SOUTHEAST EUROPE in Focus

No. 2/2021

Slovenia 30 Years after Independence

With contributions by
Niko Korpar
Alenka Krašovec and Meta Novak
Matej Avbelj
Špela Stare

Edited by Christian Hagemann
### Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABBREVIATIONS</td>
<td>3</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>4</td>
</tr>
<tr>
<td>ECONOMIC DEVELOPMENT AND PROSPECTS</td>
<td>6</td>
</tr>
<tr>
<td>Niko Korpar</td>
<td></td>
</tr>
<tr>
<td>DEMOCRACY, PARTY POLITICS AND RELATIONS WITH THE EU</td>
<td>16</td>
</tr>
<tr>
<td>Alenka Krašovec and Meta Novak</td>
<td></td>
</tr>
<tr>
<td>CONSTITUTIONAL BACKSLIDING IN SLOVENIA?</td>
<td>33</td>
</tr>
<tr>
<td>Matej Avbelj</td>
<td></td>
</tr>
<tr>
<td>MEDIA FREEDOM UNDER ATTACK</td>
<td>40</td>
</tr>
<tr>
<td>Špela Stare</td>
<td></td>
</tr>
<tr>
<td>ABOUT THE AUTHORS</td>
<td>48</td>
</tr>
</tbody>
</table>
Abbreviations

CEE – Central and Eastern Europe
CEE11 – Central and Eastern European EU Member States
CSO – Civil Society Organization
DeSUS – Democratic Party of Retired Persons of Slovenia
DEMOS – Democratic Opposition of Slovenia
EC – European Commission
EU – European Union
ESS – Economic and Social Council
FDI – Foreign Direct Investment
GDP – Gross Domestic Product
LDS – Liberal Democracy of Slovenia
LMŠ – List of Marjan Šarec
PPS – Purchasing power standards
PR – Proportional representation
RYCO – Regional Youth Cooperation Office
RTV – Radiotelevizija Slovenija (Slovenia’s national public broadcasting organization)
LDS – Liberal Democracy of Slovenia
SDS – Slovenian Democratic Party
SEE – Southeast Europe
STA – Slovenian Press Agency
UKOM – The Government Communications Office
It has been 30 years since Slovenia declared independence from Yugoslavia and became an independent country. Since then, it has continuously built its own brand as a bastion of stability in an often rather unstable region. Leading not only the Southeast European (SEE), but also the Central and East European (CEE) new member states of the EU by most development and democracy indicators, Slovenia was often considered a ‘model pupil’ in the process of Europeanization. As a member of the EU, the Schengen Area as well as the Euro, the country had achieved its most important foreign policy goals already more than a decade ago.

However, Slovenia is also making headlines these days. This should not be surprising as it will take over the rotating EU Council Presidency from Portugal on 1 July 2021. Still, the headlines are mostly not related to its presidential programme, but focus more on the domestic politics of its current Prime Minister Janez Janša, especially in the media realm, as well as on a dubious ‘non-paper’ on the creation of new borders in the Balkans that was often linked to the country and the content of which was condemned by leaders both from the EU as well as the region.

Thus, where does Slovenia stand at 30? On the occasion of its anniversary as well as the upcoming EU Council presidency that will shift Europe’s attention to Ljubljana in the second half of 2021, we decided to take a closer look at Slovenia’s development since independence. Scrutinized are both areas of continuous development as well as moments of rupture in its three decade-long history.

As Slovenia is famous for its gradual transition from Communism, our issue opens with a contribution on the country’s economic development. Niko Korpar from the Institute for International Economic Studies in Vienna underlines that after being a frontrunner in economic development, the country was hit hard by the 2008 financial and economic crisis. Recovery from this crisis was weaker than in many other CEE countries, who Slovenia nevertheless keeps at distance regarding its overall economic development. Despite of the comparatively successful situation, Korpar underlines that Slovenia nowadays lacks a vision of how the country should develop in the next decade to close the gap to the EU’s most advanced countries.

Alenka Krašovec and Meta Novak from Ljubljana University’s Faculty of Social Sciences discuss whether Slovenia can be considered a consolidated democracy by now, a question of high relevance against the backdrop of recent reports of the country’s potential ‘democratic backsliding’. The authors find the party system to have developed towards a ‘stable instability’ during the last two decades, leading to the dominance of (alternating) personalized parties. While the country’s democracy ratings have generally remained high, the most recent political developments have nevertheless led to a change of international perception of the country, from a ‘model pupil’ to a place which gives reason for concern.

Matej Avbelj, Rector and Professor of European Law at the New University in Ljubljana paints a picture of Slovenia which is at odds with the general narrative of a success story. He argues that many of the country’s achievements of the past had only been met on paper. In contrast to the usually positive evaluation of Slovenia’s gradual transition, he argues that this lack of clear-cut reforms led old elites to stabilize their control over state resources and thereby also political power. While gradualism is thus from his point of view the basis of limited economic as well as political pluralism, the most recent
developments should rather be understood as an attempt to change this inherited status quo.

Finally, Špela Stare, General Secretary of the Slovene Association of Journalists, takes a closer look at the current state of media freedom in Slovenia. She stresses that Slovenia deteriorated from a role model of media legislation to a country under international scrutiny for its media freedom. She offers multiple examples of how the media is currently under pressure. Stare underlines that the situation got particularly bad since 2020, however, that political parties of all colours have shown no interest in limiting the politicization of the media in the past.

This special issue on Slovenia offers not only a comprehensive analysis and stock-taking of Slovenia’s situation in terms of its economy, politics and media, but also reveals lines of conflict within the country’s politics and society, which are reflected up to some degree in the different authors’ contributions. Overall, it seems unrealistic that the country should fall into an abyss of authoritarianism just months after still being considered a frontrunner in economic and political developments. However, the papers in this volume point to certain critical developments under the surface of the country’s successful image that deserve attention and should support a critical but nevertheless balanced assessment of Slovenia’s state of affairs 30 years after independence.

The papers were first presented in an online symposium on 17 June 2021. You can find a recording of the presentations and the following discussion in our Youtube-Channel.
Executive Summary

• After its transition, Slovenia successfully leveraged its strong starting point, solid macroeconomic management, and the slow rate of privatization to become the clear regional frontrunner in economic and social development.

• The 2008 crisis hit Slovenia harder than other CEE countries, and was followed by a restructuring of the economy: the export sectors, especially manufacturing, became even more important engines of economic growth, the share of inbound FDI increased substantially, and several banks and companies were privatized.

• In the post-crisis years (2013-2019), economic performance was steady as Slovenia reached about 90% of the EU’s average GDP per capita in 2019. However, other Eastern Member States are catching up fast.

• The COVID-19 pandemic initially hit Slovenia’s economy hard, lowering the GDP in 2020 by 5.5%, but due to a resilient export sector and government support, economic damage will be smaller than expected and a strong recovery is projected.

• Today, Slovenia still leads the region in most metrics of human development. However, despite its success, there is a persistent lag compared to the living standards of the most developed EU Member States, in part due to a gap in productivity and value-added per employee in the country.

• In order to bridge this gap, comprehensive improvements in the political and legal system, and in the overall business environment are necessary, as well as a faster pace of greening the economy and digitalization. Larger investments in infrastructure, research and innovation will be needed, all without endangering the comparatively strong welfare state and public healthcare.

Introduction

30 years after proclaiming independence, Slovenia is a country in limbo. In many ways, the first three decades of independence were a success. Today, Slovenia is the most developed transition country in the region. It is already richer than some countries in Southern Europe, and its gross domestic product (GDP) per capita is close to 90% of the European Union’s (EU) average. The average life expectancy is longer than Germany’s. In some areas of machinery, engineering, pharmaceuticals, biomedicine, chemicals, robotics, and space technology, Slovenian companies and researchers are world-class.

For Slovenians, expectations of economic prosperity were always high. Yet, for many, they still do not match with the reality. Slovenia’s relative economic success in comparison to other ex-socialist countries loses its significance when the comparison shifts to the lingering developmental gap to neighbouring Austria. Furthermore, over the past few years, the pace of economic convergence to the EU average has slowed down, and the sense of primacy over other transition economies has been shaken. Figure 1 shows the trend of the Central and

10 All data used in the article, unless marked otherwise is from the wiiw Annual Database, adapted from Eurostat and national statistical bureaus; last updated in 2021.
Eastern European Member States (denominated as CEE11\(^{12}\)) countries slowly ‘catching up’ to Slovenia. The country’s ‘lost decade’ after the 2008 economic crisis stifled investments and the reform process has stalled. The reservoir of ideas seems to have emptied after Slovenia reached its primary goals: to join the EU and adopt the Euro. Both center-left and center-right governments of the past decade had little new to offer in terms of economic policy. The social stalemate is best caricatured by the decade-long debates, disputes, accusations, and legal contests culminating in a national referendum to determine the fate of 27.1 kilometres of new railway tracks connecting the port of Koper to international lines.\(^{13}\) These are symptoms of a society lacking the vision and cohesion needed to engage in large-scale developmental projects. The consequences are growing anxiety over the future, and remorse over lost opportunities when reflecting on the past. However, to what extent is this sense of pessimism justified? And what can be done to overcome it?

This article first outlines the economic development of Slovenia in broad terms. Second, it presents the key features and narratives shaping the Slovenian economy today and assesses its performance against the CEE11 and the rest of the EU. Finally, it tries to connect past successes with past missteps to derive an outlook for the future.

**Becoming the region’s frontrunner: the transition years**

As most other former Yugoslavian republics descended into violence and destruction, Slovenia’s avoidance of large-scale war prevented damage to its infrastructure and businesses. Still, the break-up of Yugoslavia, followed by a transition to a market economy, proved challenging. Before the 1990s, one third of Slovenia’s exports went to Yugoslavian republics. After 1991, this market shrunk considerably: from 1990 to 1992, sales to ex-Yugoslavian republics fell from EUR 6.7 billion to EUR 1.5 billion. The loss of these markets was one of the key reasons for the 20% decline in GDP between 1988 and 1993\(^{14}\) and the following rise in unemployment. In 1990, registered unemployment was at 10%, and in 1993, it reached almost 15%.\(^{15}\)

Despite the initial economic shock, and the collapse of several large industrial companies in the following years, the economy rebounded relatively quickly. By 1995, GDP was growing at 5.6% per year. During this time, Slovenia fared better in comparison to the CEE11. Although GDP declined between 1990 and 1995, it declined less on an annual basis, on average by only 0.82 percentage points, and afterwards grew faster. During the first decade of independence, Slovenia’s average annual growth rate of GDP was 0.74 percentage points higher than that of its peers. To put these numbers in perspective, in 1990, Slovenia’s GDP per capita was 60% higher than the average GDP per capita of CEE11, and by 2000, it was 80% higher. A new currency, the Slovenian tolar was also rolled out successfully despite high inflation in 1991. The national bank pursued price stability as the main goal and inflation was reduced below the two-digit level by 1995. This overturn can be partially attributed to the relative openness of the Slovenian economy to Western Europe even before the break-up of Yugoslavia.\(^{16}\) Another sizeable share of the success can be attributed to Slovenia’s style of transition-management, known as ‘gradualism’.

---

\(^{12}\) CEE11 denotes a group of EU Member States that includes Czechia, Slovenia, Slovakia, Hungary, Poland, Estonia, Latvia, Lithuania, Romania, Bulgaria and Croatia.

\(^{13}\) The so-called “2. tir”, the second track on the Koper-Divača Railway; estimated worth is EUR 1.19 billion. More information: https://www.railway-technology.com/projects/divaca-koper-railway-line-track-doubling/


As other new democracies in the East willingly accepted the Washington Consensus and engaged in swift market reforms, Slovenian political and economic elites chose to maintain strong state influence over the economy. In the initial privatization period between 1993 and 1995, the state kept control of about a third of the economy and distributed a significant share of ownership stakes among the population through a certificate scheme.17 Quick privatization was also avoided due to low public debt and a fairly balanced budget, thus a fire-sale of companies was not necessary.18

The reasoning behind gradualism argues that if an economy is given more time to adapt to the new circumstances, more companies can transform, while less output and jobs are lost.19 Gradualism may also help avoid a quick stratification of society. While income inequality, measured with the Gini coefficient rose by about 5 points in the years leading up to 1996, this trend soon reversed and Slovenia has remained one of the most equal countries in Europe.20 The Slovenian social model was built on a generous welfare state, high union coverage of almost all workers under collective bargaining agreements. The result was a kind of neo-corporatist style of governance that strove toward the ideal of Northern European social democracy.

