supporting coordination and dialogue between public and private players, reducing administrative burdens and paperwork in public institutions (ESS, Departments of Social Security) by increasing performance capacity (training of employees in relevant institutions, social partners, NGOs) and so forth.

Modernisation of the ESS as the central institution in the labour market is of key importance in the upcoming period. On the one side, there is a need for constant content and organisation adjustments of its activities to the demands of gradually more dynamic labour market and on the other side, the one of training and mastering new ICT which is a prerequisite for increasing the effectiveness in the performance of services and its responsiveness. ESS has, within the framework of available resources, followed development trends in performing activities that are typical of modern European public employment services. Despite this, the development lag has increased and must be compensated for. The new role of Departments of Social Security will also be fostered, as well as single entry point for claiming rights from social transfers.

Special activities will be intended for the development of partnership and cooperation between the institutions in the labour market, and for social partnership and non-governmental sector promoting their capacity and participation in preparing and monitoring the implementation of programmes and policies. Special attention will be given to regional and local levels with an objective for a higher local orientation and coordination of employment policy and for connections in HRD through a regionalisation process of Slovenia.

The main activities to be supported for achieving the goals of the main type of activity **are the following:**

(i) Modernisation of the ESS – adjustment and strengthening of the organisation, operations and activities of the ESS for new challenges in the labour market:

- Introducing an individualised and more personal approach to unemployed people and reducing the ratio between the number of counsellors and the number of the unemployed;
- Raising the quality of services through education and training of employees at the ESS;
- Information technology for activities of the ESS as support in the implementation of active employment policy;
- With promotional activities securing information and awareness of employers and of wider public of active employment measures;
- Providing efficiency of active employment policy measures and their efficient implementation through on-going monitoring of the implementation and evaluation of measures;
- Upgrading services for improving employment mobility in the EU: national EURES portal, integration of EURES portal with Information System of ESS; EURES Cross-border partnership, Partnership development and cooperation between institutions in the labour market.

(II) Re-organisation of Departments of Social Security in accordance with the National Social Protection Programme 2006 – 2010:

- Strengthening cooperation between Departments of Social Security and Offices of the ESS
- Introducing single entry point in the social rights system at Departments of Social Security

(III) Mobilising the reforms in the area of employment, training and inclusion by stimulating the development of partnership (networks) between relevant actors at the national, regional and local levels:

- Development of partnership between NGOs and social partners;
- Activation of a national coordination point (expert organisation) for supporting the concept of life-long career orientation at a national level which will plan, harmonise and propose the methods and contents of work for individual partners and providers and which will look after the systemic implementation of career orientation;
- Mobilising the operation of the Fund for the development of personnel and scholarships for assisting the implementation of the personnel development concept and investment into human resources at a national level which will organise, connect, plan, harmonise, propose methods and work contents for individual partners and providers and take care of the system installation and the implementation of development and investment in human resources, for their greater employability, competitiveness, knowledge transfer and matching of educational system with the needs of the labour market.

The activities co-financed for the modernisation of the ESS and other labour market institutions relate to the strengthening of institutional capacities of these institutions conducive to effective performance of their responsibilities and tasks, whereas the Technical Assistance framework only foresees direct support to the ESF implementation. The activities likewise aim to improve the functioning of the labour market system and institutions therein, while the services for users are co-financed from other priority axes.

Beneficiaries or target groups

- Institutions in the labour market (ESS, Departments of Social Security, Fund for the development of personnel and scholarships, Employment Agencies and so forth).

3.3.5.3 Promotion of the development of NGOs, of civil and social dialogue

a) Promotion of the development of NGOs and of civil dialogue

Rationale

NGOs in their modern sense of the word (environmental protection, human rights advocacy etc.) in Slovenia experienced a considerable boost in the 1980s. The dialogue between the NGOs and the Government contributed greatly to the process of acceding the EU. In 2003, the Government adopted the Resolution on cooperation with NGOs, which laid down a broad framework of long-term cooperation. The Government measures primarily aimed at promoting mutual information and NGO cooperation, however, the measures were insufficiently accompanied by financial incentives, which failed to augment the actual capacity of NGO sector nor enliven the civil dialogue to a satisfactory degree. Furthermore, the Slovene NGOs were the sole amongst the same organisations not to have been awarded considerable financial support from foreign donors. The Slovene NGO sector thus lacks the connectivity and displays a low level of cooperation, the NGOs mostly acting at a local community level and on a voluntary basis (80% of NGOs have no employees). The Slovene NGOs as the main obstacles enumerate inappropriate financial mechanisms/incentives of the state to strengthen the NGO sector, lack of measures to promote employment in the NGO sector, inadequate systemic legal environment and low level of awareness of people of the role of NGOs. The Government has up to present failed in ensuring a sufficient capacity of NGOs, so that the latter could significantly contribute to putting into force the principle of sound management – preparation of better public policies and implementation of public services where they could be more successful or cost-effective than the state. Three specific goals will be pursued with the set measures within this type of activity:

1. ensure support environment for the acting of those NGOs that could via additional training and education with the help of civil dialogue/consultation process contribute to creating more quality and sustainability-oriented policies primarily in the field of employment policy
2. strengthen the capacities for acting of those NGOs that boast the potential to perform public services given their proximity, which makes it easier to address the direct needs of the population, in terms of quality and time, in comparison with the state
3. promote NGO sector as a backup to the first and second strategic goals

The main activities to be supported are the following:

The envisaged activities will follow strategic goals that stem from the following provisions of the ESF Regulation:

1. strengthen institutional capacities and efficiency (of public administration and public services at the national, regional and local levels, and where relevant, of the social partners and NGOs with reference to the reforms...)
2. strengthen capacities for policy and programme implementation in relevant fields...

In order to realise the first strategic goal, consistent with the abovementioned point 1), the following activities are envisaged:

- a) support to horizontal networks of NGOs at a national level
 - b) support to area/content networks
 - c) support to junctures of NGOs at a regional level
-
- a) Horizontal networks will ensure information and other services for NGOs to take place with a view of improving the possibilities for civil dialogue/NGO-Government consultation process, which can importantly ameliorate political strategies and programmes in the area of employment policy
 - b) Area/content networks will contribute to strengthening NGOs and their voicing in individual area of operating by informing and articulating mutual interests. NGOs will thus gain their importance in the consultation processes with the line ministries also in terms of possible transfer of certain functions from the Government to the NGOs
 - c) NGO junctures at the regional level will facilitate harmonious functioning of NGOs at the regional and local levels, thereby paving the way for the fundamental goal of the cohesion policy to realise – reduction in regional disparities and increase in accessibility to services

Support to NGO networks and junctures will primarily incorporate the following activities:

- informing NGOs of public policies at local, regional, national and international levels
- exchange of experiences and good practices between NGOs
- provide services and counselling to NGOs
- education and training primarily for governance and non-profit management

Realisation of the second strategic goal which refers to public administration reform and the possibility of transfer of certain functions to NGOs and is consistent with the abovementioned provision 2) of the ESF Regulation calls for the following activities to be undertaken:

- a) education and training of the present and potential public services providers
 - for governance and non-profit management
 - for obtaining technical and practical knowledge and skills in certain fields related to public services implementation permitting the quality system to be integrated within NGOs

- b) introduction of the quality system within the NGO

The first two strategic goals will be fostered by the activities that likewise support the third strategic goal – promotion of the NGO sector, whereby good practices of NGOs will be promoted with the aim of raising awareness of general public and others, e.g. media and economy, of their significant role played in the society. Sensibilising the economy - its willingness to donate to the NGO sector will increase the number of newly created jobs dealing with projects and programmes. However, individuals can likewise contribute to consultation processes via various associations, thus taking the opportunity to exert influence on relevant policies (tax policy in terms of fostering investments in NGOs, employment policy in terms of verifying innovation of idea related to employment opportunities in the planning phase).

Beneficiaries or target groups

NGOs (in line with valid legislation: establishments, associations, private institutions). Co-financing will take place in accordance with strategic goals and will target a limited number of NGOs.

b) Promotion of social dialogue

Rationale

Institutionalised social dialogue is, in comparison with civil dialogue, established both, at the EU level and in Slovenia and facilitates due account of different interests to be taken and building broad-based development consensus. In Slovenia and at the EU level, social dialogue plays an increasingly noticeable role in the development of social policy and its harmonisation with the European employment guidelines. The analyses conducted between social partners (trade unions and employers' organisations) pinpointed the need for additional capacity building of all social partners for the conduct of collective bargaining comparable to the European standards, which would act as an incentive for further inclusion of all social partners in policy-making and implementation of reforms, as well as other fields of activity of social partners.

In order to assume a more active role at the level of the EU in the social dialogue, Slovene social partners need to be provided capacity-building in this field. One specific goal will be pursued within the main type of activity, namely capacity-building of social partners to be able to conduct social dialogue in Slovenia and at the EU level. There are EUR 2.7 million indicatively allocated to social partners.

The main activities to be supported are the following:

- various forms of education and training provided for social partners
- other forms of capacity-building provided for social partners

Target groups

Social partners (trade unions, employers).

3.3.5.4 Healthcare in the information age

Rationale

Healthcare is an important factor of prosperity, economic development and satisfaction of each individual and is often inextricably connected with the living standard. The development of informatics in healthcare and overall quality of its system are the two phenomena that significantly contribute to value-added and offer the answers to tackle the challenges arising from the modern society. The Slovene healthcare system is, similarly to other modern European systems, facing certain important challenges:

- increased need for healthcare services in general and in particular for modern forms of healthcare services and healthcare-related services (integrated with the social) due to demographic (ageing of the population) and other changes in the society
- forecast augmentation in the number of patients with reference to effectiveness and accessibility of healthcare services

- expectations of the economy in terms of prolonging working lives and effective contribution of individuals in the rapidly changing economy
- need for adequate care and inclusion of vulnerable groups in social activities
- effective management and use of large amounts of medical information to the benefit of the population

e-health therefore strategically pursues:

- day-to-day active role in and responsibility of the citizens for their own health, improvement of information and cooperation in the development of quality healthcare services
- safe and reliable access to key information in electronic medical records and other databases needed every day, with effective electronic communication, better learning and knowledge management provided for medical experts
- facilitated planning and management of the healthcare organisation or system as a whole based on quality and credible economic, administrative and clinical data of the healthcare system
- facilitated access to healthcare services for the deprived groups with lesser capacities, age or other reasons hindering their access in the past

The abovementioned activities will lead to reduction of cost burden of the economy and to augmentation of accessibility, quality and effectiveness of healthcare services provided, which will improve the prospects of social inclusion of every individual into work activity.

The main activities to be supported are the following:

e-health, along with providing overall healthcare system quality, is the central project of the transition into the information society in the field of the healthcare system and encompasses modernisation and/or development of information systems and services that along with organisational modifications and development of new skills contribute to advancement of the healthcare system, its complementarity (on the inside and outside), progress and responsiveness to the abovementioned challenges on the one side and consequently to its effectiveness and productivity on the other. Solutions to e-health, overall quality and qualification of the healthcare staff in the system as well as researches enhance advancement in the healthcare services, enable better management with medical data and information, build awareness and disseminate know-how, thus partaking in building the healthcare services, based on evidence.

