



Slovenia Report

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Sustainable Governance Indicators 2020

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Executive Summary

From September 2018 to January 2020, Slovenia was governed by a minority government led by Prime Minister Marjan Šarec. Based on a coalition of five center-left political parties (List of Marjan Šarec, LMŠ; Modern Center Party, SMC; Democratic Party of Pensioners of Slovenia, DeSUS; Social Democrats, SD; Party of Alenka Bratušek, SAB), the government depended on support from the leftist Levica party. Primarily held together by the desire to prevent a return to power on the part of Janez Janša, whose center-right Slovenian Democratic Party (SDS) had won twice as many votes as its nearest rival in the June 2019 parliamentary elections, internal political struggles within the center-left coalition left the minority government unable to carry out reforms.

Largely due to the Slovenian economy's high export propensity and strong dependency on development in larger European economies, real GDP fell from more than 4% in 2017 and 2018 to 2.5% in 2019. Despite the unexpected economic slowdown, unemployment continued to decline which allowed the Šarec government to achieve a small fiscal surplus. Supported by the surplus, active public debt management, low interest rates and substantial privatization proceeds, public debt fell from 70.4% of GDP in 2018 to 66.7% in 2019. Projections suggest it will decline further in 2021 and fall below 60%. Compared to its predecessor, the Šarec government was more successful with the privatization of state banks, which has been on the agenda for some time. It sold 75% minus one share in the largest Slovenian bank (NLB) to institutional investors and the third largest bank (ABanka) to the U.S. fund Apollo, which owns Slovenia's second-largest bank, Nova KBM d.d. The Šarec government also stuck to the controversial infrastructure projects initiated by its predecessor, the construction of a second Karavanke highway tunnel into Austria and the construction of a second railway line between Divača and the port of Koper. Both projects continued to suffer from mismanagement, corruption and delays in implementation.

As for social policies, the Šarec government terminated the remaining austerity measures dating back to 2012 and increased family benefits. In December 2018, the National Assembly approved a phased 10% increase in the minimum wage from €638 per month after tax to €667, starting in January 2019, and to €700 in January 2020. The Šarec government also initiated increases in pensions and unemployment benefits. The expansion of social

benefits, especially of pensions, has raised concerns about financial sustainability. Despite pressing problems, the Šarec government achieved little progress with healthcare reform, a major leftover from the previous government. While it increased spending on education, it failed to address the sector's structural problems.

The quality of democracy has suffered from widespread corruption and growing media polarization. Allegations of corruption have featured prominently in the debates about the government's infrastructure projects and the healthcare system. The continuing failure of parliament to adopt an ethical code for members of parliament, and the prosecution's inability to present strong cases that would enable courts to convict some major political players (e.g., Zoran Janković, mayor of Ljubljana), have confirmed doubts about the political elite's commitment to fighting corruption. The growing polarization between the mainstream and the opposition media has infringed upon media independence and pluralism and the quality of media reporting.

Governance in Slovenia is marked by a strong corporatist tradition, which has had a mixed impact on the government's strategic capacity. As economic stability and growth continued under the Šarec government, the unions have become less willing to accept further compromise and put additional pressure on the government to make some concessions at the price of budgetary stability. Slovenia's strong corporatist tradition accounts in part for the lack of strategic planning and policymaking, as well as the government's limited reliance on independent academic experts, a weak core executive, an increasingly politicized civil service and a largely symbolic use of RIA. The Šarec government did not pay much attention to these issues. Instead of investing in institutional reform, it was preoccupied with holding together and securing support for its policy reforms in the National Assembly. Its only significant attempt at institutional reform in 2019 involved preparing a legislative package for Slovenia's regionalization that was provided by a large expert group commissioned by the National Council.

Key Challenges

Once famous for its consensual policy style, Slovenia has been subject to growing political polarization since the early elections of June 2018. While the center-left parties of the governing coalition have been preoccupied with keeping arch rival Janez Janša from taking office, his supporters have felt deprived of their victory in the elections and betrayed by what they perceive as a liberal elite and the establishment. The polarization between the two camps

has had a considerable impact on the media, making the defense of media freedom and pluralism in Slovenia a major challenge. The polarization has also been visible in the appointment of Constitutional Court justices, the selection and promotion of civil servants and in daily policymaking. Overcoming such political polarization is essential to reducing the public disenchantment with politics and politicians that has beset Slovenia for some time. Regaining the lost public trust in political institutions and political elites also requires taking a tougher stance on corruption.

The cooling of the economy in 2019 is a reminder that economic growth cannot be taken for granted and that the need for structural reforms remains strong. Without major pension and healthcare reforms, the demographic trends, most notably the aging of the population, are likely to result in substantial fiscal pressures in the medium- and long-run. Adopting substantial healthcare and pension reforms, particularly in a failing public healthcare sector saddled by corruption, should be a clear policy priority. In order to strengthen the economy, the government should intervene less (whether formally or informally) in state-owned companies and implement a strategy to privatize the remaining state-owned enterprises, starting with Telekom Slovenije. As areas which have been previously neglected, the government should also invest more in R&I and higher education.

Achieving these goals could be facilitated by a number of changes in Slovenia's policymaking process. The government should make greater use of expert advice, strengthen strategic planning, limit the politicization of the civil service and greatly improve the RIA system. Such changes would make it easier for the government to plan and act on a long-term basis, overcome resistance and obstacles by special interest groups that often hinder or even disable governmental activity, and win public acceptance for much-needed reforms. Neglected for far too long, institutional reform deserves a more prominent place on the political agenda.

Party Polarization

Party polarization is very high in Slovenia and presents a major obstacle for policymaking. Political parties are divided into two parliamentary blocs: a center-left bloc of six parties and a center-right bloc of three parties. These two blocs rarely cooperate, if ever. Furthermore, both the opposition media and the mainstream media, which is largely biased in favor of the center-left, help fuel this divide through sensationalist reporting that sometimes borders on hate speech. Polarization between the two camps complicated the formation of a

new government after the early parliamentary elections in June 2018. The center-left parties refused to discuss the possibility of forming a ruling coalition with the winner of the elections, the center-right Slovenian Democratic Party (SDS) of Janez Janša, which won twice as many votes as its nearest rival. Instead, five center-left parties (List of Marjan Sarec, LMŠ; Modern Center Party, SMC; Democratic Party of Pensioners of Slovenia, DeSUS; Social Democrats, SD; Party of Alenka Bratušek, SAB) opted to form a minority government, which is assisted by the far-left Levica party. The lack of a political party occupying the space in the political center between the two ideologic blocs is unusual for a country that was led by a centrist party, the Liberal Democratic Party of Janez Drnovšek, from 1992 to 2004. (Score: 3)

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 6

The Slovenian economy has been growing robustly since 2014. However, real GDP growth declined from more than 4% in 2017 and 2018 to about 2.5% in 2019, largely because of the high export propensity of the Slovenian economy and its strong dependence on development in larger European economies.

The Šarec government has stuck to the controversial infrastructure projects initiated by its predecessor, which include the construction of a second Karavanke highway tunnel toward Austria and the construction of a second railway line between Divača and the port of Koper. Both projects have continued to suffer from mismanagement, corruption and delays in implementation. Compared to its predecessor, the Šarec government has been more successful with the privatization of state banks, which has been on the agenda for some time. It sold 75% minus one share in the largest Slovenian bank (NLB) to institutional investors and the third largest bank (ABanka) to the U.S. fund Apollo, which owns Slovenia's second largest bank, Nova KBM d.d.

Labor Markets

Labor Market
Policy
Score: 6

While the unemployment rate increased from 2009 to 2013, since 2014, the labor market has significantly improved. In 2016, the number of registered unemployed persons fell below 100,000 for the first time since 2010 and continued to decline each year, reaching a ten-year nadir in September 2019 of 69,834. In recent years, the unemployment has fallen steadily from 9.1% in 2015 to 4.4% in 2019. However, the improvement in labor market performance has been driven largely by the economic recovery. Despite improvements in recent years, major structural challenges have remained. Still high, long-term unemployment has been increasing slightly, the employment

rates of older and low-skilled workers remain below the EU average, and their participation in active labor market policies remains low. A December 2019 amendment to the Labor Market Regulation Act is designed to address some of these problems.

Citation:

Stropnik, N. (2020): Slovenia revises its unemployment benefit regulation to foster employment. ESPN, Flash Report 2020/14, Brussels.