Why did Slovenia adopt the gradualist approach to its transition in contrast to most other ex-socialist countries? In part, this can be attributed to the influence of left-leaning economists, and the rule of center-left coalitions of ‘reformed communists’ after 1992. The old elites largely stayed in power, and to privatize the economy further would disintegrate these rent-seeking networks. This argument is still used by the Slovenian right wing to advocate for more privatization.

In the latter half of the 1990s, growth was largely stable and inflation receded. The period between 2000 and 2003 was marked by an inflationary shock and slower growth, but living standards kept rising. Governments were devoted to fulfilling the criteria for EU membership (2004), and transitioning to the Euro (2007). The reform progress was in large part driven by the desire to join the EU as fast as possible.21

---

17 Certificates could later be exchanged for company shares.
18 Ibid
20 Eurostat (2021), Gini coefficient of equalised disposable income, EU-SILC survey.
21 See also Potočnik J. / Garcia Lombardo, J. (2005), Political Economy of Slovenia’s Transition; In: Mrak, M. / Rojec, M. /
The years of excess

The period between the entry to the EU in 2004 and the outbreak of the 2008 economic crisis was a fruitful time for Slovenia: the average annual real GDP growth rate reached 5.6% driven by record-levels of growth in construction and private investments, and fuelled by debt, often granted by banks using questionable criteria. External debt swelled from 55% of GDP in 2004 to 106.5% of GDP in 2008. By then, the importance of exports was already rising. From 2003 to 2007, their size relative to GDP increased by almost 20 percentage points.

The main ruling party of the 1990s, the Liberal Democratic Party (LDS) lost the election in 2004, and the desire for change brought to power a center-right government led by the Slovenian Democratic Party (SDS), which engaged in the first large-scale neoliberal reform process. Still, most of these reforms were stopped after mass protests by unions.

A key story of this period was the concentration of ownership stakes in the hands of a domestic managerial elite, often through corrupt, debt-powered managerial takeovers. By 2007, an influential manager in the beverages industry Boško Šrot, with the blessing of political circles, attempted to merge the two largest breweries in the country, Laško and Union. He also bought the largest newspaper company in the country, Delo Revije, and became the largest private shareholder of the retailer Mercator. Later, accusations of insider trading and corruption sent him to prison. Over the years, such stories made the public acutely aware of the damage caused by close connections between politics and the economy.

Weathering the storm – the 2008 financial crisis

The global economic crisis was a seismic event for Slovenia. The economic damage it caused was worse than in most CEE11 countries. In 2009, real GDP contracted by 7.8%. In the years between 2009 and 2013, Slovenian average annual real GDP growth was 2.6 percentage points lower than in the CEE11. As a result of reduced revenues and increased spending, public debt rose swiftly. From 2009 to 2013 it doubled and reached for the first time above 80% of GDP.

What are the reasons for the underperformance of the Slovenian economy in the crisis years? As an open, export-oriented economy, its reliance on foreign demand proved a weakness in times of crisis. In part, the overheating of the economy with skyrocketing private debt can be blamed. The banking sector lent wildly, and often imprudently, based on personal or political connections. Procyclical macroeconomic policy, and political mismanagement after the initial outbreak of the crisis also contributed to this result.

After the collapse of the Social-Democrat-led government, the second right-wing coalition led by SDS implemented harsh austerity measures. When that government collapsed due to corruption scandals and mass protests, another center-left government took over. As public finances deteriorated, Slovenia was close to being put under the oversight of the troika. The issue of non-performing loans was addressed by the establishment of a ‘bad bank’, the Bank Asset Management Company, where the majority of problematic debt was transferred. To avoid the troika, the government agreed to a program of strict fiscal oversight and to privatize 15 state-owned enterprises and two of the country’s largest banks.

Slovenia’s economy and welfare today

The financial crisis had long-lasting consequences. The economy that emerged out of the crisis is now more similar to those of the CEE11: more reliant on exports and FDI, subject to tight fiscal oversight, and seemingly quicker to produce the social problems which plague most modern capitalist societies. These are a rising sense of inequality, precarious employment, and a growing number of working poor. In politics, the
crisis led to the weakening of traditional parties (except for the SDS) and the formation of new parties. Political instability remains a factor in Slovenia today: since 2008, no government has finished its term.

There is an increasing sense of duality in the labour market. On one side, precarious employment is rising. Governments welcome FDI in manufacturing, even if the jobs they bring are on the lower end of the skill spectrum. Business leaders, voiced through the Chamber of Commerce, support suppressing wage growth. On the other side, a kind of dynamic, export-oriented mittelstand has emerged, where high-added value and high-tech products enable higher salaries.

Despite lingering issues, the economy performed strongly in the latter half of the 2010s. GDP grew well above the EU average, although below the CEE11 average. The pace of convergence picked up once again. Real GDP per capita reached almost 89% of the EU average by 2019. Industrial output grew annually by over 5% after 2015. Unemployment decreased from 8% in 2016 to 4.5% in 2019. The average gross monthly salary increased from EUR 1,450 in 2014 to EUR 1,750 in 2019, 35% above the average salary in the CEE11. Public finances also improved: 2018 and 2019 saw budget surpluses for the first time in decades. This is partly due to the establishment of the national Fiscal Council, and the enshrinement of the ‘fiscal rule’ into the constitution, thereby committing to a balanced budget in the medium term. Meanwhile, the banking sector improved its profitability, rid itself of bad debt and improved capital reserves.

Here, it makes sense to give more background on the level of prosperity achieved in Slovenia by 2020. In all metrics of human welfare, Slovenia leads the CEE11 group. Based on the Human Development Index, Slovenia ranked 22nd (in 2019), between South Korea and Japan. It is the second most equal European country by income. Indicators connected to health, education, environment, safety, and other areas of well-being generally paint a positive picture. Self-assessments of life satisfaction put Slovenia on par with the EU average in 2018. However, spending for social protection decreased in share of GDP and was in 2019 below the EU average. While experts for social policy see worrying trends towards reducing social protection, safety gauges, such as strong unions and to some extent the participation of the pensioner’s party Desus in almost all government coalitions, have alleviated the pressure to reduce pensions and social expenses. Comparatively, the Slovenian economy produces equally distributed outcomes, but it cannot claim to work well for everyone, as the high share of people living under the threat of poverty (12% in 2019), low bottom-level pensions and workers earning at, or close to (7% in 2018), the net minimum wage of about EUR 730 can attest.

23 UNDP (2020), Human Development Index Ranking 2019. Human Development Reports, UNDP.
24 Albeit lower than Poland and Romania; see Eurostat (2021), Quality of life.
25 Eurostat (2021), Government revenue, expenditure and main aggregates (gov_10a_main).
Figure 2: Real GDP growth in % and contributions of expenditure components to growth, 2010-2020

Source: wiiw

Note: The contribution of individual components (expenditures) to GDP growth are the product of their individual growth rate in each respective year and their share of total GDP. The category ‘Other items’ include changes in inventories, statistical discrepancies and consumption of non-profit institutions serving households (NPISH)

Post-crisis privatization
Fulfilling the promise to the European Commission to privatize a number of large companies was done gradually and often with clenched teeth. Nevertheless, the process was largely complete by 2019. In 2014, the second largest bank Nova KBM was privatised. In 2019, after years of stalling, the largest Slovenian bank NLB, the beneficiary of EUR 1.55 billion of rescue funds during the economic crisis, was sold off. The largest retailer Mercator was sold to a Croatian conglomerate in 2014, and a large majority of the brewing and beverages industry was sold to Heineken International in 2015. The only major international airport in the country was sold to German Fraport in 2014.

The debate on the success of privatization continues to this day. Arguably, several companies and banks were sold under value, since the government was under pressure to sell them within the promised time frame.29 Others point to improved competitiveness and increased earnings in companies under foreign management.30

An overview of exports
An important structural change that happened after the crisis is the increased reliance on the export sector to deliver economic growth through high current account surpluses – the difference between the value of imports and exports. To illustrate, in 2006, the current account, measured as the share of GDP was balanced at 0%. From 2013 to 2019, it averaged at 7.7% of GDP, one of the highest surpluses in the EU. The total value of exports increased from about EUR 27 billion in 2013 to about EUR 40 billion by 2019. Although investments and private consumption became more important to fuel GDP growth in the latter years of the 2010s and imports began to rise faster than exports (see

---

29 Damijan, J.P. (2015), Zakaj nisem podpisal peticije o privatizaciji, Damijan blog.

Figure 2), the export sector still kept growing. In addition, it has important spill-over effects on the economy, and is usually a strong source of innovation.

What contributed to this rise? Besides growth in exported services, primarily in tourism, which now supplies about 3% of added value, the main reason is rising foreign demand for manufactured products. The share of manufacturing in GDP has largely stayed stable at 20% since the 1990s. However, a larger share of revenue is now made on foreign markets. The ratio between sales on foreign markets and total sales increased from 0.36 in 2018 to 0.45 in 2020.31

Although Slovenia has a more diversified economy than a typical Eastern European ‘factory economy’32, international trade – especially in manufactured semi- and end-products – has always played an important part in its economy. It sits firmly in the German gravitational field of supply chains. About one fifth of all exports are destined for Germany, with other important trade partners being Italy (11.6%), Croatia (8.6%), Austria (6.8%) and France (5.5%).33

About 40% of all exports are from the machinery and transport equipment sectors. Here, the automotive sector is especially important, since it generates about 13% of all exports and employs over 15,000 workers.34 The production of chemicals and basic materials, such as steel and aluminium, contribute almost 20% each. A more detailed overview of the main exporting sectors is shown in Figure 3.

Figure 3: Largest exporting sectors, NACE rev. 2, in EUR billion, 2020/2008

Source: SIRS

31 SIRS (2021), Export orientation, SIRS, Ljubljana.
32 The term refers to Eastern European countries which act as production hubs for German supply chains; see Stöllinger, R. (2021), Testing the Smile Curve: Functional Specialisation and Value Creation in GVCs, Structural Change and Economic Dynamics, 56, pp. 93–116.
A new appreciation for foreign direct investment

Historically, Slovenia had the lowest rate of inbound FDI relative to other CEE11 countries, partly due to limited privatization and partly due to a less accommodating business environment. In recent years, the volume of incoming FDI has increased substantially. Between 2010 and 2012, the share of FDI in total GDP was 1%. From 2013 to 2016, it doubled to 2.1% and between 2017 and 2019, it reached 3.6%. It should be noted that this growth does not deviate from the average growth of FDI in other CEE11 countries. By 2019, Slovenia still had the second lowest share of FDI in its GDP among the group. The total stock of FDI in 2019 amounted to EUR 16 billion. The largest share of inbound FDI was in manufacturing (34.7%), financial and insurance activities (21.6%), and sale of motor vehicles (17%). Almost 60% of FDI was in services.

The most important investor countries are Austria with a 24.7% share of total FDI and Germany (8.5%), both of whom mainly invest in manufacturing and the sale of motor vehicles, as well as Luxembourg (13%) and Switzerland (11%) who mostly invest in finance and retail. While only a small share (1.8%) of all Slovenian firms received FDI, such firms play an important role in the economy, generating about 30% of total sales in 2019 and accounting for almost 25% of total capital in the country. These companies also pay out salaries that are 9.6% higher than those in the non-FDI companies.

The total outflow of FDI decreased substantially from 2007 when it reached a record level of 3.9% of GDP and far surpassed the CEE11 average. Since then, this share largely followed the trend of the CEE11 countries and has only reached 1% in 2020. Slovenian companies mostly invest in manufacturing capacities. In 2019, 62.9% of total outbound FDI went to ex-Yugoslavian countries, and another 7% to the Russian Federation.

Slovenia during the pandemic

The pandemic tested the resilience of the Slovenian economy. Although the second quarter of 2020 brought a year-over-year decline of GDP by 13%, foreign demand kept manufacturing afloat and exporters performed remarkably well. By the end of 2020, exports were back at pre-crisis levels. Figure 2 shows a positive contribution of government spending and exports; however, these could not make up for the fall in private consumption and investments, which caused total GDP to fall by 5.5% in 2020. While the second wave of the pandemic proved disastrous from a health perspective, and strict lockdowns impacted retail trade and services, the economy stayed relatively strong and grew by 1.6% in the first quarter of 2021. The government, once again led by SDS, followed other European governments in adopting an expansionary fiscal stance. Rescue packages and support measures amounting to about 8.6% of national GDP, or EUR 4 billion, were implemented. Innovative schemes, such as free national tourist vouchers, somewhat impeded the sharp drop in the tourism industry. They also helped to prevent a steep rise in unemployment, which increased by only 0.6% percentage points from 2019 to 2020. The price of expansionary fiscal policy is increased public debt. By the end of 2020, debt reached record levels of 83% of GDP. A strong recovery is projected for the second half of 2021 and 2022.

