

SGI Sustainable Governance
Indicators 2009

Slovakia report



Executive summary

From 2002 to 2006, Slovakia was governed by a center-right coalition led by Mikulas Dzurinda that adopted far-reaching economic reforms. In the eyes of many observers, the “Dzurinda Revolution” made Slovakia a role model for several countries, not only its East-Central European neighbors. Despite the successes of the incumbent government, the 2006 parliamentary elections, which were held slightly ahead of schedule because of a coalition crisis, resulted in a change in government and catapulted a leftist-populist coalition into office. (Please note that while the qualitative assessments in this report refer to the period under review from January 2005 through March 2007, all numerical scores in the report refer to the Dzurinda government only.)

Free, fair and inclusive, the elections marked another milestone in the successful consolidation of Slovakia’s democracy. The country enjoys the benefits of free media, general respect for civil rights and the widespread application of the rule of law. However, discrimination – most notably of the Roma – continues despite improvements in legislation, and corruption remains considerable.

Since the 2006 elections that ushered in Robert Fico and his Direction-Social Democracy (Smer-SD) party, the state of affairs in Slovakia has deteriorated. The Fico government has shown less respect than its predecessor for media freedom, judicial independence and the law in general. It has also demonstrated a weaker commitment to fighting discrimination and corruption.

The Slovak economy showed strong growth from 2005 to 2007 that has been fostered by economic reforms underway since 2002 and fueled by strong FDI inflows. Though still high, unemployment has fallen substantially during this period. In 2005/06, the Dzurinda government continued its liberal economic policy. Seeking to complement the liberal tax and labor market reforms begun before 2005, the Dzurinda government intensified its enterprise policy. It also refrained from tightening the budget further in 2005/06, but kept its eyes on the goal of making euro zone entry in 2009 possible.

The Dzurinda government’s social policy focused on health care, but it failed to complete reforms before the elections. The government also continued to implement the comprehensive pension reform it had adopted in 2004. In

contrast, the government paid less attention to family policy and did little to ease the reconciliation of parenting and employment. While some of the Dzurinda government's reforms were criticized as undermining social goals, their overall effects on inequality and poverty have been modest.

Security issues have featured relatively prominently in Slovak debates. The Dzurinda government endeavored to make Slovakia a reliable member of NATO. It made participation in peacekeeping missions a policy priority, and it was quite active in the field of development aid. It also initiated first attempts at developing a modern integration policy. Despite continued efforts to modernize the police, however, crime has remained a problem.

The Dzurinda government undertook some attempts to foster R&D. Education reform, however, fell victim in part to the coalition crisis of early 2006 and the earlier-than-scheduled elections. Environmental policy benefited from EU accession, but was not a government priority.

The 2006 change in government has not, thus far, resulted in major policy changes. While the Fico government has carried out what amounts to an about-face on certain policy issues, it has left the bulk of the Dzurinda reforms untouched. Changes include launching a moderate re-regulation of the labor market, expanding the state's role in health care, and allowing the government to overshoot the fiscal deficit target in 2006. The Dzurinda government's controversial tax reform has remained in place and Slovakia's euro zone entry in 2009 remains on the agenda.

In adopting reforms, the Dzurinda government benefited from a strong executive capacity. Although it lacked a clear parliamentary majority, the government enjoyed a high degree of political and ideological coherence, solid strategic planning and a strong reliance on expert advice. Steeped in a strong departmentalist tradition, cabinet committees and the Coalition Council nonetheless provided for far-reaching interministerial coordination.

For the most part, the Dzurinda government left the formal organization of central government untouched but launched a far-reaching process of decentralization in administrative and fiscal matters that vested local and regional governments with new competencies. For its part, the Fico government has paid much less attention to the principle of subsidiarity, and it has started to renege on the competencies and finances of the different tiers of government.

Executive accountability has suffered from the population's limited knowledge of policy and political affairs. In contrast, the National Council's rights and resources have been relatively strong. An audit office and an ombuds office with far-reaching competencies, both accountable to the Council, have

contributed to providing a check on the powers of the executive. Party platforms have varied widely in terms of their overall coherence. Whereas the Slovak Democratic and Christian Union (SDKÚ-DS), the leading party of the Dzurinda government, put forth a relatively consistent agenda, the coalition partners of the Fico government campaigned on populist platforms. Finally, though tremendously active, interest associations have yielded a highly selective impact on government policies, which has proven dependent on the individual parties' political orientation.

Strategic Outlook

Reforms carried out by the Dzurinda government have contributed to Slovakia's prospering market economy and have made the country a model for effective economic reform. There is, however, a lot of unfinished business as unemployment remains high, especially in the eastern parts of the country, and continued fiscal restraint is necessary if euro zone entry is to be achieved in 2009 as planned. Reforms begun under the Dzurinda government in both health care and the education system have yet to be completed under the Fico government.

Remaining an attractive FDI target while simultaneously reducing its dependency on such investment is arguably Slovakia's greatest current economic challenge. At the moment, Slovakia enjoys low labor costs and a favorable reform record, most notably in terms of low taxes. However, both advantages are difficult to sustain. In the medium- to long-term, the country cannot rely on cheap labor, and some of the neighboring countries have already joined the bandwagon and begun lowering their taxes. If Slovakia wants to continue attracting investment, it needs to strengthen its policies on research, innovation and education. Doing so will also help make domestic enterprises more competitive and diversify the economy, which, as it stands, is highly dependent on the automobile sector.

The fight against social exclusion constitutes another major challenge. The Roma population, which is still largely excluded from the labor market and faces strong discrimination, is the primary concern here. There are also strong regional disparities within Slovakia that need to be addressed. In order to improve opportunities for those in the eastern regions – which have so far reaped little from FDI inflows – special investment incentives as well as a stronger focus on mobility in labor market policy are needed.

Finally, decision makers need to strengthen institutional capacity. This includes taking a tougher stance on corruption, improving RIA and training, expanding formal planning devices and introducing mechanisms to monitor institutional arrangements regularly. Such reforms would complement the success of the Dzurinda government's decentralization and would make executive capacity less dependent on the quality and commitment of the government of the day.