1. Modernisation of healthcare processes:

- modernisation of the existing and introduction of new business processes and their coordination with the legislation and good practices of the EU with a view of optimising and adjusting to the modern grasps of e-commerce;
- modernisation/upgrading and setting-up of infrastructure as a back-up to modernised and redefined process (linking of all healthcare information systems into a single system called eZIS);
- incorporation of a single entry healthcare information point into the national healthcare system by introducing the concept ZVEM (Healthcare – one-stop-shop) for all target groups and a simultaneous setting-up of a system of authorisation and authentication of the users of digital medical data;
- setting-up and introduction of uniform standards for connectability between information components of the healthcare system and setting-up of programmes,

- methods and tools to monitor, certify and accredit such information-communication components and systems;
 - setting-up and introduction of electronic medical record (EZZ) and training for its effective use
2. Rise in the quality level of healthcare processes via education and training of target groups:
- development and on-going maintenance of the programmes to increase active involvement in and responsibility for health of each citizen (including the ZVEM contents);
 - development and on-going maintenance of the programmes to involve all interested partners into balanced development of the healthcare system (including the ZVEM contents, strategy of the EZZ development)
 - development and on-going maintenance of the programmes of professional training in the field of:
 - o quality in healthcare
 - o healthcare informatics
 - o special knowledge such as the one in public health, i.e., for responsiveness to health threats and studying of key public health problems including safety and health at work
 - o management and governance
3. Provision of overall quality in the healthcare system:
- mobilisation of the sources for quality in healthcare and healthcare informatics;
 - development of a programme for setting-up and implementing systems of quality;
 - development of programmes, tools and methods to monitor, certify and accredit systems of quality;
 - education and training to provide professional assistance during the introduction of complex systems of quality in the healthcare institutions.

Beneficiaries or target groups

The solutions of the project e-health are intended for all participants in healthcare: for the citizens and patients to be able to accede the right information and e-services adapted to their needs, for the medical workers to be able to accede the electronic medical records of the patients, elaborated with time and at several levels of the healthcare system thus providing a more effective insight into health condition of an individual as well as a more effective implementation of healthcare services, furthermore, the management will be provided organisational and business information in support of strategic decisions, creation of a new healthcare policy and adequate preventive and corrective measures.

3.3.6 Technical assistance

Rationale

The purpose of technical assistance is to provide efficient implementation of the Operational Programme, priority axes, main types of activity and operations. The activities implemented within the framework of technical assistance will increase the visibility of the programme and its constituent parts as well as the quality of its implementation, monitoring and control of its implementation and strengthened cooperation between the partners. Within the framework of technical assistance, a preparation of project proposals will be stimulated, different studies will be undertaken as well as evaluation, information and publicity activities in support of project activities, and appropriate personnel support will be given the implementation of activities.

Objectives

The main objectives to be undertaken within the framework of technical assistance are:

- ensure smooth and quality implementation and monitoring of programme, including preparation and selection of projects, performance of studies and evaluations, expert assessment, reports and an appropriate administrative capacity of the beneficiaries;
- ensure consistency and visibility of the programme, priority axes, main types of activity and operations between partners, general and expert public;
- ensure information-supported management, monitoring and reporting regarding the programme.

Policy context

Technical assistance activities support development priorities laid down in the NSRF and priority axes, main types of activity and operations set out in the OP HRD.

Technical assistance programmes will include especially the following **envisaged activities**:

- activities for the preparation and selection of operations;
- studies for implementation of priority axes, main types of activity and operations of the OP;
- evaluations, reports, expert assessments;
- measures directed at partners, beneficiaries, general and expert public including activities of information and publicity, co-ordination of measures and promotion of partner cooperation – promotional activities in the field of horizontal contents (equal opportunities and sustainable development) may be promoted within the framework as well;
- activities for setting-up, upgrading and linking of the information systems for management, monitoring, evaluation, reporting and control of the implementation of projects, main types of activity and priority axes;
- support activities in implementing the OP and activities for improving administrative capacity of its beneficiaries (additional employment, training, exchange of experiences, functioning of the monitoring committee and so forth).

Within the framework of technical assistance, when necessary, the provisions of article 34 of the General Regulation on so called cross-financing for a satisfactory implementation of the

operation of necessary contents that are financed by the ERDF will be applied, within the framework of which, purchase of computer equipment and the like is especially relevant.

Technical Assistance framework will finance the OP HRD contents and the contents that relate to the activities of closure of the Single Programming Document for the Period 2004-2006.

Beneficiaries or target groups

The beneficiaries for technical assistance projects within the framework of OP HRD are:

- public legal entities involved in the implementation of Operational Programme (for example: ministries, government offices, public agencies, public institutions, public funds, entities for stimulating regional development, provinces, municipalities, chambers, universities) and
- public legal entities as beneficiaries of the Operational Programme (for example: non-governmental organisations, sheltered enterprises, companies involved in educational activities, entities for stimulating regional development, associations of small and medium sized entities, social partners) whose technical assistance projects have been selected in the public tender procedure.

4 COMPLEMENTARITY OF MEASURES: STRENGTHENING REGIONAL DEVELOPMENT POTENTIALS AND DEVELOPMENT OF RURAL AREAS AND FISHERIES

4.1 Complementarity with the OP SRDP

Coordination of the OP SRDP and the OP HRD is of utmost importance since without mutual complementarity of activities of both operational programmes it will not be possible to achieve the set goals in either the first or the second operational programme. The OP SRDP ensures the necessary material investments that cannot function without adequately qualified personnel and on the other hand via multiplicative effects promote the demand for additional and life-long learning and call for constant adaptation of the educational system to new demands. The basic principle of the OP HRD should thus be to guarantee such incentives for education, training, granting scholarships, labour market flexibility etc. that will be consistent with the needs of the economy. Certain activities pursue general social goals (tolerance) which is as well important, however, with respect to previous experience, matching of the reforms and incentives with the needs of the economy needs to be significantly improved. Joint activities with social partners and the economy, with the underlying principle of partnership, will thus be carried out, aiming at the said goals. This embraces a comprehensive system that needs to function consistently, which is a responsibility of the competent services and particularly the managing authority that need to ensure mutual complementarity of the implementation of both operational programmes.

The following chapter deals with certain important connections and demarcations that need to be given special attention, not only in the implementation phase, but also in the progress monitoring as regards the OP HRD implementation.

(1) In the field of entrepreneurship and the establishment of economic-development-logistic centres within the OP SRDP framework, the OP HRD needs to ensure an adapted system of education and training that will promote entrepreneurial attitude and provide the necessary knowledge and competences. Already in the preparation phase of such centres, projections for future HRD-related activities will be carried out, which will guarantee timely intervention within the OP HRD framework.

(2) The same applies to the field of scholarships that need to be allocated in line with the needs of the economy, whereby these needs are formed on the basis of development opportunities and projects that are also implemented with the assistance of the OP SRDP. These activities have to be coordinated and directed towards the achievement of the same strategic goals at the entrepreneurial level since otherwise a problem of dispersed limited funds can be encountered. This is in particular obvious at the regional level and this is why a clear connection of contents needs to be established between the priority axis of regional development and regional scholarship schemes.

(3) In particular small and medium-sized enterprises need direct incentives for investments into human resources since adaptability and competitiveness of enterprises are thus improved.

(4) Enterprises are in need of simple, adaptable and efficient provision of public services and this in particular applies to the field of e-administration for legal entities. Goals like ensuring a common entry point for legal entities, enabled performance of procedures related to the registration of an enterprise and insurance via the Internet, enabled e-business conduct of legal entities with the state will significantly facilitate the creation of enterprises and increase the appeal of Slovenia as a business start-up friendly environment. Thus the procedure of the development project implementation within the OP SRDP will shorten.

(5) Close connection between the OPs lies also in training the unemployed, for example in on-the-job training programmes. This can represent mutually complementing support mechanism on the one hand for the start up of economic centres, which on the other hand implies greater employment safeguard in the medium and long run.

(6) The importance of the complementarity of contents should be emphasised between the priority axis "Integration of natural and cultural potentials" within the OP SRDP and ensuring adequately trained labour force. Without strong support of investments in people by the OP HRD it will not be possible to successfully develop and market tourist, cultural and other facilities given that direct contact is crucial to achieve the satisfaction of guests. Not only does this refer to knowledge connected with marketing and offer but also to knowledge in the management and development of services, project management and similar.

(7) Finally, the OP SRDP will also provide funds to construct educational-research infrastructure and this has to be coordinated on the one hand with the development of educational system in Slovenia and on the other hand it needs to be supported with necessary investments in the quality of programmes that will be implemented within supported projects: from the development of programmes to investments in teachers and similar.

In addition to the coordination of contents within the OP SRDP there will be a possibility to co-finance contents that are otherwise financed by the ERDF as stipulated in Article 34 of the General Regulation, for all five priority axes and the technical assistance. The possibility of the so called cross-financing will only be possible in cases where there is direct reference

made to the project content and where financing represents a condition for a successful implementation of the project. Within the ESF activities, the purchase of indispensable equipment, directly related to the aim of project goals achievement, will be financed. At the concrete level according to individual priority axes this mainly means:

- Priority axis: Promotion of entrepreneurship and adaptability: financing of the equipment in the projects where it is deemed indispensable for the realisation of the goals at the level of the priority axis (research equipment for young researchers, equipment in new flexible methods of work etc.),
- Priority axis: Promotion of the employability of unemployed and inactive: equipment related to life-long career orientation programmes, innovative measures and specific approaches in active labour market policies (continuation of the Equal contents) etc. with new multimedia aids,
- Priority axis: Development of human resources and life-long learning: limited possibility of complementary financing mostly with projects aiming at improved quality and effectiveness of education and training systems is anticipated from the aspect of purchase of modern aids and accessibility to ICT, digital contents that promote creativity and innovation,
- Priority axis: equal opportunities and reinforcing social inclusion: all three main types of activity are anticipated to benefit from complementary financing where up to 15% co-financing rate is anticipated, which amounts to EUR 9.5 million.
- Priority axis: institutional and administrative capacity: due to the nature of the projects, complementary financing is anticipated for more or less all activities, since the projects of modernisation and effectiveness of public and thus far weak non-governmental sector are closely connected to the purchase of modern ICT equipment.

One of the basic goals of the technical assistance is to ensure adequate conditions and starting points for effective management and implementation of activities, the optimisation of the drawing thus anticipates funds intended for the purchase of modern ICT equipment.

4.2 Demarcation with rural area development

The foundation or the reference framework for the preparation of the Rural Development Programme 2007 – 2013 (hereinafter RDP) is the National Strategic Plan for Rural Development 2007-2013 (hereinafter NSPRD). The entire policy of the rural development, the priorities of the RDP, activities and measures reflect national priorities that are in compliance with the European strategy and are laid down in the RDP. The balance between the key fields of activity at the national level is in accordance with major European guidelines in this field. This refers to the coherence between the competitiveness of agriculture, food technology and forestry, environmental protection and conservation of cultural landscape and improvement of living standard in rural areas and promotion of diversification.