What do the next 30 years hold?

What level of economic development should Slovenia aim for in the next 30 years? Can it replicate the living standards of small, open, and wealthy democracies, such as Austria and the Netherlands in the future? This is obviously a difficult task. When put in direct comparison with the most prosperous parts of the EU, there are persistent gaps in the quality of the legal system, value-added per employee, the quality of the financial system, the share of expenditure given for research and education, and so on. There is still a sizeable difference in the living standard

---

35 ibid
that an average Slovenian citizen can expect compared to the richer parts of the EU: in neighbouring Austria, the average gross salary is 30% higher.

At the same time, the current political situation is nothing to envy. On one side, there is a fractured opposition, on the other, an increasingly populist SDS. Self-absorbed governments of recent years were unable to outline a plan that would deliver an economic leap for the country. Official government strategy documents envision a competitive, green, and digital economy, but are missing a roadmap towards clearly defined goals.

If Slovenia wishes to reach (and exceed) convergence with the EU average, it will have to bridge the productivity gap. In 2019, productivity of labour in Slovenia reached 81.2% of the EU average. In manufacturing industries, Slovenia reached only 45.5% of gross added value per employee, compared to Austria, in retail, about 65.4%. This trend has persisted through the years. An improvement in quality of all systems governing the economy, from politics to law to education and corporate governance is needed. Improving long-term growth potential requires significant investment in technology, research, and innovation. Another pressing concern is the diminishing ratio of workers per pensioners. Although the number of inhabitants is still increasing, partly due to migration from the former Yugoslavia, the economy will need to become more productive to secure a long-term future for the pensions system, quality public healthcare, and sufficient care for the elderly.

Slovenia likes to market itself as a regional leader in sustainability. In some ways, this title is justified. However, as the EU pursues increasingly strict emission targets, Slovenia lacks ambitious goals for reducing emissions, and the carbon intensity of production is still higher than the EU average. The question of energy production for the future is still unresolved: as the remaining coal plants need to close, the country must choose between increasing nuclear capacities or investing heavily in renewable alternatives. Traffic supplies an above-average share of greenhouse gas emissions. Despite new investments, railways in Slovenia are underdeveloped. The concept of circular economy was embraced by past governments, but now more investments and incentives are needed to improve the resource efficiency of manufacturing.

From 2021 onwards, Slovenia will have up to EUR 5.7 billion of funds and loans available through the Recovery and Resilience Facility (RRF). If spent wisely, these funds could support the green transformation of the economy and other investment opportunities with high potential to deliver a breakthrough in economic development. However, first analyses of the government’s spending plan are unfortunately not favourable.

41 Resource efficiency of production refers to the ratio between one unit of output and a tone of materials used in production.
43 Carbon intensity of production is the ratio between one unit of output and the amount of CO2 used for producing it; Kovač, M. (2020), Izpusti toplogrednih plinov v Sloveniji in EU v luči spremljanja prizadevanj za njihovo zmanjševanje, IMAD, Ljubljana.
Conclusion

The future trajectory of Slovenia’s economic development remains open. For the short-term, steady and continuous economic growth, which will slow down after the post-pandemic boost in 2022, is a reasonable expectation. However, more than incremental steps will be needed to respond to the challenges brought forward by the quest for convergence with the EU, digitalization and the green transformation. For a small nation on Europe’s semi-periphery, the first three decades of independence were remarkable, although punctuated with failings typical of young democracies. In Slovenia, expectations for the future were tempered in the last decade, but they are still high. Europe should expect no less from Slovenia than it expects of itself.
Executive Summary

- During the past three decades, Slovenia went through economic, national, and democratic transformations rather successfully.
- However, more recently Slovenia is facing challenges to its democracy.
- There have been two periods in the stability of its party system: the first twenty years saw a relatively stable party system. Still, during the last decade ‘stable instability’ of the party system emerged with the electoral success of new parties.
- Coalition governments have experienced the regular dropping out of coalition partners, and recently also Prime Ministers coming from new parties.
- There has been a decline of the neo-corporatist model that functioned until the mid-2000s.
- Within mainstream parties, views range from strong pro-European stances to some Euroscepticism.
- Since EU accession, there has been an absence of clear goals and strategies in foreign policy; the strategic goals developed from joining the French-German ‘train’, to becoming like the Benelux countries, to taking the Visegrad camp as a role model in only two decades.

Introduction

On 25 June 1991, Slovenia declared independence for the first time in its history. After almost 50 years of coexisting with other nations from the Western Balkans region in the federal state of Yugoslavia under a socialist political system, it experienced three transformations as an independent state: national, economic, and democratic. Although Slovenia was a young democracy without a strong tradition of a democratic system or institutions, its path and transformation were seen from the outside immediately as promising. Based on its early success and favorable economic position, the international community, Slovenia’s domestic elite, and its citizens held high expectations for the country regarding its future development; namely, that Slovenia would become a leading Central and Eastern European (CEE) country with respect to its democratic and economic development.
involving Slovenian parties, from the transformation of old parties to the establishment of new ones and seek to explain the electoral success of the ‘new faces’ in politics. We argue that Slovenia has moved from stability in the party system to ‘stable instability’ and link this development to different aspects of cleavages. Third, we focus on patterns of government formation and dissolution as well as the development of neo-corporatist arrangements in Slovenia and its decline. Before summarizing the main points, Slovenia’s relationship with the international community and its European Union orientation is outlined.

The quality of democracy

After Yugoslavia disintegrated in the 1990s, Slovenia successfully underwent a democratization and consolidation process as indicated by the rankings of several institutions (e.g. Nations in Transit, Bertelsmann Transformation Index, World Bank Governance Index). Some went as far as to label Slovenia a ‘model pupil’. Still, even this was not a surprise given the often debated and empirically tested determinants of successful transitions to a consolidated democracy: socio-economic development, civil society’s level of development, institutional choices, and favourable external factors. In this transition, Slovenia took advantage of its considerably stronger economic position, especially compared to the other Yugoslav republics, experiencing an easier transformation to a free-market economy and a smoother democratic transition. Its border position with Western Europe, especially its proximity to Austria and Italy, broadened its citizens’ perspectives and their ambition to change their political system. Moreover, its relatively ethnically homogeneous population meant that Slovenia could avoid internal disputes over key strategic goals. The absence of a longer war enabled the development of state institutions and democracy together with an encouraging socio-economic development in the 1990s. Political pluralism was only allowed from September 1989 following amendments to the constitution of the Socialist Republic of Slovenia. However, political associations representing the opposition had already emerged by 1988, and the first free elections were held in April 1990. In this way, “both characteristics of a transition to a democracy and democratic institution-building had developed in Slovenia as a relatively autonomous political community”.

However, even after a successful democratic transition and consolidation, a country’s democratic process is never fully complete. It continues to be realized by establishing higher quality democracies and increasing the legitimacy of the policies adopted. In recent years, many (also Western) European countries have faced challenges to their democracy, even signs of democratic deficits. This is evident in falling voter turnout, shrinking party membership, and low or decreasing trust in political institutions and parties. Several researchers have also shown that many democracies, including established ones, are even encountering democratic backsliding or de-democratization processes.
Accordingly, developments suggesting a democratic deficit and even the possibility of backsliding must be considered even more in a young democracy like Slovenia.

Despite several comparative democratic indices continuing to place Slovenia among free countries and (relatively) consolidated democracies, the quality of its democracy can and should be the subject of analysis. While such indexes are frequently criticized, they are important and accepted tools in comparative research that are continually being improved. One shortcoming of indices measuring the quality of democracy is that reports typically emerge with a delay of one to two years and are thus not current. This section therefore briefly reviews the quality of democracy over time as measured by the Nations in Transit projects54 while also describing recent events potentially impacting the quality of democracy in Slovenia on the 30th anniversary of its independence.

As previously mentioned, various indexes on the quality of democracy such as Nations in Transit and the Bertelsmann Transformation Index have over the years ranked Slovenia higher than many other post-socialist countries in CEE (see Figure 1).

Its democracy score places Slovenia among consolidated democracies that closely embody the best policies and practices of liberal democracies, which may be challenged by corruption.55 The Bertelsmann Transformation Index gave a similar evaluation, describing Slovenia as a democracy in consolidation with a stabilized economic and fiscal system, but little confidence in the party system and rather serious problems with systemic corruption.56 Still, these

---

**Figure 1: Democracy score - country comparison**

Source: Freedom House, 2021

Note: The ratings are based on a scale of 1 to 7, with 7 meaning the highest level of democratic progress and 1 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

---


55 Ibid.

rankings do not mean that the different factors that contribute to the quality of the democracy have continuously improved over time in Slovenia. In fact, the country’s Nations in Transit democracy score improved gradually after its first year in the 1990s. But since 2006, it has started to show a gradual yet steady decrease (see Figure 2).

**Figure 2: Democracy score dimensions for Slovenia over the years**

Nevertheless, it has been stable in the three years leading up to 2020. According to the Bertelsmann Transformation Index, the status of democracy was improving in Slovenia until 2010, but has remained relatively stable over the last 10 years declining by only 0.6 of a point. It remains high with a score of 9.15 out of 10. It seems that Diamond’s observation that tough economic times mean tough times for a democracy, particularly when it is new and fragile, can explain recent developments around the world, including in Slovenia, over the last decade. However, as Vehovar noted, the country’s strong economic figures in the 2004–2008 period were already accompanied by relatively high levels of personal dissatisfaction in Slovenia, suggesting that the objective statistical calculations of prosperity were disputable on a subjective level.

Elections to the national parliament, local elections, and the president of the republic remain free and fair in Slovenia. The quality of the electoral process was improving until 2003 and has since remained at a high level, despite three early elections being held in a row (2011, 2014, 2018). The index of national democratic governance, which includes the independence, effectiveness, and accountability of both the parliament and the government, was rising until 2005, remained steady until 2016, and has since decreased slightly. The judiciary was still independent in 2020, although court backlogs in Slovenia are particularly problematic. The independence of the judiciary was at its highest

---

58 Bertelsmann Stiftung, 2021.
62 Ibid.
between 2005 and 2009, but has deteriorated slightly in the last few years, chiefly due to attempts by the Slovene Democratic Party (SDS), the largest parliamentarian and governmental party, and others to delegitimize several court decisions, including ones made by the Constitutional Court. In addition, the current government’s decision after six months to cancel the call for delegated European prosecutors in May 2021, and to repeat the call has raised considerable concern and disapproval among legal professionals. In 2020, the rule of law, political rights, and civil liberties in Slovenia were still generally respected as civil society remains vibrant and continuously developing.

Over the last 30 years, the civic sector has been growing and engaging in policymaking processes. Sources of funding have diversified and small improvements to professionalization are evident. Although the index of civil society was at its highest between 2002 and 2003, it has remained at a steady level since 2005. Still, on some occasions, environmental and human rights civil society organizations (CSOs) have attracted negative media coverage, an unfavourable public image, and the criticism of particular politicians from the center-right and, occasionally, the center-left camps. Despite tools and institutions (e.g. the Commission for the Prevention of Corruption) were established to prevent corruptive behaviour, corruption remains a major systemic issue that undermines trust in democracy and political institutions. Notwithstanding that the levels of corruption are typically higher in other post-socialist countries, it is still worrying that the situation is slowly deteriorating in Slovenia (see Figure 3).

**Figure 3: Corruption index - country comparison**

![Corruption index - country comparison](image)

*Source: Freedom House, 2021*

*Note: The ratings are based on a scale of 1 to 7, with 7 meaning the lowest level of corruption and 1 the highest.*

The role of the Commission for the Prevention of Corruption has been weakened during different governments over the past years and several high-profile cases revealed the nontransparent administration of state funds. This has led to the corruption index falling in recent years to reach the lowest score of all indexes. While media pluralism was still guaranteed in 2020, it has started to be challenged in the last year, especially by the government’s attitude toward the mainstream media, including allegations and denials of government funding going to public media.

---


media. In fact, from the mid-1990s to 2020 the index of media freedom saw its biggest decline.\(^{68}\)

The year of the COVID-19 pandemic, which commenced in Spring 2020, proved to be challenging for the quality of democracy in Slovenia. Many issues that arose did not directly concern the health crisis, but instead, revealed a political crisis somewhat reminiscent of the country’s political struggles during the global financial crisis from 2008 to 2013. In 2018, after the third early elections in a row, the biggest parliamentary party, the SDS, was not able to form a coalition government. However, the party that received the second biggest support in the 2018 elections, a new party called List of Marjan Šarec (LMS), formed a centre-left minority coalition government of five parties with the Left as a supporting party. Several disagreements among the partners led Prime Minister Šarec to resign in late January 2020. A new, centre-right government coalition (including SDS, New Slovenia-NSi, and two parties that were members of Šarec’s government, namely Party of Modern Centre – SMC and DeSUS – Democratic Party of Retired Persons of Slovenia) was formed and led by Janez Janša. The government mandate started one day after the COVID-19 epidemic was declared.