The Fico government has done little to address these challenges so far. Suffering from internal coherence, it has failed to develop a clear alternative vision for the country and has made only minor amendments to the Dzurinda reforms. Most of the adopted measures have pointed in the wrong direction. Instead of strengthening R&D, the Fico government has cut public spending on R&D and has expanded subsidies to traditional sectors such as agriculture or public transport. By taking a more lenient approach toward corruption and by politicizing public administration, it has weakened rather than strengthened institutional capacity. These developments, as well as the composition of the governing coalition – especially the participation of the xenophobic and anti-Hungarian Slovak National Party – have raised strong concerns among foreign observers about the course of the current government. Although the dire scenarios of a full-blown reform reversal have not materialized, the Fico government nonetheless could blow Slovakia's hard-earned good reputation among international actors.

Status Index

I. Status of democracy

Electoral process

Fair electoral process

Score: 10

The registration of parties and candidates is regulated by the constitution, the Election Act and the Act on Political Parties. Candidates must be older than 21 and can be registered either as party candidates or as civic candidates. To register, civic candidates must collect a minimum number of signatures from their supporters. The constitution forbids the very existence of fascist, extremist and racist parties. This provision has been applied only once – in March 2006, the Supreme Court dissolved the Slovak Community - National Party. In 2004, the requirements regulating parties' participation in national elections were tightened. Since then, parties have been requested to submit a petition of 10,000 citizen signatures to register for parliamentary elections. Moreover, they must make a deposit of 500,000 Slovak crowns (€13,300), which is returned only to those parties that receive at least 3 percent of the vote. These requirements have not, however, genuinely stifled electoral competition.

Fair electoral campaign

Score: 9

Electoral and media law is directed at providing parties equal access to the media. Public media sources are bound by law to broadcast advertisements of all parties participating in elections and to air political debates that include all parties registered for elections. Since 2006, commercial TV stations have been allowed to broadcast political advertising paid for by parties. This has increased the media presence of the bigger – and wealthier – parties. By and large, however, media coverage of different political positions has been fair and balanced. Campaign fairness has benefited from the fact that bias in the programming at Slovakia's most influential TV station, TV Markíza, has decreased since Pavol Rusko – the station's (former) co-owner and director who simultaneously chaired the New Citizens Alliance (ANO) party – sold his

stake in 2005.

*Inclusive
electoral process*

Score: 9

The electoral process is largely inclusive. Almost all citizens above 18 years of age can participate in elections. There is a special electoral register for traveling communities, most notably Roma, and other Slovak citizens without permanent residence in the country. In the 2006 parliamentary elections, Slovak citizens abroad were allowed to vote by mail for the first time. However, electoral participation is restricted by the blanket disenfranchisement of convicted prisoners, which is not in line with the European Convention on Human Rights.

Access to information

Media freedom

Score: 7

Article 26 of the constitution, the Press Act and the Act on Broadcasting and Retransmission guarantee media freedom. Since the end of communism, independent councils elected by parliament have supervised Slovak Television (STV) and Slovak Radio Broadcasting (SRo). The election of directors has been highly politicized, with the position of the director of the Radio Council remaining vacant for six months in 2005/06. During its time in office, the Dzurinda government refrained from openly intervening in the media.

There is, however, some evidence of self-censorship occurring in both public and private media that can in part be attributed to the legal provisions on libel. Journalists can be easily accused of defamation and slander, which are treated as criminal offenses. The Dzurinda government made frequent use of this option.

Since the 2006 change in government, the laws regulating STV and SRo have been amended to effectively lower the required quorum for electing general directors from a two-thirds majority to an absolute majority of all members of supervisory organs. The change in voting rules, which had been prepared by the Dzurinda government, was aimed at preventing future vacancies at the top of the public media, but is likely instead to compromise their independence.

The Fico government openly criticizes the media for being hostile to the government. Its verbal attacks have raised some concerns about journalists being intimidated and government intervention in the media.

Annotation:

The score lies outside the range of the expert scores. The qualitative assessments, as well as comparative considerations, suggest a lower score.

*Media pluralism**Score: 7*

Media pluralism in Slovakia is facilitated by a diversified ownership structure. Slovak TV, with two channels, competes with three private television stations (TV Markíza, TV Joj, TA3) belonging to two different owners. On the radio market, public radio (Sro) has five channels that coexist with roughly ten national private radio stations and a number of local and regional stations. The market leaders are the private radio station *Expres* and *Radio Slovensko*, and the first channel of Slovak Radio, with each accounting for roughly one-fifth of all listeners.

Print media also show a diversified ownership structure. All of the main dailies, weeklies and journals are in the hands of foreign owners (i.e., *Ringier*, *Daily Mail* and *General Trust*, *Petit Press*, *Handelsblatt*). Although the Anti-Monopoly Office is technically charged with monitoring the media market, the market is nontransparent due to legislative shortcomings. The shrinking number of newspapers and regional and local stations constitutes a further problem as the transparency and media coverage of local politics has decreased.

*Access to government information**Score: 8*

The constitution provides for a general right of access to information and a specific right of access to environmental information. In May 2000, the Act on Free Access to Information was approved, guaranteeing the right of any person or organization to demand information held by state agencies, municipalities and private organizations making public decisions. The body must respond no later than 10 days after receipt of the request and must keep a registry of requests.

Subsequent legal changes have been ambivalent. On the one hand, an amendment to the act on administrative proceedings, effective as of November 2004, has further strengthened a citizen's right of access to information. All authorities must post details of their decisions on the Internet or an accessible notice board. The amendment requires authorities to inform the public about everything that could constitute a "subject of public interest." Citizens have the right to appeal to higher administrative levels and appeals can be reviewed by a court. On the other hand, a new Act on Protecting Classified Information, which went into effect in May 2004, gave public bodies greater scope in classifying information. In practice, the provisions work rather well. Thanks to the activities of NGOs, the legal requirements are widely respected. Occasional violations of the law are publicized, and there is a "competition" for the most outrageous case of not providing requested information. Usually this "reward" goes to local self-governments. A number of court cases show that the mechanisms for appeal work as well.