Taxes

Tax Policy
Score: 6

Slovenia's tax system was overhauled in the 2004 – 2008 term and has changed only gradually since then. Tax revenues stem from a broad range of taxes, with a high percentage of about 40% of all tax revenues stemming from social insurance contributions. A progressive income tax with a handful of different rates provides for some vertical equity. As the thresholds are set rather low, however, the majority of middle class citizens fall into the second- or third-highest category. The tax burden for enterprises is below the EU average, but higher than in most other East-Central European countries. Moreover, tax procedures for both individuals and companies are complex.

The Cerar government had announced comprehensive tax reform for 2016. However, the coalition partners eventually reached common ground on relatively modest changes only, focusing on tax relief for the middle class. Beginning in 2017, the tax burden on personal income, including performance and Christmas bonuses, was reduced, in part by introducing a new tax bracket and by replacing the previous 41% tax rate with two rates of 34% and 39%. Contrary to the original proposition of the Ministry of Finance, the top income tax rate of 50% was retained. In order to compensate for the decline in personal income tax revenue, the corporate income tax rate increased from 17% to 19% in 2017. Business associations have complained that this increase added to an already relatively high tax burden on enterprises. The Cerar government's second minister of finance, Mateja Vraničar Erman, proposed a minor tax reform in 2017, targeting above all taxes paid by small companies, but couldn't find enough support in the government. Consequently, the changes implemented were very minor and more technical in nature.

Under the Šarec government, tax changes have continued to be modest. In February 2019, the prime minister announced that the government would draft a package of measures before the end of the year, and in June 2019, a reform tax package was put up for public debate. The changes proposed are minor and include, for example, cutting income tax rates in the second and third brackets by one to two percent, a slight increase in tax deductions, higher capital gains taxes on items owned less than 20 years, a higher rate of personal income tax

on rental property. In October 2019, the prime minister announced that there will be no property tax implemented until at least 2022, as there is no coalition consensus on the issue.

At almost 38%, the tax-to-GDP ratio is below the EU average, but relatively high from a regional perspective. The recent surpluses in the fiscal balance suggest that revenues are sufficient to finance the budget.

The progressive income tax has provided for vertical equity. Recent reforms have aimed at limiting the tax burden of the middle class.

The tax burden for enterprises is below the EU average, but higher than in most other East-Central European countries. Moreover, tax procedures for both individuals and companies are complex.

Slovenia's revenue from environmentally relevant taxes remains above the EU average. Environmental taxes made up to 3.73% of GDP in 2017 (EU-28 average: 2.4%), and energy taxes made up to 3.16% of GDP (EU-28 average: 1.84%). In the same year, the environmental tax amounted to 10.13% of total revenues from taxes and social security contributions (EU-28 average: 5.97%).

Citation:

European Commission (2019): Environmental Implementation Review 2019. Country Report Slovenia. SWD(2019) 131 final. Brussels (https://ec.europa.eu/environment/eir/pdf/report_si_en.pdf).

Budgets

Budgetary Policy
Score: 7

The Cerar government succeeded in bringing the fiscal deficit down from 3.4% of GDP in 2014 to 0.0% in 2017, thus exiting the European Commission's excessive deficit procedure in June 2016. Despite the unexpected economic slowdown and the resulting need for a budget revision, the Šarec government managed to achieve a small fiscal surplus in 2019. Buoyed by the surplus, active public debt management, low interest rates and substantial privatization proceeds, public debt fell from 70.4 % of GDP in 2018 to 66.7% in 2019. Projections suggest that it will decline further, reaching less than 60% in 2021.

In order to stress its commitment to a sustainable budgetary policy, the National Assembly, in line with the EU's Fiscal Compact, enshrined a "debt brake" in the constitution in May 2013. However, the corresponding legislation was not adopted until July 2015, and the government and opposition proved unable to reach a consensus on selecting the three members of the Fiscal Council (which is tasked with supervising fiscal developments)

until late March 2017. In December 2018, the Fiscal Council warned of a deterioration of the fiscal stance. As a matter of fact, the revised 2019 budget did not fully meet the targets of the medium-term budgetary framework.

Citation:

European Commission (2020): Country Report Slovenia 2020. SWD(2020) 523 final. Brussels (<https://ec.europa.eu/info/sites/info/files/2020-european-semester-country-report-slovenia-en.pdf>), 17-18.

Research, Innovation and Infrastructure

R&I Policy
Score: 4

Slovenia's R&I activities have long been of both low quality and quantity. While public R& I spending increased in 2018 and 2019, it still does not comprise 1% of GDP. In some areas of research, the extent of EU funding has declined, as Slovenia has experienced serious administrative difficulties in absorbing funds for R&I. The Šarec government has failed to address this issue. In the period under review, two ministers resigned because they did not manage to increase absorption rates.

Global Financial System

Stabilizing
Global Financial
System
Score: 6

Slovenia was the first post-socialist EU member state to introduce the euro. Because of its troubled financial sector, the country became a strong supporter of a European solution when the euro crisis began. In 2013/14, it was the first EU country to apply the rules of the new European banking union. While the resulting restructuring of the domestic financial sector has prompted substantial domestic conflicts, the Šarec government stuck to the controversial sale of major banks to foreign investors. The Bank of Slovenia has played an active role in the regulation and supervision of financial markets.

II. Social Policies

Education

Education Policy
Score: 7

Slovenia has moved relatively rapidly from the socialist curriculum tradition toward a more flexible organization of education. With a high share of the population aged 25 to 64 having completed at least upper secondary education as well as high ranks in international educational achievement tests, the education system fares relatively well by international comparison. The most pressing problems remain the small (but slowly growing) share of pupils enlisted in vocational education, as well as an underfunded tertiary-education system with high dropout rates and large fictitious enrollment figures.

Like the previous government, the Šarec government has increased spending for education. It also tried to address a five-year old decision of the Constitutional Court on the public funding of accredited private school programs. The Court had ruled that the latter are eligible to the same amount of funding per pupil as public ones and not only to the current 85%. The Šarec government prepared a new act on the organization and financing of education (ZOFVI-L) with the aim of circumventing the court's decision. Despite legal warnings, the act was adopted in the National Assembly on 9 July 2019, only to be vetoed by the National Council, a kind of upper house representing social, economic, professional and local interests. The act then failed to acquire the absolute majority needed in a second vote in the National Assembly on 18 July 2019.

Social Inclusion

Social Inclusion
Policy
Score: 9

Slovenia has a strong tradition of social inclusion, with its Gini coefficient being the second lowest among EU member countries. In the past, social policy focused on providing benefits to the elderly and to families with children. After the onset of the economic crisis, however, social disparities widened. The Fiscal Balance Act, adopted by the Janša government in May 2012, cut several social-benefit programs and reduced the generosity of social benefits for the unemployed. During the period under review, the Šarec government eliminated the last remaining austerity measures in the area of social security benefits and increased a broad range of social benefits. In December 2018, the National Assembly approved a phased ten percent increase in the minimum wage from €638 per month after tax to €667 in January 2019, with a scheduled increase to €700 in January 2020. In addition, some bonuses which are currently included as part of the minimum wage will be excluded in 2020 and must be paid on top. In such cases, they effectively further increase the lowest wages.

Health

Health Policy
Score: 5

The Slovenian healthcare system is dominated by a compulsory public-insurance scheme. This scheme guarantees universal access to basic health services but does not cover all costs and treatments. In order to close this gap, citizens can take out additional insurance offered by Vzajemna, a mutual health insurance organization established in 1999, or, since 2006, additional insurance offered by two other commercial insurance companies. The quality of services, which are partly delivered by private providers and are organized locally, is relatively good. While total health spending is well above the OECD average, both the compulsory public health insurance scheme and the

supplementary health insurance funds have suffered from financial problems for some time, resulting in financial problems among the majority of health providers. Since 2015, several scandals about irregularities and corruption in procurement in hospitals have surfaced. These scandals, combined with the growing lack of general practitioners in primary care, threaten to cripple the entire system.

Healthcare reform has been on the political agenda for some time and has featured prominently in the coalition agreement of the Šarec government. As under the previous government, however, progress has been slow. The governing parties have held different views on reforms, which have been difficult to reconcile. The outside coalition partner, The Left (Levice), for instance, has pressed hard to re-expand the public health insurance scheme to the detriment of the supplementary health insurance funds. Because of these internal conflicts, the Šarec government did not relaunch the preparation of a new draft healthcare and health insurance act already announced under its predecessor until fall 2019.

