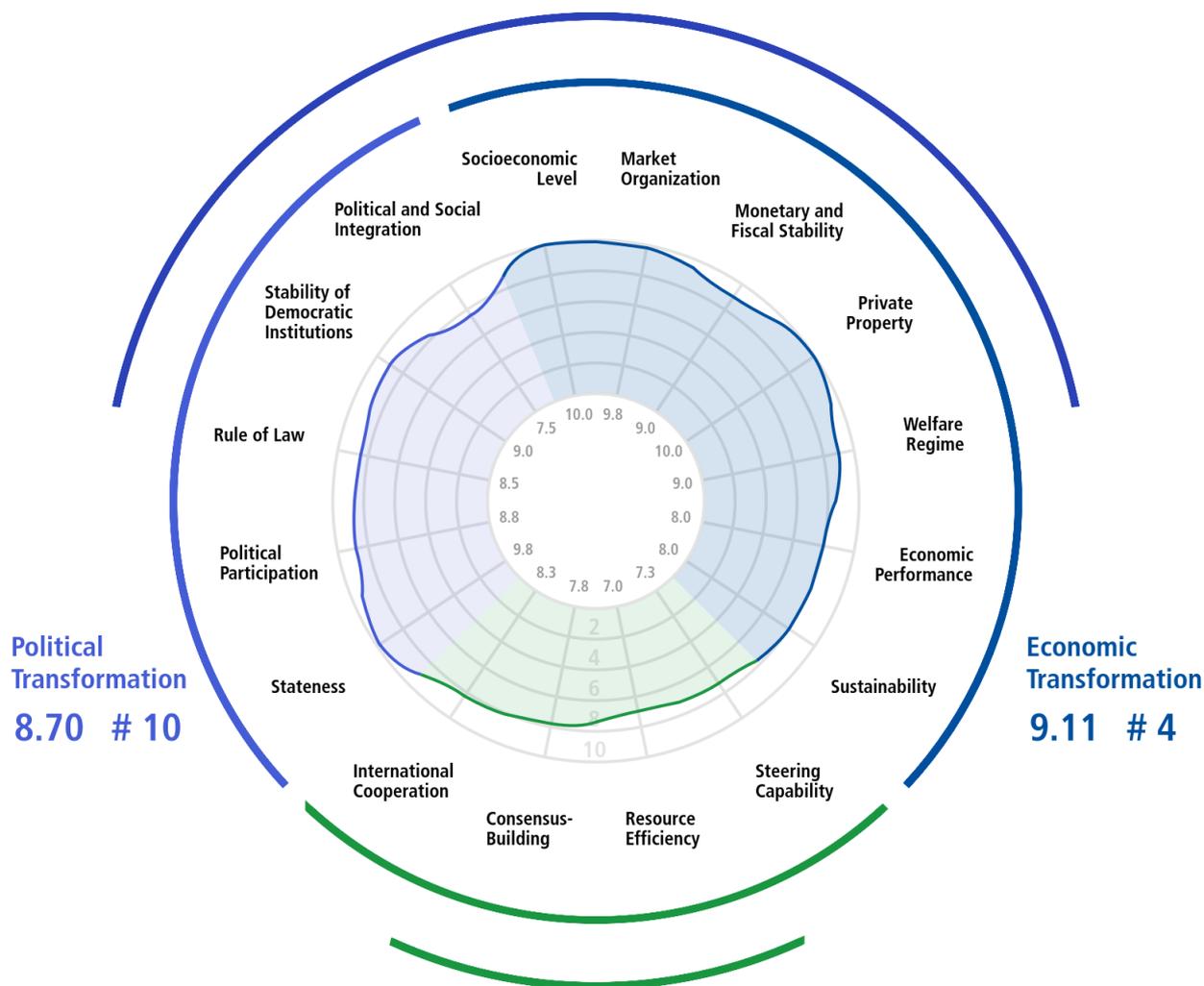


# Slovenia

## Status Index

**8.90 # 6**

on 1-10 scale out of 137



**Political Transformation**  
**8.70 # 10**

**Economic Transformation**  
**9.11 # 4**

## Governance Index

**6.20 # 21**

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2022**. It covers the period from February 1, 2019 to January 31, 2021. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

Please cite as follows: Bertelsmann Stiftung, BTI 2022 Country Report – Slovenia. Gütersloh: Bertelsmann Stiftung, 2022.

This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

## Contact

Bertelsmann Stiftung  
Carl-Bertelsmann-Strasse 256  
33111 Gütersloh  
Germany

### Sabine Donner

Phone +49 5241 81 81501  
[sabine.donner@bertelsmann-stiftung.de](mailto:sabine.donner@bertelsmann-stiftung.de)

### Hauke Hartmann

Phone +49 5241 81 81389  
[hauke.hartmann@bertelsmann-stiftung.de](mailto:hauke.hartmann@bertelsmann-stiftung.de)

### Claudia Härterich

Phone +49 5241 81 81263  
[claudia.haerterich@bertelsmann-stiftung.de](mailto:claudia.haerterich@bertelsmann-stiftung.de)

### Sabine Steinkamp

Phone +49 5241 81 81507  
[sabine.steinkamp@bertelsmann-stiftung.de](mailto:sabine.steinkamp@bertelsmann-stiftung.de)

**Key Indicators**

Population	M	<b>2.1</b>	HDI	<b>0.917</b>	GDP p.c., PPP \$	<b>40124</b>
Pop. growth <sup>1</sup>	% p.a.	<b>0.6</b>	HDI rank of 189	<b>22</b>	Gini Index	<b>24.6</b>
Life expectancy	years	<b>81.3</b>	UN Education Index	<b>0.910</b>	Poverty <sup>3</sup>	% <b>0.0</b>
Urban population	%	<b>55.1</b>	Gender inequality <sup>2</sup>	<b>0.063</b>	Aid per capita	\$ -

Sources (as of December 2021): The World Bank, World Development Indicators 2021 | UNDP, Human Development Report 2020. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

## Executive Summary

The period between 2019 and 2021 was marked by two ideologically different governments. In 2019, the prime minister was Marjan Šarec from the newly established List of Marjan Šarec. His only political experience was on the local level, as the mayor of Kamnik. Šarec only managed to build a minority government that had difficulties introducing policies since it had to adapt its measures to suit the party supporting it, the socialist The Left. The coalition also suffered from several ministerial resignations. A lack of political experience on the national level led Marjan Šarec to resign due to numerous challenges that the minority government was not able to overcome. The period of Šarec's government was marked by inexperience, a lack of political support and untapped opportunities in the EU.

The right-wing coalition led by the Slovenian Democratic Party (SDS) of Janez Janša was more stable than Šarec's as it commanded a comfortable majority until mid-December 2020 when the smallest of the coalition parties formally left the coalition, which then became a minority cabinet supported by the nationalist Slovenian National Party. However, the opposition parties worked hard to find a path toward a no-confidence vote while the public expressed its dissatisfaction with the government in protests.

The right-wing government presided over backslidings on democracy and governance. This included in particular: 1) a deteriorating relationship with civil society, whose access to decision-makers was further limited; 2) violations of the rule of law, especially regarding the annulment of the independent cultural worker status, the (temporary) termination of funding for Slovenian Press Agency and not publishing government decisions in the Official Journal; 3) the freedom and independence of media becoming jeopardized; 4) increasing repression by the state and police by issuing more fines to protesters and attempting to pass some of the powers of the police on to the military.

Janša's government assumed office just a day after a pandemic emergency was declared. Dealing with the pandemic was left to the new government. During the first wave, support for government measures was relatively high, probably connected to the rather low number of infected citizens and deaths. Nevertheless, the measures triggered protests against authoritarian attitudes and the spread of the government's politics of fear during the lockdown. During the second wave, which began in the fall after the holiday season, the number of infected increased exponentially. This inevitably led to restrictions on the movement and gathering of people, as well as the shutting down of some of the services. By the end of October 2020, schools were shut down, a ban was placed on crossing municipal borders and a 9PM to 6AM curfew was introduced. At the time of this writing (January 2021), none of these measures had been lifted or modified. Temporary shutdowns of services took place, but the level of infections and hospitalization did not decrease. Feelings that the measures were failing and weekly or even daily changes in restrictions made most citizens dissatisfied and unsupportive of government measures. The government tried to win public support by adopting seven packages of anti-coronavirus acts that supported different sectors of economy and various vulnerable groups. The measures were unsystematic and largely seen as populist acts with detrimental effects on the public debt. Thus, austerity measures, especially in the public sector, are expected to be adopted in the near future.

## History and Characteristics of Transformation

On December 23, 2020 Slovenia celebrated its 30th anniversary since the vote on independence from the Socialist Federative Republic of Yugoslavia. In December 1990, 93.2% of voters participated in the referendum with 95% supporting an independent and autonomous Slovenia. Acting on the results of the vote, the Slovenian Assembly enacted the Basic Constitutional Charter on the Independence and Autonomy of the Republic of Slovenia and the Declaration of Independence on June 25, 1991, which laid the foundation for Slovenian independence. Quickly thereafter, Slovenia sought membership in various international organizations, joining the Organization for Security and Co-operation in Europe (OSCE) in 1992, the Council of Europe in 1993, the European Union and NATO in 2004, the Schengen area and European Monetary Union in 2007, and it became a full member of the OECD in 2010.

Slovenia's new constitution introduced a parliamentary political system with a formally weak president. The bicameral parliament consists of the National Assembly (the lower house) and the National Council (the upper house), the latter of which represents local and functional interests but carries only limited power. The power of the National Council to issue suspensive vetoes was abolished through constitutional amendments introduced in 2013. The country's proportional representation electoral system with a 4% electoral threshold has so far allowed between seven and nine parties to enter the parliament, while governing coalitions need to involve several parties, often from different ideological backgrounds.

Slovenia's first government (1990-1992) was led by Lojze Peterle from the Christian Democratic Party, which formed the DEMOS coalition that consisted of seven non-communist parties. The following 12 years were dominated by the center-left Liberal Democracy of Slovenia (LDS) and Janez Drnovšek, who served as prime minister from 1992 to 2002. LDS formed ideologically heterogeneous coalitions. From 2004 to 2008, the so-called Spring parties, led by Slovenian Democratic Party (SDS) and Janez Janša as prime minister, brought a change to politics with their center-right orientation. Following a decline of LDS, the Social Democrats, led by the popular Borut Pahor (president of Slovenia since 2012), shifted politics again to the left by forming a center-left government (2008-2012).

