Executive Summary

From 2012 to 2016, Slovakia was governed by the social-democratic party Direction-Social Democracy (Smer-SD) under Prime Minister Robert Fico. Fico, who already led a coalition government between 2006 and 2010, 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. From June 2014, the government had to cooperate with President Andrej Kiska, a successful business leader and philanthropist who won the presidential elections in March 2014 as an independent candidate.

In the first 18 months of his term, Kiska did not seek out confrontation with the prime minister but, at the same time, he did not refrain from criticizing or expressing views contrary to the government. President Kiska pushed for a reform of the judiciary and clashed with the National Council over the appointment of judges. In addition, he strongly criticized an intransparent and inefficient health-care system, stressed the values of humanity and solidarity in the EU refugee crisis and sought to counter growing doubts regarding Slovakia’s loyalty and trustworthiness as an EU and NATO member that was fueled by the government’s intransigence on the refugee crisis and Prime Minister Fico’s pro-Russian statements. Kiska underscored his criticisms by frequently vetoing legislation. However, his veto power has been weak, since his vetos could be easily overridden by the Smer-SD majority in the National Council. While Kiska’s direct impact on public policies has thus been limited, he has clearly influenced the public discourse at home and Slovakia’s image abroad. In doing so, he has partially compensated for the weakness of the fragmented and discordant parliamentary opposition.

In the period under review, the Slovak economy recorded one of the highest rates of GDP growth in the EU and OECD. Economic growth was largely driven by private consumption and public investment financed by EU funds. In contrast, exports remained weak, even though the German and Czech economies, Slovakia’s main trading partners, performed relatively well. Favored by the strong economic growth, unemployment declined and the fiscal stance improved.

Policymaking was heavily influenced by the prospect of upcoming parliamentary elections in March 2016. The government refrained from
initiating any controversial political projects and largely confined itself to passing a second “social package,” encompassing popular measures such as a reduction of the VAT rate on a number of basic food products, new subsidies for housing insulation and school field trips, and new measures for distressed regions. Moreover, Prime Minister Fico used the issue of migration policy to profile himself in the election campaign. The government openly opposed the EU quota decision and, in December 2015, even filed a lawsuit against the European Council with the European Court of Justice, arguing that the Council’s quota decision violates the principles of institutional balance, legal certainty and representative democracy.

As for the quality of democracy, ongoing problems with the media, the judiciary, the discrimination against the Roma and with corruption have largely persisted. The Fico government has done nothing to make media ownership more transparent and to increase media pluralism, which has deteriorated as media ownership has shifted from foreign owners to local investors. Quite to the contrary, the government has resumed a more confrontational approach toward the media, in particular by boycotting particular media. Despite spectacular corruption scandals, most notably in the health sector, few attempts to strengthen integrity mechanisms were undertaken. In the context of a referendum in February 2015 on the constitutional definition of marriage, adoption law and sex education in schools, negative rhetoric and hate speech directed against LGBTI persons has increased. The Fico government itself nourished islamophobia by invoking populist discourse in the EU refugee crisis.

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. This approach has limited checks and balances, and has deprived the government of the opportunity to benefit from the expertise of others. The centralization of the control over the distribution of EU structural funds in the Government Office has not resulted in a substantial increase in the absorption rate so far. The implementation of the “effective, reliable and open public-administration program,” the so-called ESO reform, has continued to suffer from unclear priorities and was slowed down by several unclear public tenders. Other overdue administrative reforms, such as the overhaul of human resource management and the adoption of a new Civil Service Act, have been delayed or postponed.
Key Challenges

At the time of this writing, the upcoming parliamentary elections in March 2016 represent a key event as they are likely to lead to a reshuffling of the political scene. Most polls agree that Smer-SD will once again emerge as the strongest party. However, it is unclear whether the party will be able to form a single-party government. Fico’s frequent statements that Smer-SD is tired of governing alone and that the successful management of the upcoming EU presidency in the second half of 2016 requires a broad coalition suggest that he is already looking for coalition partners and seeks to split the opposition. As it stands, he is slowly succeeding with these tactics, which means Smer-SD will likely have a choice among different options. In the period under review, both the Christian Democratic Party (KDH) and Most-Híd (Bridge), the main political representation of the Hungarian minority in Slovakia, have all cooperated with the parliamentary majority. Moreover, the newly founded right-wing party Net (Siet’), which has recorded good results in the polls, has not ruled out a coalition with Smer-SD either.