Civil rights

Civil rights protection

Score: 7

Civil rights are protected by the Slovak constitution and other laws and are largely respected by state institutions. In addition to the courts, several other institutions, such as a public defender of rights, an ombudsperson, the Slovak National Human Rights Center and several influential NGOs (e.g., Charta 77, Helsinki Committee, Milan Simecka Foundation, Amnesty International) are actively engaged in civil rights protection.

Ordinary courts constitute the weakest link in the chain in protecting civil rights. Due to the heavy workload and the at times inadequate professional qualification of some judges, court proceedings are unduly protracted. The majority of complaints brought to Slovakia's Constitutional Court and the European Court of Human Rights are cases involving drawn-out proceedings that have violated citizens' constitutional right to a lawsuit without unnecessary delays. A further problem is the low public knowledge of, and concern for, civil rights. According to one survey, a majority of citizens believe that NGOs are the key player in the protection of civil rights and only 30 percent favor an involvement of state institutions in this field (Slovak National Center for Human Rights 2006).

Annotation:

Slovak National Center for Human Rights, 2006: Representative survey of the observance of human rights and principles of equal treatment of citizens in Slovakia, Bratislava: Slovak National Center for Human Rights.

Non-discrimination

Score: 6

The constitution and related laws prohibit discrimination. In 2004, and after long political battles combined with strong pressure from NGOs and the European Union, an anti-discrimination law was adopted. However, the presence of profound legal loopholes have compromised the law, and there have been only a few cases brought to court so far. In a controversial decision, the Constitutional Court declared unconstitutional part of the law's provisions on affirmative action for ethnic minorities.

The Dzurinda government demonstrated a narrow understanding of gender-related policies and was skeptical of cross-cutting gender mainstreaming policies. Existing legislation and institutions have failed to prevent much in the way of discrimination toward especially women, the Hungarian ethnic majority and, above all, the Roma.

Since the 2006 elections, the return to government of the Slovak National Party (SNS) and the People's Party-Movement for a Democratic Slovakia (ĽS-HZDS) – two parties with a strong anti-Hungarian, anti-Roma and homophobic record – has raised concerns about the Fico government's commitment to combating discrimination.

Rule of law

Legal certainty

Score: 7

Government and administration have largely acted on the basis of the law. In contrast to past governments, both the Dzurinda and the Fico governments have, for the most part, followed legislative procedures and have refrained from circumventing parliament by making use of "fast-track" procedures introduced to harmonize legislation with the European Union in the late 1990s. However, legal certainty has suffered from contradictory legal provisions and frequent amendments (Procházka et al. 2006). The Social Insurance Act, for instance, was amended 17 times from 2004 to 2006. In some cases, catering to investors, such as the car manufacturer KIA, has been associated with violations of the law in that the interests of investors have been given priority over acquired rights and the principle of equality before the law. Respect for the law has diminished in government and administration offices under the Fico government (Procházka et al. 2007).

Annotation:

Radoslav Procházka, Andrea Földesová, Marek Kaľavský, and Ladislav Orosz, "Rule of Law, Legislation and Application of Law," in *Slovakia 2005. A Global Report on the State and of Society*, ed. Martin Bútorá, Miroslav Kollár, and Grigorij Mesežnikov (Bratislava: Institute for Public Affairs, 2006), 89–117.

Radoslav Procházka, Marek Kaľavský, and Ladislav Orosz, "Rule of Law, Legislation and Application of Law," in *Slovakia 2006. A Global Report on the State and of Society* (see above), 125–149.

Judicial review

Score: 7

Since the collapse of communism, Slovakia's judicial system has found new footing and has been undergoing gradual modernization. Essentially free from unconstitutional interference by other institutions, the Constitutional Court is highly respected and enjoys a strong reputation, not the least because of its clear commitment to democracy and the rule of law during the Mečiar period.

With a large number of cases to handle and a small number of requests to

review new laws, the Court does not engage heavily in judicial review. The National Council's indecision on candidates for the Court have left it with two long-standing vacancies, which have kept it from operating at full capacity. The functional ability of ordinary courts is in part limited by overload and corruption. According to a 2006 study by Transparency International in Slovakia, 47 percent of the population believes that corruption is very frequent in the judiciary system. Only the health system was held to be more corrupt by the respondents.

Since the 2006 change in government, Justice Minister Štefan Harabin's plans to abolish the new special court and special attorney for cases of corruption, organized crime and improper public procurement practices, as well as his attacks on the personal and professional integrity of Milan Karabín, the chief justice of the Supreme Court, have raised some concerns about the judiciary's independence.

*Corruption
prevention*

Score: 5

There have been several anti-corruption measures adopted since 2002, including more transparent rules on public procurement, and mandatory asset and property declarations. In 2005, the Dzurinda government passed a new act affecting political parties and political movements that included special anti-corruption provisions while establishing a special court and a special prosecutor's office for corruption cases to improve enforcement. Further measures, including a bill on lobbying, were prepared, but did not pass because of the lack of support in the National Council at the end of the term.

Although the legal framework for battling corruption has improved, the implementation and enforcement of these laws have remained weak. From January 2005 to October 2006, although the police investigated 530 cases and investigators made 167 charges, the courts sentenced a mere 16 people for corruption. Citizens have been reluctant to cooperate with the police and the courts, and the evidence gathered by the police has often been weak. While three ministers were forced out of cabinet after being accused of corrupt behavior, Prime Minister Dzurinda himself failed to refute allegations of illegal party financing and improper deals with non-affiliated members of the National Council. The Fico government has so far paid little attention to the fight against corruption.

II. Economic and policy-specific performance

<i>Basic socioeconomic parameters</i>	<i>score</i>	<i>value</i>	<i>year</i>
GDP p.c.	2.19	15983 \$	2005
Potential growth	10	7.3 %	2008
Unemployment rate	1.33	13.4 %	2006
Labor force growth	3.64	0.6 %	2007-2008
Gini coefficient	9.46	0.241	1996
Foreign trade	5.1	55.91	2005
Inflation rate	5.88	2.7 %	2007
Real interest rates	10	1.8 %	2007

A Economy and employment

Labor market policy

Score: 7

Unemployment in Slovakia is among the highest in the EU-25, but has dropped substantially since 2001. Labor market reforms undertaken by the Dzurinda government, including the liberalization of labor law, cuts in unemployment benefits, the introduction of welfare-to-work programs and individualized job counseling, constitute an important aspect of this development (OECD 2007). However, the Dzurinda government also kept spending on active labor market policy relatively low, especially in the eastern regions where the unemployment rate is highest and long-term unemployment looms large. Steps taken by the Fico government in the opposite direction, namely toward re-regulation of the labor market, might have adverse effects on employment figures.