Since 2011, Slovenia has experienced turbulent political times with three consecutive early elections and new parties built around well-known public figures winning the elections against established political parties and experienced politicians. In 2011, Positive Slovenia, a party led by Ljubljana Mayor Zoran Janković – who is also a well-known entrepreneur – won a majority of votes. Due to Janković's weak national-level experience and accusations of corruption, he proved unable to build a governing coalition. Instead, he returned to local politics, while the runner-up Janša-led SDS, ran government in 2012 and 2013. After a series of unpopular and autocratic political decisions and due to accusations of corruption, his government faced a non-confidence vote which ushered in Alenka Bratušek from Positive Slovenia as leader of the government for 2013 and 2014. Due to her disagreements with Janković, she established her own party for the elections in 2014. She managed to enter the National Assembly, but Positive Slovenia was not able to repeat its success. A few months before the 2014 elections, Miro Cerar, a constitutional lawyer and professor, created his own party – the Party of Miro Cerar, which was later renamed as the Party of Modern Center (SMC). Although a political newcomer, his party won an unprecedented 35% of votes in the 2014 election. As a newly established party, SMC did not have the capacity to fill all political positions in the government and were unable to meet the heightened expectations of voters. Although SMC re-entered parliament in 2018, their support was decimated. After the failure of the party in 2019 European Parliament elections, Cerar resigned as party leader and later, due to the disagreements over the party joining the government of Janša, also resigned from the party. In 2014, United Left, a coalition of three parties with a more far-left political agenda, entered the National Assembly with 6% of votes and, after a merger of two parties of the coalition into the Left, increased its support in the 2018 elections. In 2018, the most successful newcomer was former comedian and mayor of Kamnik Marjan Šarec as the front man for the List of Marjan Šarec (LMSŠ) party. LMSŠ came in second with 13% of the votes and led a minority coalition from 2018 to 2020 of five center-left parties, with the Left as a supporting party.

Slovenian political crises have been intensified by the economic and financial crises that took place between 2008 and 2013, the migrant crisis of 2014-2016 and, most recently, by the health crisis that has been present since 2020. The political elite's failure to manage these crises, its involvement in numerous corruption affairs, the economic empowerment of elites through these crises, and the processes of privatization have decimated public trust in political institutions, especially in the National Assembly and the country's political parties. This is probably the main reason for the success of new parties led by political newcomers (on the national level) who have

moved away from the traditional cleavage in Slovenian politics between collaborators and opponents of occupation forces during World War II. This cleavage nonetheless remains prominent and is manifest in the intensifying division over social democratic and neoliberal economic policies.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

## Transformation Status

### I. Political Transformation

#### 1 | Stateness

In Slovenia, there is no competition with the state's monopoly on the use of force. However, Štajerska varda (Styrian Guard) – founded in 2018 as an attempt to establish the Country of Štajerska, whose leader, Andrej Šiško, was accused of calling for violent change of the constitutional order and sentenced to eight months in prison – reappeared in 2020. In May 2020, the guard marched into the police station in a small town Slovenska Bistrica and demanded an explanation from the police commander about some actions taken against the guard. The whole event was broadcast on Facebook. The center-right government, especially the ministers of Defense and the Interior, at first displayed a lukewarm position toward the guard. In September 2020, parliament voted to restrict the activities of village guards.

The majority of the population accepts the nation-state as legitimate. Two minorities, Hungarian and Italian, are recognized and have special rights in terms of access to education, media news, communication with public administration in the local area in their language, and a seat is reserved for each municipality in the National Assembly. Municipalities with an autochthonous Roma population (20 of 212) have reserved seats in local councils. The Roma have full citizenship rights but face significant problems in day-to-day life. The Roma community is often subject to social exclusion, discrimination, segregation and poverty, with the greatest difficulties regarding living conditions, education, employment and health. Worryingly, only around 2% of Roma are employed and most of them depend on social assistance or the informal economy. In 2020, mayors of eleven municipalities in southeastern Slovenia warned of problems with violence and crime that stem from the situation of the Roma community and urged the government to find systemic solutions (especially improved implementation of existing legislation) relating to Roma issues. Other minorities, such as German and other citizens from former Yugoslavian nations, lack any special status.

Question  
Score

Monopoly on the  
use of force

10



\_\_\_\_\_ 1

State identity

10



\_\_\_\_\_ 1

Slovenia is a secular country where religious dogmas have little influence over politics. According to the last census (2002), most Slovenians are Catholic (57.8%), 10% are atheists, 2.4% Muslims and 2.3% Orthodox; the remaining 27% are believers of undetermined status or refused to answer. Data from the Slovenian Public Opinion in 2020 suggests a higher share of atheists (32.7%).

In 2020, 54 churches and religious communities were registered in Slovenia. The Catholic Church remains an important interest group and has significant impact when a right-wing government is in office. In December 2020, the church was permitted to conduct services despite the COVID-19 pandemic, if it followed the recommendations of the National Institute of Public Health. Additionally, the sixth and seventh packages of COVID-19 measures adopted in 2020 included financial assistance for partial payment of social contributions and basic income (about €700) for priests, nuns and other religious officials.

The Catholic Church also has an indirect role and presence in education, health care and welfare. Public attention and criticism continue to be drawn to the actions of anti-abortion groups backed by the church. In September 2020 a March for Life presented a declaration that advocated the protection of human life from conception to natural death.

The issue of financing private schools – mostly run by the Catholic Church – has not been resolved since the 2020 Constitutional Court ruling, a third in two decades. It ruled that the state is obliged to fully finance only the mandatory part of the standard curriculum but not the extended program (supplementary classes, morning care, cultural and sports events, religious and cultural classes and spiritual days in Catholic schools). The issue has partly been related to the impact of religious dogmas on legal order in Slovenia.

The Slovenian state has a differentiated administrative structure that provides all basic public services throughout the country. Slovenia has no administrative regions or provinces; 212 municipalities serve as local governments. Some basic administrative functions are performed by 58 decentralized administration units, while 12 statistical regions have been introduced at the regional level. In 2020, when the government wanted to limit the gathering and movement of citizens and monitor the spread of coronavirus through the country, the statistical regions also served administrative purposes. In this respect, during the lockdown, some different measures were taken in different regions (e.g., which shops and services remained open).

During the spring lockdown, many public services slowed down or were interrupted, and medical procedures were postponed. Only emergency dentists were available. Personal doctors were accessible only via email or telephone. While cancer treatments continued, the cancer diagnosis rate dropped drastically. Wedding ceremonies were canceled; technical permits for cars were extended; many

No interference of religious dogmas

9



1

Basic administration

10



1

administrations and ministries worked from home; the activity of courts was limited as courts were closed; regular sessions of the National Assembly were canceled in March and April, etc. During the fall lockdown, most of these institutions introduced remote work protocols involving communication via email, telephone, and online meetings as well as measures designed to prevent people from gathering. The majority of activities resumed as usual with some adaptations.

## 2 | Political Participation

In Slovenia, there are no constraints on free and fair elections. Parliamentary, presidential and local elections are regularly conducted, and voters are registered automatically to vote. Numerous polling stations allow voters easy access without waiting in line. Voting is organized also in hospitals, prisons and homes for the elderly. Citizens can vote from abroad in person at a diplomatic consulate or via mail. Polling procedures, vote counting, verification of results and resolution of complaints are conducted in a transparent and impartial manner. The Election Campaign Act obliges public television to give equal access to all parties to participate in debates. Private television stations can decide who to invite to debates.

For parliamentary elections, Slovenia uses a proportional representation system with a 4% electoral threshold. The country is divided into eight districts that are, in turn, divided into 11 sub-districts. Following the Constitutional Court ruling in 2018 to implement redistricting to account for population changes, the deputies of the leading SDS Party filed an amendment to the election act in December 2020. Two earlier attempts to abolish sub-districts and the introduction of a preference vote were unsuccessful in March and December 2020, respectively.

In November 2020, Prime Minister Janez Janša sent a letter to EU leaders in which he claimed that the 2014 parliamentary elections were stolen from his party while he was imprisoned. Later, he was acquitted of the charges against him.

In Slovenia, democratically elected political representatives have the effective power to govern. No individual or group holds de facto veto power. The National Council, an upper house of parliament, can issue suspensive vetoes to laws passed by the National Assembly but these can be overridden by the National Assembly with an absolute majority. Suspensive vetoes were used 10 times in 2019 – 2020; out of these, three were not overturned. It takes 40,000 voters to demand a nationwide referendum. Twenty-two different referendums have occurred in Slovenia, but there were none in 2019 – 2020.

Free and fair elections

10



1

Effective power to govern

10



1

The constitution ensures freedom of association and assembly. Protest activities have increased since spring 2020. At first, they were mainly connected to dissatisfaction with the government's COVID-19 policies, but they also targeted the autocratic rhetoric of Janez Janša's right-wing government formed in January 2020. The protests started soon after the new government was sworn in – first involving individual actions, placing candles or feet cut out of paper in front of the National Assembly or protests from balconies. Once the restrictions were lifted in spring, people started to gather in cities. Most Friday protests started on bicycles to ensure social distancing among the protesters and continued on foot during the summer. Still, the minister of Interior warned that gathering is not allowed and protesters will be identified via social media.

The protests lasted all summer and in autumn, when the pandemic situation worsened, moved back to bicycles. Eventually, mass protests ceased, but innovative activities such as protests in cars and protest walks by a handful of organizers continued. Many protesters were identified and fined, for example, for vandalism for writing slogans on streets, or for walking in groups of five, thus violating restrictions on gatherings. Protesters argued that the pandemic-induced limits on gathering were used against them in an exploitative way. Many complained that the police particularly targeted and penalized them. For example, in December 2020, only a handful of protesters gathered. They walked through the center of Ljubljana, like people going to look at Christmas lights, but since they carried placards, they were identified as protesters and were later fined by the police. During the November protest in cars, the protesters were stopped and their cars checked; they received fines for violating traffic regulations. In November 2020, Jaša Jenull, one of the more recognizable protesters even filed a criminal complaint with the Specialized State Prosecutor's Office, alleging that the police had abused his official position in proceedings against him.

Formally, in Slovenia groups are free from unwarranted state intrusion and interference in their affairs. In 2019, the climate for establishing and running civil society organizations was positive and stable. There were even improvements in financial viability and advocacy dimensions. The overall income of the sector increased, new consultative bodies were established, and cooperation between civil society organizations (CSOs) and the local government improved (USAID, 2019). In 2020, the situation drastically changed when the Janša government, hostile to the non-governmental sector, came to power. Shortly thereafter, civil society organizations were subject to various attacks, including efforts to undermine NGOs working with migrants, and the notification that CSOs must clear out their offices within the Ministry of Culture. Even so, CSOs were eligible for the same measures to lessen the negative effects of the pandemic as businesses, mostly due to the skilled lobbying carried out by the umbrella organization, CNVOS.