While Slovakia’s short-term economic and fiscal situation looks favorable, the country faces a number of policy challenges. The long-term economic prospects are limited by the sorry state of the infrastructure, a lack of qualified labor, meager R&I activities, weak administrative capacities and rampant corruption. Investment deals such as the one with Jaguar Land Rover concluded in December 2015 are likely to boost the economy and to reduce unemployment in the short run, but will exacerbate the unbalanced structure of the Slovak economy, as the automotive sector already accounts for a large share of the Slovak industry and is especially vulnerable to external shocks.

Two main and interconnected tasks are key to ensuring positive developments: judicial reform and a tougher stance toward corruption. It is remarkable that those public institutions that enjoy the highest trust by citizens in most EU countries, namely the police, army and judiciary, receive only low scores by Slovaks. As President Kiska stated in his inaugural speech, there is an urgent need to rebuild citizens’ trust in the state and politics. A continuation of judicial reforms initiated under the Radičová government and more stringent anti-corruption measures would help contain public dissatisfaction with
politics and the political class while promote increases in administrative efficiency and attract foreign investment.

In the second half of 2016, Slovakia will take over, for the first time ever, the EU presidency. For the country, this is a maturity test as well as an opportunity. It will have to show that the Slovak administration is working smoothly and is sufficiently adapted to international and supranational developments and that the government is not an intransigent naysayer, but has the ability and reputation to forge the much-needed compromises upon which policymaking in the EU is built. In addition, the Slovak EU presidency represents a great opportunity to increase international attention for the country and shape the EU agenda. It could also serve as a trigger in improving democratic quality and the government’s strategic capacity.
Policy Performance

I. Economic Policies

Economy

In the period under review, the Slovak economy recorded one of the highest rates of GDP growth in the EU and OECD. Economic growth was largely driven by private consumption and public investment financed by EU funds. In contrast, exports remained weak, even though the German and Czech economies, the main trading partners of Slovakia, performed relatively well. In December 2015, the Fico government succeeded in signing a major agreement with the British carmaker Jaguar Land Rover (JLR). While production won’t start before 2018, investments associated with construction are estimated to increase GDP by 0.3 % already in 2016. Despite these successes, however, long-term growth prospects have suffered from the government’s failure to enhance the business and investment climate by improving infrastructure and labor force skills, strengthening administrative capacities and fostering R&I. As the automotive sector already now makes up about 43% of the Slovak industry, the JLR deal is to increase the dependence of the Slovak economy on a single sector and on export performance.

Labor Markets

While the labor market has shown signs of recovery in the wake of strong economic growth, Slovakia’s unemployment rate has remained among the highest in the EU and OECD. Active labor-market policies have contributed to the decline in youth unemployment, but have been insufficient to bring down long-term unemployment, as well as unemployment among Roma and the low-skilled. The Roma minority remains largely excluded from the labor market, and there are strong regional differences in unemployment rates. The employment rates for women remain below EU average.
**Taxes**

The introduction of a flat-tax regime in 2004 played a major role in establishing Slovakia’s erstwhile 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, thereby increasing vertical equity to the detriment of competitiveness. In the period under review, tax reform did not feature very prominently. As part of its so-called “second social package,” unveiled at a Smer-SD party conference in May, the government in October 2015 reduced the VAT rate on freshwater fish (not frozen), fresh bread, milk and butter from 20% to 10% as of January 2016. In July 2015, the government had already presented an update of the government’s 2012 strategy to fight tax fraud, which includes 30 additional measures for improving a relatively inefficient tax collection system.

**Budgets**

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. Since then, the government has confined itself to achieving a modest, gradual decline in the fiscal deficit and the debt-to-GDP ratio, which has been eased by the economic recovery. The 2016 budget projected the deficit of the general government fiscal deficit to decrease to 1.93% of GDP and the overall public debt to decline to 52.1% of GDP in 2016. While the fiscal situation in the short- and medium-term thus looks favorable, risks might arise from the potential cost of the planned public-private partnership project to build a motorway ring around Bratislava. Moreover, the repeated adjustment of the “official” tax revenue projections provided by the Institute for Financial Policy of the Ministry of Finance by Parliament has raised some concerns about the credibility of the fiscal framework.