The priorities of the NSPRD have been set in accordance with the Community strategic guidelines⁵³ for rural development, Lisbon strategy guidelines and the leading principles of Common agricultural policy, set out in Göteborg in 2001 by the European Council. The devising of priorities likewise followed in the 2000 adopted Lisbon strategy and its renewed version that emphasise two key priorities: creation of new and better jobs and enhancement and sustainability of economic growth.

⁵³ http://www.mkgp.gov.si/fileadmin/mkgp.gov.si/pageuploads/Leon/doc/5966_06_slo.doc.

In line with the Community strategic guidelines, the agricultural development policy is to assist rural areas to enhance competitiveness, creation of new jobs and innovation. Investments into human resources, knowledge and experiences, and focusing on the capital in the agricultural and forestry sector are called for. Moreover, new methods of implementing environmental services and creation of more and better jobs are also highlighted.

The agricultural development policy enables the rural areas to fulfil their potential as a place attractive for investment, life and work. By adapting the activities to the environmental conditions, it directly supports sustainable development. Agricultural development contributes to enhancement of the competitiveness of agricultural and agrifood sectors, where innovation and ICT should be underlined. In order to promote innovation and entrepreneurship, local incentives are of considerable importance (LEADER), and contribute to creation of new jobs, increase in income and promote equal opportunities in the rural areas. Support to dissemination of activities is of same significance. A preponderant source of income and employment opportunities is in the rural areas represented by environment-based activities, such as the tourism. Besides the agricultural development policy, other policies as well exert strong influence on rural areas, Structural Funds measures being among them, too.

Slovenia will endeavour to realise the RDP by implementing measures per four priority axes. In the continuation, the latter are presented with an indicative breakdown or demarcation of the contents with the cohesion policy, whereby the managing authority for the cohesion policy and the Ministry of agriculture, forestry and food (hereinafter MAFF) will hold regular and on-going deliberations on the provisions of the implementing documents that will deter from double financing:

Activities of axis 1 – improvement of the competitiveness of the agricultural and forestry sectors - will enable the rise of productivity and thus of competitiveness of the agricultural and forestry sectors and will either directly or indirectly exert strong influence on the environmental conservation and improvement of the quality of life in rural areas. When defining the measures of the activities that will contribute to the modernisation of the existing technologies or to the introduction of new ones, environmental demands and use of renewable energy sources will play a great role. The activities of Axis 1 will indirectly contribute to a more favourable record of soil nutrients and to better quality of air and water (Axis 2). Activities in support to modernisation and increase in value-added in the agriculture, agroindustry and forestry will via their multiplicative effects enable creation of employment opportunities and improvement of the quality of life in rural areas, in other words, they will promote the fundamental goals of Axis 3 policy. Measures in support to quality schemes that enhance diversification of income and visibility of environment-friendly manufacturing practices will display extremely synergic effects.

The measures of Axis 1 of the PRD 2007-2013 aiming at increasing the level of competences and employability in the agriculture, agroindustry and forestry are intended for the private undertakings who deal with production and processing of agricultural and forestry products laid down in Annex 1 to European Council Treaty, as well as for private forest owners for specified group of certified qualifications and catalogues of knowledge. The training carried out in order to obtain the mentioned qualification will not be eligible to assistance from the OP HRD, unless in the case of training of the employees who are not eligible to assistance under RDP.

Activities of axis 2 - improvement of environment and rural areas jointly lead to cultivation of rural areas and implementation of environment-friendly technologies in the agriculture and forestry. The activities will contribute to environmental protection, natural resource conservation and increased production capacities for agriculture. The settlement of rural areas and activity of the population in the agriculture are of key importance to safeguard sustainable development of rural areas. The forest management applied and the preservation and promotion of sustainable farming will largely provide for favourable biodiversity situation and habitat conservation in the Natura 2000 areas. The activities of Axis 2 complement to a large extent those under Axes 1 and 3. They stimulate the population and agricultural holdings to direct themselves towards innovative practices strongly linked with the conservation of rural areas and environmental protection, they are more attractive in terms of income and improve the quality of life in rural areas. The measures target at the goals set out in Community strategic guideline on the improvement of the environment and rural areas, furthermore, the measures cover the goal of the Natura 2000 areas conservation, prevent the decline in biodiversity laid down in Göteborg resolution, preservation of quality of water pursuant to Directive 2000/60/EC of the European Parliament and of the Council and mitigation of climate changes pursuant to Kyoto Protocol. The measures envisaged will contribute to an effective implementation of the RDP that has foreseen the same measures in order to achieve the goals in the field of environmental protection. The measures take fully into account the ex-ante evaluation recommendations and are to the largest possible extent in compliance with the set guidelines.

The measures of Axis 2 are implemented in the form of direct payments and do not overlap with the activities of the OP HRD.

Activities of axis 3 - quality of life in rural areas and economic diversification - activate entrepreneurial potential and are intended to raise quality of life in the rural areas. They provide greater employability and exert positive influence on the economic development of rural areas and conservation of nature and cultural heritage. Exploiting other potentials of rural areas enables diversification of the agricultural activities. The activities of Axis 3 upgrade, complement and enrich the effects of the first two axes. New employment opportunities bring pressure on jobs in the agriculture and forestry and at the same time contribute to increase value-added of economic chain by propagating the activities in rural areas.

Similarly to Axis 1, the measures will follow the same principle of demarcation according to the beneficiaries or target groups and type of training in the field of HRD. The RDP will finance training within the investment aiming at effective functioning of the activities (directly connected with the investment in the activity), whereby such training provided will not be eligible to assistance from the OP HRD, unless in the case of the training of the unemployed who are not eligible to assistance under RDP.

Axis 4: LEADER – the activities aim at promoting the decision-making process on the development of individual rural areas according to the bottom-up approach via local action groups. Local population needs to be able to carry out its own decisions regarding the development of its environment and realise the idea. In order to establish successful local action groups and to integrate the local population into the process of planning and implementing the development programmes (local development strategies), it is necessary to foster education in order to acquire skills. The priority tasks that will enable the achievement

of goals of this axis should simultaneously contribute to the goals of Axis 1 and in particular of Axis 3.

The measures under axis 4 therefore preponderantly involve information and training of the local population in the field of rural development. The demarcation is essential in connection with the main type of activity of the fifth OP HRD priority axis entitled Promotion of the development of NGOs, of civil and social dialogue, which incorporates measures promoting the development of NGOs and civil dialogue. RDP 2007-2013 will finance education and training aiming at the promotion of the development at the local level, i.e. programmes oriented at strengthening organisational-institutional capacity at the local level which will not be eligible to assistance under OP HRD, this principle therefore allowing avoidance of any overlapping between the two programmes.

Notwithstanding the abovementioned demarcations between the OP HRD and the RDP, the respective managing authorities will, in order to avoid any double financing, preponderantly for the activities of Axes 3 and 4 of the RDP, provide regular and ongoing communication.

4.3 Demarcation with fisheries development

Activities of the Operational Programme for Fisheries Development in the Republic of Slovenia 2007-2013 (hereinafter OP FD), which are likewise set out in the National Strategic Plan of Fisheries Development and lead to sustainable fisheries development in Slovenia are based on due observation of the current situation in the field of fisheries. Slovenia will, via OP FD, implement the activities within four priority axes. The range of activities stems from the analysis of the fisheries sector, results of the survey on socio-economic data for the vessels and aquaculture and the set goals and priorities of the common fisheries policy and national strategy that all aim to provide for an effective achievement of common goals and principles of the EU, the Lisbon and Göteborg strategies. The priorities of the fisheries development in the programming period 2007-2013 will contribute to the modernisation of the Slovene fishing fleet and to a greater selectivity:

Within Axis1 framework, the OP FD funds are intended for a permanent cessation of fishing activities (scrapping and redistribution of vessels into the activities outside the fisheries), for the investments into modernisation of the vessels above and under the deck (new, ecological, i.e. energy-efficient engines provided that this does not increase the ability of vessels to catch fish) and replacement of the fishing gear.

Within Axis 3 framework the OP FD funds are intended for modernisation and construction of aquaculture and processing facilities pursuing the goals laid down in Article 5 of the General Regulation on the fisheries development⁵⁴.

Within Axis 3 framework the OP FD funds are intended for the improvement of the working conditions for the fishers at sea (common measures) and in the existing fishing ports and landing sites, organisation of the market and increase in the consumption of fish and fish products per capita.

Within Axis 4 framework the OP FD funds are in particular intended to achieve complementarity with other axes in accordance with the General Regulation. Given that sea fishing areas are small with regard to the number of the fishing vessels, diversification of the

⁵⁴ Council Regulation (EC) No 1198 of 27 July 2007 on the European Fisheries Fund

activity into tourism is envisaged. The chosen coastal area consists of three local communities – Piran, Koper and Izola, and the future within Axis 4 lies in their connection, creation of local action groups, skills acquisition and stimulation of the local population.

There is no potential overlapping between the two OPs in terms of the envisaged strategy and subjects to financing. The measures are complementary and mostly relate to (des)investments into basic activity and not into HR. In the event of co-financing of education, training and counselling activities within the OP FD, the same demarcation will be applied as in the case of the RDP; namely, the unemployed will not be eligible to participate in the RDP activities but only in the OP HRD programmes

5 FINANCIAL PLAN

5.1 Financial plan of commitments by years

Operational programme reference number (CCI number): CCI 2007SI051PO001

Table 1: Sources of financing by priority axes, in euros, current prices

	Structural Funds - ESF (1)	Cohesion Fund (2)	Total (3) = (1) + (2)
2007			
In Regions without transitional support	126,208,034		126,208,034
In Regions with transitional support			
Total 2007	126,208,034		126,208,034
2008			
In Regions without transitional support	120,787,061		120,787,061
In Regions with transitional support			
Total 2008	120,787,061		120,787,061
2009			
In Regions without transitional support	114,984,183		114,984,183
In Regions with transitional support			
Total 2009	114,984,183		114,984,183
2010			
In Regions without transitional support	108,784,002		108,784,002
In Regions with transitional support			
Total 2010	108,784,002		108,784,002
2011			
In Regions without transitional support	102,170,608		102,170,608
In Regions with transitional support			
Total 2011	102,170,608		102,170,608
2012			
In Regions without transitional support	95,127,569		95,127,569
In Regions with transitional support			
Total 2012	95,127,569		95,127,569
2013			
In Regions without transitional support	87,637,913		87,637,913
In Regions with transitional support			
Total 2013	87,637,913		87,637,913
Total in Regions without transitional support (2007-2013)	755,699,370		755,699,370
Total in Regions with transitional support (2007-2013)	0		0
Grand Total 2007-2013	755,699,370		755,699,370

