

SGI Sustainable
Governance
Indicators

2015 Slovakia Report

Marianne Kneuer, Darina Malová,
Frank Bönker (Coordinator)



Executive Summary

Slovakia has been governed by the social-democratic party Direction-Social Democracy (Smer-SD), with its leader Robert Fico, since the early elections in March 2012. Prime Minister Fico, who already led a coalition government between 2006 and 2010, has since this time headed the first single-party government in Slovakia's post-communist history, commanding a clear majority of seats (83 out of 150) in the National Council, the Slovak parliament. To the surprise of most observers, however, Fico suffered a decisive defeat in the presidential elections in March 2014. In the second round, he gained only 40% of the vote, with 60% going to the victorious independent candidate Andrej Kiska. Kiska does not belong to any political party, and is the first president in the history of Slovakia who was not previously a member of the Communist Party. As a successful business leader and philanthropist, he was able to present himself as an alternative to the established political class. His promise to be "a counterbalance to the government" boosted his popularity. Especially in the second round, his campaign stressed the possibility of a threat to democracy should all the country's high political posts be in the hands of one party. The results of the presidential elections underlined citizens' broad frustration and erosion of trust in the political class, the parties and politicians as a result of unchecked corruption and cronyism. Moreover, it revealed the fragmentation of the opposition parties. For a long time, the two center-right parties – the Christian Democratic Movement (KDH) and the Slovak Democratic Party and Christian Union - Democratic Party (SDKÚ-DS) – failed to agree on a common candidate, despite their position as natural allies.

Given Fico's confrontational style toward the media, the judiciary, NGOs and ethnic minorities during his first term as prime minister, the 2012 change in government raised strong concerns about the future of democracy in Slovakia. This time, however, Fico was eager to cultivate a different image. He has shown greater respect for the law, and in stark contrast to his first term, has largely refrained from verbal attacks and lawsuits against journalists. However, as some other politicians belonging to the governing Smer-SD have returned to the confrontational approach characteristic of the first Fico government, media freedom has still decreased. Further threats to the independence and pluralism of the media have arisen from changes in media ownership in 2013 and 2014. Save for a 2014 campaign-financing reform, the Fico government has done little to

address the well-known weaknesses of Slovak democracy. In particular, it has failed to tackle the high level of corruption and the significant levels of discrimination against the Roma population. What changes for the better have occurred have been brought about by other actors. The 2014 replacement of Stefan Harabín, a former ally of Prime Minister Fico, as head of the Supreme Court and the Judicial Council, a body that oversees the operation of the judiciary, was a positive signal, however. The fight against corruption has benefited from increasing focus on the issue within the business sector. Several companies teamed up with the Fund for a Transparent Slovakia in 2013 and in 2014; other firms formed the Slovak Compliance Circle, another group highlighting corruption issues.

The Slovak economy has recovered quickly from the recent recession, and in 2013 and 2014 showed one of the highest growth rates in the OECD and European Union. Economic growth is predicted to increase further in 2015. However, the growth rate remains under the pre-2009 level, and unemployment rates remain high. The second Fico government initially put strong emphasis on fiscal consolidation, largely in order to strengthen the image of Slovakia as a reliable and trustworthy member of the euro zone. Though a combination of tax increases, measures improving the efficiency of tax collection, and expenditure cuts, Slovakia managed to reduce its fiscal deficit from 8.0% in 2009 to less than 3% in 2013 and 2014, exiting from the European Commission's Excessive Deficit Procedure in June 2014. However, a subsequently announced "anti-austerity package" has raised doubts regarding the sustainability of fiscal policy. In other fields, ranging from pension policy to family and innovation policies, the Fico government has largely refrained from adopting reforms. This lack of reform zeal has been most striking in the health sector, however. Here, the government originally strongly committed itself to nationalizing the two private health-insurance funds, but eventually decided to leave the existing system largely untouched.

The Fico government's strategic capacity has benefited from Smer-SD's clear parliamentary majority and the prime minister's strong position within the party. At the same time, the government has lacked transparency, and has done little to improve strategic planning, draw on expert advice or consult with societal actors other than the traditional social partners. The personnel changes at the tops of executive agencies, the deliberate thwarting of the election of a new head of the Supreme Audit Office of the Slovak Republic (NKU), and the growing concentration of power resulting from the government's public-administration reform – the only major institutional reform in the period under review – all testify to the government's hands-on approach. This approach has limited checks and balances, and has deprived the government of the opportunity to benefit from the expertise of others.

Key Challenges

As the surprising outcome of the 2014 presidential elections showed, the Smer-SD cannot depend on an easy win in the 2016 parliamentary elections. However, the center-right parties are fragmented, and suffer from weak leadership and constant controversies over personal issues. For this reason, it seems likely that their resistance to cooperation with Smer-SD will ultimately decrease. SDKÚ-DS already considered supporting Fico in the presidential elections. In another remarkable move, Smer-SD and the Christian Democratic Party (KDH) cooperated in support of the constitutional ban on same-sex marriage. This points to a future reshuffling of conflict lines within the political landscape. Politically, the next two years will be shaped by the search for new partners for possible future coalitions after the 2016 elections.

Slovakia faces a number of policy challenges. Neither the country's current economic-growth rate nor its public finances appear sustainable. However, if a higher potential-growth rate is to be achieved, investment in research and innovation must be boosted, and education policy must be strengthened. In order to expand the potential labor force, family and migration policy should be reformed with a view to increasing female labor-market participation, and to promote the integration of migrants. While the fiscal deficit has been contained, and the country's public debt of less than 60% of GDP is clearly below the euro-zone average, the middle- and long-term sustainability of public finances remains questionable. Despite the 2012 pension reform, the expected increase in public-pension spending through 2060 is still much higher than the EU-27 average, and age-related health care costs are also likely to rise strongly.