**Research and Innovation**

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 January 2015, a new law entered into force providing tax advantages for companies investing in research and development (R&D). Based on the new legislation, companies investing in R&D can reduce their tax bases by an additional 25% of their real R&D expenditures, 25% of their wage costs for R&D employees, whom they recruited as graduates of secondary schools and universities, and 25% of the year-on-year increase in R&D expenditures.

Global Financial System

Slovakia has been supporting the international regulation of financial markets, including the creation of a banking union and implementing all European Union directives regarding supervision of financial markets. In the Greek debt crisis, the Fico government opposed any debt relief for Greece. Slovakia was one of the countries along with Germany to take a tough stance toward Greece.

II. Social Policies

Education

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. Because vocational education is underdeveloped and universities focus on non-technical education, Slovakia faces a shortage of skilled workers needed for its industry-oriented economy.

A new act addressing vocational education and training went into effect in 2015 which is to foster the transition from a school-based supply-driven system of vocational education to a demand-driven system based on work-based learning, inter alia by introducing tax incentives for enterprises providing practical training in certified training facilities. Less progress has been made with the development of more career-oriented bachelor programs.

Social Inclusion

The Slovak social-protection system covers standard social risks. While the risk of poverty is relatively low, strong regional disparities exist. Despite some
progress in closing the gap, unemployment in Bratislava (6.0%) was substantially lower than in Eastern Slovakia (16.6%) in 2014. The main reasons for this phenomenon are the combination of low growth and job creation in the country’s central and eastern regions, as well as an insufficient regional labor mobility to job-rich areas. Targeting these disparities, the government’s “second social package” promised specific measures, such as tax relief or alternative access to investment support, for regions plagued by unemployment above 20%. 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. It has been criticized for being ineffective.

Citation:

Health

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. 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. The Fico government’s health policy has been erratic. A reform strategy developed for 2014-2020 has to date not been implemented. Although President Kiska massively criticized the state of Slovak health care, the government failed to address the widespread and widely perceived corruption in the system. The latter featured prominently in the period under review because of a number of spectacular corruption scandals which led to the resignation of Health Minister Zuzana Zvolenská in November 2014 and of Marcel Forai, the director of the public health-insurance scheme, in September 2015. In addition, there have several corruption scandals involving several leading Smer-SD officials.

Citation:
-Health insurance system needs a cure, in Slovak Spectator, 20.10.2015; http://spectator.sme.sk/c/20062014/health-insurance-system-needs-a-cure.html
Families

In Slovakia, traditional notions of the family are still fairly strong. Mothers of children under two years of age rarely work, the employment rate for women (25-49) with children below six years of age reaches a mere 40%, and the gender employment gap for young women (20-29) is among the highest in the EU. 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. 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 cash benefits for families.

Pensions

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 these reforms improved the public pension program’s short-term financial situation, the expected increase in public pension spending in the long term remains much higher than the EU average. In 2015, when the first members of the second pension pillar were able to claim pensions, the government continued to rebalance the pillars. After the low annuity rates offered by insurance companies became public, the government “opened” the private pension pillar for the fourth time, allowing
contributors to leave the scheme. In order to reduce pension poverty, the government introduced a minimum pension benefit which entered into force in July 2015 and was expected to apply to some 75,000 of the existing pensioners.

**Integration**

While the share of foreigners in the Slovak population is still low, the inflow of migrants has increased in recent years. 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. In the context of the EU refugee crisis, Prime Minister Fico opposed mandatory quotas for distributing refugees within the EU and challenged the decision of the Council of the European Union at the European Court of Justice (ECJ). Moreover, the government fueled anti-refugee sentiments by implicitly linking them to the threat of terrorism. Prime Minister Fico stated that Slovakia would only accept Christians from Syria chosen by the Slovak administration, prompting controversy among the Slovakian public. President Kiska criticized the government’s failure to demonstrate solidarity with both the refugees and the EU.

Citation:
- Terenzani, Michael, Kiska: Slovakia’s lack of solidarity is a failed policy, in: Slovak Spectator; 8.10.2015; http://spectator.sme.sk/c/20061421/kiska-slovakias-lack-of-solidarity-is-a-failed-policy.html

**Safe Living**

The Slovak 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 subject to police discrimination.