Association /  
assembly rights

8



1

The Slovenian constitution guarantees freedom of expression and freedom of the press. However, both faced challenges in 2020. The Friday protesters who chalked protest slogans on the streets were fined for violating public order. Furthermore, protesters were criminalized for using the political slogan “Smrt Janšizmu!” – a modification of “Death to Fascism!” and a comment on the politics of Prime Minister Janša. Protesters claimed that they only threatened Janša’s politics. The slogans were thereafter changed to “Stop Janšizmu” and “Izklop (Off) Janšizmu.” In September, Ljubljana District Prosecutor’s Office decided that using the slogan “Smrt Janšizmu!” is not a crime and dismissed the criminal charges by Ljubljana police.

Additionally, the leading governing party, the SDS, pressed charges against a respected sociologist, Rudi Rizman, who, in February 2020, expressed concerns over Janša’s authoritarian views and funding from the Fidesz regime in Hungary (MMC, 2020). The SDS demanded Rizman to retract his words and, since he failed to do so, filed a lawsuit demanding repeal of the statement and €8,000 in damages. The case was not yet resolved at the end of the review period.

In April 2020, the Council of Europe Commissioner for Human Rights named Slovenia as one of the countries where journalists are pressured by the state and there is unacceptable interference with the public’s right to information. In its reply, the government accused most of the Slovenian media of communist origins, denying the existence of the vibrant media landscape created since the country’s transition to democracy.

During the spring COVID-19 lockdown, the government held press conferences without journalists present, which meant no one could ask them questions. During the fall lockdown, the media participated through videoconferencing. Each outlet was allowed only one pre-prepared question, which often resulted in repeated questions.

The freedom of public media was jeopardized by government-proposed amendments to the Media Act, the Slovenia Radio and Television (RTVSLO) Act and the Slovenian Press Agency (STA) Act. The amendments drastically reduced funding for RTVSLO and envisaged stronger regulation of STA, which would significantly affect its independence. The public debate only lasted five days, drawing critique from experts at home and abroad, after which it was extended. In July 2020, a protest was organized against the amendments. Some coalition parties later distanced themselves from the plans, making the changes unlikely to pass.

The government communications office (UKOM) stopped funding the STA for October and November 2020 after its director refused to hand over some requested documentation, claiming this constituted state interference in its editorial policy. According to the law, the state must ensure the institutional autonomy and editorial independence of the STA and adequate funding for the full, smooth functioning of the public service.

Freedom of expression

7



1

The SDS, the main governing party, has over the years consolidated its own media system, including a TV station and news portal, Nova 24 TV, and a weekly magazine, Demokracija. The media system is partly funded by Hungarian companies close to Prime Minister Viktor Orbán. In February 2020, the National Investigation Office conducted pre-trial proceedings regarding the financing of some media outlets close to the SDS. In October 2020, Telekom Slovenia sold Planet TV and the news portal siol.net to a Hungarian company, TV2 Media, and a Slovenian company, TV2 Adria. Its editorial politics were expected to become more favorable to SDS politics, but no obvious change had happened as of January 2021.

In 2020, some journalists were subject to attacks in various forms: statements by Prime Minister Janša that journalists on the RTV (public service broadcaster) lie, are overpaid and there are too many of them; several verbal attacks against TV Slovenia journalists and cameramen, by unknown and known perpetrators (e.g., the director of the Velenje Municipal Administration); damages to the property of the RTV Slovenia (slashed tires on vehicles, etc.); online harassments of journalists; the Supreme Court rejecting a defamation lawsuit by journalist Mojca Šetinc Pašek regarding an insulting tweet by the prime minister. All attacks on journalists are actively monitored and disclosed by the Slovenian Journalists' Association.

### 3 | Rule of Law

Slovenia's political system divides power between the legislative, executive and judicial branches, ensuring checks and balances. Independent courts and the Constitutional Court review legislation and administrative acts. Political actors have generally respected the rule of law, although, since 2020, the opposition has often accused the Janša government of no longer doing so. Some examples include: suspending funding for the Slovenian Press Agency, the unconstitutionality of several COVID-19 measures (not published in the Official Journal) and the termination of self-employed status for some artists (e.g., rap singer Zlatko Čordić who publicly protested against the government). In December 2020, the Administrative Court ruled that annulling the cultural self-employment status was unlawful, and the decision was overturned.

On March 12, 2020, a state of pandemic was declared; it lasted until May 14, 2020. The state of pandemic was declared again on October 18, 2020, and extended for another two months in January 2021. Most of the measures adopted by the government to prevent the spread of the virus were declared for a limited time (e.g., a week), and then extended when necessary. The Constitutional Court criticized the fact that extensions were only announced on social and other media instead of published in the Official Journal. A constitutional review of restricting freedom of movement between municipalities found that this was justified due to the health threats, but pre-emptively called on the government to impose such restrictions only

Separation of powers

9

'06 '22  
10 9 10

1

if necessary. Government decrees to limit the spread of the virus were decided upon in cooperation with an expert advisory group, even though the government did not always follow the group's recommendations; parliament was not involved. During the spring pandemic, the National Assembly canceled all regular plenary meetings but maintained extraordinary sessions during which they could make decisions regarding urgent matters.

Slovenia features a nationwide system of courts, and the judiciary is generally free from interference from institutions and private interests. Judges are independent, hold a permanent mandate and are elected by the National Assembly after nomination by the Judicial Council, an independent, autonomous body.

However, recently the political elite has expressed frustration over court judgments (especially Constitutional Court judgments). The SDS and particularly Janez Janša have criticized the judicial system for years. In the first month of the pandemic, the Constitutional Court received over 50 petitions to assess the constitutionality of various government decrees and interventions. Prime Minister Janša repeatedly accused the court of using double standards that are “the death of the credibility of every institution, especially the judiciary and...Slovenia has the most politicized Constitutional Court so far” (STA, 2020).

In December 2020, the Constitutional Court decided that government decisions extending the decree on closing schools are not legally applicable since the government did not publish the decision in the Official Journal; this meant that no other government decree was in force at the time. In May 2020, the minister of foreign affairs sent a controversial letter to the European Justice Commissioner that criticized Slovenia's judicial system and drew attention to several Constitutional Court rulings that have not been implemented. He also warned that many lawsuits have taken an unreasonably long time and become moot.

In July 2020, the term of one judge expired and a new constitutional judge needed to be appointed. Upon the expiration of Constitutional Court judge's term, the president of Slovenia publicizes a call for proposals for possible candidates and nominates a candidate to the National Assembly from among the registered candidates. The president may also propose another candidate. The filling of the vacancy was challenging as no candidate acceptable for the parliamentary majority was found after three attempts.

Independent  
judiciary

9



1

Mechanisms to prosecute officeholders who break the law are in place, but in practice the performance of different supervisory institutions is rather weak and many political, legal and procedural loopholes exist.

In 2020, accusations of corruption in the procurement of personal protective equipment appeared when Ivan Gale, an employee at the Commodity Reserves Institute, disclosed on national television that he had been pressured by politicians. He lost his job despite public support for the disclosure and an investigation ensued against Minister of the Economy Zdravko Počivalšek. The minister of the interior felt responsible and asked to resign, but the prime minister refused the resignation request. Suspicion of misconduct also arose when the Ministry of the Interior became interested in open cases at the National Investigation Office, especially the investigation of Počivalšek.

In December 2020, the Court of Auditors prepared a draft report on the procurement of protective and medical equipment due to the COVID-19 pandemic. After Court of Auditors President Tomaž Vesel shared content from the draft report, he became the target of a smear campaign involving an alleged conflict of interest relating to his position as an adviser to the Union of European Football Associations, headed by Slovenian Aleksander Čeferin.

Another corruption scandal was connected to the chair of the Democratic Party of Pensioners of Slovenia (DeSUS) and Minister for Agriculture Aleksandra Pivec. Pivec allegedly accepted illegal gifts when accommodation for her and her sons were paid by the company, Vinakras, and the Izola municipality on work trips she made that were combined with leisure activities. The Commission for the Prevention of Corruption (KPK) investigated the case and found violations of integrity rules. Because of the accusations, DeSUS members of parliament forced Pivec to resign from the cabinet and the party.

In May 2020, Vice Governor of the Bank of Slovenia Marko Bošnjak resigned following the KPK's finding that he had not paid taxes on rental income. In October 2020, the government liberalized prices for petroleum products. Just before the decision was made public, Minister of Environment Andrej Vizjak bought stocks in the petrol company, Petrol. The Securities Market Agency initiated proceedings against Vizjak on suspicion of misuse of inside information.

Civil rights are codified by the constitution and legislation and are respected by state institutions. The institutions responsible for prosecuting human rights violations include the ombudsman, who remains widely respected by the public. In October 2020, representatives of the Friday protest movement submitted a request to the ombudsman to investigate the legality and proportionality of police actions. They noted several gross violations of human rights, including the disproportionate and illegal nature of the temporary general restriction ordinance and politically motivated police repression of protesters.

## Prosecution of office abuse

8



1

## Civil rights

8



1

Protesters perceived limitations on gathering and assembly due to the COVID-19 pandemic targeting them. In January 2021, a Legal Network for the Protection of Democracy was established by several NGOs in collaboration with several lawyers and law firms. The aim of the network is to provide legal advice and assistance to those fined for violations of controversial government decrees.

In September 2020, Greenpeace and the Civil Liberties Union for Europe published a report which states that Slovenia is among the EU member states which most disproportionately restricted freedoms during the COVID-19 pandemic. They pointed out that the Slovenian government has used the fight against the pandemic as an excuse to limit criticism of the government.

According to warnings from non-governmental organizations, Slovenia has contributed to one of the worst humanitarian crises in Europe by enforcing the mass return of asylum-seekers to neighboring Croatia. Since these are, in their opinion, illegal returns, Slovenia should immediately cease implementation of the agreement between the two countries.

In August 2020, several non-governmental organizations protested in front of the Center for Foreigners in Postojna against the poor living conditions there. These had reportedly caused some residents to refuse food and attempt suicide. The ombudsman responded that it is aware of the situation and will investigate it in detail, and present the findings once the investigation is completed. Shortly after the protest, the media platform, 24ur, reported that police officers had been ordered to restrict arrivals at the center of foreigners who expressed their intention to apply for international protection at police stations. One goal of this was to encourage asylum-seekers to withdraw their applications and return to their home countries.