Democracy in Slovakia would benefit from a reform of the judiciary and a tougher stance toward corruption and discrimination. More stringent anti-corruption measures would help to limit public dissatisfaction with politics and the political class, increase administrative efficiency, and attract foreign investment. The strong negative attitudes held by a part of the population toward the Roma population make it politically risky for politicians to address anti-Roma discrimination. For that reason, the European Union can play an important role on this issue.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 6

The Slovak economy recovered quickly from the recent recession, and in 2013 and 2014 showed one of the highest growth rates in the OECD and the European Union. Economic growth is predicted to increase further in 2015, although the growth rate remains under the pre-2009 level. The return to economic growth has been facilitated by improvements in the international economic environment. Moreover, the Fico government's initial focus on fiscal consolidation helped attract foreign investment by strengthening Slovakia's image as a reliable and trustworthy member of the euro zone. While the Fico government has been careful to avoid reversing too many of the liberal reforms of the past, it has failed to make economic growth sustainable by promoting research and innovation, or by improving education, family and migration policies.

Labor Markets

Labor Market
Policy
Score: 4

Slovakia's unemployment rate of about 14% is among the highest in the European Union and OECD. Youth unemployment rates have also remained high, and long-term unemployment rates have increased. The Roma minority continues to be largely excluded from the labor market, and there are strong regional differences in unemployment rates. The Fico government has largely failed to make active labor-market policy more efficient. The new programs that have been adopted, such as a scheme providing support for hiring young graduates and public-works programs for the low-skilled and long-term unemployed, have shown only short-term effects, and have been thwarted by the negative labor-market effects of measures such as the increase in the minimum wage, the extension of collective-labor agreements and new restrictions on temporary employment.

Klein, Caroline, 2013: Investing Efficiently in Education and Active Labour Market Policies in Slovakia. OECD Economic Department, Working Paper No. 1017, Paris (http://www.oecd-ilibrary.org/economics/investing-efficiently-in-education-and-active-labour-market-policies-in-slovakia_5k4c9kvmv3g4-en)

Machlica, Gabriel, Branislav Žúdel, Slavomir Hidel, 2014: Unemployment in Slovakia. Institute for Financial Policy, Economic Analysis, Policy Paper No. 30, Bratislava (http://www.finance.gov.sk/en/Components/CategoryDocuments/s_LoadDocument.aspx?categoryId=698&documentId=605)

Taxes

Tax Policy
Score: 6

The introduction of a flat-tax regime in 2004 played a major role in establishing Slovakia's reputation as a model reformer and an attractive location for investment. Whereas the first Fico government left the flat-tax regime almost untouched despite earlier criticism, the second Fico government in 2012 reintroduced a progressive income tax and increased the corporate-income tax from 19% to 23%. In the period under review, tax policy has been erratic. In July 2014, the Fico government suspended an envisaged reduction in the standard VAT rate from 20% to 19%, although it had fiercely opposed the temporary increase in the first place. Moreover, the government reduced the corporate-income tax rate by one percentage point and announced a possible further reduction to come in 2015. However, this rate cut was accompanied by changes in the depreciation rules with a retroactive impact that increased corporations' tax burden. The opposition criticized this policy as unconstitutional, and appealed it to the Constitutional Court.

Budgets

Budgetary Policy
Score: 7

The second Fico government initially placed a strong emphasis on fiscal consolidation, largely in order to strengthen Slovakia's image as a reliable and trustworthy member of the euro zone. Though a combination of tax increases, measures improving the efficiency of tax collection, and expenditure cuts, Slovakia managed to reduce its fiscal deficit from 8.0% in 2009 to less than 3% in 2013 and 2014. As a result, the European Commission abrogated the excessive deficit procedure in June 2014. While short-term fiscal stress is thus limited, and the country's public debt is clearly below the euro-zone average at less than 60% of GDP, the middle- and long-term sustainability of public finances remains questionable. Additional sustainability concerns were prompted by Prime Minister Fico's announcement of an "anti-austerity package" worth €250 million in July 2014.

Citation:

Council of the EU, Council decision abrogating Decision 2010/290/EU on the existence of an excessive deficit in Slovakia, 17.6.2014;

http://ec.europa.eu/economy_finance/economic_governance/sgp/deficit/countries/slovakia_en.htm

Research and Innovation

R&I Policy
Score: 3

Slovakia has a weak and underdeveloped research and innovation policy. R&D intensity, public expenditure on R&D, the number of patent applications and levels of employment in knowledge-intensive activities are below the EU average. A basic problem lies in the fact that the Slovak economy is dominated by multinational companies that are not linked to the country's universities and research institutes. In the period under review, the situation has worsened further. The Fico government has made little progress with its plans to merge the Slovak Research and Development Agency (SRDA) and other minor research agencies into a single research agency, and to create a new technological agency tasked with financing industrial research. Moreover, the attempt to transform the Slovak Academy of Science – traditionally the country's single most important research institution – into a public institution provoked a wave of protests by scientists, in large part because of the originally planned 17% cut in the body's budget. While the government withdrew a portion of the proposed cuts, uncertainty regarding the funding of grant programs has continued. Research and innovation policy was complicated by the fact that the minister of education, science, research and sports was replaced twice in 2014.

Global Financial System

Stabilizing
Global Financial
Markets
Score: 7

Slovakia supports the international regulation of financial markets, including the creation of a banking union. Within the European Union and the euro zone, it often sides with Germany, but does not act as an agenda-setter. Slovakia has implemented all European Union directives designed to improve bank supervision. As part of the Single Supervisory Mechanism, which took force in early November 2014, five Slovak banks, two of which are part of larger groups, have been put under direct supervision by the ECB.

II. Social Policies

Education

Education Policy
Score: 4

The quality of education and training in Slovakia has suffered both from low levels of spending and a lack of structural reforms. Spending levels on education are among the European Union's lowest, and have fallen as a percentage of GDP since 2009. Minor increases in wages have not increased the motivation or morale of the often dissatisfied and frustrated teachers, but have instead been

widely disregarded as a mere attempt to pacify them in the run-up to the 2016 parliamentary elections. While the second Fico government has sought to strengthen secondary vocational and tertiary technical education, the transition from school to the labor market has remained difficult for many. The fact that the head of the Ministry of Education, Science, Research and Sport changed twice in 2014 did not help improve education policy.