Following the change of government, several developments added fuel to this crisis situation, including inadequately communicated measures for preventing the spread of COVID-19, amendments made by the National Assembly to several acts using a shortened procedure that limits public debate and the inclusion of experts (e.g. the Water Act, Foreigners Act), the accusation of corruption when purchasing protective equipment to combat the spread of the virus, the government’s disputes with public institutions like the Constitutional Court and public media establishments such as the Public Radio and Television broadcaster as well as the Slovenian Press Agency. However, amidst the COVID-19 pandemic, the monitoring of state institutions along with political and social opposition to some extent have helped to counter and limit actions that would move Slovenia even further away from the democratic status it used to enjoy.\(^{69}\)

Freedom of the press is an essential part of democracy. Still, in 2020 and 2021 a deterioration of media freedom in Slovenia was noted. In Spring 2020, during the COVID-19 pandemic, Prime Minister Janša wrote a commentary on the war with the media, which was published on the government’s website.\(^{70}\) In April 2020, the Council of Europe Commissioner for Human Rights Dunja Mijatović named Slovenia among the countries that place pressure on journalists and conduct unacceptable interference in the public’s right to information. In March 2021, MEPs debated with the Council and the Commission on the attempts by Polish, Hungarian, and Slovenian authorities to silence independent media.\(^{71}\) The relationship between the government and the Slovenian Press Agency (STA) became especially complicated. The Government Communications Office (UKOM) stopped funding the STA in October 2020, and the issue of STA’s public financing remains largely unresolved, despite the European Commission’s support (see Stare’s contribution in the issue for more details).

The current government’s tenure has been accompanied by constant protest activities. These protests take several forms, from more issue-oriented protests such as environmental and cultural demonstrations to more general anti-government protests with the occasional organization of smaller-scale pro-government demonstrations and ‘anti-COVID protests’ especially targeting measures taken to prevent the virus’s spread, such as the wearing of masks and the closure of educational institutions. The numbers of participants and the forms of the protest activities have varied, especially under COVID-19 prevention measures. Forums have ranged from protests in cars, on bicycles, protests

---

\(^{68}\) Freedom House, 2021.


\(^{70}\) Ibid.

on balconies, and virtual protests to the more ‘traditional’ form of protesting with a large number of participants gathering in the center of Ljubljana. Most recently, in May 2021, approximately 40,000 protestors gathered in Ljubljana demanding early elections. For the first time during the COVID-19 pandemic, the biggest trade unions joined in the protests, just several days after they had withdrawn from the Economic and Social Council (ESS), a tripartite body established to negotiate socio-economic policies. The trade unions claimed that over the previous year the government had made many decisions unilaterally without their consultation and input.

These challenges have negatively impacted the quality of democracy in Slovenia. Each has arisen for different reasons and, over the last year, activated members of civil society (particularly public-speaking intellectuals, journalists, the national public RTV broadcaster, and interest groups, notably journalists’ associations, politically-oriented NGOs, and courageous citizens’ political participation) not only on anti-government grounds. Protest participants have criticized the prime minister, the government, but especially the biggest party in the government coalition, and the actions of ministers from that party. The participants’ activities have gradually expanded reasons for protesting from the defense of democratic principles, anti-corruption, anti-hate speech, struggles in favour of environmental interests, workers’ rights, and even anti-capitalism appeals. Together, these developments have, paradoxically, led to increased political participation in the protests, stronger civil society engagement, and more frequent protest activities by social movements.

**The engagement of civil society**

Civil society and social movements played quite an important role early in Slovenia’s democratic transition in the 1980s, and have considerably added to the quality of democracy in the country.

Soon after independence, the number of CSOs saw a substantial rise and on average are still increasing by about 500 organizations every year. Social movements had a particularly important role, during the initial democratic transition in the 1980s, and then again at the end of 2012 and in early 2013 during the Slovenian ‘winter of discontent’ fuelled by a prolonged recession and radical austerity measures. The ‘winter of discontent’ was further inflamed by a report by the Commission for the Prevention of Corruption that exposed several leading politicians having unexplained sources of wealth, including the then Prime Minister Janez Janša and Zoran Janković, the leader of the then biggest party in opposition. The rage aimed at the center-right coalition, but more generally the entire political elite, culminated in a series of protests best known for the slogan “*Gotof si*” which captured the public’s attitude to the political elite. The third important role of the social movements was seen during the COVID-19 pandemic. During the last three decades, trade unions have demonstrated their mobilization power several times. Although one of the biggest criticisms of the civil society sector in Slovenia is that it is not sufficiently professionalized to be actively and successfully involved in policymaking, its mainly voluntary-based organizations show strong links to their grassroots supporters and hold considerable importance for the political participation and engagement of citizens.

The climate for establishing and operating civil society organizations (CSOs) is generally positive and stable in Slovenia. Over the years, there have been improvements to the financial viability and advocacy dimensions of the civil society sector. The sector’s overall income has risen, new consultative bodies have been established, and cooperation between CSOs and the local environment has improved. The inclusion of civil society in decision-making is institutionalized mostly through two institutions: the National Council, the upper chamber of parliament that...
represents social, economic, professional, and local interests, and the ESS, which enables negotiations between employer, employee, and government representatives. In 2009, the National Assembly adopted the Resolution on Normative Activity that requires at least 30 days of public debate on every new regulation. However, this resolution is regularly violated in over 50% of cases, regardless of which political option is in government.77

Another way citizens are directly involved in decision-making in Slovenia is through referendums. According to the Referendum and People’s Initiative Act, 40,000 voters can demand that a nationwide referendum be held. To date, 22 different referendums have been organized in Slovenia. Constitutional amendments in 2013 narrowed the possibilities of calling a referendum and prescribed how many voters must participate in the referendum for the result to be valid. 18 national referendums had been held previously, but since 2013, there have been only four. The last referendum in Slovenia was organized in 2018. However, in 2021, enough citizens formally supported a demand to hold a referendum on amendments to the Water Act. Another success of civil society was the adoption of an amendment to the Criminal Code by National Assembly in 2021 which introduces a new concept of the perception of sexual offenses according to the ‘only yes means yes’ model put forward by civil society organizations.

Nevertheless, substantial friction has emerged between the civil society sector and the government in 2020. While conflicts were already visible between CSOs and the government, the recent year saw several ‘attacks’ by the government on the civil society sector and its activities. The most notable ones were: 1) tightening the conditions for environmental organizations to act as an organization in the public interest and participate in infrastructural procedures that interfere with the environment; 2) attempts to terminate the tenancy agreement held by non-governmental organizations (NGOs) for premises owned by the ministry responsible for culture; and 3) attempts to abolish the special fund intended for NGOs (which did not happen). Nevertheless, it should be mentioned that the successful lobbying of the national NGO umbrella network CNVOS led the government to provide the same subsidies to NGOs as other business entities during the lockdown of the country. And while the civil society sector faces many challenges and must constantly justify and prove the need for its existence, especially in hard economic times, many CSOs, especially charitable organizations, proved to be essential for many groups in society for dealing with the new reality of COVID-19.

Transformation of old parties, the establishment of new ones, and the electoral success of even newer parties

The first multi-party, democratic elections in Slovenia since World War II were held in 1990 in the old socialist institutional setting in three chambers, while the first elections in the new institutional setting of a bicameral parliament were held in 1992. While the National Assembly’s composition follows the principle guiding lower houses around the world – a general representation of people, directly elected, the National Council as the upper house is elected only indirectly and composed of representatives of local and functional interests, making the upper house, at least in part, a corporatist body.78

In its democratic transition, Slovenia opted for the proportional representation (PR) electoral system with a quite low parliamentary threshold of three seats (approximately 3.3% of all votes) that remained valid until 2000 when the threshold was increased to 4%. These rules mean that the relatively large number of parliamentary parties – between 7 and 9 – in each legislative term is not surprising. The political parties that competed in the first elections can be placed in two groups: the transformed parties that stemmed from the socio-political organizations’


of the socialist regime, and newly established parties, which formed a pre-electoral coalition called Demos and held government between 1990 and 1992. In 2021, only some of these (transformed or new) parties are still relevant in the party system: the Slovenian Democratic Party (SDS), the Social Democrats (SD), and the Democratic Party of Retired Persons of Slovenia (DeSUS). In three decades, parties in Slovenia have undergone ideological and organizational changes, with some occurring due to mergers and/or party splits. Some parliamentary parties have also ‘died’ or become irrelevant, while others have changed their names.79 Despite these changes, the Slovenian party system was regarded, along with the Hungarian and Czech party systems, as being the most stable in post-socialist CEE until the early 2010s.80 Additionally, no early elections were held during this period in Slovenia. However, one can detect the shift of voting among parties with the entrance of new, smaller parties in the parliamentary arena.

Establishing a new party has been relatively easy in Slovenia, irrespective of stricter rules being introduced in 1994. Only 200 signatures along with the party’s programme and internal party rules are required to establish a new party. The evolution of the legislation on parties, including the regulation of party finances since 1994, has had little impact on the dynamics of the party system or parties themselves.81 Since 2011, new parties have recorded substantial initial electoral success, even with comparatively small financial resources for their first campaigns (e.g. Party of Miro Cesar - SMC). Party finances, especially public subsidies, which are the most important source of party financing in Slovenia,82 become much more important in the later stage of a party’s life-cycle.

The party system: from stability to ‘stable instability’

Since 2010, significant changes have occurred in Slovenia’s party system, to the point of Fink-Hafner83 describing it as being “stably destabilized.” Like in many other CEE countries, Slovenia has seen the rise of electorally successful new parties.84 In Slovenia some of these new parties, highly specialized and typically formed only weeks before the elections, have even won elections.85 When discussing successful new parties in Slovenia post-independence, at least four factors contributing to their success should be mentioned. First, the disintegration of the long-in-power, center-left Liberal Democracy of Slovenia (LDS) party after the 2004 elections initially gave rise to a new electorally successful party (Zares) that included some politically experienced people from the former LDS governments. The party managed to attract 9% of the votes at the 2008 elections, becoming the third-largest party. Since then, most of the new electorally successful parties have sought to occupy the very center-left position held by LDS. The lion’s share of the electorate positions itself in the center-left of the ideological spectrum. At the 2011 and 2014 elections, two new parties received the biggest share of the votes – the List

of Zoran Janković, Positive Slovenia (PS), and the Party of Miro Cerar (SMC) respectively. In 2018, the List of Marjan Šarec (LMS) attracted the second-biggest share of votes. Additionally, several other new parties close to this ideological position have entered parliament: The List of Gregor Virant and Citizen’s List (indeed more economic liberal orientated) joining in 2011, followed by the Alliance of Alenka Bratušek in 2014.

Second, the socio-economic policies created to deal with the economic and financial crisis that rocked Slovenia in 2009 contributed to the electoral success of another new party as well. The rise of the more radical-left United Left Coalition (later called The Left) can be attributed to the austerity measures imposed by both Slovenian (post-)crisis governments and the EU. On the other hand, the return of the Slovenian National Party (SNS) to parliament is another indirect consequence of the poor socio-economic situation, and directly related to another circumstance – the migration crisis – that prominently first appeared on the political agenda in 2015. Based on an agreement with five governmental parties, the Left was a supporting party in Šarec’s government, while four governmental coalition parties in Janša’s government signed an agreement on cooperation in passing laws and other legal acts with SNS.

Third, additional factors that contributed to the short-term rise of new successful parties include a crisis of the post-transition political generation, or the lack of politicians who are highly respected. As Fink-Hafner argues, apart from two publicly highly respected transition politicians – Milan Kučan (President of the Republic between 1992 and 2002, President of the Presidency between 1990 and 1992) and Janez Drnovšek (Prime Minister between 1992 and 2002, except for 6 months in 2000, and President of the Republic between 2002 and 2007), no other politicians have managed to enjoy such popularity, respect, and long-term visibility. Kučan and Drnovšek are still highly respected even today. The only publicly visible politician from the transition period today is Janez Janša. Yet, he is also the most polarizing figure in Slovenian politics, a ‘love-him or hate-him’ politician. There is no new post-transition political generation that is comparable to the transition one in the above-mentioned senses.