#### 4 | Stability of Democratic Institutions

Democratic institutions perform efficiently and effectively, but since the outbreak of coronavirus, some functions have been severely hampered. The work of all democratic institutions had to be adapted to the new circumstances. The National Assembly almost exclusively passed legislation according to a fast-track procedure, while many courts did not operate for a certain period of time, which will result in a renewed increase in court backlogs. Seven anti-coronavirus packages were adopted, but portions of them had little to do with coronavirus – including a change in construction legislation, which restricts conditions for involving NGOs in obtaining building permits, a proposal to abolish an NGO fund and a proposal that those who had been fined for violating a government decree following the Infectious Diseases Act should lose state aid, etc. Some of the proposals did not receive support in the National Assembly and others were challenged in the Constitutional Court.

Performance of democratic institutions

9



In Slovenia, democratic institutions are generally accepted as legitimate. However, after the resignation of the minority government led by Marjan Šarec (LMSŽ) that came in second in the national elections in 2018 and faced several resignations of ministers, the legitimacy of the new government headed by Janez Janša (SDS) was often rejected by civil society and opposition parties. After Šarec resigned, two center-left parties (the SMC and DeSUS) under new leadership showed a willingness to cooperate with the right-wing SDS, which espouses sympathies toward the Hungarian Prime Minister Viktor Orbán. In July 2020, Orbán even described Janša as the bravest anti-communist fighter in Europe. Janša's coalition was confirmed with 51 votes, while civil movements dismissed his restrictive and authoritarian tendencies, and the opposition sought support for a constructive vote of no confidence.

The opposition created an informal coalition, the Coalition of the Constitutional Arc (KUL), and agreed to support a technocratic prime ministerial candidate, Jože P. Damijan, an economist who had approached the opposition with the idea of forming a new coalition. Later, when Karl Erjavec was re-elected as the president of the DeSUS, the party left the government and joined the KUL. Erjavec was then proposed as a new potential prime minister. He claimed that the country has been kidnapped by the authoritarian politics of Janša and the SDS, which are not committed to democratic institutions. In January 2021, he filed a motion of constructive no confidence with 42 signatures (short of the required 46, an absolute majority in the National Assembly).

During the COVID-19 pandemic, Janša's government was criticized by the opposition and CSOs for abusing the emergency to assert their ideas. On various occasions, controversial provisions were included in the anti-coronavirus legislative packages. The government especially tried to use its power to undermine watchdog institutions.

## 5 | Political and Social Integration

The Slovenian proportional representative system allows multiple parties to enter parliament (between seven and nine parties since 1992). From 1992 to 2011, the party system was stable and electoral volatility low. Since then, several early elections have been called by which new parties emerged with unfamiliar faces previously unknown to politics. Not only did established parties lose electoral support to the new parties, but newcomers lost support to even newer parties; electoral volatility reached its peak in 2014 (56.7%).

Slovenian voters have very low trust in political parties. According to the Slovenian Public Opinion survey, in 2018, 32.9% expressed absolutely no trust in political parties.

Commitment to democratic institutions



1

Party system



1

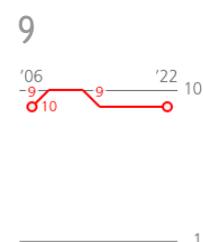
The structure of political cleavage in Slovenia originates in the World War II division between partisans and the Home Guard. Although economic cleavage has increased since 2004, the libertarian-authoritarian cleavage remains the most important, and has become more entrenched since the last two elections. This has contributed to political instability, as government coalitions only ever have a weak parliamentary majority. At the same time, clientelism has increased, reflected in several political changes in relevant government institutions and agencies following changes in government coalitions.

The Slovenian interest group system quickly developed during the transition, with a stronger grassroots base and less dependence on international financial support than in many other post-socialist countries. As a result, interest groups are well-developed at the national and local levels and organizations are also active in EU policymaking. Although on some issues, interest groups take opposing positions, they cooperate as long as they can have access to decision-makers. The Slovenian interest group system has characteristics of neo-corporatism in that trade unions and employers' organizations regularly negotiate with the government via a tripartite body, the United Nations Economic Social Council. Despite a drop in membership, trade unions remain influential, especially in the public sector. In November 2019, the postal trade union organized a two-day strike. Employers and the trade union agreed on the method of employment in 2020, resulting in an increase in wages and in improved workplace health and safety.

In May 2020, a protest was organized in Velenje against announced mass layoffs in Gorenje company; later, the company received new orders and started instead to recruit new workers. In December 2020, police trade unions announced a strike, protesting the government's violation of the job evaluation agreement for uniformed professions. Interior Minister Aleš Hojs called the strike "unjustified and unfounded" and announced the disclosure of salaries of civil servants in the ministry, the police and the interior inspectorate, which included names of the civil servants.

The CNVOS is a national NGO umbrella network that serves as a national center for information, advocacy, training, advice and projects. Especially in 2020, its advocacy activities helped many NGOs. It lobbied for the inclusion of NGOs in pandemic measures intended for the economic sector, helped prevent termination of NGO funding, encouraged municipalities to pay NGOs in full even if they have failed to implement all contractual activities, and, above all, regularly informed NGOs of new measures and opportunities during the COVID-19 crises. According to the CNVOS, 27,986 active NGOs were registered in Slovenia on December 31, 2020, which is an increase over the previous year.

Interest groups



According to Slovenian Public Opinion data for 2020, most citizens are dissatisfied with the performance of democracy in Slovenia: 22.3% expressed dissatisfaction and only 8.8% expressed satisfaction with the practice of democracy. However, the share of respondents who think that democracy is the best option when problems occur increased. In 2018, only 28% agreed with this statement, in contrast to 42.1% in late 2020. In 2020, 36.8% believed that a strong leader is needed in some problematic situations.

When it came to addressing the COVID-19 pandemic, respondents expressed trust in doctors and pharmacists the most (76%), followed by emergency services (68.4%), the police (54.3%) and the army (46.7%). Trust in the government was considerably lower (31.6%), reflecting the overall low level of trust in government.

Nearly 28,000 NGOs were active in Slovenia at the end of 2020. The share of people employed by NGOs has been slowly increasing and amounted to 0.89% of the workforce in 2018. However, nearly all NGOs have no employees – on average, each NGO employs only 0.33 people, a slight increase compared to 2018 (0.29).

According to the 2020 Slovenian Public Opinion survey, the share of respondents who thought that people can be trusted decreased from 13.6% in 2018 to 12.6% in 2020, while the share of those who thought that one needs to be careful increased from 18% to 23.5%. The share of public financing in the revenue of NGOs increased from 35.6% in 2017 to 36.3% in 2018.

A sense of solidarity and trust among citizens has been observed in many permanent or ad hoc actions that help underprivileged social groups to improve the quality of their lives. In 2019, a charity action raised €4 million in a week for a child born with a rare genetic disease who needed expensive medication and treatment in the United States. Ninna Kozorog, a doctor and president of the Humanitarček Charity Association that helps the homeless and elderly in particular, became the Woman of the Year 2019.

During the COVID-19 pandemic, the role of the charity organizations and voluntary work increased. Especially during the spring lockdown, when there was a shortage of personal protective equipment, volunteers produced fabric masks for entire communities. Volunteers also did shopping for the elderly to help them avoid unnecessary contact. ICT equipment was donated to schoolchildren for at-home learning by individuals, NGOs and companies. During the autumn pandemic, the socioeconomic situation worsened, and various charity organizations and initiatives provided families with food and even clothes.

#### Approval of democracy

7



1

#### Social capital

8



1

## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Some important socioeconomic improvements occurred between 2015 and 2019 after the 2009 – 2013 crises as the result of the improving economic situation. However, NGOs and experts have drawn attention to the fast-deteriorating situation since the beginning of the COVID-19 pandemic, even though the effects are not yet reflected in the economic data, mostly due to measures and benefits the government has taken.

In 2019, 12% of the population was at risk of poverty (1.3% lower than in 2018), while the risk of social exclusion was 14.8% (-1.3%). The at-risk-of-poverty rate for children also decreased from 11.7% in 2018 to 10.5% in 2019 (UNICEF). The majority of people living below the poverty line were retired people and a large difference was identified between men (30,000) and women (60,000). In addition, 40% of unemployed individuals live below the poverty line. Without social transfers, the rate of poverty would be 22%. Some regional differences in poverty levels persist, (e.g., 21.4% in the east and 9.6% in the northwest in 2019).

Slovenia has a very low level of income inequality (the Gini index was 24.2% in 2017). The level of social exclusion is not determined significantly by religion, gender or ethnicity. Other data confirm Slovenia's relatively low socioeconomic barriers. In 2019, the Human Development Index (HDI) was 0.917, with the overall loss in HDI due to inequality 4.6% (down from 5.6% in 2017), and the Gender Inequality Index at 0.063 (up from 0.054 in 2017). Finally, 0% of the population lived on less than \$3.20 a day in 2017.

Economic indicators		2017	2018	2019	2020
GDP	\$ M	48469.1	54137.1	54178.9	<b>53589.6</b>
GDP growth	%	4.8	4.4	3.3	<b>-4.2</b>
Inflation (CPI)	%	1.4	1.7	1.6	<b>-0.1</b>
Unemployment	%	6.6	5.1	4.5	<b>5.2</b>

Question  
Score

Socioeconomic  
barriers

10



1

Economic indicators		2017	2018	2019	2020
Foreign direct investment	% of GDP	2.5	2.8	4.0	-
Export growth	%	11.1	6.2	4.5	<b>-8.7</b>
Import growth	%	10.7	7.1	4.7	<b>-9.6</b>
Current account balance	\$ M	3034.8	3170.2	3049.5	<b>3748.5</b>
Public debt	% of GDP	74.1	70.3	65.6	<b>79.8</b>
External debt	\$ M	-	-	-	-
Total debt service	\$ M	-	-	-	-
Net lending/borrowing	% of GDP	-0.1	0.9	0.6	-
Tax revenue	% of GDP	18.3	18.5	18.3	-
Government consumption	% of GDP	18.5	18.3	18.3	<b>20.6</b>
Public education spending	% of GDP	4.8	4.9	-	-
Public health spending	% of GDP	5.9	6.0	-	-
R&D expenditure	% of GDP	1.9	2.0	-	-
Military expenditure	% of GDP	1.0	1.0	1.1	<b>1.1</b>

Sources (as of December 2021): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

## 7 | Organization of the Market and Competition

In general, Slovenia complies with EU regulations governing the distribution of state subsidies to ensure market-based competition. Price-setting is mainly determined by market forces and the Association of Consumers (an influential NGO) also helps to ensure this. In addition, Slovenia ensures the freedom to launch and withdraw investments, and there is no discrimination based on ownership or size. Prices are fully liberalized since the government liberalized the prices for petroleum products in October 2020.