Families

Family Policy
Score: 9

The employment rate among women in Slovenia is above the EU average, and the employment rate of mothers with children under six is among the highest in the EU. Reconciling parenting and employment is facilitated by the fact that Slovenia provides childcare facilities that exceed the EU average and meets the Barcelona targets both for children under three years of age and between three and five years of age. Over the past ten years the number of children enrolled at nursery schools has increased by about 50%. While the incidence of part-time work is growing slowly, most women work full time. The New Parental and Family Benefit Act that came into force in 2014 extended the right to part-time work when having two children from six years of age until the end of first grade of primary school. At 105 working days, the maximum duration of maternity leave is near the European average. In addition, parents can take up to 260 days of parental leave, part of which is paid. The 2014 act also included a gradual reform of the additional, non-transferable paternity leave which was completed in the course of 2017. On the one hand, the overall number of days of paternity leave was reduced from 90 to 30. On the other, the number of days with full salary compensation was doubled from 15 to 30, so as to make taking paternity leave more attractive to men. In late 2018, the Šarec government eventually abandoned cuts to family benefits that had originally been introduced in 2012. It reintroduced the indexation of family benefits to inflation and reduced the income-testing of family benefits.

Citation:

European Commission (2016): Slovenia: A dynamic family policy to improve work-life balance. Brussels

(<http://ec.europa.eu/social/main.jsp?catId=1248&langId=en&intPageId=3656>).

Stropnik, N. (2019): Slovenia abandons cuts to family benefits. ESPN, Flash Report 2019/07, Brussels.

Pensions

Pension Policy
Score: 7

Slovenia has a traditional pay-as-you-go (PAYG) pension system with modest pensions, whose intergenerational fairness and financial sustainability in the face of an rapidly aging society has suffered from a low employment rate for the elderly. A substantial pension reform was adopted in December 2012. This instituted a gradual increase in the full-retirement age to 65 for men and woman, or 60 for workers with at least 40 years of pensionable service. In addition, it introduced incentives for people to continue working after qualifying for official retirement and implemented changes to the pension formula that have slowed pension growth. The Cerar government emphasized the need for further change and eventually agreed with the social partners upon the broad outline of a pension reform to be adopted by 2020 that includes a 70% net replacement rate, raising the actual retirement age and an indexation rule that links the growth of pensions to wage growth and changes in consumer prices. The Šarec government has prepared amendments to the Pension and Disability Insurance Act that have aimed at improving pension adequacy and at fostering the employment of pensioners, but have raised concerns about the financial sustainability of the pension scheme.

Citation:

European Commission (2020): Country Report Slovenia 2020. SWD(2020) 523 final. Brussels, 18-20 (<https://ec.europa.eu/info/sites/info/files/2020-european-semester-country-report-slovenia-en.pdf>).

Macjen, B. (2019): Slovenia Plans to Increase Pension Adequacy. ESPN, Flash Report 2019/43, Brussels.

Integration

Integration Policy
Score: 5

Successive governments have done little to foster the integration of migrants into society by opening up health services and schools, offering anti-discrimination support or encouraging political participation. In June 2015, however, the National Assembly adopted new legislation on foreign employment that improved protections for foreign workers employed in Slovenia, and as of 1 September 2015, foreign workers receive a unified work and residency permit. While the number of work permits for foreigners dropped from 85,000 in 2008 to a mere 7,033 in 2016 as a result of the economic crisis, it has been on the rise since 2017. At the same time, the period under review saw an increase in the number of asylum-seekers on their way to neighboring Italy and Austria. The government has responded by erecting an additional fence along the southern border that is guarded by a higher number of policemen and (assisting) army personnel.

Safe Living

Internal Security
Policy
Score: 9

Actual and perceived security risks in Slovenia are very low. Slovenia's accession to the Schengen group in December 2007 has resulted in a substantial professionalization of the Slovenian police force and border control. A six-month police strike, which ended in June 2016, brought substantial increases in wages as well as a commitment by the government to increase future spending on basic police equipment. The effects of that commitment were evident in the period under review, with the police receiving new equipment, such as radars and vehicles, to replace older models. While public trust in the police is slightly below the EU average, it is higher than in most other East-Central European countries and higher than public trust in political institutions.

Citation:
European Commission (2018): Standard Eurobarometer 89. Brussels (<http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/2180>).

Global Inequalities

Global Social
Policy
Score: 5

With EU accession in 2004, Slovenia's status changed from donor to recipient of official development assistance. However, Slovenia has not been very active in international efforts to promote equal socioeconomic opportunities in developing countries. The few initiatives that exist are mostly focused on the former Yugoslavia. The prevailing attitude is that Slovenia has its own measure of socioeconomic problems to tackle and that potential Slovenian international influence is negligible. Still, Slovenia's official development assistance comes close to the EU target and has risen substantially in recent years.

III. Environmental Policies

Environment

Environmental
Policy
Score: 8

Over the last decade, Slovenia has established comprehensive environmental legislation. It has transposed most EU environmental directives into the 2004 Environmental Protection Act and other national laws. Environmental policy

has also been guided by the country's Development Strategy 2030 which was approved by the government in December 2017. Certain environmental policy goals such as those regarding waste are ambitious, and the implementation and coordination of environmental policy has been largely effective.

With regard to resource use (land, water, materials, energy), the following can be established:

Resource productivity has improved overall in Slovenia in the last 10 years, though it remains below the EU average, particularly when compared with the EU-15. In 2017, it reached €1.43/kg compared to the EU average of €2.04/kg. The circular (secondary) use of material in Slovenia was 8.5% in 2016 (EU-28 average 11.7%), which was less than previous years. At the same time, Slovenia performs above the EU-28 average in terms of the number of people employed in the circular economy (2.09% of total employment in 2016 vs. the EU-28 average of 1.73%). New policy instruments were introduced in 2019 to promote waste prevention, make reuse and recycling more economically attractive and shift reusable and recyclable waste away from incineration.

With regard to environmental pollution (water, air, soil), the following can be established:

Slovenia has registered 378 sites where potentially polluting activities have taken or are taking place. Air quality in Slovenia continues to give cause for concern. For 2015, the European Environment Agency estimated that about 1,800 premature deaths were attributable to various sources of air pollution (i.e., fine particulates). Slovenia planned to take action to reduce the key sources of emissions in 2019 under the National Air Pollution Control Programme. The ecological status of most natural lakes and rivers as well as all coastal waterbodies have been assessed as "good" or better. From 2015 to 2017, the share of water bodies assessed as good or better increased from 52% to 58%. Chemical pollution, followed by organic and nutrient pollution, have been identified as having the most significant impact on all surface water categories. Despite ongoing protests from local communities, two waste-processing plants (Kemis Vrhnika and Ekosistemi Zalog) that were the site of massive fires in 2017 have resumed operation. Further plants (Salomon Lenart, Saubermacher Lenart, Publicus Komenda) were the site of more such massive fires that took place in 2019. As a consequence of these events, new safety mechanisms and procedures are being implemented at all waste-processing plants, though policy implementation is clearly lacking oversight and monitoring. As a result, various municipalities are increasingly turning away from hosting waste-processing plants on their territory.

With regard to climate issues, the following can be established:

From 2013 to 2017, Slovenia's greenhouse gas emissions were below that of targets set for each year. For 2020, Slovenia's national target under the EU Effort Sharing Decision is to avoid increasing emissions by more than 4% compared to 2005. For 2030, Slovenia's national target under the Effort Sharing Regulation will be to reduce emissions by 15% compared to 2005. Since 2016, Slovenia has had a National Adaptation Strategy in place, developed through its Strategic Framework for Climate Change Adaptation. The framework provides a long-term vision and strategic guidelines for adaptation-related activities. Slovenia is currently in the process of developing a National Action Plan based on a comprehensive national Climate Change Vulnerability Assessment. Sectors that have devoted the most attention to climate change adaptation action are water management (and the associated risks of flood and drought), agriculture and forestry.

With regard to biodiversity protection:

Slovenia has more than 350 Natura 2000 sites. These include 324 sites of community importance under the Habitats Directive and 31 special protection areas under the Birds Directive. Together, these sites cover 10.6 km² of marine waters and 37.9% of the country's land area, which is the largest share of land area coverage in the EU (EU average 18.1%). As planned for within the context of the EU's Action Plan for Nature, People and the Economy, a bilateral meeting involving authorities and stakeholders in all economic sectors was held in March 2018. The main challenges to implementation were discussed at the meeting, which delivered agreement on a number of conclusions and actions to be taken and followed up upon in 2019. Considering the Natura 2000 coverage in Slovenia, there is no doubt it forms the backbone of efforts to promote green infrastructure. This infrastructure requires an upgrade in order to improve ecological connectivity among Natura 2000 sites and to provide green infrastructure in urban areas outside Natura 2000 sites.