However, 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 expressed for a long time only mild levels of concern over illegal migration. However, this situation has changed in the face of the EU refugee crisis and the terrorist attacks in Paris in November 2015. Prime Minister Fico helped generate fears through a series of negative public statements toward illegal migrants. In the context of the refugee crisis, the government decided in November 2015 to establish a police unit of 300 individuals to target specifically the protection of the Schengen Area’s external borders.
**Global Inequalities**

Slovakia ceased to receive 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. However, official development assistance (ODA) has remained substantially below the EU target of 0.33% of GNI. Slovakia’s top priorities with regard to ODA, as formulated in an official 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 interest to Slovakia. In line with this strategy, Slovakia focuses its bilateral development cooperation on three countries (Afghanistan, Kenya and South Sudan) as well as on several countries in the Western Balkans (Former Yugoslav Republic of Macedonia, Montenegro and Serbia), Eastern Europe (Belarus, Georgia, Moldova and Ukraine) and Africa (Tunisia), which it shares similar experiences of transformation.

Citation:

**III. Environmental Policies**

**Environment**

Slovakia has 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, each government’s approach to environmental issues has tended to be patchy rather than holistic. A second major problem has been the weak implementation of environmental laws and regulations. The government’s new energy plan adopted in November 2014 compasses the construction of a new nuclear-power plant in Jaslovské Bohunice and a (major) new hydropower station in Sereď. Besides relying on nuclear power (the third block of the Mochovce nuclear power plant will go into operation in 2016) the government aims to generate more renewable energy and therefore plans to build hundreds of small hydropower plants across the country. Approved projects (e.g., in the
Trnava region) prompted opposition within the population in 2015. In 2015, the government also introduced the “Green Household” project, a support scheme which allows households to switch to renewable energy sources like solar collectors or photovoltaic panels. Through this scheme, households can receive support drawn from EU funds to help cover up to 50% of the costs involved with switching to renewables. In terms of environmental issues, Slovakia’s air pollution represents the country’s biggest problem as air quality in the country is one of Europe’s worst.

Citation:

Global Environmental Protection

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. The overall policy framework regarding climate change in the Slovak Republic is in line with EU strategies. In the run-up to the UN Climate Conference in Paris in December 2015, the foreign minister emphasized Slovakia’s commitment to adopt a meaningful and fair global climate agreement. One major issue Slovakia is likely to focus on during its coming EU presidency in the second half of 2016 will be energy security.

Citation:
Lajčák, Miroslav, Adress to the General Assembly of the United Nations, General Debate of the 70th Session, 1.10.2015; http://gadebate.un.org/70/slovakia#sthash.jdS84U0M.dpufhttp://gadebate.un.org/70/slovakia
Quality of Democracy

Electoral Processes

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.

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.

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.

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 and became effective in July 2015. 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 newly created state commission for elections and political party financing will oversee upcoming campaigns and elections. The appointment of the 14 members of the commission in August 2015 confirmed concerns about its independence. The governing Smer-SD has a clear majority in the commission, since ten members were chosen by the parliamentary parties on the basis of their shares in seats and four members were nominated by various state institutions dominated by Smer-SD. No representative of a watchdog institution made it into the commission.

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 referendums (articles 93 – 100). Referendums 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); referendums 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 referendums 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. The eighth national referendum, the first since 2010, was held in February 2015. It was promoted by the conservative Catholic Alliance for the Family (Aliancia za rodinu, AZR) which managed to gather 400,000 signatures in favor of a referendum on the constitutional definition of marriage, adoption law and sex education in schools. Like seven of its eight predecessors, the referendum failed because it did not reach the quorum. While an overwhelming majority of the participants voted in line with the AZR, only 21.4% of eligible citizens casted a vote, a figure much less than expected given the heated debates in the media and the social networks.

In August 2015, a local referendum sent an important national signal in the context of the EU refugee crisis. In the wake of a bilateral agreement between
Slovakia and Austria, a small municipality in the Trnava region, Gabčíkovo, held a referendum that rejected the temporary placement of 500 refugees seeking asylum in Austria.

**Access to Information**

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. In response to some cartoons caricaturing the prime minister and other government members, the cabinet decided to ban all communications with the daily Denník N in May 2015. The Smer-SD majority in the Parliamentary Committee on Culture and Media backed this decision and prevented the adoption of a critical resolution proposed by the parliamentary opposition.