Annotation:

OECD, Economic Survey of the Slovak Republic 2007 (Paris: OECD, 2007).

Enterprise policy

Score: 6

Enterprise policy in Slovakia has traditionally been weak. In a 2004 European Commission report, Slovakia scored lowest in the EU-25 on almost all dimensions of enterprise policy (European Commission 2004). In 2005, the Dzurinda government intensified its enterprise policy hoping to complement the liberal tax and welfare reforms. It increased financial support for foreign investors, especially for those investing in regions with high unemployment and/or in R&D. It also strengthened its research and innovation policy and tried to intensify competition in the domestic market, especially in the network industries. Part of a comprehensive "Lisbon Strategy for Slovakia," these measures were in line with reform strategies developed at the EU level, but the effects thereof have so far been limited.

Annotation: European Commission, A pocketbook of enterprise policy indicators. How Member States and candidate countries rank in the 2004 enterprise policy scoreboard. (Luxembourg: Office for Official Publications of the European Communities, 2004).

Tax policy

Score: 9

The Dzurinda government adopted a radical tax reform in 2004 which introduced a uniform ("flat") tax rate of 19 percent for personal income, corporate income and consumption (VAT). It also abolished existing taxes on real estate transfers, gifts, dividends and inheritance, and closed a number of tax loopholes. The tax reform, which has received much international acclaim, has substantially increased the Slovak tax system's competitiveness. And by stimulating economic growth, it has also helped improve the country's fiscal stance. Although the tax system is less progressive than before, most citizens have benefited from the net effects of the tax and welfare reforms adopted. In the wake of reform implementation, the Dzurinda government resisted the temptation to water down some of the more unpopular changes, but left the high social insurance contributions untouched. Despite campaign promises to undo the "unsocial" flat tax, the Fico government has so far refrained from initiating major changes to the tax system.

Budgetary policy

Score: 7

The Dzurinda government substantially reduced the fiscal deficit in 2003, and it succeeded in keeping the deficit at about 3 percent of GDP, with a view to making euro zone entry possible in 2009. The decline in deficits has been accompanied by a decrease in government spending and has contributed to a reduction in the public debt, which stood at a 12-year low in 2006. Despite strong economic growth and calls from the European Commission, the Dzurinda government refrained from further fiscal tightening in 2005/06. The Fico government was quick to announce its commitment to euro zone entry in 2009, but overshot the deficit target in 2006.

B Social affairs

Health policy

Score: 6

Slovakia moved from a Soviet-style national health system to a health insurance system in the 1990s. The latter has provided universal access to reasonably good health care, but has suffered from inefficiencies and rising costs. Upon coming to power in 2002, the Dzurinda government began reforming the health care system to increase the system's efficiency and to reduce costs. It aimed to introduce a two-tier system consisting of a mandatory health insurance scheme with competing insurance funds to finance a basic basket of services and voluntary health insurance schemes covering additional services. Because of the partial privatization of health care, reforms were highly unpopular. Confronted with heavy political resistance, the Dzurinda government failed to complete the reforms before the 2006 elections. The government postponed the privatization of state-run hospitals and defining the universal level of health care services. For its part, the Fico government has partially undone some of its predecessor's reforms and has increased the state's role.

Social cohesion

Score: 7

Income disparities have grown since 1989, but remain limited in absolute terms. There are also some regional disparities, with the eastern regions of the

country (e.g., Košice, Prešov) lagging behind. With the exception of the Roma minority, however, poverty is relatively limited. While some of the Dzurinda government's reforms were criticized as undermining social principles, most notably the cuts in social spending and the 2004 tax reform, their overall impact on inequality and poverty has been less clear and appears modest. When the Fico government came into power, it promised to correct the "neoliberal" bias of its predecessor and to restore social cohesion. To date, however, changes have been moderate.

Family policy

Score: 5

Slovakia's female employment rate is relatively low, particularly for women aged 25 to 34, the most important age cohort in the context of family policy. Reasons include a low incidence of part-time employment (only 2.6 percent of all employees), tax disincentives associated with tax splitting, and limited child care facilities, especially for children under the age of three. Moreover, generous parental leave provisions have given mothers few incentives to return to the labor market quickly, but have put a premium on staying at home. Both the Dzurinda and the Fico governments have done little to address these problems and to facilitate the combination of parenting and employment.

Pension policy

Score: 9

Slovakia introduced a three-pillar pension system in accordance with World Bank guidelines in 2004. With one-half of the overall pension contribution rate of 18 percent flowing into private funded accounts, the mandatory second pillar is quite large. Thanks to the robust development of capital markets, pension funds have performed well and have been quite popular. In addition to the new labor market entrants, who are obliged to contribute to the second pillar, about 1.5 million Slovak citizens have entered the second pillar voluntarily.

While the reforms have improved the system's sustainability, the first pillar suffers from fiscal problems. Although the standard retirement ages were set to increase to 62 years in 2006 (men) and 2014 (women), they remain relatively low. The tightening of the contribution-benefit link is likely to increase future poverty among retirees with irregular employment histories. The Fico government has aggravated the first pillar's fiscal problems by introducing a Christmas bonus for retirees. It has also announced plans to strengthen the first pillar, which will likely be to the detriment of the second pillar.

C Security and integration policy

Security policy

External security

Score: 8

NATO and EU membership remained a controversial subject in Slovakia until the end of the 1990s. Since then, a broad consensus has emerged in which membership in both organizations is perceived as serving the national interest. The Dzurinda government, which made NATO and EU membership a top priority, achieved these goals in 2004. In its attempts to present the country as a reliable member of the western security alliance, it adjusted the Slovak security and defense policy in accordance with NATO's transformation and the formation of the European Security and Defence Policy (ESDP). The Slovak army has also been modernized through the acquisition of modern military equipment and the decision to move from a compulsory to a professional army. However, from 2005 to 2007, the number of soldiers dropped from 20,000 to 17,800 and stagnating spending has slowed modernization efforts. It is therefore possible that the Slovak army may not be able to meet some key commitments, including the pledge to provide its first certified military units for the NATO Response Force and EU Battle Groups.