Social Inclusion

Social Inclusion
Policy
Score: 5

The Slovak social-protection system covers standard social risks. Social-policy measures include financial and non-financial benefits, direct and indirect payments, and tax measures. Social-protection expenditures are below the EU-27 average, while social-inclusion expenditures are slightly above the group's average. From a comparative perspective, the risk of poverty in Slovakia is relatively low. Key ongoing challenges for social policy include the Roma minority's living conditions and the social exclusion faced by children. The Roma face the highest poverty risk within the Slovak population. The unemployment rate within this community is 70%. In 2013, the Fico government initiated the EU-funded Local and Regional Initiatives to Reduce National Inequalities and to Promote Social Inclusion program.

Health

Health Policy
Score: 5

Slovakia has a mandatory health-insurance system that provides all residents with primary, secondary and tertiary care, pharmaceuticals, and medical devices. The state covers the health-insurance costs of children, students, pensioners, the (registered) unemployed and women on maternity leave. Since 2004, citizens have been able to choose between a public insurance program and two private health-insurance funds. From a comparative perspective, the quality and efficiency of health care services are relatively low, and the high degree of politicization and frequent changes to health care policy have served as further barriers to improvement. When newly elected in 2012, Prime Minister Fico announced plans to return to a single public health-insurance fund, by nationalizing the two private health-insurance funds. This proposal drew harsh criticism by experts. However, in February 2014, the prime minister finally gave abandoned this plan, citing financial reasons. The Slovak population's improving health-status self-evaluations can be attributed largely to the technological modernization of hospitals. There are worrying signals that general practitioners and dentists, especially in small towns and villages, are dramatically over-aged due to the brain drain to wealthier countries. This trend is beginning to undermine quality and inclusiveness within the Slovak health system.

Families

Family Policy
Score: 5

In Slovakia, traditional notions of the family are still fairly strong. Mothers of children under two years of age rarely work, maternal employment rates are below the OECD average, and working women face an enormous double burden of both professional and domestic responsibilities. This situation is reinforced by the low incidence of part-time employment, income tax splitting and the relatively long duration of parental leave. Child care facilities are limited and have not kept up with the increase in birth rates. Child care for children under three years of age in particular continues to be virtually unavailable. Larger towns have insufficient kindergarten slots. Public spending for families is slightly below the OECD average, with a high share devoted to cash benefits, and low shares for children's services and tax-related benefits. Like previous governments, the Fico government has failed to address these problems. Instead of expanding child-care facilities with a view to facilitating women's labor-market participation, it has focused on increasing one-time cash benefits for families.

Citation:

Meravy, Tomas, Family Policy in Slovakia: In Urgent Need of Reform, 16.12.2013; <http://visegradrevue.eu/?p=2155>

Pensions

Pension Policy
Score: 5

Slovakia introduced a three-pillar pension system along World Bank lines in 2004. In 2012, the Fico government adopted a number of measures aimed at strengthening the first (public, pay-as-you-go) system to the detriment of the relatively strong second (private, fully funded) pillar. First, it changed the distribution of the pension contribution from an even nine percentage points each for the first and second pillars to 14 percentage points for the first pillar and only 4 percentage points for the second. Secondly, it "opened" the second pillar by allowing people to enter or leave it between September 2012 and January 2013. Finally, it replaced the compulsory membership of school graduates in the second pillar with the voluntary entry of citizens under 35. In addition to this rebalancing of the pillars, the government changed the rules for the investment of private pension funds and increased the contribution rates for self-employed people. These changes have once again increased the role of the state in providing for the elderly, and have given the pension system a more redistributive nature. While the reforms have improved the public pension program's financial situation, the expected increase in public pension spending through 2060 is still much higher than the EU-27 average. In the period under review, the Fico government did little to address this problem.

Citation:

European Commission, Assessment of the 2014 national reform and stability programme for Slovakia, COM 2014/426 final, 2.6.2014; http://ec.europa.eu/europe2020/pdf/csr2014/swd2014_slovakia_en.pdf.

Integration

Integration Policy
Score: 5

While the share of foreigners in the Slovak population is still low, the inflow of migrants has increased in recent years. The Radičová government adopted a new official strategy for migration policy lasting till the year 2020 which prioritized the immigration of high-skilled workers with an emphasis on culturally related countries. In line with this strategy, the Ministry of Labor, Social Affairs and Family adopted the Action Plan of Migration Policy in 2012 – 2013. At the same time, however, Act 404/2011 on Residence of Aliens, which took effect at the beginning of 2012, featured a different approach, tightening the conditions for granting temporary residence to third country nationals. For its part, the Fico government has done little to develop consistent and sustainable policies for migrant integration. At the beginning of 2014, it passed a new document on integration policy that largely embraces the Common Basic Principles for Immigrant Integration Policy in the EU. All in all, the inconsistencies of the last years have persisted without significant change.

Safe Living

Safe Living
Conditions
Score: 7

The Slovak law-enforcement system meets EU standards of border management and is quite effective in protecting the national borders in line with the Schengen agreement. As a result, Slovak citizens have expressed only mild levels of concern over illegal migration or porous EU borders. In spite of modest crime figures and low security risks, however, overall levels of trust in the police remain low. The police forces suffer from underfunding and corruption, as well as from a lack of coordination among the different security institutions. Marginalized groups such as Roma and homosexuals run the risk of being discriminated against by the police.

Global Inequalities

Global Social
Policy
Score: 6

Slovakia ceased to be a recipient of World Bank development aid in 2008, and has been a donor of development assistance ever since. In September 2013, the country became the 27th member of the OECD Development Assistance Committee. Slovakia's top priorities with regard to official development assistance (ODA), as formulated in an official new strategy for 2014 – 2018, include education and health care as well as the strengthening of stability and good governance in regions and countries that are of special concern for

Slovakia. Under the current medium-term strategy, priority areas include first Afghanistan, Kenya and Moldova; in a second category Albania, Belarus, Bosnia and Herzegovina, Georgia, Kosovo and Ukraine; and in a third category South Sudan. In the period under review, Slovakia formulated a country strategy for Moldova and engaged in development-cooperation programs with Kenya and Afghanistan. While Slovakia's development assistance has become more focused, total ODA amounts to just 0.09% of its gross national income, thus falling substantially under the EU target of 0.33%.