As media ownership has shifted from foreign owners to local investors since 2014, concerns about the concentration and politicization of media have grown. In autumn 2014, the Penta financial group entered the media market, buying 45% of Petit Press from the German Rheinisich Bergische Verlagsgesellschaft (RBVG), which publishes the Sme daily. Penta has also acquired two other publishing houses, and will control the Trend economic weekly, the Plus Jeden Deň daily and the Plus 7 Dni weekly (the latter two of which are tabloids). Sme’s editor-in-chief, Matúš Kostolný, along with his four deputies Tomáš Bella, Lukáš Fila, KonštantinČikovský and Juraj Javorský, resigned following the acquisition and started a new daily, Denník N, at the beginning of 2015. This decision met with approval by the public, and many individuals made monetary contributions to help the new publication achieve an initial financial security. The billionaire leader of the Czech ANO 2011 political party and Czech financial minister, Andrej Babiš, acquired the publishing house Ecopress, which publishes the Slovak Hospodářské noviny (Economic News) daily. The electronic public media only partly compensate for the ongoing concentration of ownership in print media.
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 mid-2015, parliament began deliberations on a further substantial amendment to the Act which had been prepared by a commission established by the Ministry of Justice over the past two years. The suggested changes would further expand the access to official information and make Slovakia’s legislation one of the most liberal in the world. Most notably, these changes would extend the realm of information to be provided, which is currently restricted to information about the “decision-making activities” of public authorities.

Citation:

Civil Rights and Political Liberties

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 police discrimination and mistreatment of the Roma population. In the period under review, the clashes over these issues between the government and Public Defender of Rights (Ombudswoman) Jana Dubovcová continued.

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, though only 23 of which registered for the 2016 parliamentary elections. Slovak citizens have traditionally made comparatively less use of the freedom of assembly. However, in 2015, particularly conservative organizations become more active and organized the second National March for Life that drew some 45,000-50,000 people in Bratislava. 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. This is also proved by the government’s decision to stop all communication with the daily Dennik N in May 2015.

While Slovakia has fairly sophisticated anti-discrimination legislation in place, the discrimination of Roma, women and LGBTI persons continues to be a major problem. The Roma population has suffered from the continued segregation practices, the lack of access to adequate housing, the pervasive segregation of Roma children in the education system and their very high dropout levels, the excessive use of force by police officers during raids carried out in Roma settlements and various manifestations of hate speech. Negative propaganda and hate speech directed at LGBTI persons has grown in the context of the February 2015 referendum on the constitutional definition of marriage, adoption law and sex education in schools.
Rule of Law

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. This situation was widely criticized by many NGOs and watchdog organizations (e.g., Via Iuris, TIS, SGI). Under this pressure, parliament in November 2015 approved two important amendments to improve things. First, it changed the act on lawmaking, introducing the public’s right to participate in lawmaking and stipulating that each governmental legislative draft be submitted for public discussion. Second, the rules of procedure for parliament were changed to prohibit “legislative adjuncts,” that is, the opportunity to change existing legislation by amending drafts that are currently under discussion, a practice often used to avoid lengthy parliamentary readings.

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. As a result, the judiciary is held in low esteem by the public, with only a quarter of Slovak citizens expressing trust in the courts. Whereas the Fico government has largely failed to address the weaknesses of the court system, there were some positive changes brought about from within the judiciary. Most notably, the disempowerment of Stefan Harabin, a controversial figure who had held major positions in the Slovak judiciary, continued when he eventually lost his position as head of the Supreme Court’s penal college in September 2015.

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 requirement. In the period under review, the selection of justices was paralyzed by a struggle between President Kiska, who had made judicial reform a priority in his successful presidential campaign, and the
The Fico government has never paid proper attention to anti-corruption efforts. Despite spectacular corruption scandals in the period under review which, inter alia, involved the minister of health and the speaker of parliament, few attempts to strengthen integrity mechanisms were undertaken. An amendment to the public-procurement law seeking to prevent companies with undisclosed owners (so-called shell companies) from taking part in public-tender processes was widely criticized for its restrictive remit. A proposal by the parliamentary opposition to make public officials personally accountable in public tenders was rejected by Smer-SD members of parliament. The state administration largely ignored an act granting protecting whistle-blowers, which became effective in January 2015.
Governance

I. Executive Capacity

Strategic Capacity

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 for 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.