The financial administration continues to tackle the gray economy. In 2019, it collected €17.6 billion in general government revenues, which is 5.7% more than in 2018. The informal sector is estimated to be about 10% of the economy (Statistical Office of the Republic of Slovenia) However, the long lockdown due to the second wave of COVID-19, which started in autumn 2020, will probably lead to growth in the gray economy.

Market organization

10



According to the World Bank's 2020 Doing Business report, it is quite easy to establish a business in Slovenia. It takes eight days, three procedures and no costs, placing the country at rank 41st out of 190 in the sub-index "starting a business."

The Slovenian Competition Protection Agency deals with monopolization and concentration, and ensures non-discrimination. It was reorganized in 2013 and now serves as an independent administrative authority. With the amendment of the Agriculture Act, in 2019, the agency has taken on new competencies in regulating relations in the food supply chain. The Slovenian Competition Act is modeled after European Commission competition rules and applies to all sectors and all undertakings. In 2019, the agency handled 54 administrative cases, slightly fewer than in 2018.

In accordance with the statistics on restrictive practices in 2019, the agency handled six cases of potential cartel agreements and six of abuse of a dominant position, with only two decisions issued. This suggests rather weak implementation of the antitrust law.

State aid in Slovenia is mostly intended for environmental protection and energy saving measures (37.9% of all state aid in 2018), followed by employment aid (21.4%). State aid was mostly paid as subsidies, followed by aid granted in the form of a reduction in social security contributions or tax exemptions. In 2018, state aid in Slovenia increased both in absolute terms and as the share of GDP: €481.64 million in state aid (1.1% of GDP) was paid, which is 12.7% higher than in 2017. For the second year in a row, aid for research, development and innovation increased the most in absolute terms (+€21.52 million compared to 2017); aid for agriculture (+€15.49 million) and regional aid (+€9.89 million) were also significantly higher. The increase is mainly due to better use of European Structural and Investment Funds 2014 – 2020.

Slovenia joined the EU in 2004 and has followed its relatively liberal trade system. According to the World Bank, Slovenia's simple mean tariff rate was 2.35% in 2018. The most important destination of exports was other EU member states. In 2019, Slovenia exported most goods to Germany (18.9%), Italy (11.6%) and Croatia (8.6%). The primary destination of export outside the EU was Switzerland (6.7%). It also imported most goods from Germany (16.1%), Italy (14.0%), Austria (10.0%), Switzerland (8.6%) and Croatia (5.0%). In 2019, Slovenia exported 73.7% of total exports to EU member states and imported 73.0% of total imports from these countries.

#### Competition policy

9



1

#### Liberalization of foreign trade

10



1

The Slovenian banking system has been a highly debated topic for several years, mostly because of the impending privatization of NLB, the largest bank in Slovenia. The government committed to selling the bank in exchange for the European Commission's approval of state aid equaling €1.56 billion for the bank in late 2013, when Slovenia barely avoided an international bailout. Slovenia assured the European Commission that the privatization of NLB would occur in 2016, but conditions were unfavorable at the time and the first phase of its privatization was completed at the end of 2018. In 2019, Slovenian State Holding (SDH) finally completed the privatization by selling its 10% share. Following that, the state remains the largest shareholder in NLB with 25% of shares. Before the partial privatization of NLB, the state-controlled about 40% of the banking sector, with foreign banks and investors owning most of the rest. The government also put Abanka up for sale. It was acquired by the previously privatized NKBM in February 2020. Société Générale withdrew from the SKB bank that was sold to the Hungarian bank OTP in 2019.

According to the Bank Association of Slovenia, 12 commercial banks, three saving banks and two branches of foreign banks operated in Slovenia at the end of 2019. The total assets of the banking system increased by 6.3% in 2019, reaching 85.8% of GDP. The year-on-year growth in loans to the non-banking sector (5.8%) exceeded the growth rate in 2018, but household loans decreased from 7% in 2018 to 6.2% in 2019 because the Bank of Slovenia issued binding restrictions on household lending to mitigate and prevent excessive credit growth and leverage. Banks must now comply with the new minimum standards set by the Bank of Slovenia when lending to households.

The banking system remains well capitalized. The total capital adequacy ratio increased to 18.1% in the first half of 2019. While the share of bad loans represented only 5.6% of all loans in 2018, the supervisor of the Slovenian banking system warned that the share of non-performing loans banks could increase significantly after the COVID-19 measures expire. Companies with difficulties servicing their credit obligations could apply for a moratorium or deferral of payment of concluded credit agreements, as well as newly approved loans. However, according to the Bank of Slovenia, banking sector capitalization is sufficient to withstand shocks.

## Banking system

10



1

## 8 | Monetary and fiscal stability

Slovenia is a member of the European Monetary Union (EMU) and its exchange rate policy is determined by the European Central Bank. The inflation rate in 2018 was 1.7% and in 2019 1.6%. Although the Bank of Slovenia regularly communicates with other economic actors, its independence is ensured. The governor of the Bank of Slovenia is elected by the National Assembly after issuance of a public tender and the candidate is proposed by the president.

In 2020, the central bank faced some challenges. In May 2020, its vice governor resigned after the Commission for the Prevention of the Corruption found that he had acted contrary to expected norms for integrity. In January 2019, the European Commission filed a lawsuit against Slovenia for seizing European Central Bank (ECB) documents during a criminal investigation at the Bank of Slovenia in 2016 in relation to remediation of the banks in 2013. In July 2020, members of the Parliamentary Committee on Public Finance Supervision began consideration of the Court of Auditors' audit of the Bank of Slovenia's operations in 2017 – 2018, which criticized the bank for not following regulations, internal acts and contractual provisions in several cases.

In Slovenia, 2020 ended with a 1.1% deflation. The level of deflation was mostly influenced by lower prices on petroleum products. In one year, prices for goods went down by 1.7%, while the prices of services went up by 0.2%.

Public debt has been one of Slovenia's biggest problems due to the 2008 – 2011 crisis. In 2011, the national debt was 46.6% of GDP. It reached 83.1% in 2015, decreasing somewhat since to 66.4% of GDP in 2019.

The budget deficit was 1.9% in 2008, but increased following the financial crisis to 14.7% in 2013 (due to the state's recapitalization of banks). Austerity measures lowered the deficit and, in 2017, there was a small budget surplus of 0.03% for the first time in 22 years. In 2018 and 2019, the budget surplus increased to 1.1% and 0.5% of GDP, respectively. Slovenia committed to establishing a Fiscal Council by ratifying the EU's Fiscal Stability Treaty. A fiscal rule was integrated into the constitution in 2013, while, in 2015, an implementing act was adopted.

Exceptional circumstances because of the COVID-19 pandemic and a significant decline in economic growth lowered the revenue estimate for 2020 to 43.7% of GDP (44.2% in 2019), while expenditure likely increased to 51.8% (43.7% in 2019).

The impact of the anti-coronavirus measures is projected to cost 4.4% of GDP, while the general government balance should have reached -8.1% of GDP due to the crisis. Therefore, the government estimates that public debt will increase to

### Monetary stability

10



1

### Fiscal stability

8



1

82.4% of GDP in 2020. Such an extreme increase in public debt, which is among the highest in the EU, draws attention to the significant problems resulting from the 2008 – 2011 economic crisis and unsystematic and ad hoc social assistance to different social groups during the COVID-19 pandemic.

## 9 | Private Property

Property rights and procedures for acquiring property are adequately defined in Slovenia. Property rights are limited solely and rarely by the constitutionally defined public interest. According to World Bank data, the number of days needed to register property in Slovenia remained stable and high (391 days) for a long time until 2009. Since then, it has dropped significantly; registering property required 112 days in 2010 and 50.5 days in 2015 and remains at this level. Lowering bureaucratic obstacles is one of the priorities of the current government, which the creation of the position of Secretary of State for Debureaucratization in the cabinet of the Prime Minister Janez Janša makes evident.

Private companies are seen as the primary drivers of economic production and thus are given legal safeguards. After two waves of privatization (in the early 1990s and again in 2004 – 2008), the government established Slovenian State Holding (SDH) in 2012 to manage state property and determine which companies to privatize in the third wave of privatization in the run-up to EU accession. In 2019, SDH managed investments in 72 companies with about 71,000 employees worth more than €10 billion. As the Slovenian population is aging the fastest in Europe, in April 2021, the new Office of Demography will own and manage state property.

In 2019, 205,139 companies operated in Slovenia (2.5% more than in 2018). They employed 940,948 people and generated €121,357 million in revenue. The vast majority of new companies were micro-enterprises. Among fast-growing companies, small and medium-sized companies were the most numerous in 2018 (95.6%).

During 2020, due to the COVID-19 pandemic, the government took several measures to support private business and self-employed people. Companies were entitled to compensation of wages, payment of social security contributions and a state guarantee for liquidity loans. Self-employed persons were entitled to a monthly basic income and an exemption from social security contributions.



## 10 | Welfare Regime

In Slovenia, austerity measures were adopted to handle the poor fiscal conditions that followed the 2009 global economic crisis. These measures had an important effect on the welfare state regime and social transfers. Slovenian Public Opinion's survey indicated consistent support for the welfare state's core values and overwhelming support for the state's involvement in health care, pensions and unemployment benefits.

In 2019, most government expenditures were allocated to social protection (16.5% of GDP) and health (6.7% of GDP). The welfare regime relies heavily on public organizations and the state budget. Although NGOs have become increasingly active and have taken up various activities to serve as a social safety net due to the narrowing of the state-run welfare regimes, their role further increased during the COVID-19 pandemic.

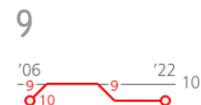
In 2018, at the suggestion of the Left Party, the governing coalition prepared a bill increasing the minimum wage that, despite some concerns, was passed by parliament. However, in 2020, the Left Party warned that some associations of employers called on entrepreneurs to not respect the minimum wage during the COVID-19 crises. This could mean additional pressure on the social system.