Citation:

European Commission (2019): Environmental Implementation Review 2019. Country Report Slovenia. SWD(2019) 131 final. Brussels (https://ec.europa.eu/environment/eir/pdf/report_si_en.pdf).

OECD (2019): Slovenia Development Strategy 2030: Prospects, challenges and policy options to achieve the main objectives. Paris.

Global Environmental Protection

Global
Environmental
Policy
Score: 6

Geography determines the priorities of Slovenia's international environmental relationships, notably with respect to water management and the conservation of biodiversity. Slovenia's commitment to sustainable development on a regional and subregional scale is articulated through various cooperation agreements covering the alps, the Danube and its tributaries, and the Mediterranean (including the Adriatic). Slovenia has signed and ratified almost all multilateral environmental agreements.

The Dinaric Arc area is an emerging focus of cooperation. Bilateral cooperation between Slovenia and its neighboring countries includes various cross-border agreements, such as water management agreements with Croatia, Hungary and Italy, as well as agreements with Austria on spatial planning in border regions. Slovenia has continued to maintain many informal contacts at a professional/ technical level with the countries of the Western Balkans. Compared to these regional activities, Slovenia's contribution to strengthening global environmental protection regimes has been modest.

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 10

In Slovenia, the legal provisions for registering candidates and parties provide for a fair registration procedure for both national (parliamentary, presidential), local (mayoral, council) and sub-local (village or city district council) elections. Registration requirements are straightforward and not very demanding. Establishing a party requires only 200 signatures. The registration requirements for national parliamentary elections favor parties represented in parliament. Unlike non-parliamentary parties or non-party lists, they are not required to collect voter signatures. Candidates for the presidency must document support from at least ten members of parliament or 5,000 voters. When they are backed by at least one political party, three members of parliament or 3,000 signatures are sufficient. At local elections, a candidate for mayor and candidate or list of candidates for a municipal council can be proposed either by political parties or by a specified number of voters, which is dependent on the size of a municipality. Candidate lists both for national parliamentary elections and municipal assembly elections must respect a gender quota. On each list of candidates, neither gender should be represented by less than 40% of the total number of candidates on the list. Local elections in November 2018 saw 688 mayoral candidates (only 14.5% of which were female candidates) and 22,314 candidates for municipal councilors (45.7% female candidates), whereas 14 political parties and lists proposed 103 candidates at the elections to the European Parliament at the end of May 2019.

Media Access
Score: 6

While both the public and private media tend to focus on the parliamentary political parties, Slovenia's public-media regulatory system and pluralist media environment ensure that all candidates and parties have access to the media. The public TV and radio stations are legally obliged to set aside some airtime for parties to present their messages and their candidates. Since a third public TV channel (mainly covering parliamentary debates) was established in 2014, airtime for political parties and candidate lists has increased. But neither the regulatory body nor civil society organizations systematically monitor

Voting and
Registration
Rights
Score: 10

media coverage during a campaign. A number of televised debates featuring representatives of all 14 political parties and lists that had candidates were held in the run-up to European Parliament elections in May 2019. However, media access has suffered from the growing polarization between mainstream and opposition media.

The electoral process is largely inclusive at both national and local levels. All adult citizens, including convicted prisoners, can participate in elections and no cases of voting irregularities have occurred in the period under review. Voters that will not be in their place of residence on election day can ask for a special voter's pass that allows voting at any polling station in the country. While no general postal vote exists, Slovenian citizens who live abroad as well citizens unable to make it to the polling stations for health reasons or because of disabilities can exercise their voting rights by mail. In another attempt at making voting more inclusive, a 2017 amendment to the electoral code called for making all polling stations accessible for persons with disabilities. This amendment was for the first time implemented during the parliamentary elections in June 2018 and led to the closure of some polling stations that were not accessible for persons with disabilities. One Slovenian peculiarity are the special voting rights for the Hungarian and Italian minorities and the Roma population. Members of the Hungarian and Italian minorities can cast an additional vote for a member of parliament representing each minority in the national parliament. In the case of local elections, a similar provision exists for the Roma population in all municipalities with a substantial Roma minority.

Citation:

OSCE/ OHDIR (2018): Republic of Slovenia: Early Parliamentary Elections, 3 June 2018. Final Report. Warsaw (<https://www.osce.org/odihr/elections/slovenia/394106?download=true>).

Party Financing
Score: 7

According to the Act on Political Parties, parties can be financed by membership fees, donations, estate revenues, the profits of their companies' revenues and public subsidies. Party financing or donations from abroad are prohibited. If a political party wins at least 1% of all votes in the previous parliamentary elections, it is entitled to financial resources from the national budget: 25% of the total budget amount is divided equally between all eligible parties. The remaining 75% is divided among the parties represented in the National Assembly according to their vote share. In addition, parliamentary party groups can obtain additional support from the national budget for their parliamentarians' education purposes, and for organizational and administrative support. All political parties must prepare annual reports and submit them to the National Assembly. The reports, which are submitted to the Agency of the Republic of Slovenia for Public Legal Records and Related Services, must disclose aggregate revenues and expenditures, detail any property owned by the party, and list the origins of all donations that exceed the amount of five times Slovenia's average gross monthly salary (i.e., around

€8,700 in 2019). The legislation puts the annual ceiling for party loans from individuals at ten times the value of the average gross monthly salary (i.e., about €17,400 in 2019). Parties are also required to submit post-electoral reports to the Court of Audit, which holds official responsibility for monitoring party financing. Following many calls to further increase transparency and strengthen the monitoring and sanctioning of party financing, legislation on the issue was finally amended in January 2014, barring donations from private companies and organizations. During local elections, municipalities autonomously set campaign financing for political parties.

Popular Decision-Making
Score: 8

Slovenia has a strong tradition of direct democracy. Until a constitutional amendment in May 2013, referendums on all issues could be called by parliament, the National Council (a body representing major interest groups) as well as by citizens themselves. As a result, many referendums were called and, in a number of cases, controversial government initiatives were rejected. A May 2013 constitutional amendment, which was adopted by the legislature with an overwhelming majority, kept the relatively low threshold of signatures required for calling a referendum (40,000), but ruled out the calling of referendums by parliament and by the National Council. Moreover, the set of eligible issues was reduced so as to exclude the public budget, taxes, human rights and international agreements, the majority requirements for the validity of referendums were tightened and the period for which parliament is bound to the results of a referendum was reduced. As a result, the number of referendums has fallen. In the period under review, no national referendums were held, but several local referendums were held in parallel to the local elections in November 2018. These referendums addressed various local policies and issues, such as a proposed redrawing of municipal borders for the city of Jezersko, which would allow the neighboring city of Kamnik to share a border with Austria.

Access to Information

Media Freedom
Score: 5

Slovenia's constitution and legal system guarantee freedom of the press, and the media, for the most part, operate without direct political interference. The laws regulating public television and radio broadcasting reflect the strong corporatist element of Slovenian political culture. The Council of Radio-Television of Slovenia (Radiotelevizija Slovenija, RTVS) has 29 members, who are appointed by the National Assembly, but proposed by a broad variety of political and social actors. Changes to the rules and procedures in the previous years strengthened the independence of the public media by reducing the scope for discretionary cuts in public funding, and by requiring an absolute rather than relative majority for the election of the director-general of the Council of Radio-Television of Slovenia. An amendment of Article 260 of the Slovenian Criminal Code, which entered into force on October 2015,

strengthened media freedom by making clear that an individual disclosing classified information no longer incurs a criminal liability. In the period under review, however, there have been some reports of political pressure being placed on public media journalists covering sensitive political issues, such as the corporate governance of state-owned companies or write-off of tax debts to the family of the Ljubljana mayor Jankovic. Media freedom has also suffered as owners of private media exert their influence. Some private media outlets are owned by companies from other economic sectors (e.g., construction), and reporting sometimes seems to be biased toward the ruling coalition, which helps these outlet owners secure public sector procurement contracts. Growing political polarization has fueled a debate over whether or not to ban acts of hate-speech, though it is unclear whether doing so would actually strengthen a culture of public discourse or serve instead to be used as a ruse by authorities and other centers of power and influence in persecuting otherwise-minded people.