Citation:

Scholarly Advice

Slovak governments rely on various permanent or temporary advisory committees. The current government has 16 such bodies. Prime ministers have their own advisory body. Prime Minister Fico’s advisers largely come from his circle of associates and include only a few truly independent experts. There are several public research institutions with close linkages to ministries that are largely dependent on state funding and provide their analysis to the government. However, the impact of any of these bodies on decision-making is not really transparent. Prime Minister Fico does not publicly include non-governmental academic experts outside of his circle in government decision-making processes, preferring instead a more corporatist approach to seeking advice. Under the second Fico government, the number of external advisers from the Slovak Academy of Science has significantly diminished.
Interministerial Coordination

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:

GO Gatekeeping

The Government Office has primarily administrative and technical functions. It mostly supports the work of the various advisory bodies of the government, including the Legislative Council and the Council for Solidarity and Development (which includes selected civil society actors), as well as the work of ministers without their own ministry. The GO takes part in the interministerial coordination process, but while it has the formal power to return draft laws on policy grounds, its gatekeeping role has traditionally been limited. In the period under review, bodies tasked with monitoring the distribution of EU structural funds have become subsumed under the GO, which suggests that the GO is increasingly concerned with policy implementation.

Citation:


Line Ministries

In Slovakia, the government manifesto defines 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 and its legislative council 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, especially those related to EU structural funds.

The importance of cabinet and ministerial committees has varied over time in Slovakia, with every government modifying the committee structure. The
second Fico government has only one cabinet committee composed exclusively of ministers, the Council for National Security. Other ministerial committees consisting of ministers and senior civil servants and chaired by the four appointed vice prime ministers or line 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. However, they are still neither formally nor systematically involved in the preparation of cabinet meetings.

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 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, adviser and economic and social stakeholders to settle issues prior to cabinet meetings.

Evidence-based Instruments

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. Moreover, the adoption of the Smer-SD “social packages” has undermined the role of RIA, because as designated priorities, these packages must be implemented and it is unclear if and how they would be subject to RIA procedures.

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.

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 does not differentiate between short-, medium- and long-term impacts. The process is unsystematic even in theory, and the reality is even weaker.

**Societal Consultation**

The second Fico government has not assigned much importance to consultation with societal actors. The Solidarity and Development Council established in 2012 does not include social and environmental NGOs or representatives of national minorities. The tripartite consultation on the minimum wage failed with the result that the government took a unilateral decision in increasing the minimum monthly wage from €380 to €405 in 2016. Only in the wake of serious crises has the Fico government consulted with a few select NGOs. For example, the government consulted with a few migration NGOs following widespread international criticism of the government for its response to the EU refugee crisis.

**Policy Communication**

Learning from the mistakes of the preceding Radičová government, Prime Minister Fico has emphasized coherence in government communication. Capitalizing on his strong position in a single-party government, he has sought to control the messages of individual ministries and to set the tone. In order to do so, Fico has appeared frequently in the media. For major issues in 2015 such as the Greek debt crisis, the Russian-Ukrainian conflict or the refugee issue, no deviating opinions by members of the government could be identified.

**Implementation**

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. Reform projects such as the amendment of freedom of access to information legislation or the adoption of a new construction act have taken more time than originally planned or have been withdrawn from the political agenda.

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.

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

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.

In Slovakia, the degree of decentralization is relatively high. However, funding for subnational governments has been precarious. While the shares of both municipalities and regional self-governments in personal income tax revenues have substantially risen from 2014 to 2016, subnational governments have continued to 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.

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.

Public-service 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 Ministry of the Interior is responsible for overseeing subnational self-government, but largely focuses on formal compliance with existing laws and cost efficiency. While the ministry regularly monitors all levels of self-government, the number of breaches of the law and the extent and effects of ministerial intervention are not transparent. Clearly, there are differences between national and EU standards that negatively influence the effective use of EU structural funds. 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.

**Adaptability**

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, as the absorption of EU funds has been hindered by dysfunctional planning procedures, poor project design and selection, and the failure to comply with the requirements of environmental impact assessments.