During 2020, several benefits were introduced to vulnerable groups in anti-coronavirus packages. Individual recipients of benefits included large families, students, children, retired people, people with disabilities, newborns, workers living on minimum wage and elderly farmers with low income. Those who lost their jobs during the pandemic received a temporary wage compensation of €514 per month. Solidarity allowances were generally €150 (e.g., retired people €130 – 300, child allowance up to €50 and over for larger families). Critics pointed out that unsystematic support and one-off benefits hardly constitute a sustainable welfare policy.

The health care system has been one of the most debated welfare institutions over the last four years. The need to stabilize and make the health care system more sustainable became evident during 2020 pandemic. In particular, solutions are sought for reducing wait times, preventing corruption in health care, regulating pay grades and reducing the burdens on health care. No major steps have been taken in this direction.

The long-term care of the elderly remains another important issue. Previous governments failed to prepare necessary legislation – as long-term care is currently not addressed; it does not need reforms but regulatory acts. Attempts were again made in 2020 but no act was passed. Establishment of an Office of Demography is in preparation. It will participate in the drafting the Demographic Fund Act, which should strengthen the pension system, which is in desperate need of reform due to the aging population. Currently the working population hardly manages to cover the pensions of the elderly, and this is likely to worsen in future years.

### Social safety nets



Equality of opportunity has been achieved in Slovenia to a large extent. Women and ethnic, religious and other minorities have equal access to education, public office and employment. In 2020, the gross enrollment ratio was 100% for primary school, 116% for secondary school and 79% for tertiary school.

Slovenia is ethnically rather homogeneous with two autochthonous minorities (Hungarian and Italian) guaranteed special protection, rights of political representation and the official use of their language. At the end of 2018, women represented 45% of the active labor force (46.6% in 2017). In October 2018, the average salary of women was 93.1% of that of men. The gender equality index for 2019 was 68.3 points, which puts Slovenia 0.9 points above the EU average and ranks it 11th in the EU (10th in 2015).

Slovenia has a comprehensive legal and institutional framework to protect against discrimination, but its implementation is somewhat ineffective. A gender quota system was introduced for parliamentary, local and European Parliament elections in the mid-2000s but only a zip system looks likely to ensure a stable increase in female representation. No such system is present for parliamentary elections. But recent parliaments have featured a relatively high number of women, coinciding with the electoral successes of new parties in the 2011 and 2014 elections, when women represented one-third of all members of parliament. However, in 2018, female representation declined to 24%. At the same time, half of the Slovenian members of the European Parliament elected in 2019 were women.

Despite some signs of the re-traditionalization of society, Slovenia ensures equal opportunity to sexual and religious minorities.

## 11 | Economic Performance

The review period was characterized by good economic results after the economic crises between 2008 and 2011. Various economic indicators demonstrate improvement in economic situation in 2019 and 2020, compared to previous years. GDP growth resumed in 2014 and was 3.2% in 2019, peaking at €20,700 per capita, ranking Slovenia 15th in the EU.

In 2019 and 2020, a small deflation was observed (-1.8% and -1.1%, respectively). The level of unemployment in November 2020 was 8.6%, a year-on-year increase (7.4% in 2019), mostly due to the COVID-19 pandemic. In 2019, public debt further decreased to 66.4% of GDP, but due to the COVID-19 pandemic increased to about 80% of GDP in 2020 – among the highest increases in the EU. The budget surplus decreased to 0.5% of GDP in 2019, but it is expected to be around -8% of GDP in 2020, mostly because of the COVID-19 pandemic. After a drop in foreign direct investment (FDI) as a share of GDP in 2015 (4% of GDP), FDI continued to grow slowly, reaching 3.2% of GDP in 2019. The current account balance was 5.63% of GDP in 2019.

### Equal opportunity

9



1

### Output strength

8



1

The government has taken serious action to provide support to vulnerable groups and businesses during the coronavirus crisis. It is not yet known how this will affect economic indicators.

## 12 | Sustainability

Slovenia takes environmental concerns into account and has adopted appropriate legislation. In 2020, its Environment Performance Index was 72, the 18th highest globally, which is a drop of three places compared to 2018. In December 2017, the Development Strategy of Slovenia 2030, which includes sustainable development as a goal, was adopted, but in 2020, environmental concerns were put on the side lines.

Following the EU climate change policies, Slovenia encourages the use of renewable energy. Households can ask for subsidies for energy renovations of buildings, purchase of electric cars, new stoves and insulation. However, these funds are decreasing and fewer subsidies are available. An example of environmental goals being implemented as part of other policies is the higher tolls for older trucks.

In 2020, as part of the second anti-coronavirus package, construction legislation was changed, tightening conditions for involving NGOs in obtaining building permits. The third anti-coronavirus package abolished nature and environmental safeguards in the construction of large facilities. It: 1) allows investors to start building (at their own risk) without a valid building permit, 2) renders subordinate competent public institutions (such as the Institute for Nature Conservation, the Fisheries Research Institute, the Slovenian Forest Service, etc.), which are no longer allowed to issue a negative opinion regarding the construction of new objects, but need to come up with a solution instead, 3) allows the Ministry of the Environment to be both the drafter of an act and the body that approves it and 4) tightens the conditions for the participation of non-governmental organizations in the assessment of the impact of construction on the environment. The legislation does not deprive NGOs of the right to participate in proceedings but sets such a high threshold for participation that almost no organization can achieve – especially as qualifying NGOs need to have met the conditions two years prior to their assessments (other conditions include the numbers of active members, full-time employees and available financial assets).

According to the opinion of the minister of Environment, Slovenia has small environmental organizations with few members who often abuse their positions under suspicious conditions and blackmail investors by blocking procedures. In his opinion, the subjective views of individuals should not block the country's most important projects.

Environmental  
policy

8



1

A new environmental concern is the area around River Soča and the town of Anhovo, where there is environmental pollution due to asbestos and waste incineration and polluted drinking water due to release of carcinogenic hexavalent chromium from a treatment plant run by the Swiss company, Etermit. Several protests and citizens initiatives were organized to draw attention to this issue.

Slovenia's education policy ensures a nationwide system of education and training. Public expenditure on education amounted to 4.95% of GDP in 2018. Slovenia scored 0.910 in the U.N. Education Index in 2019 and ranked 22nd globally. The mean period of schooling was 12.7 years. The share of population above 25 years with at least some secondary education was 97.8%. Slovenia achieved a PISA score of 509 in mathematics, 495 in reading and 507 in science. All these indicate a high-quality system.

Higher education and research are rarely subject to public debate. In the past, calls to increase public funding for research were made, but this debate has subsided. Since 2017, the share of GDP for research and development increased to 2.04% of GDP in 2019 from 1.9% in 2018 – 2019.

The COVID-19 pandemic posed challenges to the quality of education. From March 2020 to end of the school year and from October 2020 until the end of January 2021, most children were educated at home. Several issues were identified during distance education, ranging from lack of access to ICT equipment and internet access, some teachers' lack expertise in adapting to home learning, to vague and frequently changing instructions from the Ministry of Education that led to confusion among teaching staff and other relevant stakeholders.

Research and development have also faced some challenges and government interference – for example, when the government refused to appoint a director of the Pedagogical Institute, although the candidate was supported unanimously by the Council of the Institute.

Research activity was challenged by the Implementation of the Budget Act for 2021 and 2022 that banned new hires at research institutions for the next two years, even if the scope of work of an individual institution increased due to the acquisition of a research project. The increase in the budget for science was noticed in 2019, when the state planned to allocate €200 million of its budget to R&D. Also controversial was the extension of the accreditation of the New University (closed to the leading party SDS) as part of the anti-coronavirus act.

Education policy /  
R&D

8



1

## Governance

### I. Level of Difficulty

Generally, there are few structural constraints on governance in Slovenia due to low rate of extreme poverty, few natural disasters and a suitable geographic location. However, like the rest of the world, Slovenia endured the COVID-19 pandemic in 2020. Whereas, during the first wave, Slovenia was one of the most successful countries in the world with rather low numbers of cases and deaths, the situation drastically changed during the autumn and winter. As of January 31, 2021, there were 80,000 cases and 1,685 deaths per million related to COVID-19 – among the highest rates in the world.

The main difficulties in tackling the pandemic were the weak health system and the government's inability to develop adequate and trustworthy measures for limiting the spread of the virus, to reduce the negative effects of coronavirus on the economy, and to purchase equipment and supplies such as masks, ventilators or quick tests.

Additionally, the lockdown and closing down of certain services decreased economic performance, increased unemployment and worsened the economic positions of many households. Schools and kindergartens were closed for most children from mid-March to the end of June 2020 and again from the end of October and had yet to reopen as of the end of January 2021. This meant unequal access to education since many children lacked ICT equipment, competences and access to internet. Children from socially disadvantaged households also lost access to free meals. The impact of the drop in the quality of education at all levels will be seen in the coming years.

Since the transition, Slovenian civil society has been very vibrant and diverse. The number of CSOs is continuously growing. The lack of professionalization is compensated for by a grassroots base and high number of volunteers. However, in 2020, the public image of civil society deteriorated, especially in the areas of the environment and human rights, probably due to a negative campaign conducted by some politicians and negative press, while the role of charitable organizations increased, mostly due to an increased need for their services.

CSOs are evenly financed by public funds, private funds and their own market funds. However, public funds represent an important share of their financing. In

Structural  
constraints

2

'06 \_\_\_\_\_ '22 10



Civil society  
traditions

1

'06 \_\_\_\_\_ '22 10



2020, the government attempted to decrease the level of financing by closing down its NGOs fund. The attempt was not successful. Meanwhile, the share of income tax that individuals can allocate to civil society organizations doubled from what it was previously to 1%. According to the Slovenian Public Opinion survey 2020, 20.2% of respondents were members of various organizations (e.g., leisure associations, charities, environmental groups) and also active; an additional 9.7% were active despite not being members, while 12% were inactive members. The share of respondents who thought that people can be trusted decreased from 13.6% in 2018 to 12.6% in 2020, while the percentage of those who thought that one needs to be careful of others increased from 18% to 23.5%.

Trade unions are an important branch of civil society, and several umbrella organizations have direct access to policymaking. Together with employers' organizations, they cooperate with the government via the Economic and Social Council of Slovenia. However, in 2020 the Council of the Federation of Free Trade Unions demanded that the laws to mitigate the effects of the coronavirus crisis be discussed between social partners as appropriate to develop a neo-corporatist arrangement in Slovenia.

The most important cleavage in Slovenia is libertarian vs. authoritarian. It is intertwined with other types of cleavages and originates from a “division of spirits” during the all-encompassing conflict in Slovenia pre-WWII. Polarization among the political elite and in the public has increased considerably.