5.2 Sources of financing by priority axes

Operational programme reference number (CCI number): CCI 2007SI051PO001

Table 2: Sources of financing by priority axes, in euros, current prices

	Community Funding (a)	National counterpart (b) (= (c) + (d))	Indicative breakdown of the national counterpart		Total funding (e) = (a) + (b)	Co-financing rate (f) = (a) / (e)	For information	
			National Public funding (c)	National private funding (d)			EIB contributions	Other funding
1. Promoting entrepreneurship and adaptability (ESS - public)	262.114.965	46.255.583	46.255.583	0	308.370.548	0,85	0	0
2. Promoting employability of job-seekers and inactive (ESS - public)	140.018.678	24.709.179	24.709.179	0	164.727.857	0,85	0	0
3. Human resource development and life-long learning (ESS - public)	164.661.965	29.057.995	29.057.995	0	193.719.960	0,85	0	0
4. Equal opportunities and Reinforcing social inclusion (ESS - public)	63.848.517	11.267.386	11.267.386	0	75.115.903	0,85	0	0
5. Institutional and administrative capacity (ESS - public)	97.051.506	17.126.737	17.126.737	0	114.178.243	0,85	0	0
6. Technical assistance (ESS - public)	28.003.739	4.941.838	4.941.838	0	32.945.577	0,85	0	0
TOTAL	755.699.370	133.358.718	133.358.718	0	889.058.088	0,85	0	0

6 IMPLEMENTING PROVISIONS

6.1 Determination of the implementation structure and competent institutions

Experiences from the period 2004 - 2006

The 2004 - 2006 period represented the first programming period of involvement in the cohesion policy for the Republic of Slovenia. On the basis of experiences learned during the implementation of pre-accession instruments, the Republic of Slovenia decided to retain a centralised institutional set-up of the management of the Structural Funds and of the Cohesion Fund. This is important given that Slovenia had one managing authority - Government Office for Local Self-Government and Regional Policy which coordinated the preparation of the SDP and one paying authority within the Ministry of Finance.

The managing authority for Structural and Cohesion Fund was set up with the decision of the Government of the Republic of Slovenia (Official Gazette RS, no. 111/02) in December 2002 within the Government Office for Structural Policy and Regional Development (GOSP) which defined the legal basis and the responsibilities of the GOSP within the Government of the RS. The fundamental obligations of the GOSP were on the one side comprehensive management of the Structural Funds and Cohesion Fund and on the other, coordination of the activities for successful regional development.

In accordance with the Decision of the Government, the structural policy in the GOSP covered the preparation of the programming documents for the cohesion policy of the EU and acted as the managing authority for the Structural Funds and Cohesion Fund. The Government Office was led by the Minister without portfolio that exercised rights and duties of the head of the Office. Appointment of the minister without portfolio gave a political emphasis on economic development and structural policy since the minister is directly accountable to the President of the Government

Government Office for Local Self-Government and Regional Policy was established on the basis of Ordinance on the establishment and fields of work of the Government Office for Local Self-Government and Regional Policy (Official Gazette RS no. 07/05). Upon entering into force, all respective competences and tasks of the Government Office for Structural Policy and Regional Development, as laid down in the Promotion of Balanced Regional Development Act (Official Gazette RS, nos. 60/99 and 56/03), statutory regulations adopted thereon and the decisions of the European Commission related to the European cohesion policy were transferred to the newly established Government Office for Local Self-Government and Regional Policy.

In the European cohesion policy area for 2004- 2006, the managing authority:

- conducted the preparation and coordination of programming documents with the European Union, as the basis on which the Republic of Slovenia received cohesion funds from the European budget,
- performed tasks of general management for the needs of the European Structural Funds and Cohesion Fund that arose from the valid EU legislation in the area of cohesion policy,

- coordinated, defined, monitored and evaluated the activities of the ministers, government offices and other bodies and offices involved in the implementation of the cohesion policy and reported on these activities to the Government of Republic of Slovenia as well as performed other tasks in the field of the European cohesion policy,
- ensured conditions for setting up, maintaining and operating of information system for monitoring and evaluating the NDP and the SPD.

When implementing the SPD and the Reference Framework for the Cohesion Fund, the existing system based on the centralised coordinating body on the one side and a strong role of the ministers responsible for individual fields of content areas on the other side proved to be appropriate and efficient.

At the beginning of the period, a two-level coordination based on the function of the managing authority and three intermediate bodies were envisaged. The experiences have shown that such a system lacked efficiency given the reduced transparency and excessive coordination work. At the Government session on 22 December 2005, changes and amendments to SPD were adopted and later approved by the SPD Monitoring Committee for the programming period 2004 – 2006 on 16 December 2005, which laid down foundation for the integration of the intermediate bodies for the ERDF and for the ESF into the managing authority.

On the basis of positive experiences with system changes, the Republic of Slovenia will retain a centralised management system in the new programming period as well as introduce additional system simplifications. Some additional adjustments to the existing management and control system are required for the new EU Council Regulations or implementation Regulations which apply to the programming period 2007 - 2013. Further experience should be likewise taken into account when defining the system. Firstly, clear and timely instructions should be made, since they remain a prerequisite for the operations to be implemented in accordance with the operational programme and the rules laid down. Of considerable importance are clearly defined procedures, tasks and responsibilities of individual bodies and individual organisation units and personnel thereof. Additional attention should be paid to monitoring information system within the implementation system development. The ESF field saw certain difficulties in the previous period, since monitoring needed to be ensured at the level of individual project or participant, which can create problems in terms of additional administrative burdening of the system as well as in terms of ensuring quality implementation and monitoring.

Implementation structure for the Structural Funds and the Cohesion Fund –period 2007 - 2013

In defining the responsibilities and competences of the stakeholders involved in the implementation, the EU regulations and the legislation of the Republic of Slovenia have been taken into full consideration. Among the most important regulations of the Republic of Slovenia are the act on the implementation of the budget, the act defining the fundamental rules on financial management and control also applicable to the EU funds, the act on state administration, the act on Government activities and the act on state aid control.

Implementing provisions

In order to fully meet the requirements of the EU legislation and to create a suitable and effective system for the implementation of the activities concerning the Structural Funds and the EU Cohesion Fund, a clear demarcation of tasks is needed as well as the definition of relationship between the involved institutions, as described in the continuation:

- Managing Authority: Government Office for Local Self-Government and Regional Policy (internal organisation units determined in the Act on the Internal Organisation and Post Systematisation in GOSP)
- Certifying Authority: Ministry of Finance, National Fund
- Audit Authority: Ministry of Finance – Budget Supervision Office of the Republic of Slovenia

Due regard will be paid to the provisions of Articles 58 to 62 of the Council Regulation (EC) No.1083/2006 of July 11 2007, laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999 (Official Journal, No 210 of 31 July 2006, page 25) (hereinafter General Regulation).

Competences and mutual obligations between the institutions involved in the absorption of the resources from the Structural and EU Cohesion Fund, with intent to provide an optimal use of the cohesion funds in Slovenia, will be set out in greater detail with a special regulation. In doing so, the principles laid down in Article 58 of the General Regulation will be taken into consideration, especially the separation of functions between and within individual bodies. Therefore, in cases where the managing authority, the intermediate bodies, the certifying authority and the audit authority will be in a position of a beneficiary or other incompatible functions, an appropriate demarcation will be ensured.

Managing authority for the Structural Funds and the Cohesion Fund

The function of the managing authority for the Structural Funds and for the Cohesion Fund is performed by the Government Office for Local Self-Government and Regional Policy in accordance with item a., first paragraph of Article 59 of the General Regulation. The head of the managing authority is the head of the Government Office or a person authorised by the head. Within the office, internal organisation units operate, performing the function of the managing authority. With an internal act, a clear demarcation of the managing authority role from other roles of the GOSP is defined and the relationship between them, together with a demarcation of tasks, competences and obligations are laid down. The internal organisational structure is also included in the Description of the management and control systems in line with Article 71. of the General Regulation, while the European Commission should be promptly and regularly informed on any potential modification to the internal organisational structure.

In accordance with Article 60 of the General Regulation, the managing authority has the responsibility for efficient and correct management and implementation of the Operational Programmes and is, within this framework, also responsible for setting up an implementation system as it is envisaged by the general provisions and by the implementing regulations. In this framework, the managing authority is, directly and when conferring specific tasks to the intermediate body/bodies, responsible especially for:

1. compliance of activities co-financed with the operational programme provisions and other applicable rules of the EU and the Republic of Slovenia;
 2. setting-up of a system for administrative controls and on-the-spot checks along with the reporting on irregularities;
 3. setting-up of a system for monitoring and evaluation and at the same time, providing all the required information to other institutions involved in the implementation system, especially to the certifying authority and audit authority;
 4. setting-up of a system of information and publicity in accordance with Article 69 of the General Regulation;
 5. setting-up and managing the monitoring committee that can be common for several operational programmes and is provided administrative-technical services;
 6. ensuring to the certifying authority that the control system has been set up and functions, that the expenditure declared has actually been incurred, that the products and services have been delivered in line with the approval decision that the applications for reimbursement from the part of the beneficiary are correct and that the operations and expenditure are consistent with the EU and national rules;
- coordination, implementation and monitoring of the principle of cross-financing (flexibility rule) that will be realised at the level of individual priority axis.

A detailed description of the tasks of the managing authority and a possible transfer of certain tasks to the intermediate bodies will be set out with a special regulation. Article 13 controls of the Commission Regulation (EC) No 1828/2006 may thus be carried out either by the managing authority or the intermediate body when the tasks have been delegated to it by the managing authority.

Intermediate body

The intermediate body (primarily line ministries responsible for the field of labour, (higher) education, economy, culture, public administration, justice and healthcare) performs tasks that have been transferred to it by a decision issued on the part of the managing authority which may encompass:

- implementation of the procedure for the selection of operations and their approval
- verification of administrative, technical, financial and content adequacy of the operation simultaneously with a direct approval thereof
- regular monitoring of the operations and reporting to the managing authority and the certifying authority on their implementation at the level of individual operations
- performance of administrative controls and preparation of applications for reimbursement

Certifying authority

In accordance with item b), first paragraph of Article 59 of the Council Regulation (EC) no. 1083/2006, the Ministry of Finance, the National Fund will be designated as the certifying authority.

In line with Article 61 of the Council Regulation (EC) no. 1083/2006, the certifying authority will be responsible in particular for:

- receiving payments in the form of Community contribution from the European Commission and keeping an interest subaccount for each fund and keeping records of the transactions
- certifying that the declaration of expenditure and applications for payment are accurate and submitting them to the European Commission
- making reimbursements from the title of the Community contribution based on individual application for reimbursement into the national budget
- ensuring for the purposes of certification that it has received adequate information from the managing authority on the procedures and verifications carried out in relation to expenditure included in statements of expenditure
- performance of administrative verification on the basis of each application for reimbursement in the state budget before executing payments in the abovementioned indent
- performance of on-the-spot checks at the managing authority or intermediate body, and if necessary, at the beneficiary
- taking account of the results of all audits carried out by or under the responsibility of the audit authority
- maintaining accounting records in computerised form of expenditure declared to the Commission
- issuing applications for reimbursement to all line ministries
- keeping an account of claimed and executed reimbursements, as well as preparing annual declaration on claimed reimbursements submitted to the audit authority
- taking due account of the reimbursements made when certifying expenditure and preparing applications for reimbursement
- drawing up and submission of forecasts of likely applications for payment of the cohesion policy funds for the current and the subsequent financial year.