Citation:

Strednodoba stratégia rozvojej spoluprace Slovenskej Republiky na roky 2014-2018; http://www.foreign.gov.sk/en/foreign_policy/slovak_aid

III. Environmental Policies

Environment

Environmental
Policy
Score: 5

Slovakia is a country with considerable natural resources. However, interest groups and policymakers have traditionally assigned priority to economic growth rather than the protection of the environment. Although NGOs have helped draw attention to environmental issues, and EU accession has come with the obligation to meet the European Union's strict environmental standards, this negative legacy is still present in policymaking. As a result, both governments' approach to environmental issues has tended to be patchy rather than holistic. Neither the Radičová nor the Fico government have updated Slovakia's 1993 Environment Strategy or developed an environmental strategy focusing on Slovak priorities rather than on the mere compliance of EU requirements. A second major problem has been the weak implementation of environmental laws and regulations. The government's new energy plan has been delayed, with approval appearing elusive as late as October 2014. Plans to build a new nuclear-power plant in Jaslovské Bohunice have provoked controversy, as have proposals for hydropower stations and plants on the Váh and Ipel' rivers.

Global Environmental Protection

Global
Environmental
Policy
Score: 5

Slovakia has not acted as an international agenda-setter for global environmental policy. It is rather difficult for a small country to shape the global framework. Moreover, given Slovakia's state of economic development, environmental issues are not the top priority of policymakers. However, Slovakia has taken a constructive role in developing EU environmental policy.

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 10

The procedures for registering candidates and parties in Slovakia are fair and transparent. Candidates for presidency must be nominated by at least 15 members of the unicameral National Council or document support from at least 15,000 voters. Parties seeking to take part in the national elections must obtain 10,000 signatures in order to register. Moreover, registered parties must make a deposit of about €16,500, which is returned only to parties that receive at least 2% of the vote. In 2014, the Fico government adopted a controversial provision requiring mayoral candidates in local elections to have completed at least secondary school. As justification for this measure, it argued that a small number of mayors elected in 2010 were not able to read properly. This provision was broadly perceived as an act of discrimination against the Roma population, and was eventually declared unconstitutional by the Constitutional Court.

Media Access
Score: 9

Slovakia's pluralistic media market ensures that all candidates and parties have equal access to the media, and that this access is reasonably fair. Election laws mandate that campaign messages must be clearly distinguished from other media content. While the public Radio and Television of Slovakia (RTVS) is required to introduce the candidates and present their campaigns, this is optional for private-media organizations. Public-media coverage has become more balanced since 2010. As was true of the 2012 parliamentary elections, there were no real complaints about partisan bias in the public media during the 2014 presidential campaigns. While Prime Minister Fico enjoyed a slight "office bonus" in the media, the elections were eventually won by independent candidate Andrej Kiska, who started his campaign almost two years before the elections and succeeded in winning public awareness for his charitable activities and his person.

Voting and
Registrations
Rights
Score: 9

The electoral process is largely inclusive. In principle, all adult citizens can participate in elections. There is a special electoral register for Slovak citizens without permanent residence in the country (i.e., homeless people). Since November 2009, only prisoners who have been sentenced for "particularly serious crimes" have been disenfranchised. However, there are some important differences between parliamentary and presidential elections. In the case of the

former, voters that will not be in their place of residence on election day can ask for a special voter's pass that enables voting elsewhere, while Slovak citizens residing or staying abroad can vote by mail. Voting by mail is not possible for presidential elections, however. This provision drew criticism in the 2014 campaign. The Ministry of the Interior defended the status quo by arguing that the two rounds of presidential elections would make voting by mail too costly.

Party Financing
Score: 6

As a number of financial scandals in the past have made clear, party- and campaign-financing systems in the Slovak Republic have suffered from insufficient regulation and weak monitoring. After long debate and various failed attempts, new rules on campaign finance were eventually adopted in May 2014. The new rules limit campaign expenditures to €3 million for parties and €500,000 for candidates for presidential, regional and communal elections. Parties or candidates that exceed these limits can be fined up to €300,000. Parties and candidates are required to have a transparent bank account for electoral purposes that serves as a mechanism for monitoring transactions and donors. Vote-buying is subject to penalty, as is "stealing" the name of another party shortly before it is registered. A 14-member state committee (including 10 members appointed by political parties – five by the ruling coalition and five the by opposition – and four members proposed respectively by the chairpersons of the Constitutional Court and Supreme Court, the general prosecutor and the head of the Supreme Audit Office) will oversee the elections and the campaigns. The committee will also impose fines for violations of the law. The new law takes effect on 1 July 2015; thus, the 2016 parliamentary elections will be held under the new rules.

Popular Decision-
Making
Score: 8

The Slovak Constitution provides far-reaching possibilities for citizens to actively propose and take binding decisions on issues of importance to them through popular initiatives and referenda (articles 93 – 100). Referenda are obligatory in the case of the country entering or withdrawing from an alliance with other states (like the European Union). Furthermore, a referendum can be called for in the case of "other important issues of public interest" (Article 93.2); referenda on basic rights and liberties, taxes, levies, and the state budget are forbidden (Article 93.3). There are two ways to call a referendum: by a resolution of the National Council or on the basis of a petition signed by a minimum of 350,000 citizens. The results of referenda are binding, and the constitutional barriers for changing the decisions are high; only a three-fifths majority in the National Council can overrule a decision made by referendum, and can do so only after three years (Article 99.1). Likewise, no referendum on the same issue can be held until three years have passed (Article 99.2). Similar provisions exist at the local level. In practice, relatively little use has been made of these provisions. From 1994 to 2014, only seven national referenda were initiated, and only one of them – the referendum on EU accession – was successful. No national referendums took place during the period under

review. In 2014, however, the conservative-Catholic Alliance for the Family (Aliancia za rodinu, AZR) managed to gather 400,000 signatures in favor of a referendum on the constitutional definition of marriage, adoption law and sex education in schools. This was eventually held in February 2015.

Citation:

Láštic, Erik, 2007: Referendum experience in Slovakia: a long and winding road,” in: Pállinger, Zoltán Tibor/Kaufmann, Bruno/Marxer, Wilfried/Schiller, Theo (eds.), *Direct Democracy in Europe*, Wiesbaden, pp. 189-198.