Fourth, voters in Slovenia have never held a high level of trust in the main political institutions and politicians. They have historically not been very satisfied with the functioning of democracy in Slovenia, yet not enough to abandon democracy as a form of governance. It is possible to consider the collapse of trust between 2008 and 2014 as another result of the financial crisis, though there have been some improvements following the period leading up to 2020. In any event, one pattern endures: political parties have consistently been the least trusted political institution. From the mid-1990s until the 2000s, some 30% of the voters did not trust them at all, with distrust reaching 49% in 2011. The mistrust and disappointment with politicians and political institutions is at least in part connected to the fact that over the long term they have been unable to ensure an appropriate balance between...
responsibility and responsiveness. Moreover, in the last two decades not a single parliamentary party has proven to be immune from the taint of corruption, party patronage, and corruption-risk scandals. The issue of systemic corruption in the country has been high on the political and public agenda as well (see figure 3). Disappointment with poor governance over the last two decades and a lack of parties that are socially rooted have contributed to low party identification, high voter volatility, and voters’ search for new faces and parties during elections. The emergence of new faces and successful new parties coincides with somewhat greater trust in politicians and political institutions in the 2014–2019 period and increased satisfaction with the functioning of democracy, but it is hard to assert that their mere emergence is the most important reason behind these trends in this period. As data reveals, between 2011 and 2018 these parties did not activate former non-voters to any greater extent, especially with voters in the center-left having voted for new parties.

One and two (and a half) dimensions in the cleavage system

As noted by several scholars, all of the main cleavages exposed by Lipset and Rokkan in the last 30 years known widely across Europe (center–periphery, State–Church, rural–urban, owner–worker) are evident in Slovenia. Most of these cleavages overlap, reinforcing the strong polarization of both the political arena and society. A few believe that the overlapping of the cleavages led to the creation of a single, all-encompassing cleavage, which could be called the traditional–modern, perhaps cultural cleavage, or the libertarian–authoritarian cleavage. Regardless of its name, this cleavage has continually and vigorously structured inter-party competition in Slovenia. Yet, this has not been the case with the modern-postmodern cleavage, which was indeed visible at the start of the democratic transition and has re-entered the Slovenian cleavage system again only lately.

As in other European post-socialist countries, the communism-anticommunism cleavage is visible in Slovenia. This cleavage is closely connected to developments during World War II (e.g. the Partisans vs. the Home Guard or opponents of the occupation forces vs. their collaborators) and...
Slovenia’s gradual approach to its economic transition, quite different from many other post-socialist CEE countries, and the population’s clear demand to retain the welfare state, led to the lower prominence of the socio-economic cleavage for the first decade after the democratic transition since all parliamentary parties were advocating for similar social-democratic socio-economic policies.104 This situation changed at the 2004 elections when the SDS, the winner of the elections, fully entered the conservative camp by adopting economic liberalism, even though it originally had a more social democratic orientation since its establishment in 1989 as the Social Democratic Party of Slovenia. Due to the financial crisis and external pressure coming from the European and international organizations in the early 2010s, the parliamentary parties accepted more neoliberal-oriented socio-economic reforms. Paradoxically, this meant the economic cleavage in the system once again lost its prominence.105 However, one parliamentary newcomer, the United Left Coalition (known today as The Left), has contributed to the reappearance of the socio-economic cleavage.

This cleavage structure and its developments mean that in Slovenia one may talk about three ideological pillars by the last three decades, all represented by several political parties: conservative, liberal, and social democratic.

In addition to the national level of governance in Slovenia, a supranational level exists in the form of the European Union (EU), which could potentially contribute to another cleavage in the EU-member or EU-aspirant countries. Although there have been some debates among scholars as to whether in EU-national country relations it is possible to still find the old center-periphery cleavage, or whether there is a genuinely new cleavage. Most scholars believe the cleavage, whatever it may be called, has frequently manifested in the form of Euroscepticism, which may be expressed in various forms and at different scopes among the countries. It may also hold different levels of importance for inter-party competition in individual countries.106

In Slovenia, Euroscepticism has for a long time constituted neither an important cleavage nor a line of inter-party competition. As revealed by Fink-Hafner and Lajh107, the entire EU accession period in Slovenia was generally marked by a broad consensus among the political elite. Yet, in the context of the growing Euroscepticism among the public since the mid-1990s, some Euroscepticism was occasionally evident among small or marginal parties, but they were unable to


105 Krašovec and Batrićević, 2020- p. 599.


benefit electorally from politicizing the topic. It was only with the Eurozone and subsequent migration crises that the selective politicization of EU issues, principally the EU’s policies on austerity and migration, gained prominence among certain mainstream parties. However, some of the current discussions on the (quality of) democracy and the rule of law alongside older discussions on deepening EU integration and core EU principles demonstrate a potential for this cleavage to develop and become a more important line of inter-party competition in Slovenia as well.

**Coalition governments and dropping out practices**

Although both the constitutional setting and electoral rules in Slovenia have remained largely unchanged since 1991, the pattern of government coalitions and coalition-building has changed in several respects. Given the PR electoral system and low parliamentary threshold, it is no surprise that all governments have been the product of a coalition of several parties. As a rule, all coalition governments were formed as minimal-winning or surplus coalitions, except for the government led by Marjan Šarec (2018–2020) which was a minority coalition. Indeed, governments have occasionally held minority status, but that was usually due to the dropping out of coalition partners during the legislative term, and lasted only a short period of time until the parliamentary elections. One can detect a clear “dropping out” pattern among parties during the legislative term since out of the 20 governments so far, a new government typically arises with every change in prime minister, party composition, or legislative period. In 30 years, only one coalition, namely the Janša I government (2004–2008), survived the entire 4-year legislative term with its initial party composition. Despite 20 governments in three decades, there were only nine different prime ministers with Drnovšek holding this position between 1992 and 2002 (with a short interruption of 6 months in 2000).

Following new parties’ electoral success during the past decade, the status of newcomers in government coalitions has also changed. Prior to the 2011 election, established parties were willing to grant newcomers the status of a junior coalition partner or merely a supporting party. Yet, between 2013 and 2020, new parties were the largest parties in their respective coalition governments. Whereas in the 1992–2011 period, coalition governments were typically led by politically experienced PMs, coalition governments since 2011 have been formed by three PMs from new parties who are rather politically inexperienced at the national level: Alenka Bratušek, Miro Cerar and Marjan Šarec. The former suffered the “dropping out” of coalition parties during the legislative term, and the latter as parliamentary members resigned, which in two cases also led to early elections.

---


112 Krašovec and Kričič, 2019.

113 Krašovec and Kričič, 2021; Nikič Čakar, Dario / Krašovec, Alenka (2021): Coping with the New Party Challenge: Patterns of Prime Ministerial Survival in Croatia and
While discussing the ideological composition of governmental coalitions, it is also possible to identify changes and two emerging patterns:

a) Ideologically mixed or homogenous governments occurred under PM Drnovšek and the LDS leadership between 1992 and 2004;

b) after the 2004 elections, governments were much more ideologically homogenous, with alternations between more ideologically coherent coalitions (center-left or center-right) becoming the rule, and as a result making the opposition more ideologically homogenous.114

In Slovenia, all parliamentary parties have experienced some form of cooperation in government coalitions, at least as a supporting party, or by having a special agreement signed with the government coalition or its leading party,115 indicating a coalition potential held by parliamentary parties. Over the last three decades, another shift is visible: if smaller parties in the first two decades were indeed less important in the coalition-formation process, it seems that after the 2011 elections they have had a chance to play a more important, even pivotal, role in the process.116

From neo-corporatist arrangements to random and fragmented dialogue among the partners?

As already noted, alongside Slovenia’s upper house of parliament there is another corporatist body where employer, employee, and government representatives meet and discuss socio-economic policies: the Economic-Social Council (ESS). The social pact signed in 1994 represents the formation of the ESS, despite it only containing an agreement on incomes policy and an agreement to establish the ESS as the institutionalized cooperation mechanism for the three social partners. In the context of Slovenia’s long tradition with different types of corporatism, the population’s inclination towards collectivism, the country’s quite weak and unstable, mostly center-left governments, its strong trade unions as well as employers’ organizations, and the ‘economic problem load’ of its first decade, this establishment was not surprising.117 This social pact was followed by several other pacts (1995, 1996, 2003–2005, 2007–2009 and 2015–2016) where all the three partners negotiated on political exchanges, making Slovenia an exception in this regard among post-socialist CEE countries.118 Although incomes policy has been the main focus of all social pacts, it is obvious that over the years the pacts have started to address a broader range of social and economic policies.119

After a decade, this neo-corporatist arrangement was challenged after the 2004 elections by the center-right government, which launched a project aimed at changing the socio-economic model of the country. The government tried to adopt many economic and social policy decisions unilaterally, but faced strong resistance from the trade unions. Despite a decline in unionization (in 2008 it was 26%, compared to 40% in 2003 and 58% in 1998), unions were still a powerful actor capable of mobilizing employees, and the government was forced to retract many of the planned reforms.120 In 2006, the key employer organization, the Chamber of Commerce and Industry, was legally transformed from an obligatory to a voluntary membership organization, leading to a sharp decline in membership for this social partner.

---

116 Ibid.
119 Stanojević and Krašovec, 2011.
Like in several other countries, an important trigger for political exchanges within the ESS in Slovenia was the desire to adjust to the European Monetary Union (EMU) regime. However, in the last decade it seems social pacts have importantly lost ground. The external and internal political environment has contributed to this in addition to changes among all three partners which have fuelled the decline of the neo-corporatist model. After gaining Eurozone membership in 2007, experiencing the post-2009 crisis, and incurring a huge ‘economic problem load’ with a growing budget deficit and public debt, the room for political manoeuvre between social partners and consensus-seeking solutions has narrowed significantly. In addition, density in the trade unions and employers’ organizations has declined leading to their impairment and ‘radicalization’, while governments have been even less stable (some government stability is needed to assure political exchanges). All of this sees us predict that in the future, neo-corporatist structures known from the past will further disintegrate and probably only random and fragmented exchanges will endure instead of the neo-corporatist arrangements seen over the last few years.

These circumstances will probably lower governance capacity relative to previous levels, while the low regulative capacity of the social pact made in 2015-2016 (when all employers’ organizations left it) may serve as an indicator of this likely future development.

Relevance of external political actors, especially the EU, in domestic politics

Slovenia’s relationship with the international community, and especially the European Union (EU), is as long as the history of its independence. In fact, the country’s accession to the international community immediately followed independence and occurred simultaneously throughout its democratic transition. In 1992, Slovenia joined the Organization for Security and Cooperation in Europe (OSCE), in 1993 the Council of Europe, in 2004 the European Union and NATO, in 2007 the Schengen Area and the European monetary union, and in 2010 it became a full member of the OECD. Slovenia’s main objectives in joining the international community was to become economically successful and an internationally recognized democratic country.

In this way, Slovenia defined the process of its transformation. Slovenia has since been recognized by the international community as a partner willing to participate in different forms of international collective action.

Europeanization became “a kind of substitute for the old ideology” in Slovenia. Among the Slovenian elite, regardless of political views, a general consensus existed on Slovenia joining the EU as a national goal. Different policy actors started to Europeanize and collaborate with European parties and organizations. Slovenian political parties and interest groups became members of their European counterparts before Slovenia’s membership in the EU. Despite the general support for the European integration, the process of joining demanded certain unwanted adaptations that Slovenians were not always happy to accept. The three most salient issues were: (1) the ‘Spanish Compromise’, which enabled the right of foreigners to buy Slovenian real estate and triggered fears, especially among Slovenians living close to the borders, that the former ‘occupier’ would once again occupy Slovenian land; (2) the issue of closing down the duty-free shops on the Italian and Austrian borders, where one could buy luxury goods such as cigarettes, alcohol, and cosmetics; and (3) the transition period for the free movement of labour. Even with minor problems during the

---

country’s accession to the EU, a high percentage of the public supported Slovenia’s membership in the EU. Almost 90% of voters supported accession to the EU at a referendum with a turnout of 60%.

The political system of Slovenia had to be adapted to EU membership, while national institutions, processes, traditions, and the politico-cultural context remained flexible and pragmatic in this adaptation. No radical change was introduced. Instead, political structures merely rearranged to meet the demands of the accession process. In 2003, constitutional amendments were adopted that allowed for the delegation of some of the country’s sovereignty to the EU, which established the relationship between the national and EU political systems. Following Slovenia’s formal entry to the EU, European affairs became ‘internalized’ as a domestic matter.

Soon after gaining EU membership Slovenia continued with its aim of presenting itself as a ‘model pupil’ and sought to become part of the core of older EU member states. In January 2007, after having met all of the Maastricht convergence criteria, Slovenia was the first new EU member state to adopt its common currency, the Euro. In December 2007, Slovenia reached another milestone and joined the Schengen Area. Between 1 January and 30 June 2008, Slovenia chaired the Council of the EU for the first time. Slovenia was the first Slavic country as well as the first member state from CEE to assume the Presidency. Slovenia’s then foreign minister labelled the Slovenian Presidency a ‘new spring’ comparable to the achievements of Slovenian democratization and independence.