Because of its size, Slovakia’s capacity to shape strategic global frameworks is limited. However, Slovakia is well integrated into NATO and the European Union. Eager to be seen as a reliable and trustworthy partner, Slovakia has complied with most EU guidelines and programs. EU policy toward Russia is an exception in this regard, as Slovakia maintains close and partially institutionalized relations (e.g., the Intergovernmental Commission on Economic, Scientific and Technical Cooperation) with Russia. In response to the Greek debt crisis and the EU refugee crisis, Fico defied the official EU position. While he did not block a consensus from being reached in the Greek case, he did so in the debate on the distribution of refugees. Fico’s decision and his Islamaphobic statements led the European Socialist Party (PES) to consider suspending Fico’s party Smer-SD in the socialist party family. Furthermore, his repeated critique of EU sanctions imposed on Russia and his support for Russia’s military strikes in Syria have raised doubts about Slovakia’s reliability. President Kiska, as well as the foreign and the defense ministers have tried to counter these concerns.

Citation:

**Organizational Reform**

There is no regular and systematic self-monitoring of institutional arrangements in Slovakia. Governments and governmental bodies (such as the parliament, Government Office) must issue annual reports and a final report at the end of their term in office, however, these documents focus more on policies and formal financial accounting rather than institutional design. In
addition, there are sporadic audits within particular ministries. The institutions and processes of governing are analyzed only infrequently and selectively. Shortcomings in audit procedures persist.

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, the bodies that are responsible for controlling the distribution of EU structural funds became part of the Government Office in order to improve coordination and centralize control over strategic public investments. The implementation of the “effective, reliable and open public-administration programme,” the so-called ESO reform, which started in 2013 and was supervised by Minister of the Interior Robert Kaliňák, continued. Its main element has been the creation of new “client centers” that facilitate communication between the state and citizens. However, the reform suffered from unclear priorities and was slowed down by several unclear public tenders related to electronic services and products. Other overdue administrative reforms have been delayed or postponed. It was not until October 2015 that the government adopted a Strategy on Human Resource Management in the Civil Service (2015-2020). The adoption of the new Civil Service Act was postponed to the next term.

Citation:

II. Executive Accountability

Citizens’ Participatory Competence

While the liberal legislation on access to public information has improved the availability of information about policymaking, the population’s overall policy knowledge has suffered from the public disenchantment with politics and the political elite. 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. On the contrary, his main message to the public is that the government takes care of the people’s everyday worries as well as the national interests of Slovakia. By pursuing this kind of paternalism, the Fico government has discouraged citizens from political participation and seeking independent, alternative information.
Legislative Actors’ Resources

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). In addition, there is the Parliamentary Institute — a research unit providing expertise for parliamentary committees, commissions and individual legislators. However, most members of parliament tend to rely on other sources of information. Whereas members of parliament from the governing party have access to government organizations such as the Institute for Financial Policy, members of parliament from the opposition parties make heavy use of experts among party members or draw on analyses by think tanks.

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 some delays, thereby infringing on the work of the committees. The main limits stem from the logic of party competition. Fico’s Smer-SD controls all important committees. In addition, Smer-SD members of parliament are highly disciplined and do not support opposition members of parliament in their activities. As a result, the committees’ access to government documents is limited.

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.

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.

During the period under review, 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.

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 by the Council.
There is an informal agreement that the chairman should be proposed by the opposition. After NKU Chairman Ján Jasovský’s term expired in 2012, Fico’s Smer-SD successfully prevented the election of a new chairman four times. In May 2015, the National Council eventually elected a new chairman, Karol Mitrík. While Mitrík was suggested by one of the opposition parties, he did not muster the support of the majority of the opposition, thus raising doubts about his independence from the government.

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. Dubovcová has taken a quite proactive role with regard to anti-discrimination issues and has been a vocal critic of unlawful detention cells and the excessive use of force by Slovak police officers in Roma settlements. However, most of her critique has been ignored by the authorities, and the Parliamentary Committee for Human Rights and Ethnic Minorities did not approve her report. In June 2015, Nils Muižnieks, the Commissioner for Human Rights of the European Council, appealed to the Slovak government to provide sufficient staff and money for the Office’s activities.

Citation:

Media

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. As for the print media, the recent ownership changes have raised concerns about the political agenda of the new owners and the resulting decline in journalistic quality.

Parties and Interest Associations

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. Personnel changes in the party can be attributed to decisions taken by the party leader, Robert Fico. According to the prognoses for the parliamentary elections in March 2016, only the newly founded party Siet is likely to get more than 10% of voters’ support. For the time being, it is based to a great extent on a single leader, Radoslav Procházka, and still has to develop proper organizational structures.

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.

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, feature close links to academia and other experts and profoundly influence public discourse. Often they even serve as a substitute for political opposition. 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.
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