Access to Information

Media Freedom
Score: 7

Under the second Fico government, political pressure on the media has again increased. While Prime Minister Fico himself, in stark contrast to his first term, has largely refrained from verbal attacks or lawsuits against journalists, other politicians belonging to the governing Smer-SD have returned to the confrontational approach characteristic of the first Fico government. In the course of the Ukrainian crisis, Prime Minister Fico began to ignore journalists from some media organizations. He declined to answer their questions, and did not invite them to official press conferences, criticizing their employers for misrepresenting his position on Ukraine.

Media Pluralism
Score: 6

Media pluralism is facilitated by a diversified ownership structure and a substantial share of foreign ownership. However, the private media market has suffered from a lack of transparency, and the provision in the Act on Broadcasting that no person or company is allowed to hold more than one national television or radio license or to be a publisher of more than one national daily is not really enforced. Economic pressures led to changes in ownership for number of key organizations in 2013, resulting in some layoffs. TV Markíza appointed a new director in September 2013, and the managers of TV JOJ became co-owners of the organization in October 2013. The billionaire leader of the Czech ANO 2011 political party, Andrej Babiš, announced the acquisition of the publishing house Ecopress, which publishes the Slovak *Hospodárské noviny* daily. Moreover, in autumn 2014, the Penta financial group entered the media market, buying 50% of *Petit Press*, which publishes the *Sme* daily. This resulted in the resignation of the newspaper's editor-in-chief and several other journalists. Penta has also acquired two other publishing houses, and will control the *Trend* economic weekly, the *Plus Jeden Deň* daily and the *Plus 7 Dní* weekly (the latter two of which are tabloids).

Access to
Government
Information
Score: 8

Access to government information is guaranteed by the constitution and the Act on Free Access to Information, which was originally approved in 2000 and has been amended several times since. In 2013, the Slovak Economy Ministry proposed blocking access to public contracts closed before 2011, but dropped the idea after the emergence of strong objections, especially from pro-

transparency non-governmental organizations. A Justice Ministry commission subsequently announced that it would produce a major amendment to the Freedom of Information Law. One change being considered was the introduction of fees for processing information requests. A civic initiative called “For a Good Law on Free Access to Information” has been formed with the objective of following the proposed legal changes.

Civil Rights and Political Liberties

Civil Rights
Score: 7

In Slovakia, civil rights are largely respected. However, the integrity of the judiciary and the long duration of court proceedings remain a problem, as do the discrimination against and police mistreatment of the Roma population. This latter issue led to several clashes during the period under review between the government and Public Defender of Rights (Ombudswoman) Jana Dubovcová.

Political Liberties
Score: 8

In Slovakia, political rights are largely respected. Citizens can freely join independent political and civic groups. The Ministry of Interior has registered over 35,000 such associations and over 60 political parties. Slovak citizens have traditionally made comparatively less use of the freedom of assembly. Freedom of speech is somewhat restricted by the fact that Slovak media face the strong threat of being sued for libel by politicians or other public figures unhappy with their reporting.

Non-discrimination
Score: 5

Slovakia has fairly sophisticated anti-discrimination legislation in place. In practice, however, discrimination, especially against women and Roma, rarely produces legal action. One reason is that the reform of the Slovak National Center for Human Rights, which has the task of implementing anti-discrimination law, has not yet been completed (ECRI 2014). In general, the Fico government has paid less attention to the issue of discrimination than did the preceding Radičová government. Discrimination against the Roma population continues to be a major problem. In November 2013, Marian Kotleba, a leader of the far-right People’s Party – Our Slovakia (ĽSNS) who openly articulates anti-Roma attitudes, was elected to the regional government in the Banská Bystrica region. In several cases, municipalities have built walls in order to isolate the Roma population, with the most prominent being Kosice, the biggest city in eastern Slovakia and a European City of Culture in 2013. The Slovak police was accused of using excessive force when entering the Romani settlement of Budulovská in the town of Moldava nad Bodvou in eastern Slovakia. Thirty persons were injured in this incident. When Ombudswoman Jana Dubovcová raised the issue of discrimination against this community, the Smer-SD majority blocked her speech in parliament. Legislators belonging to the governing Smer-SD called her reports on the treatment of Roma “an abuse of the issue to stir anti-Roma and anti-police sentiments,” and the speaker of parliament sarcastically proposed moving

Dubovcová's office from Bratislava to the eastern part of the country (where the majority of Roma citizens live). Discrimination on the basis of sexual and gender minorities has also become a major issue. In June 2014, Smer-SD reached a deal with the conservative Christian Democratic Movement (KDH) that led to the passage of a constitutional amendment defining marriage strictly as a union between a man and a woman, thus banning same-sex marriage. Moreover, the conservative Alliance for the Family submitted a petition for a referendum on the "protection of the family" that was slated to take place on 7 February 2015.

Citation:

ECRI, ECRI Report on Slovakia 2014, 16.9.2014;

http://www.coe.int/t/dghl/monitoring/ecri/Library/PressReleases/168-2014_09_16_Slovakia_en.asp

Rule of Law

Legal Certainty
Score: 6

Government and administration in Slovakia largely act on the basis of the law. However, legal certainty has suffered from frequent legal amendments and opaque laws. The high level of political polarization in Slovakia, combined with frequent changes in government, has made many laws rather short lived. A second problem has been the growing complexity of laws. As a result of frequent amendments, many laws have come opaque and inconsistent. Compared to the first Fico government, however, the second Fico government has shown greater respect for the law.

Judicial Review
Score: 6

Even after the reforms of the judiciary under the Radičová government, the Slovakian court system has suffered from low-quality decisions, a high backlog of cases, rampant corruption and a high level of government intervention. The situation improved somewhat in May 2014 when Stefan Harabín, a close ally of Prime Minister Fico who held major positions in the Slovak judiciary, was not reelected as head of the Supreme Court and the Judicial Council, a body that oversees the operation of the judiciary. Harabín had long been criticized for exerting pressure on judges critical of the government, as well as for other dysfunctional developments in the court system. Andrej Kiska, the new Slovak president, spoke out publicly against Harabín the 2014 presidential election campaign.

Appointment of
Justices
Score: 7

The justices of the Constitutional Court and the Supreme Court are selected by the president on the basis of proposals made by the National Council, without any special majority requirements. In the period under review, a new Supreme Court chairman was elected. Controversial incumbent Stefan Harabín sought reelection, but failed, and was ultimately succeeded by Daniela Švecová. After the election, President Kiska proposed that the means of selecting new justices be reformed.