Audit authority

For both Structural Funds and for the Cohesion Fund, the function of the Audit authority will be performed by the Budget Supervision Office of the Republic of Slovenia in accordance with item c, first paragraph of Article 59 of the General Regulation. BSO is a body within the Ministry of Finance and performs the task of coordinating the internal control of public finances (the system ICPF), of independent control of all EU funds, and is authorised to coordinate counter fraud activities.

The functions of the audit authority laid down in Article 62 of the Regulation (EC) no. 1083/2006 and in Article 18 of the Regulation (EC) No. 1828/2006 are particularly the following:

1. ensuring that audits are carried out to verify the effective functioning of the management and control system⁵⁵
2. ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared
3. preparing and submitting to the Commission an audit strategy at the latest within nine months of the approval of the operational programme
4. submitting to the Commission an annual control report

⁵⁵ Audits may also be performed through outsourcing.

5. issuing an opinion, on the basis of the controls and audits that have been carried out, on the effectiveness of the functioning of the management and control system
6. forwarding information on the important findings regarding the management and internal control system of the personnel in the procedures of implementing cohesion policy to the managing authority, the certifying authority and audited subjects
7. preparing and submitting closure declaration and, when deemed necessary, partial declaration

The audits will be implemented on the basis of internationally accepted audit standards.

The BSO informs the managing authority and the certifying authority of all the statements and recommendations in line with the systemic and sample audits as well as of the irregularities reported to the BSO.

The audit authority is responsible for the preparation of a report and issuing of opinion on the compliance of the setting-up of the management and control systems of the OPs pursuant to the second, third and fourth paragraphs of Article 71 of the Council Regulation (EC) No. 1083/2006.

A detailed breakdown of the functions of the audit authority will be laid down by a special regulation.

Separation of functions

Separation of functions will take into account the principle of incompatibility of the functions between and within individual institutions, which is particularly important for the separation of control and implementation functions.

The principle of incompatibility of the functions will strictly be taken into account when clearly defining the functions and relations between the institutions involved in the cohesion policy implementation, and set out in a special regulation. In the event that a single institution implements two incompatible functions, the latter have to be implemented within two separate organisation units. Only exceptionally will they be implemented within the same organisation unit in accordance with the principle of proportionality, whereby the functions of the personnel will need to be clearly defined so as to avoid any overlapping whatsoever.

Notwithstanding the fact that the certifying authority and the audit authority operate within the same ministry, they are separated in terms of organisation and perform different functions independently one from another, which ensures the separation of their functions. Internal organisation and definition of functions of the Ministry of Finance and the bodies therein are laid down in detail by the Act on Internal Organisation and Post Classification. The audit authority, i.e. the Budget Supervision Office operates as an independent body within the Ministry of Finance. In spite of belonging within the internal organisation of the Ministry in its broadest sense of the word in accordance with the national legislation that governs the organisation and operating of state administration, the bodies boast a status of an independent administrative body. They are set up in order to perform specialised professional tasks and the tasks of inspection and other monitoring, when higher degree of independence is called for to perform functions.

6.2 Equal opportunities, non-discrimination and sustainable development

The principles of gender equality and equal opportunities, non-discrimination and sustainable development, in particular in its environmental dimension, represent the basic underlying principles of the Operational programme for Human Resources Development, which is not just in line with the Slovene national priorities, but also with the cohesion policy regulations, namely Articles 16 and 17 of the general Regulation as well as Article 6 of the Regulation (EC) No. 1081/2006 on the European Social Fund.

All underlying principles will be given thorough attention by the monitoring committee, managing authority and the line ministries in all phases of implementation, thus in preparation of concrete activities, in specification of selection criteria for the operations and implementation in general as well as in the monitoring and evaluation phases.

The supported activities will thus need to be in accordance with the abovementioned principles (this will be checked by the managing authority before the approval of particular instruments), while for operations that are of special importance for a certain dimension additional consensus of line ministries will in such case be sought for.

During the implementation and to the extent possible, balanced participation of both women and men will be promoted in the management and implementation of the OP HRD, as well as equal representation of both sexes in the decision-making processes, equal representation and participation in all monitoring committees and partnerships responsible for the implementation of the programming documents, regular consultations with the organisations representing equality of interests throughout the entire programming period, information and assistance to the organisations representing vulnerable groups and networks supporting their integration and assuming the role of project promoters.

6.3 Monitoring and evaluation

Monitoring committee and the partnership principle

Slovenia will set up a monitoring committee for guidance, control and implementation of the OP HRD. The monitoring committee will be designated by the Government of the Republic of Slovenia and will be managed by the managing authority. The monitoring committee will monitor the efficiency and effectiveness of the implementation of the operational programme and adopt guidelines thereto. The responsibilities of the monitoring committee will be laid down by a special regulation.

The composition of the monitoring committee will follow the principle of partnership, given that its members will be, among other, social partners, representatives of regions, NGOs and those key development stakeholders the operational programme refers to. At its own initiative or at the request of the monitoring committee, a representative of the Commission will participate in the work of the monitoring committee in an advisory capacity. The composition and functioning of the monitoring committee will particularly highlight the issues of gender equality and sustainable development, in particular to its environmental dimension.

The principle of partnership will be fully considered in the phases of implementation, monitoring and evaluation. Reaching of agreements on the manner of cooperation between

the managing authority and social partners will take place during the activities of the monitoring committee, which will allow incentives, monitoring and informing of social partners on the one hand and will not extend the implementing procedures on the other. In this context, the managing authority may, upon prior agreement with the partners, set up a special group that is convened at regular intervals and performs as its main function monitoring of the realisation of the strategic goals set of the OP, in particular in the part that involves partners. Activities that relate to institutional capacities of social partners and NGOs or their input in the implementation of other priority axes are such an example.

Monitoring

The basis for the allocation of funds is OP which must be in accordance with Article 9 of the General Regulation, consistent with the NSRF, coordinated with other funds (for example EAFRD, EFF, etc.), resources from the European Investment Bank and other existing financial instruments. Monitoring means actual comparison between the planned, usually defined at higher levels of the development programmes (OP, NSRF), and the achieved that is in most cases recorded at the lower levels (project). It is important that the monitoring system is already in the programming phase of the operational programmes planned in such a way that the implementation of the programmes will ensure collecting and storing the data that can be aggregated at higher levels via an information system and compared with planned data, thereby ensuring efficient monitoring of the OP and NSRF.

The experience from the previous programming period shows that timely planning of the procedures and contents that need to be included in the information system is of utmost importance for the effectiveness of the implementation. This calls for a competent information system manager that has to provide clear and unambiguous instructions and an adequate system. In the event of subsequent coordination, it is considerably difficult to grasp the data whose reliability substantially decreases. The abovementioned is of great importance in particular for the ESF where monitoring at the project/individual level needs to be ensured. Moreover, entry of data *in situ* - i.e. at the point of their coming into existence - is most appropriate and desired, which, however, was not the case in the 2004-2006 period. In light of to date experience, adequate qualification of the personnel that performs the task of monitoring and evaluating is vital, not only from the financial point of view, but in terms of contents as well. In order to monitor the co-financed activities, in-depth knowledge of the information system and monitoring is required, as well as dealing with financial and content implications of the co-financed activities, which will be given attention to in the future.

Monitoring and reporting as laid down in Article 66 of the General Regulation and by considering the provisions of Articles 58 and 60, will be implemented within the central information system managed by the managing authority which will, connected with the accounting system of the Ministry of Finance, provide current data on payments made from the budget and will be likewise connected with the control information system of the certifying authority. In order to ensure clear organisation and functioning of the information system (IS), the managing authority will issue guidelines for the purpose of monitoring that will base on the following. Elaboration, coordination, guidelines and training for the functioning of the IS are provided by the managing authority. The latter closely cooperates with the intermediate bodies or authorised organisations thereby (e.g ESS) in the manner so as to ensure as simple process aspect as possible of providing data, while data are also provided at the content level. Data entry takes place immediately or as soon as possible at the

intermediate body or authorised organisations thereby. Electronic connection will be ensured for the agents that keep a separate IS for the implementation of the programmes with the central IS. In order to safeguard effective functioning of the connected systems, clear reciprocal data and process connection is identified. The process of connections that is set by the managing authority will allow entry of data and modification thereof only in the source system, i.e. the system that is responsible for the data. All involved institutions will ensure necessary and qualified personnel in order to allow for successful operation of the information system.

The information system is a centralised IS that functions on the premises of the managing authority. The access of users is managed directly (internet, terminal server) and indirectly via separate ISs of certain agents with the following underlying principles:

- direct access will be based on the entry of all data that refer to the planning of the project and will be carried out by the intermediate bodies, and on the entry of data on reporting in the form of an application for payment (payments, invoices, performed tasks etc.) by the beneficiaries. The process of certification of the applications for payment will take place directly with the involvement of different responsible persons of the intermediate body (contract trustee, financial service, control unit or department of payments). The existing connection with the IS of the Ministry of Finance will provide direct data transfer for the printout of the payment order from the budget. Unknown users will be able to access the IS in the phase of the submission of tender application, whereas known users will be awarded certificates for the selected projects (special module intended for the project selection).
- indirect access to central IS will be possible at those agents that already implement programmes via their ISs. Special standards will be elaborated to connect the central IS with the ISs of individual agents. The latter will provide the preparation of adequate data structures for the transfer into the central IS to all interested parties.

Upgrading of the central IS has taken place during the period of the OP coordination. The system will within the context of a special module cover the monitoring, reporting and implementation of the ESF and provide the required data in accordance with the abovementioned principles and in line with the provisions of Annex XXIII of the Commission Regulation (EC) No. 1828/2006 - the updated information system should be operational by the time of submitting the OP HRD annual report by the latest. Aside from up-to-date financial monitoring, IS enables up-to-date physical monitoring which is based on the experiences from the previous programming period, given that the Guidelines of the managing authority for monitoring of the SPD 2004-2006 implementation at the project level contain a special form for the entry of physical targets. The information system thus allows monitoring of the targets and indicators at the level of the OP and priority axes and provides quantitative and qualitative monitoring of the OP progress. The base is the existent set of indicators in the central information system that enables coordination with the set quantified targets prior to the implementation phase. The cumulated data will be used for the purpose of regular reporting to the monitoring committee, and will act as a key channel for the managing authority and other institutions involved in the OP implementation to monitor the progress made. The information system will take due account of gender equality and equal opportunities principles as well as influence on sustainable development with an emphasis on the environmental dimension.

Development and functioning of the information system are financed from technical assistance.