Internal security

Score: 7

Internal security has featured prominently on the political agenda. While violent and property crime have decreased, economic and organized crime, as well as drug production and trafficking, have increased. To make matters worse, there are several loopholes in the legislation on these issues, including witness protection. During its tenure, the Dzurinda government failed to pass a bill requiring that the origin of assets be demonstrated.

The police force, which was reorganized in 2004, has been modernized in preparation for Slovakia's accession to the Schengen Group, but its efficiency is undermined by underfunding, corruption and a low level of trust among the population. Cooperation between the police and the Slovak Intelligence Service (SIS) is weak and has not been treated as a priority. Control over the SIS is a highly politicized issue, not only between government and the opposition, but also within the governing coalitions.

Annotation: The score lies outside the range of the expert scores. Comparative considerations suggest a lower score.

New security

Slovakia has dealt with new security risks within the framework of NATO and

policy

Score: 8

the European Union. It has participated in crisis management missions carried out by NATO (e.g., in Kosovo and Afghanistan), the European Union (in Bosnia and Herzegovina) and other international organizations (UN) and ad hoc coalitions (in Iraq). Having considered this participation a priority in Slovakia's security and defense policy, the Dzurinda government was quite active in the field of development aid and established the Slovak Agency for International Developmental Aid (Brocková 2007). Capitalizing on its own earlier experience as an aid recipient, Slovakia has also shown strong participation in development projects co-financed and co-managed by the Austrian government and the Canadian Development Agency (CIDA).

Annotation: Ingrid Brocková, "Slovakia's Foreign Development Aid," in Slovakia 2006. A Global Report on the State and of Society, ed. Martin Bútorá, Grigorij Mesežnikov, and Miroslav Kollár (Bratislava, Institute for Public Affairs, 2006), 311–326.

Integration policy

Score: 4

The integration of migrants is a relatively new problem in Slovakia, which has historically been a source rather than a destination country for migrants. The number of migrants remains very low, the bulk of them being illegal migrants on their way to other countries. The low level of tolerance for migrants among Slovaks who have little experience with foreign populations has stymied integration.

Since 2005, however, integration policy has featured more prominently in government largely due to EU membership requirements and other international obligations. Adopted measures have been limited and lack a coherent framework. In April 2006, the government established a Migration Information Center with offices in Bratislava and Košice to facilitate social and labor market integration by providing information and assistance to migrants.

D Sustainability

Environmental policy

Score: 4

Environmental policy has not been a government priority and most initiatives have been driven by EU obligations or NGO pressure. The European Union

finances more than half of the Ministry for the Environment's budget. While EU directives have been fairly well implemented, the ministry has not managed to spend all EU money potentially available.

The Dzurinda government, which approved a medium-term Action Plan for Sustainable Development and founded a new task force in 2005, did not initiate any substantial change. Although it emphasized a commitment to improving environmental policy in its platform, the Fico government took steps in the opposite direction by drastically cutting the ministry's budget and abolishing the parliamentary committee for environmental and nature conservation.

Research and innovation policy

Score: 4

R&D in Slovakia has suffered from low public spending, weak industry-university cooperation, as well as weak cooperation between foreign and domestic enterprises. The Dzurinda government promised to increase public R&D spending from roughly 0.45 percent of GDP in 2004 to 0.6 percent of GDP in 2010. It created the Slovak Research and Development Agency and launched a number of programs aimed simultaneously at promoting qualified researchers and strengthening the cooperation between universities and the business sector. The adopted reforms pointed in the right direction, but were not sufficient to overcome the existing problems. Since coming to power, the Fico government has reduced public R&D spending.

Education policy

Score: 4

Slovakia scored poorly in the first PISA study. The education system, which grants free access to primary and secondary education, has suffered from low spending and outdated curricula. It also fails to deliver high tertiary attainment numbers. As a result, the match between the education system and the labor market has been weak.

The Dzurinda government initiated substantial reforms during its time in office. It introduced tuition fees for universities and increased teachers' salaries to attract better qualified staff. It strengthened the links between schools and firms in order to improve the quality of vocational education and training and it initiated a decentralization of primary and secondary education. However, these and other reforms were interrupted by the breakup of the government coalition in February 2006 and the premature elections. The Fico government has done little to impact the education system so far.

Management Index

I. Executive Capacity

<i>Cabinet composition</i>	<i>Prime minister</i>	<i>Parties in government</i>	<i>Type</i>	<i>Mode of termination *</i>	<i>Duration</i>
	Mikuláš Dzurinda	Slovak Democratic and Christian Union (SDKU-DS), Party of the Hungarian Coalition (SMK-MKP), Christian Democratic Movement (KDH), New Citizens Alliance (ANO)	multiparty minority government	4	12/03-09/05
	Mikuláš Dzurinda	Slovak Democratic and Christian Union (SDKU-DS), Party of the Hungarian Coalition (SMK-MKP), Christian Democratic Movement (KDH)	multiparty minority government	4	09/05-02/06
	Mikuláš Dzurinda	Slovak Democratic and Christian Union (SDKU-DS), Party of the Hungarian Coalition (SMK-MKP)	multiparty minority government	1	02/06-06/06
	Robert Fico	Direction- Social Democracy (Smer-SD), Slovak National Party(SNS), People's Party-Movement for a Democratic Slovakia (ĽS-HZDS)	minimal winning coalition	-	07/06-

* The following modes of termination should be distinguished: elections = 1; voluntary resignation of the prime minister = 2; resignation of prime minister due to health reasons = 3; dissension within cabinet (coalition breaks up) = 4; lack of parliamentary support = 5; intervention by head of state = 6; broadening of the coalition = 7.

A Steering capability: preparing and formulating policies

Strategic capacity

*Strategic
planning*
Score: 7

Because of the country's experience with communism, the term "planning" continues to carry negative connotations in the Slovak Republic. However, EU accession and membership have helped ameliorate aversion to the concept. The Central Policy Planning Unit that was established in the Government Office in 2001 laid the framework for a strategic planning system, although many of the originally envisaged measures were eventually abandoned.