Corruption
Prevention
Score: 5

Corruption continues to be a central problem in Slovakia, and is considered to be the most important obstacle to doing business efficiently. Both the judiciary and public administration suffer from excessive political interference. The Fico government has paid relatively little attention to the issue of corruption. Although the minister of health and speaker of parliament were replaced because of their alleged engagement in health care corruption, no general strengthening of integrity mechanisms has been attempted. An amendment to the public-procurement law seeking to prevent companies with undisclosed owners from taking a part in public-tender processes was proposed by the government, but did not pass. However, while the government has done little to fight corruption, NGOs and some portions of the business sector have joined forces to shine light on the issue. Several companies teamed up with the Fund for a Transparent Slovakia in 2013 and in 2014, while other firms formed the Slovak Compliance Circle.

Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 4

The institutional capacity for strategic planning in Slovakia is weak. Capacities for planning in the ministries are limited, and there is no central policy planning unit in the Government Office. The strengthening of the expertise of the Government Office and the creation of the Solidarity and Development Council, a new advisory body, under the second Fico government failed to improve planning capacities in any substantial way. Due to the Fico government's initial emphasis on fiscal consolidation, the role of the Institute of Financial Policy, a research institute affiliated with the Ministry of Finance, has increased. However, the Institute has taken a relatively narrow fiscal perspective and has focused on the short to medium term rather than on the long term.

Scholarly Advice
Score: 5

Prime Minister Fico does not typically include non-governmental academic experts in government decision-making processes, preferring instead a more corporatist approach to seeking advice. External advisors largely come from the "Fico circle," and include former cabinet members rather than independent experts. Under the second Fico government, the number of external advisors from the Slovak Academy of Science has significantly diminished.

Interministerial Coordination

GO Expertise
Score: 5

Slovakia has a strong tradition of departmentalism and collegial cabinets. The Government Office focuses on the legal and technical coherence of draft bills, but lacks the capacity and sectoral expertise to evaluate their policy content.

Citation:

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

GO Gatekeeping
Score: 5

The Government Office has primarily administrative functions. While it has the formal power to return draft laws on policy grounds, its gatekeeping role has traditionally been limited. During his second term in office, Prime Minister Fico has tried to strengthen this role and has exerted his control over the cabinet in a less informal way than in the past.

Line Ministries
Score: 4

In Slovakia, the government manifesto, and in the case of coalition governments the coalition council define certain priorities that are elaborated in legislative plans. These additionally divide tasks and responsibilities among the line ministries and other central bodies, and set deadlines for the submission of bills to the cabinet. In their policy-development process, the line ministries legally must include a range of institutions and interest groups that are defined as stakeholders in their respective fields. Ministries are also obliged to consult with the GO as they develop bills. However, full responsibility for drafting bills has traditionally rested with the line ministries, and consultation with the GO is mainly technical.

In its attempt to formalize his leading position within the government, Prime Minister Fico has increased the monitoring activities of the Government Office.

Cabinet
Committees
Score: 6

The importance of cabinet and ministerial committees has varied over time in Slovakia, with every government establishing its own committee structure. The second Fico government does not have any cabinet committees composed exclusively of ministers. However, ministerial committees consisting of ministers and senior civil servants and chaired by the four appointed vice prime ministers have played a major role in the preparation of government proposals, and have been quite effective in settling controversial issues prior to cabinet meetings.

Ministerial
Bureaucracy
Score: 5

In Slovakia, senior ministry officials have traditionally been heavily involved in the interministerial coordination process at the drafting stage. In contrast, coordination at the lower levels of the ministerial bureaucracy has suffered from a strong departmentalist culture and the top-down approach taken in most ministries. Under the Fico government, the role of senior civil servants in interministerial coordination has decreased. As the second Fico government has been a single-party government, the autonomy of the ministries and of the ministerial bureaucracy has declined, and coordination within the Smer-SD party has gained importance.

Informal
Coordination
Score: 7

Informal coordination has played a significant role in policy coordination under the Fico government. While Prime Minister Fico has extended the formal role of the Government Office in policy coordination, he has also resorted to informal negotiations with individual ministers, advisors and economic and social stakeholders to settle issues prior to cabinet meetings.

Evidence-based Instruments

RIA Application
Score: 6

When RIA was introduced in Slovakia back in 2001, no central unit in charge of RIA was created at the government's core. In response, the first Fico government introduced a Uniform Methodology of Assessment of Selected Impacts in 2008, which was updated by the Radičová government in 2010. Four ministries are involved in the process (Ministry of Economy, Ministry of Finance, Ministry of Environment, Ministry of Labor, Social Affairs and Family), with the Economic Analysis Division of the Ministry of Economy playing a coordinating role. While these changes have improved the efficiency of RIA, its use still suffers from a high degree of fragmentation.

Quality of RIA
Process
Score: 5

The general quality of RIA has slowly improved thanks to the new methodology introduced under the first Fico government and the attention that the Radičová government paid to the issue. However, while a more efficient implementation of RIA, mainly with a view to improving the business environment, has been a declared priority of all Slovak governments, full achievement of this goal has been elusive. Consultations with stakeholders take place, but have become more selective under the Fico government.

Sustainability
Check
Score: 3

The new RIA methodology (in place since 2010) lacks effective sustainability checks. The methodology draws a distinction between five different dimensions (public finance, the social environment and labor markets, the business environment, the natural environment, and the information society); however, it not differentiate between short-, medium- and long-term impacts. The process is unsystematic even in theory, and the reality is even weaker.

Societal Consultation

Negotiating
Public Support
Score: 6

Compared to the Radičová government, the second Fico government has invested less in consultation with societal actors. While seeking to maintain good relationships with the traditional social partners, it paid comparatively little attention to NGOs. The Solidarity and Development Council established in 2012 does not include social and environmental NGOs or representatives of national minorities, and the position of the Government Plenipotentiary for the Development of Civil Society, created by the Radičová government, remained vacant for long time. With regard to public administration reform, Prime Minister Fico openly stated: "This reform requires huge vigor and if we went to this reform through a wider social dialogue, the reform would not advance" (cited in Balogova 2013). Likewise, the Fico government did not consult with societal actors regarding the controversial constitutional ban on same-sex marriage, but confined itself to forging an alliance with the opposition KDH party.