The migration crisis has re-traditionalized Slovenian society. Opposing views regarding the acceptance of refugees and migrants were voiced at local protests in 2015. The president's attempts to mitigate the cleavages had limited success. Some of the new parties (e.g., the List of Marjan Šarec, the party of Miro Cerar) emphasize that, as new faces in politics, they want to overcome this division. But the cleavage remains important for the identity of established parties. In 2020, the division was consolidated in the SDS's discourse – it stated that Slovenian media has its origins in the former communist regime. Prime Minister Janez Janša branded protesters as “caviar socialists.” However, hardly any violent incidents were motivated by social, ethnic or religious differences in 2019 – 2020.

In November 2020, protests organized by Anonymous Slovenia (the Slovenian wing of the hacker group) turned into violent riots when they were hijacked by football fans and people with criminal records. For the first time since the protests in 2012, the police used water cannons in addition to tear gas.

The occurrence of a violent protests strengthened divisions along social, political and religious lines and contributed to an increase of conflicts in 2020.

Conflict intensity

3

'06 \_\_\_\_\_ '22 10



## II. Governance Performance

### 14 | Steering Capability

Since the 2009 economic and fiscal crisis, governments have attempted to set and meet economic and fiscal priorities, and to respond to the short-term needs of the population. After years of absence of a strategic umbrella document to define the priorities of Slovenia after it joined the EU, in December 2017, the Development Strategy of Slovenia 2030 was adopted. It defines five strategic orientations and 12 interconnected development goals. The document proposed a new long-term foundation for development and, by integrating U.N. sustainable development goals, places Slovenia among those countries recognizing the importance of global responsibility toward the environment and society. The main goal of the Development Strategy is to ensure a quality life for all through balanced economic, social and environmental development that creates conditions and opportunities for present and future generations.

Despite the COVID-19 pandemic, some unresolved issues from previous years remained priorities for the current government. Danijel Krivec, the leader of Slovenian Democratic Party (SDS) parliamentary group, defined strengthening the health system and Demographic Fund as two main priorities of the coalition. However, the pandemic created new priorities. Measures to limit future waves of coronavirus became dominant.

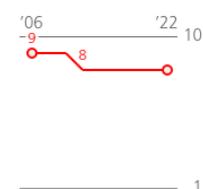
Changes to the legislation on referendums in 2013 improved the government's ability to achieve set goals that were previously hindered by the opposition's use of referendums to obstruct change (a total of 25 referendums took place between 1990 and 2021). In 2020, additional changes were introduced in the Law on Referendums and Popular Initiatives, further easing the adoption of laws that avoid the challenge of referendums. This enabled anti-coronavirus laws to be sent to parliament immediately for promulgation and implementation by the government.

Health care and pension reforms have been on the agenda for several years and the changes are minor. For several years, the Long-Term Care Act, which gives everyone access to necessary services regardless of their financial position, has been in preparation. Some shifts took place in 2020, when the proposal of the act was prepared. But due to disagreements regarding the financing of long-term care, no agreement was reached. Although all Slovenia's governments have seen the need to reform health care, elderly care and pensions, they also have been aware of the difficulty of the task and thus have tried to avoid initiating reforms.

Question  
Score

Prioritization

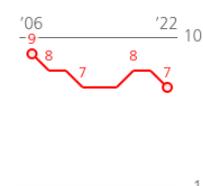
8



1

Implementation

7

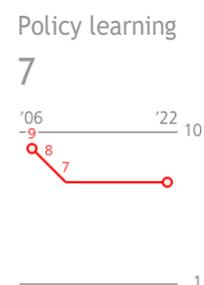


1

While tackling the COVID-19 pandemic, the government has only been able to implement some of its desired policies, which focus on investment constructions such as infrastructure projects.

During the period under review, the Slovenian government could not always replace failed policies with innovative ones. Although most policy areas have undergone evaluation to institutionalize complex learning in recent years, the extent to which the information collected by these evaluations is used to draft new policies remains unclear. In general, the institutional capacity for strategic planning is weak. The government and ministries work with various advisory bodies that include experts and representatives of civil society. Slovenia has a strong tradition of departmentalism and collegial cabinets, but the government lacks the capacity and sectoral expertise to evaluate policies prepared by line ministries. Although, since 2009, under international pressure, Slovenia agreed to guarantee at least 30 days for public consultations regarding every proposed act, the regulation is regularly violated, and public consultations remain limited. The monitoring of governing procedures is also limited and done on an ad hoc basis. The evaluation of public policies has improved, especially since accession to the EU. Most evaluations are conducted within the framework of various EU policies. Slovenia has been also included in monitoring procedures, international comparative analyses and mechanisms for the exchange of good practices (ILO in the field of employment policy, PISA, TIMMS, PIRLS, ICILS, TALIS, ICCS, ESLC in the field of education policies), as well as in processes regarding the open method of coordination within the EU.

During the COVID-19 pandemic, the government tried to follow the example of other countries, for example, adopting the idea of tourist vouchers from abroad. It was also alleged that Ministry of Education has considered testing students in schools for coronavirus, as in Austria. However, many of the solutions, such as the ban on the movement between municipalities, were not introduced from elsewhere. Special advisory groups were established that included experts from various fields (i.e., health, the economic sector, etc.). Some controversies occurred when some members either decided to leave advisory groups or the government did not follow a group's recommendations.



## 15 | Resource Efficiency

Slovenia has adopted a merit system in administrative recruiting, but meritocratic criteria are not always properly applied. Ministers can specifically hire their closest advisers and incoming governments have repeatedly selected their own office and department heads. The right-wing government that entered office in March 2020 brought in people close to its parties as heads of different departments and offices, and also as directors of the National Institute of Public Health, the Statistics Office and the Financial Administration. The government also introduced many staff changes in the supervisory bodies of different institutions. On average, Janez Janša's government appointed 128 new people every month, in contrast to Marjan Šarec's 89.

While Slovenian economic and fiscal systems stabilized by the end of 2019, public debt remained quite high (about 66% of GDP). In 2020, public expenditures enormously increased, due to measures to overcome the negative impact of COVID-19 pandemic on the economy. Based on data from July 2020, the Fiscal Council estimated the first and third anti-coronavirus acts to cost almost €1.1 billion. Five more anti-coronavirus acts were adopted by January 2021. Because of the pandemic, resource allocation changes were planned and partly implemented, as some hospitals were changed to COVID-19 hospitals, and patients not suffering from coronavirus were moved to other hospitals.

The Court of Auditors has consistently provided effective, independent auditing. Its reviews regarding the transparent and efficient use of finances indicate that human resources and information in the public sector have not always been used in full compliance with the law. Therefore, the court has repeatedly called on offenders to eliminate these anomalies and is becoming an increasingly more important institution.

No changes have been made recently in terms of decentralization. However, the interests of municipalities have been represented strongly in the National Assembly, since center-right parties are better represented at the local level than are center-left parties. Under the government of Marjan Šarec, the National Assembly increased lump-sum subsidies to municipalities.

Efficient use of assets

7



One of the country's most important policy coordination bodies is the Economic and Social Council of Slovenia, during the regular meetings of which representatives of employers' organizations, trade unions and the government coordinate wide-ranging policies. Policy coordination among departments is ensured by permanent and ad hoc bodies in which civil servants and government representatives can cooperate, as can interest groups and experts. Usually, several coordination bodies are established within individual ministries. However, the institutional setup does not necessarily guarantee effective policy coordination. Informal coordination procedures have played a significant role and the dominance of party leaders means that much policy coordination takes place within parties.

Formally, under the government's rules of procedure since 2014, materials must be coordinated with the relevant ministries and offices before submission for debate by the government. With limited exceptions, draft legal acts must be coordinated in advance with the Ministry of Finance and the Government Office for Legislation. Every contacted ministry and government office must provide an opinion within 14 days. In an effort to improve policy coordination, in March 2016, the Government Office for Legislation introduced MOPED, a modular framework for electronic document processing.

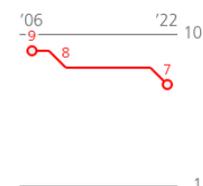
Policy coordination is especially problematic and often inadequate regarding Slovenian positions with regard to EU legislative proposals. The role of the National Assembly is passive, while the structures for extra-governmental input are circumscribed.

In 2020, the Expert Group on Containment and Pandemic Management COVID-19 was established. Some adopted measures that affected the economy, such as closing down and opening services and shops, were made in agreement with the economic sector. Nevertheless, this seemed to result from lobbying rather than coordination, as several measures proposed by the expert group were not adopted by the government.

Several institutions have been established to fight corruption, but little success has been achieved in curbing systemic corruption. The Court of Auditors audits state spending; the Commission for the Prevention of Corruption (KPK) was established in 2010 as an independent state body, similar to the ombudsman, the information commissioner and the Court of Auditors. The KPK is not subordinated to and does not receive instructions or guidelines from the government or the National Assembly. It is not a law enforcement authority in pre-trial or criminal proceedings, although it has executive, supervisory and investigative powers. Professional officials, high-ranking civil servants and people responsible for public procurements are obliged to submit asset declarations to the KPK as part of its monitoring practices. The Office for Money-Laundering Prevention in the Ministry of Finance is responsible for the prevention and detection of money-laundering and terrorist financing. The information commissioner is responsible for guaranteeing citizens

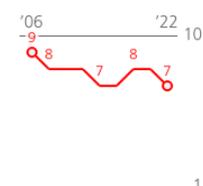
## Policy coordination

7



## Anti-corruption policy

7



and the media access to information but must also ensure personal data protection. Transparency International Slovenia has been an active advocate of transparency and fights corruption. Transparency in public procurement is legally ensured and the media has access to such information in practice.

Party financing has been regulated by law since 1990s. In 2013, the law was changed to combat corruption. All corporate donations were banned, and the control functions of the Court of Auditors were strengthened.

The National Assembly adopted a Code of Ethics for deputies in April 2020, which had been under debate since 1993. The code has only 10 articles, is rather general, and is based on five principles: reputation and integrity, loyalty, fairness and honesty, responsibility – including environmental responsibility – and dignity and respect.

Some measures to curb the COVID-19 pandemic posed new risks for breaches of integrity and the rule of law. Amendments to the law on COVID-19 intervention measures set higher thresholds for non-governmental organizations to participate in consultations. The KPK warned that the relaxation of the procedures for obtaining building permits and the tightening of conditions for NGOs increases the risk of corruption and breaches of integrity.

