



STABILITY PACT FOR SOUTH EASTERN EUROPE

Initiative for Social Cohesion



REPUBLIC OF SLOVENIA
MINISTRY OF LABOUR,
FAMILY AND SOCIAL AFFAIRS



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Press Release

Initiative for Social Cohesion tackles Pension System Reforms

Pension systems make a fundamental contribution to social cohesion, poverty reduction and solidarity. At the same time, all the pension systems of South Eastern Europe face a need to strengthen their financing and, more generally, problems of macroeconomic sustainability, especially in light of the transition process and of the expected aging of the populations. The reform of the pension system is closely linked to the performance of national economies, the success of economic reforms and the preparation of accession to the European Union.

Under the auspices of the Initiative for Social Cohesion of the Stability Pact for South Eastern Europe, a conference on the restructuring of pensions systems in South East Europe was held on 4 – 5 November 2002 in Ljubljana. The Ministry of Labour, Family and Social Affairs of Slovenia, the Council of Europe, the International Labour Organisation, and the French Government jointly hosted the conference. The aim of the conference was to provide a forum for discussion between government officials responsible for policy formulation and administration of pension systems and social partners from the Region. Representatives of the European Commission, USAID, and the World Bank also attended.

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The debates focused on different examples of reform carried out in the 1990s in the neighbouring countries of Central and Eastern Europe. On the one hand, the conference examined the pension reforms being undertaken by Hungary and Poland, both of which are replacing a portion of their public pension schemes with mandatory systems of commercially managed individual savings accounts. On the other, it examined reforms in Slovenia and the Czech Republic, which have concentrated on the restructuring of the public pension schemes, while establishing voluntary supplementary pension provision. It was found that each system had its merits and drawbacks and that there was no single model of pension reform. Each country had to restructure its system in the light of its own preferences and country circumstances, while respecting a number of internationally agreed principles, in particular the ILO social security minimum standards and the European Code of Social Security.

The key issues that emerged from the discussion were: the need to improve the collection of contributions, the need to strengthen the governance of pension schemes and the need to streamline their administration so as to enhance public confidence. The importance of transparency in scheme administration was also stressed, as was the need for public information and the involvement of the social partners in the pension policy making and management.

The conference discussed the most pressing needs for technical assistance, particularly in the areas of institutional strengthening of pension schemes and regional co-operation, including the inter-relations amongst the schemes of the successor states of former Yugoslavia.

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