When evaluating the activity of Slovenian actors in the EU, Slovenia has on various occasions been criticized for its absence of any clear goals and strategy for its functioning within the European Union. For this reason, the state is often described as very inactive in EU decision-making processes. It seems as if Slovenia is lost in the EU, lacking visions and ambitions for its role. Domestic circles have been critical of its lack of clear aims and orientation, which have contributed to the country’s passive role and political actions in the EU. However, in 2018, Slovenia determined its strategic interest in the EU. Slovenia identified as a priority the intention to remain anchored in the most closely connected part of the EU (a ‘Europe of greater speed’) but has not defined any preferences as to which policies and areas should be prioritized. However, others see Slovenia’s role in European integration not as passive, but as balanced with no radical position.

In the early 2010s, the Slovenian governing political elite advocated for the need to join the ‘France-German train’. Several years later, they more strongly tried to connect with the Benelux countries, and in the last two years, the governing political elite has started to show greater support for the positions of the Visegrad states (Slovakia, Czech Republic, Hungary and Poland) in the European Union. Additionally, Slovenia has attempted to maintain good relations and cooperation with other states, especially with the Western Balkan region, and in particular with the former Yugoslav republics. EU enlargement to the Western Balkans is one of the key priorities of Slovenia’s second presidency of the EU Council.

Another characteristic of the last year are the many disputes between the national political elite and EU institutions. This includes the European Parliament’s Democracy Monitoring Group’s investigation into the situation of the media in Slovenia, certain difficulties with organizing the Slovenian exhibition in the European parliament during the Slovenian Presidency to the Council of the EU, and the letter from the Slovenian Prime Minister to the heads of EU member states in...
which he supported the idea that the use of EU financial aid to combat the consequences of the coronavirus is not conditional on the rule of law and where, among other issues, he claimed that the parliamentary elections in 2014 in Slovenia had been stolen. Additionally, a letter was sent from the minister for foreign affairs (without any consultations with the minister of justice) to the European Commissioner for the Judiciary Didier Reynders which drew attention to several judicial decisions by the Constitutional Court in Slovenia that are not being implemented.

In general, the public remains supportive of membership in the EU. The share of Slovenians who hold a very negative image of the EU remains below 5%. After 15 years of EU membership, it slowly seems that EU affairs are more acknowledged at home, and Slovenia’s role as an EU member has matured. Over the years, European topics have begun to appear more in electoral campaigns to the European Parliament, and the Slovenian public and mass media are expressing stronger interest in EU issues and affairs. However, the attitude of the political elite to the EU has become more critical, including Eurosceptic views. Nevertheless, Slovenia largely expresses a pro-European view among its citizens and political elite.

Relations with China and Russia are not in the foreground. Only when Karl Erjavec (2012-2020) held the position of Minister of Foreign Affairs his political moves were seen sometimes as more pro-Russian.

Conclusion

After Yugoslavia’s disintegration and Slovenia’s declaration of independence, the country moved through the three transition processes quite smoothly. It quickly reached the status of (a relatively) consolidated democracy, or a country with a relatively high quality of democracy, and was seen as a success story among other post-socialist countries. The international community and experts rating the country in various indexes of democracy recognized this status. However, since 1991, Slovenia has also experienced several challenges, which became more obvious during times of crisis (the economic, migrant, and COVID-19 crises) and jeopardized the quality of democracy, with some even warning about democratic backsliding. Among the most recent challenges Slovenia has been facing, we can include decreasing media freedom and pressures on journalists, stronger corruption accusations, very low trust in political institutions, increasing social (protest) movements, pressures on the civil society sector, the instability of a party system with the rise of successful new parties (which generally fail to replicate their success at the following elections, leading to high volatility in three early elections in a row), the decreasing role of neo-corporatism, and important disputes between the current government and EU institutions.

It seems Slovenia’s position has in 30 years changed – from being praised as a ‘model pupil’ by different institutions to warnings issued by the same institutions about the need to preserve its achieved democratic standards. Nevertheless, Slovenia remains democratic based on different criteria for now, despite some important decreases in the last year. This short overview of Slovenia’s path, mostly in terms of its democracy over the last 30 years, shows that different indexes on the quality of democracy rank Slovenia rather high. However, it also proves that this is a process that can slide backward under the pressure of various challenges. In many views, but especially in terms of external (EU) relations, Slovenia seems to lack clear goals and strategies, particularly after the EU accession.

Constitutional Backsliding in Slovenia?

Matej Avbelj
Professor of European Law at the New University, Ljubljana
E-Mail: matej.avbelj@epf.nova-uni.si

Executive Summary

- Despite many achievements since independence across social, political, economic and constitutional domains, which are unobjectionable, equally many constitutional and political objectives still need to be met.

- Slovenia is unique with its specific model of state-owned capitalism, monopolized by the post-communist left, that has resulted in the absence of economic pluralism, which consequently stands in the way of all other forms of social pluralism, including the existence of a vibrant pluralist civil society and professional pluralist media.

- The relatively small size of the country and the increasing weakness of the state’s formal institutional infrastructure (especially regarding the judiciary) and the growing passivity of the electorate, have enabled strong factional groups to create a parallel infrastructure of decision-making, which uses the formal institutions of the state as an instrument for their on-going economic self-enrichment and further entrenchment of their de facto political power.

- The dynamics of politics in Slovenia is thus opposite to that in the currently backsliding CEE countries. Rather than seeking a profound change in the society, the political agenda of the contemporary ‘Slovenian new class’ (i.e. the informal power structure undergirding the post-communist left) is the preservation of the status quo by all means. Whenever this status quo is at least potentially challenged, bitter political and social conflicts, as at present, erupt.

- Under the radar of international attention, the specific Slovenian transition has resulted in an institutionally undernourished rule of law system and democratic governance, marked by an implosion of the political space, incessant populism and growing political radicalization in favour of illiberal democracy. The latter has traditionally existed on the (far-)left, but more recently its support started to build also on the former centre-right, which began to voice public support for the actually backsliding CEE countries.

- The course of the development of the Slovenian constitutional democracy three decades after the country’s declaration of independence therefore remains uncertain as never before.

From Constitutional Heaven to Constitutional Abyss

This year, Slovenia celebrates the thirtieth anniversary of its independence. Declared in 1991, independence followed a popular referendum in which an overwhelming majority of the then residents of Slovenia voted in favor of leaving Yugoslavia. The latter was a communist, totalitarian state which not only imploded economically, but systematically violated the human rights of its people and the rights of its various ethnic minorities. The leitmotif of Slovenian independence, at least according to official legal texts and widespread popular sentiment, was a profound break from totalitarianism, parting with the Balkans and returning to Europe.

This democratic, popular impetus for independence forced the Slovenian political parties into at least an ostensible unity, especially those belonging to the post-communist left for whom the dissolution of Yugoslavia also meant the loss of their political monopoly. Thanks to this unity, Slovenia achieved all of its foreign policy
objectives in just two decades. Immediately after its international recognition, Slovenia joined the UN and the Council of Europe. It acceded to NATO and became not only a full member of the EU, but also one of its core member states, joining the Eurozone and the Schengen area. These foreign policy achievements, which rested on seemingly impeccable constitutional foundations, won Slovenia the status of best disciple, a poster-child for the New Europe. They ultimately proved the success of enlargement with Slovenia standing as a role model for countries east and south of the present EU borders that aspire toward full membership.

However, on the thirtieth anniversary of independence, the international image of Slovenia appears far less rosy as media warn against creeping authoritarianism. The freedom of speech, especially the freedom and independence of the media, are said to be under threat as are the lives and liberties of individual journalists. Slovenia has been reported as having a climate of fear with attacks against independent institutions of the state as well as NGOs. Several political groups in the European Parliament have thus raised concerns about the rule of law and the state of democracy in Slovenia. The present government has been repeatedly likened to its Hungarian and Polish counterparts, both of which have been engaged in constitutional backsliding for almost a decade. Slovenia is, according to increasingly vocal voices, on track to become yet another illiberal democracy in the heart of Europe.

But is that truly the case? Is Slovenia really engaged in constitutional backsliding? If so, how could it be that a country, which had an allegedly impeccable record, is plunging from the constitutional heavens to the feared authoritarian abyss in less than a year, by way of the inauguration of a single coalition government with not more than a frail parliamentary majority?

Assessing the State of Affairs

This paper argues that passing a reliable verdict on contemporary constitutional affairs in Slovenia, on the viability of its rule of law and democracy, first of all requires adopting, as much as possible, a non-partisan, a non-sensationalist attitude that goes beyond a black and white portrait of public affairs. That is: an attitude that is uncommon among the leading international press and institutional stake-holders. If a critical observer adopts this attitude, she discovers that the story of Slovenia is much more complex than a sudden fall from grace. Indeed, thirty years after independence, Slovenia is ravaged by a potent political conflict involving the government, the opposition, trade unions, the media and NGOs, most of whom believe that the center-right (i.e. ‘the other side’) has no right at all to be in power. However, this conflict, bordering on a Kulturkampf, is not unprecedented. It erupts whenever post-communist center-left parties find themselves in opposition to the center-right parties. This has, admittedly, not been very often the case since the former have been in power for 23 of the last 30 years. Yet, this time the gravity of the fight is magnified by the outbreak of the COVID-19 epidemic, which has aggravated the political hysteria, and the orchestrated export of domestic conflicts into the international realm with an aim of bolstering the legitimacy of one side by importing them back with international support. Nevertheless, this does not mean that Slovenia is only now constitutionally backsliding. This process has been formally under way for more than a decade. Furthermore, many standards of the rule of law and democracy, which are the two building blocks of constitutional democracy, have never been properly achieved outside of constitutional and institutional form.

‘Smooth’ Transition

The chief reason for the fragility of Slovenia’s constitutional democracy is, paradoxically, the very phenomenon that the country prided itself
Slovenia 2011. Careful in trusting other people. See, World Value Survey, decisive, symbolic, value-based break from the communist ancien regime. This is foremost reflected in the quality of a country’s public discourse, which shapes the civic identity and mindset of every citizen. In Slovenia, the identity traits of the homo sovieticus, which formed an individual’s civic identity under communism, have neither been removed nor undone. This explains why in the Slovenian polity, which was uniquely subject to three European totalitarian regimes, citizens report much weaker attachment to the values that constitute a constitutional democracy such as those in Western Europe where there is a more established liberal constitutional tradition. Such values are freedom and equality, the self-conception of an individual as a responsible agent of change in a democratic polity, trust and acceptance of others as equals, the perception that public power is exercised in the name of and for the citizens, rather than citizens being instruments of the state. In contrast, in Slovenia apathy prevails, with a collective sense of passivity, lack of involvement, and civic infantilism. These negative feelings have been fuelled by an almost complete rejection of the measures of transitional justice. Rather than approaching the painful experience of the civil war, mass atrocities, and the systemic violations of human rights during the totalitarian regime with delicacy and care, these wounds have been exploited to deepen, for populist gain, the historical and ideological cleavages among citizens, effectively directing their attention away from the country’s economic woes.

From Economic to Overall Social Monopoly
It is in the economic dimension that the softness of Slovenia’s transition has been reflected most explicitly. Unlike the rest of the Central and Eastern European (CEE) countries, Slovenia opted for an economic model of gradual transition from communism, with limited privatization and a large degree of state ownership. This economic model initially ensured its citizens relatively high standards of living in comparison to other CEE countries, especially due to Slovenia’s appreciable economic advantages over them. However, this economic model has since served to preserve the political and economic status quo and effectively blocked the development of a veritable constitutional democracy in Slovenia. Economic gradualism, closed to foreign

143 This and the following paragraphs draw closely on Matej Avbelj, Ch 3, in Avbelj, Letnar Černič (eds), The Impact of European Institutions on the Rule of Law and Democracy: Slovenia and beyond, Hart, 2020.
145 Ibid.
146 More than 80% of surveyed find political engagement not important or not very important. See, World Value Survey, Slovenia 2011.
147 More than 79% of surveyed believe that one should be careful in trusting other people. See, World Value Survey, Slovenia 2011.
148 See, for example, Special Eurobarometer 461 (April 2017) 6 according to which the trust of national government among the EU member states is the second lowest in Slovenia, while the trust prevails among the Northern and Western member states, and declines toward the East and the South.
149 It follows from the EBRD survey that 82% of Slovenes would trade political freedom for economic growth; moreover only 56% of Slovenes believe that democracy is preferable to any other political system, available at: http://www.ebrd.com/publications/life-in-transition-iii-slovenia.pdf
155 Which has, however, almost disappeared in the last decade, see How “New Europe” has fared on its tenth birthday (Economist, 1 May 2014) <www.economist.com/blogs/graphicdetail/2014/05/daily-chart?fsrc=scn/fb/wl/dc/growingupfast> accessed 11 November 2014.
investment, means that half of the economy remained state-owned and therefore run by the government in power, whereas the other half has been privatized by insiders close to the very same government. As a result, economic power has become concentrated in the hands of a post-communist elite, which has gradually taken control over all other sectors of society.