Evaluation

Evaluation of the activities co-financed is a mandatory element stipulated by Articles 47, 48 and 49 of the General Regulation. The purpose of evaluations is to improve the quality, effectiveness and consistency of the programmes with respect to the environment they are implemented in and with respect to the frameworks of sustainable development. The OP will be subject to ex-ante, current and final evaluations. Whereas the European Commission will be responsible for performing the final evaluation of OP which will be carried out by December 31, 2015, the ex-ante and current evaluations will be undertaken by the Member States.

Organisation and structure will ensure a coordinated and comprehensive system of evaluation, which will at the same time provide for necessary flexibility and transparency:

The monitoring committee with respect to its monitoring function is the first one interested in the quality of evaluations performed, since the latter give sufficient indication as to whether potential adjustments of the programme should be carried out. The monitoring committee will thus be regularly informed of envisaged activities and will provide for content guidelines, i.e. priority areas that the monitoring committee members deem insufficient in providing the basis for decision-making. The monitoring committee will thus be regularly consulted on the implemented and planned evaluations.

The managing authority will be the body responsible for implementation and coordination of the evaluations. A setting-up and coordination of an interdisciplinary steering group, composed of the representatives of the managing authority, the ministries and other bodies of the state administration that monitor the achievement of goals of the Lisbon process at a national level, will be under the responsibility of the managing authority as well. The role of the dialogue between the managing authority and the abovementioned group will be for the managing authority to ensure strategic and content guidance and coordination of the evaluations and administrative-technical support (setting-up of an administrative framework, ensuring quality and usefulness of the findings and their submission to the monitoring committee and the European commission), data support (submission of financial and physical data on the implementation of the NSRF and the OPs from the information system of monitoring), and, last but not least, financial support (ensuring the funds from the technical assistance budget for the implementation) with a view to achieving as great effectiveness of the evaluation system as possible. The managing authority as well as the key involved ministries (e.g. labour, education and higher education) will ensure specialised and adequately qualified personnel for the functioning of the group and proper quality of the evaluations.

The ministries and other institutions involved in the implementation of the OP HRD will be the carriers of more specialised evaluations, however, in order to achieve the synergy effects of the findings at national and European levels, the integration of their representatives in the steering group will be called for. The managing authority will prepare an evaluation plan for the OP HRD which will lay down the carriers and their responsibilities in terms of implementation of individual evaluations with a view to ensuring good coordination in the field of evaluations. The plan will in detail lay down the procedures and in particular the required data that need to be provided for the purposes of evaluations. Most important will be the data on monitoring of the progress of the set quantified targets. Evaluation plan should be prepared 6 months after approval of the OP HRD.

Implementation of the OP will be subject to current evaluations, particularly of the activities that significantly departure from the goals set initially. If necessary, individual evaluations in terms of content will be carried out, aiming at identifying and appraising the justification, efficiency, effectiveness and impacts of the implemented programmes, evaluating the systems of implementation and management, monitoring the achievement of horizontal objectives and evaluating information and publicity measures. The evaluations will provide recommendations relating to more effective implementation of the programmes. They will give particular focus to the following fields:

- a) pursuit of set objectives in the field of sustainable development with an emphasis on the environmental dimension.
- b) pursuit of set objectives in the field of equal opportunities and in this framework to the gender equality.
- c) identifying net effects of the objective “creating new jobs”, by taking into consideration the methodology of the document “Working Document no. 6: Measuring Structural Funds on Employment Effect”

Evaluation plan will also identify the evaluations necessary in order to ensure proper monitoring of the progress made with regard to specific objectives - two such examples are already identified in the OP HRD, namely the evaluation on the contribution of the OP to the institutional and administrative capacity-building of the non-governmental sector and the evaluation on the effectiveness of discouraging discriminatory practices in employment. Furthermore, approximately in the middle of the programming period a comprehensive evaluation on the achievements of the foreseen objectives will be performed.

The financial resources for the implementation of evaluations will be provided by technical assistance.

6.4 Financial flows

The contribution from the funds is, at the level of the OP, determined with reference to eligible public expenditure. Eligible public expenditure is financed from the Community contribution and national public sources of financing (national budget, municipal budget, and other public sources of financing). The competent line ministries ensure that the beneficiaries receive the public contribution as promptly as possible and in full and that the certifying authority as promptly as possible and in full receives the recovery of sums unduly paid in form of the Community contribution in the event of subsequent detection of ineligible expenditure.

Indirect and direct beneficiaries of state and/or municipal budget are obliged to demonstrate eligible public expenditure. Competent line ministries, in cooperation with the managing authority, on the basis of demonstrated eligible public expenditure prepare an application for reimbursement from the Structural Funds or the Cohesion Fund and submit it to the certifying authority which executes the reimbursement from the individual Structural or Cohesion Fund to the state budget.

Certifying authority on the basis of certified applications for reimbursement from the Structural Funds or Cohesion Fund prepares and certifies the statements of expenditure and applications for payment and forwards them to the Commission.

The certifying authority is responsible for receiving payments of the Commission as laid down in Articles 76 and 77 of the Council Regulation (EC) No. 1083/2006. To this end, the certifying authority keeps subaccounts for each programme and fund separately within the framework of the treasury single account of the state at the Bank of Slovenia in order to certify the funds of an individual Structural or Cohesion Fund. Aside from the payments made, resources by the European Commission, interests and eventual reimbursements of funds are also added to the special accounts. The Ministry of Finance – National Fund has opened a separate subaccount within the framework of the treasury single account of the state at the Bank of Slovenia for the ESF - OP HRD 2007-2013 funds, IBAN no. SI56011006000020878.

Use of Euro

As of January 1, 2007, Euro has been the national currency of the Republic of Slovenia.

6.5 Information and publicity

The managing authority is responsible for preparing a common communication plan for the three Operational Programmes financed by the cohesion policy funds. The platforms for the preparation of the communication plan are identified below.

Information and publicity strategy

The targets:

- introducing the OP and all the stakeholders involved in the implementation from the viewpoint of their contribution towards important social and economic benefits for the state;
- identifying information and publicity measures via means of communication regarding different levels within the operational programmes;
- promoting integration of potential beneficiaries to the European funds;
- strengthening partnership at national, regional and local levels;
- informing the general public about the contributions of the EU.

With the aim of achieving the targets set /guidelines on information and publicity, an integrated approach of all planned activities will be used with the assistance of the following directions:

1. Identification of different levels within the Operational Programmes

For different levels within the OPs, different communication means will be used for information and publicity whereby credibility and easier and better communication with key partners will be assured for the operational programmes.

2. Uniform, clear and simple approach

In order to widespread the visibility of the OPs, a common identity will be developed with a clearly recognisable slogan. Developing an appropriate slogan is an important factor with which we will present the OPs and will serve as the base for all further information and publicity activities. Together with the slogan, an appropriate complex graphic image will be developed or a common identity will be designed respectively, which will complement it in

all aspects – visual, audio, sensory – and will thus act as a unity. All information and publicity activities should be consistent and user-friendly.

3. Raising awareness about the EU funds

The image of the structural funds and the EU Cohesion Fund is build in a positive way by exposing the advantages they bring to Slovenia, by stimulating target groups to support the vision of the Structural Funds and the Cohesion Fund. In doing so, awareness of people of the possibility to use the European resources is considerably raised and individuals and enterprises recognise the benefits of the European resources for each fund separately. For such training of target groups, different workshops, seminars and promotional activities will be organised. It will also be ensured that all beneficiaries of the OP HRD operations will be aware of the fact that the programme is co-financed from the EU.

4. Promotion of participation

To participate in the OP, partner and target groups will be stimulated and informed of the possibility of co-financing from OP HRD. Target groups will be informed of good practices of information and publicity which will additionally stimulate quality project planning for effective absorption of the resources from the Structural Funds and from the EU Cohesion Fund. Special attention will be given to providing timely information which will be adapted to particular target groups, whereby some promotional activities will be more focused on publicity means of general character, while others will be more focused.

5. Transparency

Within the framework of this measure, we will aim to provide as easy an access as possible of the public to the information relating to the Structural Funds and the EU Cohesion Fund. The public will be regularly informed through the media of the implementation of the OPs. At least once per year, a larger press conference will be organised presenting the achievements of the OPs and successful projects. A list of beneficiaries together with the projects and the amounts of public resources used by all the OPs will annually be published.

Implementation and monitoring of the communication plan

The managing authority will report to the monitoring committee on the communication plan and on the progress of its implementation, on the implemented information and publicity measures as well as on the communication means used on the basis of cases.

Annual reports will include examples of information and publicity measures for the OP that are being implemented within the framework of the communication plan, on the regulations within the framework of the information and publicity measures and the content of main changes in the communication plan. The 2010 annual report and the final implementation report will also include evaluation of the information and publicity measures in terms of visibility of the OPs and awareness of the role played by the OPs and the Community.

6.6 Electronic data exchange between the Commission and the Member State

European Commission has for the programme period 2007 – 2013 set up a new information system (SFC2007) for collecting data on the implementation of the programmes in the Member States. The system is accessible in each state via the internet. It supports electronic data exchange between the Commission and the Member State regarding the programmes financed from the Structural Funds and from the Cohesion Fund, and a manual data entry via the web application. The objective of the new information system is to ensure paperless data exchange between the European Commission and the Member State pursuant to the requirement of the regulations for the period 2007 – 2013, within the information system of the European Commission which is common for all funds. Slovenia will use the opportunity to enter structured as well as non-structured (documents) data via the web application of the information system SFC2007.

In order to ensure correctness of the data, data and process controls are set up in the reference system which will be appropriately upgraded during the implementation of the OP.

Data exchange between European Commission and the Member State will encompass the following content sections:

- implementation of the NSRF;
- programming;
- annual and final reporting;
- applications for payments and payment forecasts
- audit;
- evaluation.

Access to SFC database will be determined in accordance with the competences of individual institutions, in line with the provisions of a special regulation, whereby the coordination, including granting of access rights to the users will be implemented by the managing authority.

6.7 Compliance with the competition and public procurement rules

In accordance with article 87 of the Treaty establishing the European Community, each aid awarded by the state or via state resources, irrespective of the form of the aid which affects or could affect the competition by giving priority to certain enterprises or to production of specific goods, and affects the trade between the Member States, is considered incompatible with the common market. Slovenia is aware that the aid can be awarded only on the basis of the aid schemes which are in accordance with the rules on state aid; which is clearly stipulated by Article 60 of the General Regulation.

The managing authority will ensure that the funds of the Operational Programme are allocated in line with the process and material rules on state aids. Coherence of individual measures within the operational programme with state aid rules and reference to the actual state aid scheme will be laid down in the implementing documents.

Slovenia will also ensure that public contracts or concessions awarded, concerning projects benefiting from the assistance of the European Social Fund programmes comply with the provisions of Directives 2004/17/EC⁵⁶, 2004/18/EC⁵⁷, Regulation (EC) No 1564/2005⁵⁸ or the Treaty principles where applicable.