Under the Dzurinda government, Slovakia was characterized by a relatively high degree of strategic planning. However, most of the planning took place in the Coalition Council or individual ministries, and it relied on informal meetings of the prime ministers and/or several ministers with advisors and experts. In contrast, formal government institutions played only a secondary role. The fact that several members of the Dzurinda government had previously worked in think tanks served to facilitate strategic planning.

Scientific advice
Score: 8

Under the Dzurinda government, nongovernmental experts had a substantial impact on policy-making. The prime minister and most ministers relied heavily on the advice of experts from the academic community and from think tanks. Government leaders consulted individual experts, ran advisory bodies and brought outside experts into the ministries. In addition, the Dzurinda government, like its predecessors, asked the Slovak Academy of Science to prepare documents on important future trends. However, these documents have not carried sufficient political weight to be relevant. Compared with its predecessor, the Fico government has had much less access to the academic community, think tanks and NGOs.

Inter-ministerial coordination

GO expertise
Score: 5

There is a tradition of departmentalism and collegial cabinets in Slovakia. The Government Office is perceived as an administrative office organizing cabinet meetings rather than a central steering unit (Blondel et al. 2007). Its sectoral policy expertise is limited. Although it has an economic policy and a European affairs section, it has neither the staffing numbers nor the qualified staff to evaluate the content of ministerial drafts.

Annotation: Jean Blondel, Ferdinand Müller-Rommel, Darina Malová et al., *Governing New Democracies*. (Basingstoke/ London: Palgrave, 2007).

GO gatekeeping

Score: 7

The Government Office has the right to return any item from cabinet meeting agendas on the basis of policy considerations. It can ask the respective ministry to re-draft the proposal or it can simply return items without providing any substantive reasons. In practice, however, such cases have been rare as most controversial issues tend to be settled in advance.

Line ministries

Score: 4

The Government Office is only marginally involved in line ministries' preparation of policy proposals. The line ministries work on the basis of the government program, but are fully responsible for drafting policy proposals themselves. Line ministries may inform and consult the Government Office, but do not provide it with regular briefings. The Government Office also does not monitor progress in policy proposal preparation. However, line ministries normally involve the Ministry of Finance in the drafting process because the latter plays a major gatekeeping role in cabinet.

Cabinet committees

Score: 8

Cabinet committees play a major role in the preparation of cabinet meetings. The overwhelming majority of bills are discussed in, and approved by, cabinet committees that settle several issues in advance of cabinet meetings (or meetings of the Coalition Council). The cabinet's most important committees are the Economic Committee, the Legislative Committee and the Ministerial Committee for EU Affairs.

Senior ministry officials

Score: 7

Senior civil servants are key players in the inter-ministerial consultation process who seek to anticipate – and avoid – conflicts among ministries. Senior civil servants also play a role in resolving conflicts at the cabinet level. There is a special reconciliation procedure involving senior civil servants in the event of conflicts among ministers. In practice, however, this procedure is rarely used, with conflicts being solved either in advance in the inter-ministerial consultation process or by the Coalition Council.

Annotation: The score lies outside the range of the expert scores. The qualitative assessments, as well as comparative considerations, suggest a lower score.

Line ministry civil servants

Line ministry officials play some role in the coordination of policy proposals. The procedural rules require ministries to coordinate with other ministries at

Score: 5

early stages of the legislative process. Coordination suffers from a strong departmentalist culture, with ministries reluctant to share information and to cooperate with others. Moreover, under the Dzurinda government, some ministries relied on external sources and outsourced the preparation of draft bills.

Regulatory impact assessments

RIA application

Score: 3

According to Article 11 of the Legislative Procedures of the Slovak Government, all legal proposals must include economic, social and legal evaluations of the existing situation, a rationale for the proposed change, an implementation plan, and an assessment of the economic and fiscal impact on both the state budget and the labor market. An environmental impact assessment is also required. However, assessments are conducted *ex ante*, and there is neither a central coordination unit nor a clear methodology for conducting assessments. In practice, required assessments often boil down to an analysis of a new provision's fiscal effects (Staroňová 2007).

Annotation: Katarína Staroňová, "The Quality of Impact Assessment in Slovakia," in *Impact Assessment and Sustainable Development: European Practice and Experience*, ed. Clive George and Colin Kirkpatrick. (Cheltenham: Edward Elgar, 2007), 230–255.

Needs analysis

Score: 3

According to the guiding provisions, impact assessments must outline the rationale for a proposal. In practice, assessments generally mention the purpose of and the need for a regulation, but fail to specify further.

Alternative options

Score: 3

There is some rough analysis of alternative options at the early stage of the legislative process. Once a political decision is made, assessments tend to focus exclusively on the effects of a proposal.

Societal consultation

Mobilizing public support

Score: 6

The government is obliged to consult interest associations during the legislative process. There is also a tripartite Government Council for Economic and Social Cooperation, which is in charge of facilitating the discussion of socioeconomic issues.

During its tenure, the Dzurinda government consulted with interest groups but refrained from forging any agreements or pacts. It further alienated the

trade unions by limiting the competencies of the Government Council for Economic and Social Cooperation. The Fico government, in contrast, has been characterized by its strong union ties. Indeed, Smer-SD, the dominant party, signed a general agreement with five trade unions before the 2006 elections. The unions pledged their support for Smer-SD in the elections, and the party promised to introduce pro-labor policy measures in the event of electoral victory.

Policy communication

Coherent communication
Score: 4

The government does not effectively coordinate its communications. The Dzurinda government gave some effort to formulating a coherent communication strategy in cooperation with the World Bank (“Strategic Plan for the Communication on Reforms in Slovakia”) but failed to speak with one voice as different coalition partners pursued their own communication strategies. The strong tradition of departmentalism means that the ministries are keen on retaining their authority in informing the public within their particular domains. The Fico government has also failed to develop a coherent communication policy, as evidenced by the prime minister’s need to “correct” other ministers’ statements on policy.