This economic monopoly of the post-communist left and its loyalists has translated itself to virtually all other sectors of Slovenian society. As Bojan Bugarič, a professor of law at the University of Sheffield, reported in 2015:

"...many ‘rule of law’ institutions (courts, the civil service, and the media) have been deeply politicized by the former ‘nomenclature officials’. Instead of defending the rule of law, these institutions, unable to withstand the strong political pressure of their ‘principals’, were engaged in legal enforcement favouring partisan political interests. Since the left-liberal political bloc (former communists (Social Democrats, SD) and the reformed Communist Youth Organization (Liberal Democracy of Slovenia, LDS)) had dominated the political space for almost fourteen years, this strongly impacted the formation of the Slovenian elite in general. Consequently, the majority of Slovenian elites gravitated towards the ‘retention’ elite, represented by the LDS and SD political parties. This elite managed to create better contacts with the business sector, media, academia and, most importantly, with a substantial part of the public sector, including the judiciary, civil service, state-owned companies, etc.”

158

Stifling of Pluralism
The post-communist elites’ economic and political control over the media, however, proved decisive in the fragility of Slovenia’s constitutional democracy. The media, with a strong centre-left bias facilitated, justified, and defended the conquering of the Slovenian public and private spheres by the leftist post-communist elite. The media has been concealing, rather than exposing, the end result of the ‘Slovenian success story’ where ‘cronyism’ and ‘state capture’ have become so widespread and ‘internalized’ that informal rules and habits are more important than formal rules and procedures. To the extent that the Slovenian ‘state capture’ has been more benign, but for that matter no less incompatible with a constitutional democracy, than in Romania or Bulgaria, this can be mostly explained by the institutional, political, economic, and cultural differences these countries have historically experienced.

As Jernej Letnar Černič, a professor of human rights at the New University, accurately described:

"...the majority of media landscape in Slovenia has therefore been politically monopolized and biased. As a result, different and contradictory opinions have not been adequately and proportionately represented in all major media, thereby leaning more strongly to monism than to pluralism. Connections between political, economic and other formal and informal elites derive from cross-sectorial ownership of media, where members of the informal networks from other industrial sectors (such as construction industry, agriculture and tourism) own the media outlets. Those connections between those informal networks and incumbent governments...

156 The following three paragraphs draw on Matej Avbelj, ‘How to Reform the Rule of Law in Slovenia’ in Frane Adam, Slovenia: Social, Economic and Environmental Issues (ed) (Nova Publishing 2017)
159 For an overview of the state of the media in Slovenia, see the comprehensive multifaceted analysis in Dignitas – Slovenian Journal of Human Rights [2007] 33–36
have been largely known in the Slovenian public space.”

Nevertheless, the described problematic of the Slovenian media has mostly failed to be acknowledged, let alone seriously addressed in public. The very politicized, non-independent, and partial media and their (typically non-transparent) owners have no interest in changing the status quo. The fact that some organizations in the last year declared the near end of the freedom of the media in Slovenia, while they and their members actively or passively contributed to a media landscape so incompatible with veritable constitutional democracy, attests not only to the low level of professional integrity of these organizations and their members, but proves that the odds of improving this situation in the near future are highly unlikely. The same story could be told of the educational sphere, of the trade unions as well as the civil society sector, where the interests, economic power, and influence of the post-communist left elite, masked under the neutrality of public ownership, are clearly overrepresented and stifle the pluralism required and expected in a truly democratic society.

Systemic Crisis of Democracy

As explored in more detail elsewhere, the shortcomings of the Slovenian democracy are of a systemic and general character. They are a product of deliberate and orchestrated actions aimed to preserve the systemic flaws in the country’s democracy and weaken the constitutional system, especially the functioning of the parliamentary system. The controversies surrounding the reform of the electoral system, in particular the hugely controversial Patria affair, have demonstrated that over two decades an organized political movement has been taking place, inside and outside of the formal democratic process and involving the judiciary, to create an environment distortive of voters’ preferences, radicalizing the political debate, turning voters away from participation in the political process, contributing to the implosion of the (would-be) political parties, and thereby, systematically weakening the Slovenian system of democracy. A de facto weak democratic system is a reflection of a strong informal system of power, built upon the infrastructure of the state-owned economy and the looming public sector in Slovenia, which has always been controlled by the post-communist elite and their successors.

Crisis of the Rule of Law and Judiciary

The systemic problems of Slovenian democracy are reflected in the functioning of its rule of law as well. The country’s judiciary has retained traits resembling the Yugoslav communist judiciary. While the personal structure of the judiciary is no longer the same as in the Yugoslav times (other than several top positions on the Supreme Court) the infrastructure, the processes, and the mindset have stayed very much the same. The judiciary is consequently weak, under-resourced, and inefficient. It is perceived as dependent and partial, suffers from a bad reputation and very low public trust. Furthermore, as certain notoriously political trials have proven, such as the Patria case mentioned above, the Slovenian judicial system is not considered independent and its decisions are often seen as a reflection of political interference.

162 Jernej Letnar, Ch 8, in Avbelj, Letnar Čerčnič (eds), The Impact of European Institutions on the Rule of Law and Democracy: Slovenia and beyond, Hart, 2020, 170.
163 https://www.portalplus.si/4237/open-letter-to-politico/
165 Avbelj, Matej: Slovenia – a de facto failed constitutional democracy, https://verfassungsblog.de/slovenia-de-facto-failed-constitutional-democracy/
167 See, for example, Annual Report of the Supreme Court for 2019, (http://www.sodisce.si/mma_bin.php?static_id=2020052510305888) from which it follows that the prescribed time-standards for adjudicating in the five year period since 2016 have, by and large, not been met and have even increased, in particular in more important criminal law cases, whereas they have even doubled in the administrative law courts. It is worth noting that Slovenian time-standards are, as a rule, longer than the average standards recommended by the Council of Europe, while Slovenia features the highest number of judges per 100.000 inhabitants in Europe. See EU Justice Scoreboard 2020, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0306&from=EN, p. 36.
169 According to the latest Eurobarometer, almost ¾ of those surveyed declared that they did not trust the Slovenian system of justice, https://europa.eu/eurobarometer/.
judicial system is prone to instrumentalization for political purposes.

The problems of the Slovenian justice system have been known for a very long time. Governments of all political orientations have attempted to address them without any major breakthroughs, thus no real systemic improvement has ever been achieved. This continues to be the case because the overall institutional setup, modus operandi, material conditions, and mind-set of the people working in the Slovenian judiciary are not conducive to the kind of system of justice required by the rule of law of so-called ‘well-ordered’ states. As the judicial system in toto is incompatible with realizing a well-functioning judiciary in a rule of law system, it is, of course, unsurprising that partial solutions and incremental reforms designed to extinguish the most critical and burning problems, cannot deliver the desired result. Provided, of course, that a well-functioning judiciary and an actual rule of law is desired in the first place. There is much evidence, on all sides of the political spectrum, that the political elites in Slovenia do not wish to establish a political order in which the law will rule, but a system in which the formal and informal powers (to be) rule with the law.

Conclusion

People who visited Slovenia thirty years ago and compare it with the present times would doubtlessly agree that the country has changed beyond recognition. On its face no meaningful parallel between the then socialist Yugoslav republic and the contemporary independent state can be drawn. The country and its people are much more prosperous and engaged in numerous international and global activities. The country is also organized around a modern, liberal democratic constitutional order. Thirty years ago, the right decision was inarguably made. Nevertheless, despite many achievements, just as many constitutional and political objectives still need to be met. The bitter political fighting at present, exacerbated by the COVID-19 pandemic, demonstrates that a constitutional democracy in Slovenia, not unlike those in other European states with far older democratic traditions, is by no means on a path to unidirectional progress. On the contrary, it can start backsliding, which is cause for great concern when the country’s standards are already low and there is really nowhere left to slide to.

This paper demonstrates that Slovenia is set apart from other CEE countries by its specific model of state-owned capitalism, which underwent significant and genuine privatization only after the economic collapse in 2009. Until then, cronie capitalism, conducted in the name of the ‘national interest’, resulted in the absence of economic pluralism, which hence stands in the way of all other forms of social pluralism, including the existence of a vibrant pluralist civil society and professional pluralist media. These factors all consequently translate to the decline of citizens’ civic engagement. The relatively small size of the country, the increasing weakness of the state’s formal institutional infrastructure and the growing passivity of the electorate have enabled strong factional groups to create a parallel infrastructure of decision-making that uses formal institutions of the state as an instrument for their ongoing economic enrichment and further entrenchment of their de facto political power. In Slovenia, contrary to Hungary and Poland where we can still observe the incessant political attempts to openly conquer formal institutions of the state, the control over and the occupancy of formal institutions are much less important since power lurks in the administrative and economic monopoly of the state and private companies attached to it. In this way, the state of

---

170 A German judge Norman Manfred Doukoff observed, after his pre-accession twinning process with his Slovenian counterparts, that they made no shift in their mind-set and that they are occupied mainly by themselves and their salaries. See, Slovenia’s Judges Appalled at Doukoff’s Criticism (STA, 2003) <english.sta.si/779193/slovenias-judges-appalled-at-doukoffs-criticism> accessed on 16 February 2019.

171 In 2009, Slovenian GDP contracted by 7.8%. Slovenia was thus the 5th most crisis affected EU Member State.

constitutional democracy in Slovenia is in a worse condition than in Hungary or Poland.

The dynamics of the political project in Slovenia are thus opposite to those in other backsliding CEE countries. Rather than seeking a profound change to society, the political agenda of the contemporary ‘Slovenian new class’ (i.e. the informal power structure undergirding the post-communist left) is the preservation of the status quo by all means. Since members of the elite have already been institutionalized, they must only ensure that things remain as they have always been. The defense of the status quo, under the guise of stability, predictability, and order, is thus the main policy supported by the subtle reproduction of this elite through the monopolized education system and the all-encompassing welfare state. The latter, instead of alleviating the socio-economic hardship of those parts of society truly in need, has instead been used to benefit the existing kleptocratic allies and to recruit new ones.

In complete isolation from international media or institutional attention, all this has taken place and resulted in Slovenia’s institutionally undernourished system for the rule of law and democratic governance. This is marked by an implosion of the political space, incessant populism, and growing political radicalization of those in favor of illiberal democracy. The latter has traditionally existed on the (far-)left, but more recently its support has started to build among the former center-right, which began to voice public support for the backsliding CEE countries. The political center, represented by the first non-communist coalition DEMOS prior to and shortly after independence and by the dissidents and public intellectuals gathered around the Nova Revija journal, which constituted the civil society movement of the so-called Slovenian spring, has thus been broken. The consensus about the political liberalism on which Slovenian constitutional democracy was at least formally and declaratorily founded three decades ago is lacking support both among political parties and the citizenry at large. The course of constitutional democracy’s development in Slovenia three decades after the country’s declaration of independence remains uncertain as never before. While some believe that the country has reached a breaking point where old practices and the informal power structure might give way to a veritable constitutional democracy, others fear that exactly the opposite might be true so that the process of transition, with all of its legal, political, and socio-economic anomalies and pathologies, fueled by increasingly radicalized political parties, will simply become the new normal in Slovenia.

Executive Summary

- At the doorstep of the EU, Slovenia used to be a role model for the region when it comes to media legislation.
- Media freedom was also one of the pillars of Slovenia’s new democracy.
- Media legislation is outdated and is not responding to the digital transformation.
- Slovenia has a small and fragmented media market that is limited by language.
- Media freedom is in jeopardy under current government.
- Journalists and media are targets of online smears and misogynist insults by members of the public, right-wing media outlets and on some occasions leading politicians, including the prime minister.
- The Slovene Press agency has become a symbol of rebellion.
- As long as Slovene governments will see media just as a means for political propaganda, no substantial policy change will occur.