Citation:

Beata Balogova, Kaliňák's public administration reform takes its next step, in: Slovak Spectator, 24.6.2013; http://spectator.sme.sk/articles/view/50485/2/kalinaks_public_administration_reform_takes_its_next_step.html

Policy Communication

Coherent
Communication
Score: 7

Learning from the mistakes of the Radičová government, Prime Minister Fico has put considerable emphasis on coherence in government communication. Capitalizing on his strong position in a single-party government, he has sought to control the messages of individual ministries. He has personally appeared frequently in the media, with a view to streamlining government communication.

Implementation

Government
Efficiency
Score: 6

The government manifesto of the Fico government has in general been very vague, especially regarding major reform fields such as judiciary, corruption, and public administration. In some cases, such as the public-administration reform, the strategic frameworks identify primary goals, but also reiterate former goals and tend to lack action plans, timelines and budgets. Thus, though it has drafted strategies for complying with EU priorities such as the Europe 2020 program, the government's implementation capacity remains limited.

Citation:

European Commission, Assessment of the 2014 national reform and stability programme for Slovakia, COM 2014/426 final, 2.6.2014; http://ec.europa.eu/europe2020/pdf/csr2014/swd2014_slovakia_en.pdf.

Ministerial
Compliance
Score: 8

Under the Fico government, the prime minister's dominant position within Smer-SD and the strong party discipline have ensured a high degree of ministerial compliance.

Monitoring
Ministries
Score: 7

Although Prime Minister Fico has been able to count on a significant degree of ministerial compliance, he nevertheless expanded Government Office monitoring of the line ministries, in particular regarding European affairs and economic and fiscal issues.

Monitoring
Agencies,
Bureaucracies
Score: 5

The politicization of agencies has continued. Prime Minister Fico has gradually replaced a majority of the heads and core executives of all state agencies at the national level. As he has not yet succeeded in weakening the legal powers of independent executive agencies, he has sought to control them via personnel changes, as well as by increasing their financial dependence on the central government. As with the line ministries, the government has closely monitored the agencies' implementation activities. The politicization

Task Funding Score: 6	<p>of agencies has infringed upon their independence.</p> <p>In Slovakia, the degree of decentralization is relatively high. However, funding for subnational governments has been precarious. Municipalities and regional self-governments often complain about unfunded mandates. At the same time, their own fiscal discipline is poor, and a portion of their fiscal problems stem from their leaders' irresponsible behavior. Within the framework of the Fico government's ESO (Effective, Reliable and Open State Administration) public administration reform, local governments have been integrated into 72 district offices. These will also take over the responsibilities of the regional environmental offices, the regional bodies for transportation and forestry management, and regional cadastral offices. It remains to be seen whether this administrative consolidation will improve task funding, as funding for these district offices was still under discussion at the time of writing.</p>
Constitutional Discretion Score: 3	<p>Whereas the Radičová government favored decentralization, the Fico government has pursued a hands-on approach limiting the constitutional discretion of subnational governments. The government's plans to streamline the administration have raised concerns that the role of subnational self-governments might be further limited. Critics fear that the creation of the new district offices will lead to a concentration of power and a further politicization of local government bodies.</p>
National Standards Score: 4	<p>Public-services standards are poorly defined, especially with regard to the independent functions of subnational governments. Moreover, the monitoring of compliance with these standards is often fragmented. The Fico government's ESO project has focused on increasing the administrative capacity of subnational governments by realizing economies of scale and by sharing and centralizing services such as facility management, procurement and payroll management. However, implementation of these envisaged changes has been slow.</p>
Adaptability	
Domestic Adaptability Score: 5	<p>In the past, Slovakia's ability to adapt domestic government structures to international and supranational developments, most notably at the EU level, has been weak. Despite several attempts at reform, the rate of absorption of EU funds has remained low. To address these weaknesses, the European Commission has recommended that the public sector be depoliticized, that human-resources management be improved, and that ministries' analytical capacities be strengthened.</p>

Citation:

European Commission, Assessment of the 2014 national reform and stability programme for Slovakia, COM 2014/426 final, 2.6.2014; http://ec.europa.eu/europe2020/pdf/csr2014/swd2014_slovakia_en.pdf.

International
Coordination
Score: 6

Because of its size, Slovakia's power to shape strategic global frameworks is limited. However, Slovakia is well integrated into NATO and the European Union. It has participated in a number of peacekeeping missions, including in Afghanistan, Cyprus, and Bosnia and Herzegovina. Eager to be seen as a reliable and trustworthy partner, Slovakia has complied with most EU guidelines and programs. An exception is EU policy toward Russia, with which Slovakia has close and partially institutionalized relations (e.g., the Intergovernmental Commission on Economic, Scientific and Technical Cooperation). Some of Fico's remarks about Ukraine, as well as his critique of the EU sanctions imposed on Russia, have raised doubts about Slovakia's reliability.

Organizational Reform

Self-monitoring
Score: 3

There is no regular self-monitoring of institutional arrangements in Slovakia. The institutions and processes of governing are analyzed only infrequently and selectively. Shortcomings in audit procedures persist.

Institutional
Reform
Score: 6

The second Fico government adopted a number of institutional reforms at the beginning of its term, including the creation of the Council for Solidarity and Development and the reshuffling of competencies for human rights. In the period under review, institutional reforms have been largely confined to the implementation of the public administration reform, which has progressed slowly.

II. Executive Accountability

Citizens' Participatory Competence

Policy
Knowledge
Score: 6

Since the Radičová government has obliged all state, regional and municipal offices to publish their contracts, invoices and purchase orders on the Internet, access to information about government policymaking has substantially improved. This information, designed to show how the government spends public money, has helped the media, NGOs and activists to uncover the dubious expenses of state offices and state-run companies. While the quantity of available information has increased, the population's overall policy knowledge has suffered from the public disenchantment with politics and the political elite. Moreover, the Fico government has followed a very selective information strategy. As Prime Minister Fico has stated several times, his government does not attribute significant weight to broad inclusion of the public in policymaking processes.