B Resource efficiency: implementing policies

Legislative efficiency

Veto players

	<i>Total</i>	<i>Share</i>
Bills envisaged in the government’s work program	166	
Government-sponsored bills adopted	146	87.95 %
Second chamber vetos	-	- %
Head of state vetos	15	10.27 %
Court vetos	11	5.73 %

Effective implementation

Government efficiency
Score: 9

Despite the absence of a clear parliamentary majority, the Dzurinda government was quite successful in achieving its own policy objectives. It adopted an impressive number of comprehensive reforms, ranging from tax and welfare reforms to labor market liberalization and the decentralization of the state. Health care and education were the only two areas in which the

	<p>government failed to implement reforms. Bolstered by a strong economy and the absence of powerful social veto actors, the politically and ideologically coherent government demonstrated a high degree of governmental efficiency.</p>
<i>Ministerial compliance</i> <i>Score: 8</i>	<p>The Dzurinda government sought to ensure ministerial compliance largely through coalition agreements. During his tenure, Prime Minister Dzurinda made use of his right to dismiss ministers, sacking Minister of the Economy Pavol Rusko in August 2005, even though Rusko headed one of the junior coalition partners.</p>
<i>Monitoring line ministries</i> <i>Score: 5</i>	<p>The Government Office monitors line ministry activities only weakly. There is some monitoring of line ministries' compliance with the government's program, but it is done in a very broad manner. The Government Office lacks the capacity to follow, and to comment upon, the line ministries' activities more comprehensively.</p>
<i>Monitoring agencies</i> <i>Score: 7</i>	<p>The monitoring of executive agencies is only partly effective. Agencies are largely monitored by line ministries, which can determine budget allocations depending on the achievement of results. Monitoring and evaluation rest on contracts signed by agencies and line ministries. In practice, however, these contracts are frequently vague and non-binding, so that weak performance does not need to have major consequences for the head of an agency.</p>
<i>Task funding</i> <i>Score: 9</i>	<p>Decentralization was a major element of the Dzurinda government's administrative reforms. Reforms combined fiscal decentralization with a substantial devolution of competencies (education, health care system, social affairs, transportation, and environment) from the central government to regional and local governments. Subnational governments were vested with substantial taxing powers and were assigned central budget grants based on pre-defined criteria. These reforms resulted in increased municipal and local revenues, which enabled subnational governments to finance most of the tasks delegated to them by the central government.</p> <p>The inclination toward unfunded mandates has grown under the Fico government. In January 2007, the government decided to transfer responsibility for non-state schools to the regional and local levels without providing the necessary funding. It has also criticized local government funding as too generous.</p>
<i>Constitutional discretion</i> <i>Score: 9</i>	<p>The Dzurinda government respected the increasing competencies of subnational governments and left the constitutional discretion of regional and local authorities untouched. There were no major conflicts over the division of labor between the different tiers of government. In contrast, the Fico government has paid much less attention to the principle of subsidiarity</p>

(Nižňanský/Pilát 2007).

Annotation: Viktor Nižňanský and Jaroslav Pilát, "Public Administration," in *Slovakia 2006. A Global Report on the State and of Society*, ed. Martin Bútora, Grigorij Mesežnikov, and Miroslav Kollár (Bratislava: Institute for Public Affairs, 2007) 203–221.

National standards

Score: 4

The quality of standards and their enforcement have varied from field to field. With regard to the independent functions of subnational governments, standards tend to be poorly defined for public services such as care for the elderly, handicapped and orphans, public transport, and even basic health care. Standards are more clearly defined when tasks are administered by subnational governments on behalf of the central government, as has been the case with education. In the case of these delegated functions, the central government is also in a better position to monitor and ensure enforcement.

C International cooperation: incorporating reform impulses

Domestic adaptability

Domestic adaptability

Score: 8

Slovakia has successfully adjusted domestic government structures to international developments, most notably EU membership. It has reformed existing institutions and established new ones. Special emphasis has been paid to increasing the capacity to absorb EU funds. EU directives have been rather smoothly implemented. However, there is a need for institutional consolidation in that some of the new institutions have overlapping competencies.

External adaptability

International coordination activities

Score: 8

The Slovak government has actively participated in the international coordination of reform initiatives. Because the available executive capacities are limited, it has focused on a few multilateral initiatives. Areas of particular interest for the Slovak government include international security, economic development, human rights and peace in the Western Balkans and in Ukraine, including cooperation with eastern neighbors under the New Neighborhood Policy. Slovakia has soldiers in Iraq and has participated in fourteen military, police or civil missions with the United Nations, NATO,

and European Union. Slovakia has supported the European Security and Defence Policy (ESDP) and is slated to join one of the two multinational Battle Groups.

Exporting reforms

Score: 8

As a small country, Slovakia's leverage in exporting reforms is limited. However, the economic and social reforms adopted under the Dzurinda government drew significant international attention. The Slovak government has propagated these reforms as templates for other EU members, both new and old. Some experts who adapted and implemented these reforms in Slovakia are now working as advisors in neighboring countries (e.g., Hungary, Czech Republic). The Slovak government has also been committed to passing on to other transformation countries its own experience with democratization, decentralization, the buildup of civil society, and the treatment of minorities. It has addressed these issues in Ukraine, Belarus and Southeastern Europe in particular.

D Institutional learning: structures of self-monitoring and -reform

Organizational reform capacity

Self-monitoring

Score: 6

There has been no regular self-monitoring of government institutions. Audits are conducted when problems with implementation arise or there has been a change in ministers. Most of the audits are carried out by external private sector organizations.

Institutional reform

Score: 5

The Dzurinda government's far-reaching reforms were not associated with, or preceded by, similarly profound changes in the institutional arrangements of governing. While decentralization was substantial and the capacity for obtaining and using EU funds was strengthened, there were few changes made to the formal organization of central government. The fact that the government successfully adopted large-scale reforms points to an increase in the government's strategic capacity. And it was the clever use of existing institutions at the hands of a committed reform team – not institutional reforms per se – that yielded this increase.

II. Executive accountability

E Citizens: evaluative and participatory competencies

Knowledge of government policy and political attitudes

*Policy
knowledge
Score: 5*

Slovak citizens have only limited knowledge of their government's policies. The public's general lack of interest in politics combined with the government's poor communication policy and the sheer number of reforms account for the low degree of knowledge of public affairs.