Media Pluralism
Score: 5

Slovenia currently has about 1,400 different media outlets, including more than 80 radio and 50 television broadcasters (both local and cable operators). However, the public-media market share is still substantial, with Radio-Television of Slovenia (Radiotelevizija Slovenija, RTVS) running seven out of 10 national TV and radio channels (for TV: SLO1, SLO2, SLO3; for radio: Program A, Program Ars, Val 202 and Radio Slovenia International).

Recent ownership changes have raised concerns about media pluralism. In the print media, the controversial sale in July 2014 of Večer, a prominent daily newspaper (primarily serving the northeastern part of the country), was followed by the auctioning of Slovenia's biggest newspaper publisher Delo in June 2015. The new owner, the financial management company FMR, has little to no media experience and is run by Stojan Petrič, a construction businessman who is believed to be politically well connected. As a result of these changes, sales of Delo newspaper dropped to the lowest level so far in 2019 (close to 20,000 issues sold daily). In response, FMR made the seasoned journalist and former editor-in-chief of Siol.net news portal Uroš Urbas editor-in-chief of Delo, replacing Gregor Knafelc who had little journalistic experience. In August 2018, the publishers of Dnevnik and Večer, the second and the third largest daily newspapers in Slovenia, announced a merger, which was approved by the Ministry of Culture and the Competition Protection Agency in late July 2019. The merger of Dnevnik and Večer will form the largest printed daily newspaper in Slovenia, with almost 40,000 issues sold daily.

In the electronic media, the U.S. media conglomerate, United Media received the green light from the Ministry of Culture in October 2017 and from Competition Protection Agency in early 2018 to take over Pro Plus, the

operator of the largest commercial TV channels in Slovenia, POP TV and Kanal A. But in January 2019, Central European Media Enterprises, the owner of Pro Plus, withdrew from the sale and remained the owner of the country's largest private TV network.

Media pluralism has further suffered from the growing involvement of political parties in the media business. In February 2016, the Slovenian Democratic Party (SDS), the main opposition party, which has long complained about an alleged media bias, launched its own private news TV station, Nova24TV. Nova24TV got new owners in early 2017 with three Hungarian companies taking over, reported to be connected to the Hungarian prime minister Viktor Orbán. In September 2017, the SDS also began publishing the new weekly Scandal24. The governing coalition reacted by establishing a parliamentary investigation commission in charge of determining whether the Hungarian investment in the SDS media represents illegal party financing.

Access to
Government
Information
Score: 9

Slovenian law guarantees free and quite easy access to official information. Restrictions are few and reasonable (covering mostly national security and secret data issues), and there are effective mechanisms of appeal and oversight enabling citizens to access information. When access to official information is obstructed or denied, the Information Commissioner, an autonomous body that supervises both the protection of personal data as well as access to public information, can be called upon and intervene. In a number of cases, the Information Commissioner has helped citizens and journalists enforce their right of access. The new online application "Supervisor," set up by the Commission for the Prevention of Corruption (CPC) as a means of enhancing transparency in the country, has helped the public and the media access some previously restricted financial information. In July 2016 Supervisor was upgraded and integrated into the new web application Erar, also developed by the CPC. The Ministry of Public Administration has developed a publicly available web-based public procurement portal and online statistical tool. The percentage of citizens using the internet for obtaining information from public authorities in Slovenia is above the European average.

Citation:

European Commission (2019): Digital Government Factsheet 2019: Slovenia. Brussels (https://joinup.ec.europa.eu/sites/default/files/inline-files/Digital_Government_Factsheets_Slovenia_2019_0.pdf).

Civil Rights and Political Liberties

Civil Rights
Score: 7

In Slovenia, civil rights are largely respected. Citizens are effectively protected by courts and by independent institutions like the ombudsman against infringements of their rights. Some problems exist with regard to the integrity

of the judiciary. By contrast, the duration of court proceedings, which was very long in the past, has been drastically reduced and the number of backlog cases dropped by 56% in the last five years, reaching the lowest levels since the 1990s.

Political Liberties
Score: 9

In Slovenia, political liberties are constitutionally protected and guaranteed and are respected by government institutions. The rights to assembly and association, for instance, are guaranteed in Article 42 of the Slovenian constitution and can only be restricted in special cases. The fact that Slovenia has more civil society organizations per capita than most other countries testifies to the protection of the freedom of association. A 2018 law on NGOs has further strengthened the legal position of NGOs.

Non-discrimination
Score: 7

Slovenian law guarantees equal rights to all citizens and protects against discrimination based on prescribed criteria. There are also various forms of positive discrimination, including a gender quota in electoral law and special voting rights for the officially recognized national minorities as well as for the Roma population. Despite the legal framework, foreign workers and women are still at times paid somewhat less for the same work than Slovenian and male workers, and there have been cases of discrimination against same-sex couples. Amnesty International and others have criticized the government for not doing enough to counter discrimination toward the Roma. Media rights for minorities other than the Hungarian, Italian and Roma are underdeveloped. The annual report of the Human Rights Ombudsman for 2018 addressed several well-known persistent discrimination issues, such as the difficult living conditions of some Roma families, the lack of infrastructure and sanitation in non-regularized Roma settlements, and the fact that the responsibility for resolving Roma settlements issues should not rest exclusively with municipalities.

Citation:

Human Rights Ombudsman (2019): Annual Report for 2018. Ljubljana (http://www.varuh-rs.si/fileadmin/user_upload/pdf/lp/LP_2018.pdf).

Rule of Law

Legal Certainty
Score: 7

Legal certainty in Slovenia has suffered from contradictory legal provisions and frequent changes in legislation. The number of newly adopted regulations increased from 1,360 in 1991 to almost 20,000, including 800 laws, in December 2017. Many crucial laws are amended on a regular basis, and contradictions in legislation are frequently tested in front of the Constitutional Court. The procedures of rule-making are misused or side-stepped by making heavy use of the fast-track legislation procedure. In 2018, 81.3% of the 25 adopted legislative acts in the National Assembly were subjected to the fast-track or shortened legislation procedure (compared with 48.4% in 2017). In

the vast majority of cases, however, government and administration act on the basis of and in accordance with the law, thereby ensuring legal certainty.

Citation:

Haček, M., S. Kukovič, M. Brezovšek (2017): *Slovenian Politics and the State*. Lanham, Boulder, New York, London: Lexington Books.

National Assembly. (2019). Report on the work of National Assembly for 2018. (https://fotogalerija.dz-rs.si/datoteke/Publikacije/PorocilaDZ/Porocilo_o_delu_Drzavnega_zbora_v_obdobju_2018_%E2%80%93_2022__prvo_letu_mandata_2018__22__6__2018_%E2%80%93_31__12__2018.pdf).

Judicial Review
Score: 8

While politicians try to influence court decisions and often publicly comment on the performance of particular courts and justices, Slovenian courts act largely independently. The Cerar government preserved the independence of the Prosecutor's Office and strengthened the independence of the judiciary by expanding its funding. The Constitutional Court has repeatedly demonstrated its independence by annulling controversial decisions by the governing coalition, for instance on the candidacy rights of former Prime Minister Janša and the referendum on same-sex marriages. However, the lower courts have sometimes been criticized for letting influential people off the hook.

Appointment of
Justices
Score: 8

In Slovenia, both Supreme and Constitutional Court justices are appointed in a cooperative selection process. The Slovenian Constitutional Court is composed of nine justices who are proposed by the president of the republic and approved by the parliament by absolute majority. The justices are appointed for a term of nine years and select the president of the Constitutional Court themselves. Supreme Court justices are appointed by parliament by a relative majority of votes based on proposals put forward by the Judicial Council, a body of 11 justices or other legal experts partly appointed by parliament and partly elected by the justices themselves. The Ministry of Justice can only propose candidates for the president of the Supreme Court. Candidates for both courts must meet stringent merit criteria and show a long and successful career in the judiciary to be eligible for appointment. In March 2017, four new Constitutional Court justices were appointed by the National Assembly, all with an overwhelming majority of votes, a rare example of party cooperation. By contrast, in the case of the two most recent appointments of Constitutional Court justices in late 2018 and June 2019, the governing coalition ignored and over-voted the opposition.