⁵⁶ Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 on coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors, OJ L 134, 30.4.2004

⁵⁷ Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts, OJ L 134, 30.4.2004

⁵⁸ Commission Regulation (EC) No 1564/2005 of 7 September 2005 establishing standard forms for the publication of notices in the framework of public procurement procedures pursuant to Directives 2004/17/EC and 2004/18/EC of the European Parliament and of the Council (Text with EEA relevance), OJ L 257, 1.10.2005

Annexes

Annex 1 Indicative breakdown of the Community contribution by OP HRD categories

Reference number of the Commission: CCI 2007SI051PO001

Name of the programme: OP for Human Resources Development for the Period 2007 - 2013

Extension (1):		
Priority theme:		
<i>code</i>	<i>Title</i>	<i>amount in €, current prices</i>
Research and technological development (RTD), innovation and entrepreneurship		
Information society		
10	Telephone infrastructure (including broadband networks)	
11	Information-communication technologies (access, security, interoperability, risk prevention, research, innovation, e-content etc.)	
12	Information-communication technologies (information-communication technologies of all-European networks – TEN-IKT)	
13	Services and applications for the citizen (e-health, e-government, e-learning, e-inclusion etc.)	47.585.267
14	Services and applications for SMEs (e-commerce, education, training, networking, etc.)	
15	Other measures for improving access to and efficient use of ICT by SMEs	
Transport		
Energy		
Environmental protection and risk prevention		
Tourism		
Culture		
Urban and rural regeneration		
Increasing the adaptability of workers and firms, enterprises and entrepreneurs		
62	Development of life-long learning systems and strategies in enterprises; training and services for employees to step up increasing their adaptability to change; promoting entrepreneurship and innovation	63.848.517
63	Design and dissemination of innovative and more productive ways of organising work	6.720.897
64	Development of specific services for employment, training and support in connection with restructuring of sectors and enterprises, and development of systems for anticipating economic changes and future requirements in terms of jobs and skills	6.720.897
Improving access to employment and sustainability		
65	Modernisation and strengthening of labour market institutions	20.162.690
66	Implementing active and preventive measures in the labour market	119.015.876
67	Measures encouraging active ageing and prolonging working lives	21.002.802
68	Support for self-employment and business start-up	31.364.184
69	Measures to improve access to employment and increase sustainable participation and progress of women in employment to reduce gender-based segregation in the labour market and to reconcile work and private life, such as facilitating access to childcare and care for dependent persons	19.154.555
70	Specific action to increase participation of migrants in employment and thereby strengthen their social integration	3.192.426

Improving the social inclusion of less-favoured persons		
71	Pathways to integration and re-entry into employment for disadvantaged people, combating discrimination in accessing and progressing in the labour market and promoting acceptance of diversity at the workplace	41.501.536
Improving human capital		
72	Design, introduction and implementation of reforms in education and training systems in order to develop employability, improving the labour market relevance of initial and vocational education and training, updating skills of training personnel with a view to innovation and a knowledge-based economy	104.173.896
73	Measures to increase participation in education and training, throughout the life-cycle, including through action to achieve a reduction in early school leaving, gender-based segregation of subjects and increased access to and quality of initial vocational and tertiary education and training	60.488.069
74	Developing human potential in the field of research and innovation, in particular through post-graduate studies and training of researchers, and networking activities between universities, research centres and businesses	153.460.471
Investments in social infrastructure		
75	Education infrastructure	
76	Health infrastructure	
77	Childcare infrastructure	
78	Housing infrastructure	
79	Other social infrastructure	
Mobilisation for reforms in the fields of employment and inclusion		
80	Promoting partnerships, pacts and initiatives through the networking of relevant stakeholders	13.441.793
Strengthening institutional capacity at national, regional and local levels		
81	Mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local levels, capacity building in the delivery of policies and programmes	15.861.756
Reduction of additional costs hindering the outermost regions development		
Technical assistance		
85	Preparation, implementation, monitoring and inspection	21.002.804
86	Evaluations and studies, information and communication	7.000.935
Total		755.699.371

Dimension 2		
Form of finance		
<i>Cod e</i>		<i>Amount in €, current prices</i>
1	Non-repayable aid	166.902.264
2	Aid (<i>loan, loan subsidy, guarantees</i>)	
3	Venture capital (<i>participation, venture capital fund</i>)	
4	Other forms of finance	588.797.107
Total		755.699.371

Dimension 3		
Territory type		
<i>code</i>		<i>A mount in €, current prices</i>
1	Urban	377.849.686
2	Mountainous	
3	Island	
4	Sparsely and very sparsely populated areas	
5	Rural areas (other than mountains, island or sparsely and very sparsely populated areas)	377.849.686
6	Former EU external borders (<i>after 30. 4. 2004</i>)	
7	Outermost region	
8	Cross-border cooperation area	
9	Transnational cooperation area	
10	Inter-regional cooperation area	
0	Not applicable	
Total		755.699.371

Annex 2. Summary table of objectives and indicators

Priority axis 1: Promoting entrepreneurship and adaptability									
The goal of the priority axis: Establishment of adaptable and competitive economy by investing into human resources development to acquire knowledge and skills, by training, educating and providing scholarships and by connecting economic, educational, R&D and employment spheres.									
Specific objectives	Result indicators	Base line	2013 target	Source	Description of main types of activities	Output indicators	Base line	2013 target	Source
1 - Numbers in bold text in the other columns refer to the specific objectives below.									
<u>Specific objectives:</u> 1. Enhancement of business R&D capacities and better cooperation among academic, research and economic spheres. <u>Target groups:</u> Experts and researchers for competitive enterprises: Enterprises and their employees, namely for researchers at knowledge institutions and at enterprises as well as for young, national, foreign highly educated personnel, who have just completed their studies.	No. of applicative technologies, patents and innovations for the needs of business sector as a result of activities supported – cumulative 1		115	CIS	- "Young researchers for the economy" strengthening post-graduate knowledge of HR in the economy - Stimulation of mobility of high qualified personnel - Setting-up of interdisciplinary groups working on R&D projects in the economy	Number of "young researchers" in the private sector due to the OP HRD implementation effect – annually 1 No. of transfers of highly qualified staff into or within business sector on the basis of OP HRD - cumulative 1	181	500	CIS
								450	CIS

<p>2. Promotion of HRD in enterprises with the aim of increasing employability and mobility of workers and strengthening competitiveness of the employers.</p> <p><u>Target groups:</u> Private sector – enterprises, including social enterprises, in particular SMEs’ and enterprises in areas lagging behind.</p>	<p>Average duration of training per employed person in supported enterprises after the project completion 2</p>		<p>Increase by 10%</p>	<p>CIS</p>	<ul style="list-style-type: none"> - Promotion of education and training of employees - Mentorship and tutorship schemes for transfer of knowledge, skills and competences - Various forms of stimulating enterprises to increase investment in human resources and measurement of quality of this investment 	<p>No. of employed persons involved in LLL – (cumulative) 2 - of which women</p>		<p>70.000 50%</p>	<p>CIS CIS</p>
<p>3. Establishment of a system of incentives via a systematic and comprehensive approach for matching the education system and the needs in the labour market so as to reduce structural imbalances in employment, improve qualification structure of HR and strengthen employability.</p> <p><u>Target groups:</u> Enterprises and economic associations, regional development institutions, municipalities, pupil and undergraduate and postgraduate students.</p>	<p>% of all scholarship recipients who maintained a job one year after the end of contractual obligations 3</p>		<p>90%</p>	<p>CIS</p>	<ul style="list-style-type: none"> - Incentives of uniform regional scholarship schemes - Other forms of scholarship schemes - Innovative scheme for matching study programmes with the needs of the economy 	<p>No. of scholarship schemes recipients - cumulative 3 No. of private co-financers of scholarship schemes 3</p>	<p>1100</p>	<p>47.500 2200</p>	<p>CIS CIS</p>

<p>4. Creation of new employment opportunities by fostering entrepreneurship, flexible forms of employment and other innovative approaches that prevent entry into unemployment.</p> <p><u>Target groups:</u></p> <p>Economy and public sector, individuals.</p>	No. of self employed – gross posts created – on the basis of supported activities; 12 months after the project completion 4		7.000	CIS/ ESS	<p>- Development of support structures, evaluations methodologies for recognition of informal and occasional knowledge, development and adoption of national vocational standards.</p> <p>- Stimulating and promoting entrepreneurship and innovation, including stimulating female entrepreneurship</p> <p>- Promoting and stimulating more flexible work arrangements</p>	No. of developed vocational standards 3,4	50	500	CVT
						No. of developed vocational catalogues 3,4	30	400	CVT
	Increased % of part-time employment in total employment 4	10%	15%	SORS		No. of projects in the field employment flexibility promotion – cumulative 4		175	CIS
						Number of start ups - cumulative 4	1527	8.400	CIS

Priority axis 2: Promotion of employability of the job-seekers and inactive									
The goal of the priority axis: Improve the conditions for job-seekers and inactive people to enter the labour market and employment.									
Specific objectives	Result indicators	Base line	2013 target	Source	Description of main types of activities	Output indicators	Base line	2013 target	Source
<u>Specific objectives:</u> 1. Encourage inactive persons for a successful entry into the labour market.	Number of beneficiaries in employment 12 month after project completion - cumulative 1,2		14.300	CIS/ESS	Information, counselling, motivation and life-long guidance 1-2	No. of participants involved in 2. priority axis (the whole period) 1-3		80.000	CIS
	Survival rate of subsidised jobs one year after project completion - 1,2		60%	CIS/ESS	Programmes projects encouraging the inactive to enter the labour market 1	- of which women 1-3		45.000	CIS
2. Increase outflow of the unemployed into the labour market.	% of young unemployed persons below 25 years benefiting from Active employment policy measures before reaching 4 months in unemployment and for adults before reaching 12 months in unemployment - 2	75%	100%	CIS/ESS	On the job training & other short term training 1-2-3	- of which inactive 1		8.000	CIS
					Stimulating employment in regions of low economic potential	No. of subsidised jobs for the unemployed - cumulative 2		6.400	CIS
					Employment innovative measures	- of which for women - 2		3.600	CIS

<p>3. Improve educational structure and qualification of the unemployed and inactive.</p> <p><u>Target groups: 1,2,3</u> - Individuals (unemployed and inactive people, job seekers, individuals involved in education and so forth) - Economic and public sector (employers, NGOs, chambers, associations and other).</p>	<p>% of long-term unemployed benefiting from Active Employment Policy measures - 2</p>	26.1%	28%	CIS/ESS					
	<p>Number of persons who acquired National Vocational Qualification – 2</p>	1.600	3.200	CIS/CVT					
	<p>Decrease share of unemployed without education or low level of education 3</p>	39%	29%	ESS	Education and training for unemployed 3				