F Parliament: information and control resources

Structures and resources of parliament, committees, parliamentary parties and deputies

Number of deputies	150
Number of parliamentary committees	17
Average number of committee members	12
Average number of subcommittee members	-
Pro-government committee chairs appointed	9
Deputy expert staff size	1.5
Total parliamentary group expert support staff	1
Total parliamentary expert support staff	65

*Obtaining
documents
Score: 8*

According to sec. 53 of the Parliamentary Rules and Procedures Act, parliamentary committees have the right to ask for government documents. This right of request also applies to classified documents, which are discussed in meetings closed to the public. Members of parliament often complain that governments' bills and other important documents are

delivered on very short notice.

*Summoning
ministers*

Score: 10

Parliamentary committees in Slovakia are allowed to summon ministers to committee meetings (Art. 85 of the constitution) and make frequent use of this right. In practice, ministers sometimes send their deputies. Under the Dzurinda government, ministers themselves occasionally asked committees for an invitation so that they could have the opportunity to present and defend a proposal.

*Summoning
experts*

Score: 9

Section 54 of the Parliamentary Rules and Procedures Act gives parliamentary committees free rein in inviting experts to committee meetings. Committees can also ask individual experts, academic institutions or other organizations to provide and present their review of discussed bills. Because of the sheer number of bills, however, this is rarely done.

*Task area
coincidence*

Score: 9

Despite the fact that committees outnumber ministries, there is a close congruence between the task areas of both. All ministerial task areas are covered by committees, and there is just one committee – the Committee for Human Rights, Minorities and the Status of Women – which has several ministerial counterparts. The fact that task areas have not fully coincided has not infringed upon parliamentary oversight of the government.

Annotation: The score lies outside the range of the expert scores. The experts have taken the question literally and have given a maximum score of 8 because the task areas of parliamentary committees and ministries do not fully coincide. However, since the experts agree that the existing discrepancies do not infringe upon the monitoring of ministries, a higher score is justified.

Audit office

Score: 9

The Supreme Audit Office of the Slovak Republic is an independent authority accountable exclusively to the National Council. The chairman and the two vice-chairmen are elected by the Council for seven years each. The Supreme Audit Office monitors the use of public funds at all levels of government and gives an opinion on the state budget before it is discussed in the committees. The office reports the results of its audits to the Council at least once a year and whenever requested to do so (Art. 62 of the constitution). The power of the Supreme Audit Office Audit is limited by a lack of resources.

Ombuds office

Score: 9

The National Council has a Petitions and Complaints Office. There is also an independent ombudsman, the Public Defender of Rights, who is accountable exclusively to the Council. The Public Defender is elected by the National Council for a term of five years. In the first quarter of each year, the Public

Defender reports to the Council on the state of civil rights and makes proposals for improvements. Since its establishment in 2002, the Public Defender of Rights' visibility, reputation and effectiveness has gradually increased. Pavel Kandráč, the first ombudsman, was re-elected in January 2007 despite the change in parliamentary majorities. In 2005 and 2006, the ombudsman received about 2,500 petitions annually, about 90 percent of which could be settled.

G Intermediary organizations: professional and advisory capacities

Media, parties and interest associations

Media reporting

Score: 7

There is a qualitative difference between public and private media coverage of government decisions. Whereas public television stations provide more high-quality information, infotainment and sensationalism are more characteristic of private television and radio stations. However, even the latter feature political programs with regular discussions with politicians. The lack of professionalism among journalists who are inexperienced and often not very well trained poses a general problem.

Fragmentation

Parliamentary election results as of 9/20/2002

<i>Name of party</i>	<i>Acronym</i>	<i>% of votes</i>	<i>% of mandates</i>
People's Party-Movement for a Democratic Slovakia	L'S-HZDS	19.50	24.00
Slovak Democratic and Christian Union	SKDÚ-DS	15.09	18.67
Direction- Social Democracy	Smer-SD	13.46	16.67
Party of the Hungarian Coalition	SMK-MKP	11.16	13.33
Christian Democratic Movement	KDH	8.25	10.00
New Citizens Alliance	ANO	8.01	10.00
Slovak Communist Party	KSS	6.32	7.33
Others		18.21	0

*Party
competence
Score: 5*

The quality of the parties' electoral programs has improved. Two issues dominated the 2006 electoral campaign: whether or not the Dzurinda government's liberal reforms should be continued, and how to deal with the Hungarian minority. The Slovak Democratic and Christian Union (SDKÚ-DS) party proposed a coherent, if somewhat general, liberal platform – except on cultural issues, where the party remains split between liberal and conservative positions. The Christian Democratic Movement (KDH) mixed liberal and conservative ideas in a sometimes contradictory manner. Smer-SD, LS-HZDS and SNS largely campaigned against the Dzurinda reforms and made highly unrealistic spending promises. The Party of the Hungarian Coalition (SMK), for the most part, pandered to its constituency's interests (minority rights, education, agriculture).

*Association
competence
Score: 7*

Interest associations are very active in Slovakia. Employers' and business associations are adept at assessing government policies and proposing policy alternatives, often employing input from think tanks and independent experts. Trade unions traditionally rely on their internal analytical capacity. Their ability to produce solid analytical output has been more limited. Reasonable across-the-board policy proposals have also come from the peak organizations of the municipalities, which have been quite active and relevant. Other interest groups, such as environmental organizations, have developed the capacity to analyze and oppose government policies in their particular field of competence.

*Association
relevance
Score: 6*

The law requires that interest associations be consulted on policies affecting them. Their input sometimes compensates for a lack of expertise in the ministries. However, Slovak governments tend to be politically selective in considering the proposals of interest associations. Trade unions lost considerable influence under the Dzurinda government, but things have changed since the 2006 elections. Whereas the unions, as close allies of the governing Smer-SD party, have enjoyed a strong position, employers' associations have lost influence. In general, the Fico government has also paid less attention to proposals put forth by NGOs.

This country report is part of the Sustainable Governance Indicators 2009 project, which assesses and compares the reform capacities of the OECD member states.

More on the SGI 2009 at www.sgi-network.org

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