Corruption
Prevention
Score: 5

Corruption has been publicly perceived as one of the most serious problems in Slovenia since 2011. While the Commission for the Prevention of Corruption (CPC), the central anti-corruption body, managed to upgrade its Supervisor web platform and launch its successor Erar in July 2016, it has remained under fire for its lack of determination and professionalism, especially after the resignation of Alma Sedlar, one of the three-strong CPC leadership in September 2017, which was eventually replaced by Uroš Novak in March 2018. Allegations of corruption have featured prominently in the debates about

the investment by Magna, the construction of the second railway line from Divača to the port of Koper and the healthcare system. The continuing failure of parliament to adopt an ethical code for members of parliament and the inability of the prosecution to present strong cases, which would enable courts to convict some major political players (e.g., Zoran Janković, mayor of Ljubljana), have further raised the doubts about the political elite's commitment to fighting corruption. A survey commissioned by the Greens in the European Parliament suggests that systemic corruption costs Slovenia €3.5 billion each year, or 8.5% of GDP.

Citation:

The Greens/EFA in the European Parliament (2018): The Costs of Corruption Across the European Union. Brussels (<https://www.greens-efa.eu/en/article/document/the-costs-of-corruption-across-the-european-union/>).

Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 4

The institutional capacity for strategic planning in Slovenia is rather weak. Capacities for planning in the ministries are limited, and there is no central policy-planning unit in the Government Office. After assuming office, the Cerar government announced that it would expand planning capacities. However, save for the adoption in December 2017 of the strategic framework for policymaking, the Slovenian Development Strategy 2030, the Cerar government achieved little in the way of progress. The Šarec government has done nothing to improve strategic planning.

Citation:

Government of the Republic of Slovenia (2017): Slovenian Development Strategy 2030. Ljubljana (http://www.vlada.si/fileadmin/dokumenti/si/projekti/2017/srs2030/en/Slovenia_2030.pdf).

Expert Advice
Score: 4

In Slovenia, the Government Office and the ministries have various advisory bodies that include academic experts. Prime Minister Cerar, an academic himself, strongly relied on academic and practitioners' advice when establishing his party platform, coalition and government program. While the Cerar government regularly sought external advice, it often failed to implement it. The Šarec government has behaved in a similar fashion.

Interministerial Coordination

GO Expertise
Score: 4

Slovenia 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,

especially since the recruitment of expert staff is limited and often subject to political pressures and political compromise. Marjan Šarec, the new prime minister, has brought in few new experts. Among others, he made Damir Črnčec, an influential security expert, his national security advisor, and appointed as his adviser on social issues Anja Kopač Mrak, the former minister of labour, family, social affairs and equal opportunities.

Line Ministries
Score: 3

The Government Office is not directly and systematically involved in line ministries' preparation of policy proposals. Once the coalition agreement and government program have defined certain projects, full responsibility for drafting bills rests with the line ministries, interministerial commissions or project teams. The Government Office is seldom briefed about the state of affairs. If it is, consultation is rather formal and focuses mostly on legal and technical issues.

Cabinet
Committees
Score: 7

Cabinet committees play an important role in the preparation of cabinet proposals in Slovenia and settle issues prior to the cabinet meeting. The Šarec government has kept the three standing cabinet committees existing under its predecessor: the Committee of State Matters and Public Issues, the Committee of National Economy and the Commission of Administrative and Personnel Matters. Unlike the Cerar government, however, it has not established any temporary committees.

Ministerial
Bureaucracy
Score: 6

The government rules of procedure establish clear mechanisms to ensure effective cooperation between the ministries. They require the consultation of all ministries that are concerned before the submission of bills to the cabinet. While senior civil servants are thus heavily involved in the coordination of legislation, the effectiveness of this coordination has suffered from the deteriorating quality and increasing politicization of the upper echelons of civil service.

Informal
Coordination
Score: 7

Slovenia's tradition of coalition governments has meant that informal coordination procedures have played a significant role in policy coordination. In the period under review, the leaders of the five coalition parties met frequently, making major decisions at coalition meetings that were often also attended by the ministers and from time to time also by the leaders of parliamentary majority groups and coalition members of parliament. There were also regular meetings between the coalition and their outside supporting partner Levica (The Left). In press conferences and public statements after these meetings, very little information about the decisions made was provided to the public. The dominant role of the party leaders within their parties also meant that a considerable amount of policy coordination took place in party bodies.

Digitalization for
Interministerial
Coordination
Score: 7

In an effort to better coordinate the digitalization of public administration with the broader issue of digital transformation, the Cerar government transferred in 2016 competences for information society and electronic communication from

the Ministry of Education, Science and Sport to the Ministry of Public Administration. This reorganization of responsibilities has yielded a more appropriate structure for the implementation of the 2016 “Digital Slovenia 2020” strategy and a more efficient use of the existing ICT infrastructure. One of the goals of the strategy is to further strengthen the use of digital technologies to support interministerial coordination. Since the Šarec government has taken over, the implementation of the strategy has slowed.

Citation:

Government of Slovenia (2016): Digital Slovenia 2020: Development strategy for the information society until 2020. Ljubljana
(http://www.mju.gov.si/fileadmin/mju.gov.si/pageuploads/DID/Informacijska_druzba/pdf/DSI_2020_3-2016_pic1.pdf).

Evidence-based Instruments

RIA Application
Score: 6

In Slovenia, RIA guidelines have largely been copy and pasted from the European Union. The government’s Public Administration Development Strategy 2015-2020 acknowledged the need for improving RIA and has brought some progress. However, oversight has continued to suffer from institutional fragmentation, so that the quality of RIA has been uneven among ministries. When an RIA is applied, it is often limited to a qualitative assessment, and there are no official statistics regarding the implementation of RIA. As fast-track legislation is exempt from RIA, RIAs were not performed for at least a third of all new measures passed in the period under review.

Citation:

Government of the Republic of Slovenia (2015): Public Administration 2020: Public Administration Development Strategy 2015-2020. Ljubljana
(http://www.mju.gov.si/fileadmin/mju.gov.si/pageuploads/JAVNA_UPRAVA/Kakovost/Strategija_razvoja_JU_2015-2020/Strategija_razvoja_ANG_final_web.pdf).

OECD (2018): Regulatory Policy in Slovenia: Oversight Matters. Paris.

Quality of RIA
Process
Score: 2

The RIA process in Slovenia suffers from several weaknesses. First, public participation often fails to meet the legal standards. Second, the conducted RIAs are rarely made public, if ever. Third, quality control is limited. RIA oversight is divided among several agencies; however, supervising agencies largely check for formal and legal correctness, without addressing substantive quality.

Sustainability
Check
Score: 3

Slovenia’s RIA guidelines provide for relatively far-reaching sustainability checks. However, the specification of assessment criteria and the set of indicators to be used suffer from gaps, and the actual quality of RIA is very uneven. In some cases, there are only vague assessments; in others, comprehensive analytical work is done. During the period under review, the quality of assessments has somewhat improved.

Quality of Ex
Post Evaluation
Score: 6

Ex post evaluations are regularly carried out for the most significant policies, but rarely for all other policies. When carried out, ex post evaluations are primarily used for the improvement of existing policies rather than for the development of new policies.

Societal Consultation

Public
Consultation
Score: 5

Slovenia has a strong tradition of corporatism and of government consultation with interest groups more generally. The Šarec government has stuck to this tradition and has discussed part of its legislative initiatives in the Economic and Social Council, the tripartite body for social and economic dialogue. One of the flagship projects of the new Šarec government, the increase in the minimum wage in 2019, was prepared without consulting the social partners, which has led to heavy criticism from employers' associations. However, the Šarec government succeeded where its predecessor had failed and completed negotiations with public sector unions late in 2018, avoiding a series of strikes and calming tensions within the public sector.

Policy Communication

Coherent
Communication
Score: 6

The Šarec government started its term with several public clashes over the appointment of ministers whose poor performance in front of the parliamentary committees and in the first months of governing led to several changes and dismissals in the government. Within this context, the highly controversial appointment of Damir Črnčec, the prime minister's new national security adviser, should be emphasized. Since then, however, ministerial communication has become more coherent. Compared to its predecessor Cerar, Šarec has exercised a more authoritative leadership style and has succeeded in limiting the number of contradictory statements from different coalition partners.

Implementation

Government
Effectiveness
Score: 5

The Šarec government's coalition agreement was relatively sparse in content and far less detailed than that of the previous government. More details could be found in the separate agreement between the five parties in government and their out-of-coalition partner Levica (The Left). The government was successful in reaching the announced agreement with the social partners on wage rises in the public sector and the abandonment of some austerity measures of the past. It also succeeded in privatizing the country's largest and third-largest banks. However, other key goals in the coalition agreement and the agreement with Levica have not been met, as the government's appetite for reform abated over the course of the first year. There has been

Ministerial
Compliance
Score: 6

little progress made with the two large-scale investment projects initiated by the previous government (i.e., the construction of the second railway track to the port of Koper and the second Karavanke highway tunnel to Austria), and the announced healthcare and tax reforms have yet to be presented to the public.