Priority axis 3: Development of Human resources and Life-long Learning									
The goal of the priority axis: Human Resources Development for work and life in a knowledge based society by modernising the system of education and training and by stimulating Life-long Learning.									
Specific objectives	Result indicators	Base line	2013 target	Source	Description of main types of activities	Output indicators	Base line	2013 target	Source
<u>Specific objectives:</u> 1. Improvement in the quality of the education system along the entire vertical and of the training system including improvement in the qualification structure of the education providers. <u>Target groups:</u> Highly qualified education and training providers, training participants themselves, public funds, public institutions, representatives of NGO, list of beneficiaries is left as open as possible.	Share of renewed publicly approved study programmes in vocational education 1	5%	100%	CIS/ MES	– modernisation and development of new, more flexible and quality education and training programmes, including a development of a wide range of short, individualised formal and informal programmes, where vocational education and training of the adults are most important - instruments and mechanisms raising quality of education and training and evaluation systems - mechanisms and instruments raising literacy or foreign language skills - opening up of the education and training systems, via partnerships and appropriate information measures - access to ICT, digitalisation of materials and development of e-contents that would be implemented during education and training systems - improved competences of education providers in the education and training systems that work with youth and adults for the use of (most) modern forms and methods of teaching related to the use of ICT	Number of educational institutions included in the quality evaluation- 1	193 (i.e. 10% of all)	1205 (i.e. 61% of all)	CIS/ MES
	Share of renewed/ new publicly approved study programmes apart from vocational education below higher education level 1	28%	52%	CIS/ MES		Number of publicly approved education and training programmes (without higher education) involved in quality assessment- 1	72 (i.e. 31% of all)	294 (i.e. 87% of all)	CIS/ MES
						No. of educational institutions implementing Key Competence Programme 1	0	1370 (i.e. 43% of all)	CIS/ MES
						No. of e-projects for the needs of	0	130	CIS

<p>2. Augmentation in the participation of individuals in the education and training process thus ensuring greater employability and mobility.</p> <p><u>Target groups:</u> Highly qualified education and training providers, training participants themselves, public funds, public institutions, representatives of NGO, individuals, companies.</p>	<p>Share of renewed study programmes in higher education 1</p>	30%	100%	CIS/ MHEST	<p>- improved competences of principals and the management in the educational establishments for an autonomous role of those establishments and cooperation with the environment.</p> <p>- Implementation of the Bologna process with an emphasis on the modernisation of the study programmes and methods of teaching and support to the creation of new, modernised, higher education institutions.</p>	<p>training and education 1</p> <p>Number of publicly approved study programmes in higher education with external evaluation 1</p>	0	200 (i.e. 75% of all)	CIS/ MHEST	
	<p>Number of visiting foreign professors and experts in higher education (cumulative) 1</p>			150	CIS/ MHEST	<p>- Setting up a system of quality internationally comparable higher education system (external evaluations).</p>				
	<p>Share of adults successfully concluding education and training programmes 2</p>	30%	80%		CIS/ MES	<p>- co-financing participation in education in order to increase the adult educational level</p> <p>- raising literacy level with various forms of educational and training programmes,</p> <p>- training for the development of new competencies</p>	<p>No. of participants of the programmes of education and vocational training – cumulative-1,2</p> <p>-Out of which adults not employed in the education and vocational training</p>	0	63.000	CIS
								33.000	CIS	

						system 2			
						No. of education and training days per participants - 2		10	CIS/MES

Priority axis 4: Equal opportunities and Promotion of social inclusion

The goal of the priority axis:

To reach higher level of social inclusion, to diminish the risk of social exclusion for vulnerable groups and through fighting against all forms of discrimination also contributing to the concept of equal opportunities.

Specific objectives	Result indicators	Base line	2013 target	Source	Description of main types of activities	Output indicators	Base line	2013 target	Source
<p><u>Specific objectives:</u> 1. Enable the access to employment and training for the vulnerable groups by developing social and other innovative forms of entrepreneurship that create new jobs and disseminate social and other services of public importance.</p> <p><u>Target groups:</u> Economic, public and non-governmental sector (employers, enterprises, agencies, chambers, associations, institutions, NGOs) and all vulnerable groups and individuals in the labour market.</p> <p><u>Target groups:</u> Employability of vulnerable groups in the field of culture: Natural persons that are members of vulnerable groups and legal persons that act in the field of vulnerable groups, which refers to Hungarian and Italian ethnic minorities, Roma community, other ethnic groups (particularly from former Yugoslav republics) and immigrants, persons with different forms of disability (motoric, sensory and mental impairments) and specific social groups (young facing difficulties in obtaining a job, senior</p>	No. of gross jobs created for vulnerable groups – cumulative 1		1025	CIS	<ul style="list-style-type: none"> - Creation of new opportunities to access the employment and training, creation of new jobs - Foster social entrepreneurship - Support innovative measures of local, regional, national or transnational cooperation - Promotion of awareness in relation to employment of vulnerable group <p>Employability of vulnerable groups in the field of culture: Training:</p> <ul style="list-style-type: none"> - training for improved employment opportunities of vulnerable groups - training for gaining knowledge in the field of cultural project management for the projects that are carried out by the organisations and self-employed in the field of culture and creative sector - development of teaching 	<p>Number of participants involved in the 4. priority axis – cumulative 1,2</p> <p>- of which for women 1,2</p> <p>- of which for young people 2</p> <p>Number of projects co-financed – cumulative 1,3</p> <p>- of which projects in the field of culture - 1</p>		12.000	CIS
								7.000	CIS
								3.000	CIS
								285	CIS
								60	CIS

<p>citizens, women) Employees in public and non-governmental sectors and self-employed in the field of culture.</p>					<p>materials and training methodologies, adjusted to the needs of vulnerable groups working in the field of culture and creative sector, - training of education/training providers for work with vulnerable groups - assistance in obtaining work experience via support for self-employment in the field of culture and creative sector - alternative forms of employment services (assessment of the needs and development of specific skills, competences and knowledge for culture and creative sector, assistance in job-seeking, self-employment and labour market integration in culture and creative sector) - counselling and informing of vulnerable groups about their creative potentials and (self)-employment and business activity in culture and creative sector - informing of organisations and self-employed of creative potentials of vulnerable groups for their integration in the work purchase of adjusted equipment needed for work of vulnerable groups members at their specially adapted workplaces</p>				
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<p>2. Promote equal opportunities and social inclusion among the young, in particular on the education and training system.</p> <p><u>Target groups:</u> Highly qualified private and public institutions in the field of education and training and entities, whether public or private, that deal with the drawing up and implementation of programmes, NGOs.</p> <p>3. Enhance awareness of public of equal opportunities as positive social values and stimulate the employers to abolish discriminatory practices in the employment.</p>	<p>No. of children benefiting from accessibility and equal opportunities programmes in education and training system - cumulative 2</p> <p>The evaluation on the effectiveness of discouraging discriminatory practices in employment.</p>	<p>0</p>	<p>30.000</p>	<p>CIS</p>	<p>- Drawing up programmes adjusted to the needs of target population with a view to effective integration in the education system - Drawing up programmes and their implementation for successful integration of vulnerable groups in the education and training systems - Drawing up and implementation of programmes for a more effective realisation of the inclusion concept for the children with special needs</p> <p>- support to innovative measures and projects related to combat against any discrimination pertaining to employment and labour market - awareness raising actions against discriminatory practices in the labour market</p>	<p>No. of educational institutions participating in the accessibility and equal opportunities programmes for education and training systems 2</p>	<p>0</p>	<p>80 (i.e. 6% of all)</p>	<p>CIS</p>
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Priority axis 5: Institutional and administrative capacity									
The goal of the priority axis: Development of appropriate institutional and administrative capacities for effective structural adaptation, growth, job and economic development.									
Specific objectives	Result indicators	Base line	2013 target	Source	Description of main types of activities	Output indicators	Base line	2013 target	Source
<u>Specific objectives:</u> 1. Ensure efficiency and effectiveness of public sector, including in health and justice , comparable level to the level to other EU MS and valid standards.	Number of days necessary for establishing a corporate entity 1	61	7	MPA	- developmnet of public management - development of a system ensuring efficiency, effectiveness and quality of public administration operations	Number of e-government services accessible over the internet 1	308	323	CIS/MPA
<u>Target groups:</u> 1a. Efficient and effective public administration: all level of managerial structure in the public administration, legislation drafters and also all public administration employees who contribute to public administration services and at the same time, it must offer support to its employees in order to raise their efficiency and effectiveness.	Level of e-government "on-line availability" (in %) 1	87	95	EC	- E-administration: State portal E-administration - modernisation and linking official records and data exchange with the EU	Number of trained persons in the health systems in the area of quality and safety– cumulative 1		500	CIS/MH
1b. The target group of modernisation of justice are especially: decision makers, judges, prosecutors, state defenders, lawyers, assisting personnel, assistants, experts assistants in the judicial bodies, office of the public prosecutor, office of the state defenders and administration in other judicial bodies.	Reduced average duration time for juridical procedure (in months) 1	9.5	6	MJ	- ICT Infrastructure - modernisation of justice - modernisation of healthcare processes - rise in the quality level of healthcare processes via education and training of target groups	Number of health care entities benefiting from the OP with established quality systems 1	4	50	CIS/MH
1c. Healthcare in the information age more efficient operating of healthcare system: all participants in healthcare.	Increased usage of ICT, e-contents and e-services by medical personnel 1	60%	80%	MH	- provision of overall quality in the healthcare system				
	Increase in public e-health care accessibility (as share of all	22%	40%	MH					

<p>2. Augment the level of quality and effectiveness of the labour market institutions when providing employment and increasing employability of the service users. <u>Target groups:</u> Reform of the institutions in the labour market: Institutions in the labour market (employment service of Slovenia, departments of social security, fund for the development of personnel and scholarships, employment agencies and so forth)</p>	health care users) 1								
	Number of trainings per employee at the employment office – annually 2	2,8	5,0	ESS	- Modernisation of Employment Service - adjustment and strengthening of the organisation, operations and activities of the ESS for new challenges in the labour market	Number of trainings for employees at employment service 2	50	100	CIS/ESS
	Share of successful placements relative to all job intermediations by employment office 2	6%	10%	ESS	- Re-organisation of Departments of Social Security - Mobilising the reforms in the area of employment, training and inclusion by stimulating the development of partnership (networks) between relevant actors at the national, regional and local levels				
	Number of e-services intended for unemployed persons and employees in employment service 2	7	14	ESS					
	The evaluation								

<p>3. Reinforce civil and social dialogue and the competence of the non-governmental sector and of social partners to secure the services that are conducive to growth and job creation.</p> <p><u>Target groups:</u></p> <p>3. Promotion of the development of NGO and social dialogue: NGOs, social partners (trade unions, employers).</p>	<p>on the contribution of the OP to the institutional and administrative capacity-building of the NGO sector.</p>				<p>Support to the development of NGO and civil and social dialogue with:</p> <ul style="list-style-type: none"> - strengthen institutional capacities and efficiency - strengthening capacities for policy and programme implementation in relevant fields - education and training provided for social partners as well as other forms of capacity-building provided for them 	<p>Number of NGO and social partners representatives involved in education and training 3</p>	500	CIS
						<p>- Of which social partners representatives 3</p>	50	CIS
						<p>Number of NGOs beneficiaries or project promoters 3</p>	85	CIS