Legislative Actors' Resources

Parliamentary
Resources
Score: 6

Members of the National Council have some resources enabling them to monitor government activity. Most parliamentarians have a support staff of at least two persons, and there is a parliamentary library (with about 65,000 books) and the Parliamentary Institute – a research unit providing expertise for parliamentary committees, commissions and individual legislators. However, the quality of the Parliamentary Institute's analysis is limited, so lawmakers tend to rely on party resources.

Obtaining
Documents
Score: 5

Parliamentary committees have the right to ask for almost all government documents. However, the second Fico government, like the first one, has delivered draft bills and other documents with considerable delay, thereby infringing on the work of the committees.

Summoning
Ministers
Score: 7

The right of parliamentary committees to summon ministers is enshrined in Article 85 of the Slovak constitution. In practice, however, committees make little use of this right. Given its comfortable majority (83 out of 150 seats) in the parliament, Smer-SD effectively controls the majority of all important committees, as well as the legislative process.

Summoning
Experts
Score: 8

In Slovakia, parliamentary committees may invite experts. However, this is not a very common practice, and has not been exercised significantly under the second Fico government.

Task Area
Congruence
Score: 9

During the period under review (2013 – 2014), the Slovak National Council had more parliamentary committees than there were ministries (by a ratio of 19 to 14), and two committees (the European Affairs Committee and the Committee for Human Rights and Minorities) have had several ministerial counterparts. However, committees have covered all ministerial task areas and the control responsibilities for major issues have not been split; thus, the division of subject areas among committees has not hampered parliamentary oversight of ministries. Fico's cabinet shifts have made some changes; for example, the post of deputy prime minister for human rights and National Minorities was abolished, and a post created for a deputy minister of investment. Thus, the parliament's Committee for Human Rights and National Minorities no longer corresponds with a ministry.

Audit Office
Score: 6

The Supreme Audit Office of the Slovak Republic (NKU) is an independent authority accountable exclusively to the National Council. The chairman and the two vice-chairmen are elected by the National Council for seven years each, and the office reports regularly and whenever requested to the Council. There is an informal agreement that the chairman should be proposed by the opposition. Since NKU Chairman Ján Jasovský's term expired in 2012, Fico's Smer-SD has successfully prevented the election of a new chairman. The March 2014 ballot was cancelled by the president of the National Council,

who argued that the opposition did not propose a suitable candidate. The unclear situation at the top of the NKU has undermined its independence. During the period under review, the body has not made full use of its far-reaching competences, and has often argued in very technocratic and formal way.

Ombuds Office
Score: 8

In addition to the Petitions and Complaints Office of the National Council, there is an independent ombudsman, the Public Defender of Rights, who is accountable exclusively to the Council. The Public Defender is elected by the Council for a term of five years and reports regularly to it. In March 2012, Jana Dubovcová, a former judge and one of the most vocal critics of the current state of the Slovak judiciary, took the position from Pavel Kandráč. In the first annual report under her leadership, she complained about a lack of resources. As a result, the National Council refused to approve the report. Dubovcová has taken a quite proactive role with regard to anti-discrimination issues. She acts independently, for instance by taking a critical position toward the government in a case involving the excessive use of force by Slovak police officers in the Roma settlement of Budulovská.

Media

Media Reporting
Score: 5

The quality and professionalism of media reporting in Slovakia is not extraordinarily high. The public TV and radio stations have lost market shares. Moreover, the commercialization of nationwide broadcasters, with a consequent negative impact on public-interest news and current-affairs coverage, has not left the public stations untouched. During the period of review, an alarming development in the print media was evident. The financial group Penta acquired two additional publishing houses, Trend Holding and 7 Plus, and will thus control top-selling magazines and periodicals such as the Trend business weekly, the third-biggest daily tabloid Plus Jeden Deň, and the Plus 7 Dní tabloid weekly. As of the time of writing, there were reports that Penta was working on a number of new acquisitions, including a purchase of the news-only TA3 television station. In October 2014, Penta took over a 50% share of publisher Petit Press from German co-owner Rheinisch-Bergische Verlagsgesellschaft (RBVG). The flagship project of Petit Press, and Slovakia's major daily newspaper, is the non-tabloid Sme. Sme's editor-in-chief, Matúš Kostolný, along with his four deputies Tomáš Bella, Lukáš Fila, Konštantín Čikovský and Juraj Javorský, resigned following the acquisition and started a new daily, Denník N. This decision was positively perceived by the public, and many individuals made monetary contributions to help the new publication achieve an initial financial security.

Parties and Interest Associations

Intra-party
Democracy
Score: 3

All Slovak parties are elite projects that are dominated by a few party leaders. The only party that gained more than 10% of the votes in the 2012 parliamentary election is Prime Minister Fico's Smer-SD. It is strongly centered around Fico, who has led the party since its founding in 1999. The inner circle of the party and the number of party representatives with influence are rather limited. Rank-and-file members have little influence on decision-making.

Association
Competence
(Business)
Score: 6

In Slovakia, business associations and unions alike have some policy competence. Business associations are in a better position to provide full-blown policy proposals as they have more resources and some of them run or support think tanks. Trade unions are less well equipped and have suffered from fragmentation. However, some trade unions, including those representing medical doctors, nurses and teachers, are able to analyze the impact of decisions and to formulate relevant policies. KOZ SR, the main Trade Union Confederation representing almost 30 sectoral unions, has focused primarily on increasing the minimum wage and an assortment of less controversial issues such as workplace security.

Association
Competence
(Others)
Score: 8

Slovakia has a vibrant third sector and many competent interest associations whose analyses and proposals have featured prominently in the media. Think tanks are an integral part of civil society, and have close links to academia and other experts. Following the 2012 change in government, many experts from the Radičová government became active in NGOs or have cooperated with them, thereby providing important policy knowledge.

This country report is part of the Sustainable Governance Indicators 2015 project.

© 2015 Bertelsmann Stiftung

Contact:

Bertelsmann Stiftung
Carl-Bertelsmann-Straße 256
33311 Gütersloh

Dr. Daniel Schraad-Tischler
daniel.schraad-tischler@bertelsmann-stiftung.de

Dr. Christian Kroll
christian.kroll@bertelsmann-stiftung.de