As head of a five-parties coalition government, Prime Minister Šarec primarily relied on coalition meetings of narrow (including only the presidents of coalition parties) or broader composition (including ministers and members of parliament as well) in order to ensure the implementation of the government's program. However, as Prime Minister Šarec seems less willing to openly communicate with the media than his predecessor, the public has less insight into the outcomes of these meetings. In the Šarec government's first year in office, five ministers either resigned or were removed from office (i.e., both ministers for EU cohesion policy, the minister of health, minister of environment and spatial planning, and minister of culture).

Citation:

Haček, M., S. Kukovič, M. Brezovšek (2017): *Slovenian Politics and the State*. Lanham, New York, London, Boulder: Lexington Books.

Monitoring
Ministries
Score: 5

The weak capacity of the Government Office (GO) and the predominance of coalition governments have limited the GO's role in monitoring line ministries' implementation activities. Under the Cerar government, the GO tended to respect the assignment of ministries in the coalition agreement, so that most monitoring took place in coalition meetings. Prime Minister Šarec has sought to expand the role of the GO in monitoring the activities of line ministries, but with little effect.

Monitoring
Agencies,
Bureaucracies
Score: 4

Favored by the 2002 Civil Service Act, the politicization of executive agencies in Slovenia has increased. Governments have reduced the autonomy of the independent regulatory agencies and filled leading positions in executive agencies with politically loyal, but professionally weak personnel. Political and personal ties have prevented misconduct and incompetency being subject to sanctions. While the Cerar and the Šarec governments have paid some lip service to the depoliticization of public administration, the situation has not improved.

Task Funding
Score: 3

Municipal governments – the sole tier of subnational self-government in Slovenia – have suffered substantial fiscal difficulties for some time. The Cerar government focused on reducing the bureaucratic burdens without reducing the number of municipalities. However, the measures taken were not effective, and municipalities suffered from the government's decision to postpone the re-introduction of the property tax. Government proposals to lower central government transfers met resistance by the Association of Municipalities and Towns of Slovenia (SOS), the Association of

Municipalities of Slovenia (ZOS) and the Association of City Municipalities (ZMOS). In 2017 and 2018 alike, the three municipal associations and the Cerar government failed to reach an agreement on the financing of municipalities. The Šarec government has come closer to reaching an agreement. While it has provided additional funds for the municipalities, the funds have largely been eaten up by the wage increases in the public sector conceded by the government.

Constitutional
Discretion
Score: 5

The Slovenian constitution, the European Charter on Local Government (ratified in 1996) and the Local Government Act give municipalities responsibility for all local public affairs and some autonomy in implementing national legislation. In practice, however, financing constraints and a limited administrative capacity in the larger number of small municipalities limit local autonomy. The Cerar government started to address this issue through the adoption of the Public Administration Development Strategy in April 2015 and a separate strategy for the development of local government in September 2016. Both strategies aim at fostering closer cooperation between municipalities in the fields of public services and tourism, but implementation of those strategies has so far proven inadequate. This has not changed under the Šarec government.

Citation:

Government of the Republic of Slovenia (2015): Public Administration 2020: Public Administration Development Strategy 2015-2020. Ljubljana
(http://www.mju.gov.si/fileadmin/mju.gov.si/pageuploads/JAVNA_UPRAVA/Kakovost/Strategija_razvoja_JU_2015-2020/Strategija_razvoja_ANG_final_web.pdf).

Ministry for Public Administration (2016): Strategija razvoja lokalne samouprave do 2020 (Strategy of local government development until 2020). Ljubljana
(http://www.mju.gov.si/fileadmin/mju.gov.si/pageuploads/JAVNA_UPRAVA/svlsrp.gov.si/pageuploads/lo-k-sam-2015/aktualno-ls/strateg-ls/12_SRLS_16.9.2016.pdf).

National
Standards
Score: 3

In Slovenia, public-service standards are poorly defined, especially with regard to the independent functions of municipal governments. As the constitution guarantees the autonomy of every municipality, the extent and quality of public services differ substantially across the country. Financial controls and inspections are often ineffective due to the lack of resources and staff. Moreover, the monitoring of standards is often highly fragmented. In the case of finances, for instance, the Ministry of Finance, the Court of Audit and municipal supervisory committees all play an oversight role.

Effective
Regulatory
Enforcement
Score: 6

Ministries and government agencies largely succeed in enforcing regulations effectively and without bias. However, there have been some cases in which they have succumbed to pressure from interest groups. A good case in point in the period of review have been the protracted conflicts over the enforcement of public procurement rules which have delayed the construction of the second Karavanke tunnel tube on the highway to Austria and have led to the

resignation in April 2019 of Borut Smrdel, the head of the National Review Commission (DKOM), a review body for procurement-related disputes.

Adaptability

Domestic
Adaptability
Score: 6

Upon EU accession, Slovenia developed a complex system for coordinating European affairs, with the Ministry of Foreign Affairs serving as the central coordinator. The Cerar and Šarec governments left this system largely unchanged. In order to increase the absorption of EU funds, the Cerar government created a new ministry without portfolio with responsibility for development, strategic projects and cohesion and changed procedures. The Šarec government has kept the ministry, but replaced its minister twice due to the ministry's poor performance.

International
Coordination
Score: 5

Like its predecessors, the Šarec government has been preoccupied with domestic political and economic issues and has paid little attention to improving institutional capacity for shaping and implementing global initiatives. The country's main international focus has been on shaping the European Union's policy toward the western Balkans, where Slovenia sees its strategic interests. In the period under review, the 25-year long territorial dispute between Slovenia and Croatia over the Gulf of Piran and part of the land border continued. While Slovenia accepted the arbitration decision of June 2017 and amended its legislation in December 2017, Croatia has refused to do so, prompting Slovenia to pursue legal action in the European Court of Justice in July 2018. The first court hearing took place in July 2019.

Organizational Reform

Self-monitoring
Score: 4

There is no regular self-monitoring of institutional arrangements in Slovenia. The monitoring that takes place is ad hoc and limited. The annual reports of state organizations are formal and self-congratulatory. Under both the Cerar and Šarec governments, the number of audits performed by private sector organizations remained low.

Institutional
Reform
Score: 5

At the beginning of its term, the Cerar government increased the number of ministries from 13 to 16 and changed ministerial portfolios. By establishing separate ministries for public administration, infrastructure and environment/spatial planning, as well as by creating a ministry without a portfolio responsible for development, strategic projects and cohesion, the Cerar government improved its strategic capacity. The strengthening of the Government Office for Development and European Cohesion Policy and the changing procedures associated with the creation of a new ministry for development, strategic projects and cohesion have helped to substantially increase the absorption rate. The government's Public Administration Development Strategy 2015-2020 adopted in April 2015 was relatively brief

on institutional reform. Same goes for the Strategy for the Development of Local Self-Government until 2020, adopted in October 2016. The main goal of the strategy is to strengthen local self-government and improve the quality of life at the local level. It focuses on strengthening citizen's influence and their participation in decision-making by local self-government bodies in order to ensure the efficient use of public resources and the provision of efficient local services. However, the strategy is very vague and was not positively accepted by all three associations of municipalities. The Šarec government has kept the structure of ministries intact and has yet to pay any attention to institutional reform. The only significant development in 2019 was the preparation of the legislative package for the regionalization of Slovenia, which was prepared by large expert group on the initiative of National Council.

Citation:

Government of the Republic of Slovenia (2015): Public Administration 2020: Public Administration Development Strategy 2015-2020. Ljubljana

(http://www.mju.gov.si/fileadmin/mju.gov.si/pageuploads/JAVNA_UPRAVA/Kakovost/Strategija_razvoja_JU_2015-2020/Strategija_razvoja_ANG_final_web.pdf).

Ministry for Public Administration (2016): Strategija razvoja lokalne samouprave do 2020 (Strategy of local government development until 2020). Ljubljana

(http://www.mju.gov.si/fileadmin/mju.gov.si/pageuploads/JAVNA_UPRAVA/svl srp.gov.si/pageuploads/lok-sam-2015/aktualno-ls/strateg-ls/12_SRLS_16.9.2016.pdf).