## 16 | Consensus-Building

Despite significant differences among major actors concerning many policies, all the actors agree that democracy is a strategic long-term aim. In 2020, disagreements occurred between draconian and less restrictive measures to combat the spread of coronavirus. Still, the consensus was that the spread needed limiting.

Among major actors, many differences in terms of economic policies exist – most notable are between advocates of neoliberal and welfare state policies, and these differences are becoming more salient. However, all major political actors agree that market economy is a strategic long-term aim.

There are no significant anti-democratic political actors in Slovenia who need to be excluded or co-opted. However, the new right-wing government led by Janez Janša has been seen by the opposition parties and many citizens as a move toward a more authoritarian form of democracy. The government has been accused of taking advantage of the COVID-19 pandemic to introduce restrictive policies.

Consensus on goals

9



1

Anti-democratic actors

8



1

Slovenia has no ethnic or religious cleavage, but a libertarian-authoritarian cleavage is present and important. The Catholic Church and the Slovenian Democratic Party (SDS) are important actors on the authoritarian side. An economic cleavage has also been gaining importance since 2004, after the SDS adopted a right-wing position, and especially since the economic crisis in 2009.

Social and political polarization have increased. Public calls were made in 2020 to overcome them. Along with several other political leaders, President Borut Pahor has been trying to depolarize cleavage-based conflicts by attempting to bridge different political camps, organizing cleavage-related discussions between different political parties and ideological views, and avoiding taking sides in some instances.

Interest groups and CSOs play an important role in the formulation and implementation of various policies. The vital role of some interest groups is recognized (e.g., groups of employers, trade unions, farmers, crafts and trades, independent professions and non-commercial fields). They have a special status and their involvement in policymaking is institutionalized in the National Council, the upper house of the parliament. Furthermore, the associations of employers and trade unions have a special role in Slovenian society, enshrined in their institutionalized cooperation with the government in the social partnership system, the Economic and Social Council of Slovenia.

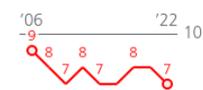
The 2009 Resolution on Normative Activity required that ministries prepare draft legislation in a transparent fashion and grant interested or affected organizations at least a month to participate in the policymaking process. However, the resolution remains discretionary, and the principles have rarely been respected in practice - governments have often failed to organize consultations or have provided inadequate deadlines or no deadlines (2019 Civil Society Organization Sustainability Index). In 2019, ministries formed several new consultative bodies involving civil society representatives, yet the organization of public consultations did not change notably.

Several online tools are used to encourage public participation in policymaking. On [predlagam.vladi.si](http://predlagam.vladi.si), citizens can propose new regulations; a “stop bureaucracy” report collects experiences with unacceptable bureaucratic practices and thus contributes to simpler, more transparent and faster procedures. Citizens can also submit opinions and comments on draft regulations through an e-democracy portal. Finally, a portal of draft government decisions (“Gradiva v vladni obravnavi”) monitors the preparation and adoption of government decisions and verifies their compliance with the public’s comments and suggestions.

During 2020, the government made no clear attempts to actively involve civil society actors in the COVID-19 response. When civil society’s ideas were included in governmental proposals or considered during voting in the National Assembly, this was more a result of advocacy activities by civil society members than of deliberation by politicians.

Cleavage /  
conflict  
management

7



1

Civil society  
participation

7



1

For years, Slovenian political leadership has sought reconciliation regarding historical events that occurred during and after World War II. One of the main advocates of reconciliation is President Borut Pahor. Some important symbolic steps have been made in this regard. In the center of Ljubljana, the Monument to the Victims of All Wars was unveiled in 2017.

The year 2020 marked the 30-year anniversary of the first reconciliation ceremony held in Kočevski Rog with the aim of settling the conflict between opposing sides in World War II. On this occasion historian, Peter Štih, the president of Slovenian Academy of Science and Arts, warned that the divisions over the events during and after the World War II have increased over the past three decades, and ever fewer people believe in the possibility of reconciliation.

## 17 | International Cooperation

Slovenia is a member of different international organizations, including the EU, and can seek international assistance. EU funds are very important for Slovenia and their role became more noticeable during the COVID-19 pandemic. In August 2020, the European Commission approved a €100-million Slovenian scheme to support companies affected by the pandemic and for research, development and production of coronavirus-related products. In September 2020, Prime Minister Janez Janša stated that Slovenia must invest funds from the European reconstruction package wisely and promptly, but the EC was not satisfied with the first plan Slovenia prepared.

The Development Strategy of Slovenia 2030 was adopted in December 2017. The strategy represents an umbrella development framework defined by the Vision of Slovenia, an overview of the current situation and global trends and challenges. To implement Slovenia's development goals, a four-year national development policy program and a medium-term fiscal strategy have been prepared. These are renewed annually. Using the OECD framework for assessing the impact of individual scenarios and agreed measures, Slovenia monitors the implementation of the strategy's objectives and the path of the development policy.

The strategy also includes the Sustainable Development Goals (SDGs) for the implementation of the U.N. Agenda for Sustainable Development (Agenda 2030). Slovenia reported on the implementation of the SDGs to the High-Level Political Forum for the first time in 2017, and intends to review implementation of the goals and sub-goals at least twice before 2030.

### Reconciliation

8



1

### Effective use of support

9



1

In general, Slovenia respects multilateral agreements and participates in international coordination. For years, Slovenia was recognized by the international community as a reliable partner willing to participate in different forms of international collective action. While Slovenia continues to honor its international commitments, in 2020, international politics changed to some extent. When Slovenia voted against a WHO resolution ensuring Palestine a permanent supply of medical equipment and remedies, it caused dissatisfaction among the opposition and the general public.

Slovenia has also departed from core EU politics and aligned itself closer to the Visegrad countries. This became problematic, especially since Hungary and Poland have been violating the rule of law and often obstruct agreements within the EU. In 2020, Slovenia's foreign policy was closer to United States under President Trump than it had been in the last decade. This was problematic within the EU, which frequently opposed Trump's policies.

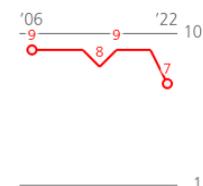
Slovenia has been a member of the EU since 2004. In recent years, Slovenia has been criticized for the absence of any clear goals with regard to its EU membership – it is frequently described as very inactive in EU decision-making processes. In 2018, Slovenia determined its strategic interests and priority goals in the EU: to remain in the core part of the EU, EU enlargement in the Western Balkans, a common response to migration (both external and internal) and a continued borderless Schengen region. Slovenia has tried to maintain good relations and cooperation, especially with Western Balkans countries. EU enlargement to include the Western Balkans will be one of the key priorities of Slovenia's presidency of the EU Council in the second half of 2021.

With Janša's right-wing government, cooperation with the Visegrad Group (Slovakia, the Czech Republic, Hungary and Poland) intensified. In June 2020, Janša met with the ambassadors of the Visegrad Four to discuss the Three Seas Initiative from the point of view of the structural and development needs of the region, especially with regard to establishing and modernizing infrastructure connections. The four countries also agreed that Western Balkans and further enlargement needed increased attention from the EU. Seven Prime Ministers or presidents from neighboring countries met at the Bled Strategic Forum in August 2020. This forum is relevant as a platform where the highest representatives of politics, business and civil society meet to discuss issues critical to the future of the international community. In 2013, Slovenia and Croatia initiated the Brdo-Brijuni Process, an annual multilateral forum for the countries of the Western Balkans, but the 2020 meeting was canceled due to the COVID-19 pandemic.

While disputes between Slovenia and Croatia occasionally surface, the two countries are currently inclined to have good relations. During the summer of 2020, despite the growth of infections from coronavirus in Croatia, Slovenia did not introduce a quarantine for Slovenians returning from holidays in Croatia –

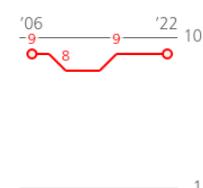
### Credibility

7



### Regional cooperation

9



Slovenian leaders thus helped Croatia to save its tourism season. In autumn 2020, when Croatia experienced destructive earthquakes, the Slovenian government immediately sent help. Many citizens and charity organizations also responded by sending various goods. In December 2020, Prime Minister Janša agreed to represent Croatia at an EU summit when Croat Prime Minister Plenković needed to self-isolate.

## Strategic Outlook

Slovenia had stabilized economically and fiscally by the end of 2018. Then, the COVID-19 pandemic posed severe challenges. Restrictions and a long lockdown decreased production, increased unemployment and the numbers of people with low social status. The government attempted to mitigate the negative consequences by adopting seven anti-coronavirus act packages. These included subsidies for working from home or for staying home with children. Almost all groups in the citizenry benefited from the support, including large families, students, children, the retired and newborns. Government expenditures increased massively, but as support schemes were rather unsystematic, they may have limited positive impact – especially since some individuals and firms took advantage of the situation and falsified their status so as to receive financial support. The pandemic also exposed systemic corruption and the vulnerability of the health system. The need for health care reform is more urgent than ever, although this has been a priority for years. Furthermore, the closing of schools affected education at all levels from kindergarten to university, while leisure activities such as sports clubs were also affected. Although the long-term consequences on the economy and education are hard to predict, the Slovenian government should work to prevent further borrowing or even bankruptcy and to overcome educational gaps. Additional problems include government tendencies to exclude the public from policymaking and to withdraw support from civil society organizations.

Demographic change and the aging population represent major challenges that the government plans to address with the establishment of a Demography Office. The office is expected to provide support for the development of an aging society, a strategy adopted already in 2017, participate in the drafting of the Demographic Fund Act and implement human resource-strengthening projects. The office is not supposed to take over any of the responsibilities of the Ministry of Labor, Family, Social Affairs and Equal Opportunities (MDDSZ), but to coordinate policies implemented in various departments related to demography. Gregor Virant, former minister of Public Administration, described the office as rather meaningless, as MDDSZ is already responsible for this policy area. Since the office would become the owner and manager of state property, special attention should be paid to preventing corruption and other abuses in its operations.

While low levels of trust in particular institutions improved in 2018, the overall trust in politics further declined. However, this does not indicate apathy or low levels of political participation. Citizens can be engaged and tend to vote, although they may be motivated to vote against the least desirable parties rather than in favor of a particular party. Populist parties have gained support and the adoption of populist policies is likely to continue without reconciliation between political opponents. The current situation has created deep polarization and conflict, with reconciliation becoming harder over time. Only successfully solving current and recent crises (COVID-19, migration, the recession) can create better cooperation among Slovenians with opposed political views.