II. Executive Accountability

Citizens' Participatory Competence

Political
Knowledge
Score: 4

According to a Eurobarometer survey in May 2017, around 70% of Slovenian citizens think they are well informed about what is going on in the country – though their knowledge of government policymaking is rather limited. While both print and electronic media provide mostly adequate information, certain segments of the population lack media literacy, and most citizens are simply not interested in the details of policymaking. The recurring corruption and political scandals have fostered frustration and disenchantment among a majority of the population. Eurobarometer surveys suggest that the interest in politics and the trust in political institutions have increased in 2019. However, trust levels in parliament, political parties and public administration have remained below the EU-28 average.

Citation:

European Commission (2017): Standard Eurobarometer 87. Brussels (<http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/2142>).

Open
Government
Score: 9

The Slovenian government launched a new and unified open data government portal, OPSI (Odprti podatki Slovenije), in late 2016. Further upgraded in 2019, the portal provides a central catalogue of all the records and databases of Slovenian public bodies, and an extensive range of datasets in machine-readable formats and with an Open Data license. Access to data is largely unrestricted and published in user-friendly formats.

Legislative Actors' Resources

Parliamentary
Resources
Score: 9

Slovenian members of parliament command sufficient resources to perform their jobs effectively and to monitor government activity. Each member of parliament has a personal budget for education and literature acquisition as well as access to research and data services provided by the Research and Documentation Section. Additional resources are available to parliamentary party groups for organizational and administrative support, and for hiring expert staff. Parliamentary groups must have a minimum of three members of parliament. During the 2014 – 2018 parliamentary term, only three members of parliament did not belong to a parliamentary group. Since the early parliamentary elections in June 2018, all members of parliament have been part of a parliamentary group.

Obtaining
Documents
Score: 8

In Slovenia, parliamentary committees have the right to ask for almost all government documents, and they can discuss any document in sessions either open or closed to the public. However, the Šarec government, similar to its predecessors, has sometimes delivered draft bills and other documents at the last minute or with considerable delay, thereby infringing on the work of the committees and obstructing public debate on the proposals.

Summoning
Ministers
Score: 10

The right of parliamentary committees to summon ministers is enshrined in the Rules of Procedure of the Slovenian parliament. Ministers regularly follow invitations; if they are unable to attend in person, they can also authorize state secretaries to represent them. Ministers are also obliged to answer questions from members of parliament, either in oral or written form, and this obligation is largely respected in practice. Moreover, the prime minister must personally answer four questions from members of parliament in every parliamentary session. In 2018, members of parliament submitted a total of 432 questions to the government generally or to individual ministers specifically (977 less than in 2017), with 88.7% of questions submitted by opposition parties. None of the questions remained unanswered.

Citation:

National Assembly (2019): Report on the Work of the National Assembly in 2018. Ljubljana (https://fotogalerija.dz-rs.si/datoteke/Publikacije/PorocilaDZ/Porocilo_o_delu_Drzavnega_zbora_v_obdobju_2018_%E2%80%93_2022_prvo_letu_mandata_2018_22_6_2018_%E2%80%93_31_12_2018.pdf).

Summoning
Experts
Score: 9

Parliamentary committees in Slovenia may invite experts or form expert groups in charge of helping to draft legislative proposals. Under the Šarec government, the number of experts invited has decreased as a result primarily of a much smaller volume of legislative proposals being prepared and adopted in 2019. Parliamentary committees have launched several public expert discussions on important pieces of legislation and invited experts to the sessions of investigation committees. On the initiative of the National Council, a large expert group has been involved in preparing legislation for the introduction of regions.

Task Area
Congruence
Score: 8

The Slovenian parliament has two kinds of working bodies – thirteen committees and one subcommittee – that normally cover the work of ministries, and seven commissions, some of them standing, which deal with more specific issues such as the rules of procedure, the supervision of intelligence and security services or the national minorities. Under the Šarec government, the committee structure has remained largely unchanged, even though the number of ministries has increased. As a result, the number of committees overseeing more than one ministries has grown. However, this has not infringed on the monitoring of ministries.

Citation:
Slovenian National Assembly 2019: Working Bodies. <https://www.dz-rs.si/wps/portal/en/Home/ODrzavnemZboru/KdoJeKdo/DelovnaTelesa>

Media

Media Reporting
Score: 5

By facilitating a replacement of in-depth analysis by a preoccupation with scandals, whether real or alleged, the growing polarization of the media in Slovenia has infringed upon the quality of media reporting. The public media, especially television and radio broadcasters, which have traditionally provided high-quality information about government decisions, have become more biased and selective.

Parties and Interest Associations

Intra-party
Decision-Making
Score: 4

Slovenian party law leaves political parties with some organizational autonomy. Political parties are very heterogeneously organized, with some organized only on the micro level (i.e., in one or several of the 212 municipalities) and others organized only on the macro level. Access to decision-making processes is normally restricted to party members. Whereas party members have the formal right to participate in decisions, the party leadership controls the candidate lists and the policy agendas. The details of

internal party decision-making are not widely known to the public, as most decisions are made behind doors that are firmly shut. In the 2018 parliamentary elections, only two political parties managed to win more than 10% of votes.

Association
Competence
(Employers &
Unions)
Score: 7

In Slovenia, with its strong corporatist tradition, economic-interest associations are very well organized and possess relatively strong analytical capacities. Most economic and social policies are discussed in detail in the Economic and Social Council, a tripartite body. Trade unions and employers' associations do not have their own research institutes but cooperate with universities and think tanks. Trade unions' analytical capacities have suffered from the fragmentation associated with the coexistence of seven separate union confederations.

Association
Competence
(Others)
Score: 8

Slovenia's vibrant third sector has been quite active in monitoring government activities. Despite a decline in public funding, most interest associations have considerable policy knowledge, and many can rely on think tanks that involve various experts from the universities and research institutes in their work. Policy proposals developed by interest associations, although not numerous, have been featured prominently in the media. During the period under review, interest associations have been heavily involved in two major political issues: the environmental impact of frequent fires that have taken place at waste-management plants and various infrastructure projects (e.g., the second railway to the port of Koper and the Karavanke tunnel). As a result of growing political polarization in Slovenia, the political pressure on NGOs has increased, and NGOs have become less independent.

Independent Supervisory Bodies

Audit Office
Score: 9

According to Article 150 of the Slovenian constitution, the Court of Audit is the supreme auditing authority in all matters of public spending. The Court of Audit is an independent authority accountable exclusively to parliament. The Court of Audit scrutinizes the performance of national and local governments and all legal persons established or owned by them. The chairman and the two vice-chairmen are elected by the parliament for nine years – on the basis of secret ballots – and the office reports regularly and whenever requested to the parliament. The Court of Audit has far-reaching competencies and enjoys a good reputation and high public trust. Its reports have impact on the policymaking process and its criticisms are mostly regarded as positive. However, its position is somewhat limited by a lack of both financial and human resources. While it can propose its own budget to the legislature, the ultimate decision regarding the Court's resources rests with parliament.

Ombuds Office
Score: 8

In addition to the parliament's Commission for Petitions, Human Rights and Equal Opportunities, there is an independent ombudsman, who is accountable

exclusively to parliament. The ombudsman is elected by parliament for a term of six years and reports regularly to the legislature. Like his predecessor, Vlasta Nussdorfer, who served from 2013 to 2019, he enjoys a good reputation and is quite effective in settling issues. As with previous ombudspersons, however, Svetina's role has been occasionally constrained by the lack of interest among members of parliament and ministerial inactivity.

Data Protection
Authority
Score: 9

Following the establishment of the Information Commissioner on 31 December 2005, Slovenia has an independent and effective data protection authority. The commissioner supervises the protection of personal data and access to public information. The office is led by Mojca Prelesnik, previously the general secretary to the parliament, who was reelected for a second term in June 2019. The competencies of the Information Commissioner include: deciding on appeals against decisions by another body to refuse or dismiss a request for information; deciding on alleged violations of the right to access or reuse public information; supervising the implementation of legislation regulating the processing and protection of personal data; acting as an appellate body on individual complaints regarding a refusal to make personal information available to the respective individual.

There is also a government Office for the Protection of Classified Information. The office monitors the classification and protection of information, and it ensures the development and implementation of classified information protection standards across government agencies, local community agencies, holders of public authorizations, NGOs and commercial companies that hold classified information. The office also issues permissions to access classified information and security certificates to legal persons.

Citation:

The Information Commissioner 2019 (<https://www.ip-rs.si/en/about/information-commissioner/>)

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