Introduction

When Slovenia was about to become a member of the European Union (EU) and therefore harmonizing its legislation, it passed numerous laws that were considered advanced even at the EU level. Our public broadcaster regulation was cited by the Council of Europe and offered as a role model law in the region. The media was at the forefront of the democratization and independence process in Slovenia throughout the 1980s. Prominent intellectuals flocked to magazines like *Nova revija* and *Mladina*, which were considering independence before it became part of the political agenda. Media freedom was a huge part of Slovenia’s independence process and considered one of the pillars of the country’s new democracy. However, media freedom has declined over the last two decades and has declined even more sharply during the last year. In my contribution, I will walk you through Slovenia’s media landscape, legislative framework, changes in media ownership and how they are affecting the editorial autonomy of the newsrooms. I will outline the immense pressures placed on media and journalists by the current government, the consequences of the COVID-19 pandemic, and the lack of support to the sector as it faces economic struggles.

A short description of the Slovene media landscape

Slovenia has a small media market limited by its 2 million inhabitants and their Slovene language. Nevertheless, there are approximately 2,100 media outlets listed in the media register at the Ministry of Culture. A vast majority of these media outlets don’t play a significant role at the national level. Considering the small audience size, even national media in Slovenia could be considered quite regional at the EU level.

The local media scene is distorted by the large number of municipal ‘newspapers’ and news portals that are financially dependent on local ruling parties and therefore enjoy very limited editorial autonomy.

The public media sector consists of Radiotelevison Slovenia (RTVS) and the Slovene Press Agency (STA). 18 local and regional radio stations and six local and regional TV stations are granted the special status of ‘semi-public’ media.

---

In this group, there is also a student program of special significance called Radio Student, which is the oldest student radio station in Europe. According to the Agency for Communication Networks and Services of the Republic of Slovenia register, 101 TV stations, 156 radio stations and 25 AVMS operate in Slovenia.\(^{175}\)

According to Domen Savič\(^{176}\), the most watched TV programs in Slovenia are RTV Slovenia and both channels (POP TV and Kanal A) of its biggest commercial broadcaster Pro Plus, followed by programs from cable operators, which offer TV series, movies, and paid television programs like HBO and Cinestar. The combined share of TV audiences that follow both programs of Slovenia’s public broadcaster from August 2020 to February 2021 is 24%, and the combined share of the programs POP TV and Kanal A is just over 25%. Ratings of the third biggest TV group, Planet TV, with its three programs are far behind the most popular ones. Although digital media is becoming more and more significant, the TV market in Slovenia is still very important both for viewers and advertisers.

In the radio market, there are several large networks of commercial radio stations: Infnonet, Aktual, Center, and the Association of Independent Radio Stations which gradually took over local radio stations and their frequencies. There has been a loss of local information following the commercialization of the station programs.

The print media sector is made up of the dailies Večer, Delo, and Dnevnik, the financial daily Finance, and a few regional newspapers that are not published daily with the exception of Primorske novice. Two weekly political magazines, Mladina and Reporter, and numerous other magazines covering lifestyle, health, sports, and other issues complete the spectrum of print media. According to rankings on Slovenian online media currency\(^{177}\), the news portals with the highest monthly reach are 24ur.com, siol.net, zurnal24.si, rtvslo.si, and slovenskenovice.si.

### Media ownership

Owners of the Slovene media are mainly Slovene companies. In 30 years of independence, Slovenia has not experienced much foreign media ownership. In the 1990s, 60 percent of the ownership of Slovene dailies were in the hands of journalists, because of a privatization scheme through which citizens were given certificates with which they received shares in companies where they were employed. Since then, many journalists have sold their shares. The brewery Laško took over Delo, while the DZS group acquired Večer and Dnevnik. Media, especially dailies, were considered to be a prime acquisition in the beginning of the millennium because they were still profitable and offered their owners an important source of influence. In 2005, during the first government of Janez Janša, Delo and Večer became hostage to political interests of the ruling party, the Slovenian Democratic Party (SDS). The brewery Laško gave the government control over the newspaper in return for a share in the biggest retailer, Mercator.

Most dailies, except for the financial daily Finance, which is owned wholly by the Swedish company Bonnier Business Press, still have owners whose core business is not media publishing. Company FMR, which is a part of Kolektor group, bought Delo in 2015, yet largely produce motor parts and oversee construction. The current owners of the daily, Večer, had no previous experience in running a media outlet. Since the owners of Slovene dailies are members of Slovenia’s business elite and usually involved in other business, there are reports of censorship and self-censorship in their newsrooms. Uroš Urbas, previous editor-in-chief of the daily Delo, reported to the investigative portal Pod črto that “Petrič (the owner of Delo) is not satisfied with the content of the newspaper and that journalists still don’t understand what is expected from employees, namely loyalty to the owner and the company, work in the best interest of the

---


\(^{177}\) Slovenian online media currency, 15. June 2021, https://www.moss-soz.si/rezultati/
company, and if necessary, critical reporting about opponents".  

Both major commercial television groups recently went through ownership changes. The Czech investment group PPF completed its acquisition of the Central European Media Enterprises (CME) fund in October 2020, which owns Slovenia’s leading television network group Pro Plus. Journalists have since reported ongoing content control from the new owner. According to media sources, the Slovene government is pressuring the Czech owners to influence stations’ domestic political reporting in exchange for access to investments in Slovenia.

Telekom launched Planet TV in 2012 under the government led by Janez Janša. From September 2020, Planet TV has formally been a part of the TV2 group owned by Jozsef Vida, who is typically associated with the business network of the Hungarian ruling party Fidesz. Telekom has begun the process to sell its subsidiary TS Media, which owns the news portal Siol, as well as the web portals Najdi.si in Bizi.si. The Hungarians were also in play for TS Media and United Media, the media division of United Group. The latter owns the Slovenian mobile operator Telemach and is establishing a news portal under the N1 brand. In May 2021, Telekom Slovenije announced that it had suspended the sale of a 100% stake in its subsidiary TS Media. According to media reports, United Group had the most favorable bid of EUR 5 million, which was EUR 3 million more than what TV2 Media had offered. Some sources suggested that the deal was suspended because TV2 Media was the buyer of choice for the ruling Democrats (SDS), however Telekom Slovenije chairman Cvetko Sršen denied that claim. The news portal Necenzurirano.si reported unofficial plans to merge Planet TV and Nova24TV, the news portal and website associated with Janša’s ruling party and owned by Hungarian investors reportedly close to Hungarian Prime Minister Victor Orbán.

The presumption of right-wing parties, especially SDS, is that Slovene mainstream media are biased to the left. The prime minister expressed his view on the Slovene media landscape in a public statement with the title “War with the media”. The SDS has aspired to build its own media system over the last 20 years. In 2021, they are nearing the completion of that goal with the help of Hungarian investments. The core of their media dominance consists of the weekly Demokracija, portal demokracija.si, TV channel Nova24TV, news portal nova24tv.si, and network of local online portals. Hungarian ownership in SDS media is shown in the chart provided by the news portal podčrto.si, which investigated Slovene media ownership in depth. Under the influence of SDS is also news portal siol.net which the government is controlling through its state-owned owner Telekom Slovenije. Its new editor-in-chief Peter Jančič was appointed in 2005 by the SDS against the will of the newsroom as editor in chief of the daily Delo and has once again been appointed to a new position immediately after the new SDS government came into power.

When discussing media ownership in Slovenia, we must address the ownership octopus of companies connected to Martin Odlazek and his family. He has bent the concentration limitation demands of the Mass Media Act which prohibits cross-sectoral concentration with his numerous connected companies and obtained large shares on radio, magazines, and regional newspapers markets.

In the recent years, several independent journalists’ teams that were dismissed or left traditional media because of different pressures have started new projects, and among them are investigative portals podcrto.si, ostro.si., necenzurirano.si, an older project metinalista.si, and another portal specialized for children casoris.si. These are proving to be a valuable addition to independent Slovene media supply.

---

178 [https://podcrto.si/dnevni-casopisi-3-del-kako-lastniki-dela-vplivajo-na-porocanje-novinarjev/](https://podcrto.si/dnevni-casopisi-3-del-kako-lastniki-dela-vplivajo-na-porocanje-novinarjev/)


Media legislation

Media in Slovenia are regulated by four laws:

The first is the Mass Media Act passed in 2001. The last significant change to this law was made in 2006 under first Janša’s government. Journalists’ organizations protested these changes because they targeted ideological revisions of the content of Slovene media and not the development of the sector. Subsequent governments have not been successful in reforming this law which is now considered outdated especially in light of the challenges of the digital transformation.

The Radio and Television Corporation of Slovenia Act was also adopted during the same government in 2005. The law replaced an expert’s opinion with a more liberal law by which a majority of the RTV’s program board members would be appointed directly from civil society. The law was challenged in a referendum that was not successful, though the results were very close. The referendum was won by the government with the promise that RTV’s licence fee will decrease. The current Interior Minister Aleš Hojs even bragged on Twitter he was not paying the fee.

Undermining RTV’s funding scheme is frequent among government officials, including the prime minister. Under the current government, a stable funding of the public broadcaster is challenged and constantly under question. There have been attempts to change the law, but they have been so far unsuccessful. The consequence is that the division of political power in the Parliament is mirrored in the composition of the program board. Its members are more or less politically motivated.

The Audio-Visual Media Services Act is under revision right now. The law has more or less successfully followed the proposed solutions of the directives through the years. The last implementation that is currently in the parliamentary procedure is, in the opinion of the Association, not ambitious enough in ensuring extra finances for national audiovisual production.

The Electronic Communications Law is also currently under revision.

The Radio and Television Corporation of Slovenia Act was also adopted during the same government in 2005. The law replaced an expert’s opinion with a more liberal law by which a majority of the RTV’s program board members would be appointed directly from civil society. The law was challenged in a referendum that was not successful, though the results were very close. The referendum was won by the government with the promise that RTV’s licence fee will decrease. The current Interior Minister Aleš Hojs even bragged on Twitter he was not paying the fee.

Undermining RTV’s funding scheme is frequent among government officials, including the prime minister. Under the current government, a stable funding of the public broadcaster is challenged and constantly under question. There have been attempts to change the law, but they have been so far unsuccessful. The consequence is that the division of political power in the Parliament is mirrored in the composition of the program board. Its members are more or less politically motivated.

The Audio-Visual Media Services Act is under revision right now. The law has more or less successfully followed the proposed solutions of the directives through the years. The last implementation that is currently in the parliamentary procedure is, in the opinion of the Association, not ambitious enough in ensuring extra finances for national audiovisual production.

The Electronic Communications Law is also currently under revision.

Last summer, the Janša government drafted a set of media laws that would dramatically alter the media landscape in Slovenia for the worse. The law on media, the law on RTVSLO, and the law on STA are all outdated and in dire need of change. Although experts, media outlets, and journalists have urged different administrations to pass media legislative reform, past attempts were not successful and often hindered by both business and political interests.

However, this time, the government proposed to essentially defund RTVSLO by carving out its transceiver network, thereby reducing its annual income by 8 million euro (out of 120 million per year). It would then take a further eight percent of its income, mostly from licences fees, to fund STA and privately owned media, especially those that are close to Janez Janša’s SDS, or are openly part of its propaganda machine. Gaining greater control over the Slovene Press Agency by appointing the members of its supervisory board was another strongly criticized proposal. Proposals were put on hold after vigorous opposition from experts, journalists, publishers,
political opposition, and the general public, but the threat that the coalition will go ahead with them is still imminent.

**Media freedom under pressure**

While Slovenia is still ranking considerably high in different media freedom indexes, its position deteriorated over the last year. Slovenia lost four spots ranking 36th among 180 countries in the 2021 World Press Freedom Index compiled by Reporters Without Borders (RSF), with the report warning of a "dangerous path for press freedom." Council of Europe Commissioner for Human Rights Dunja Mijatović urged the Slovenian authorities in a memorandum published on 4 June to put a stop to the deterioration of media freedom and freedom of expression in the country. The European Parliament’s democracy monitoring group has posed almost fifty written questions to the Slovenian government, Prime Minister Janez Janša and Culture Minister Vasko Simoniti, as it tries to fully assess media freedom in Slovenia. The partners involved in the Media Freedom Rapid Response (MFRR) project just finished conducting a virtual mission to Slovenia to assess reports on the deterioration of media freedom in the country over the past year.

The concerns that different international actors are expressing over media freedom in Slovenia are shared by the country’s community of journalists. Over the last year, one of the main activities of the Slovene Association of Journalists (SAJ) was unfortunately responding to attacks on media and journalists. Since those attacks are so numerous (SAJ issued a report in January on two years of monitoring of the attacks), it is difficult to respond promptly to all of them. Attacks range from smear campaigns linked to SDS against critical journalists to threats and online harassment on social media and in the comments section under articles.

Journalists are also experiencing offline threats. White powder was sent on multiple occasions to different addresses, among them to the address of TV Slovenija journalist Eugenija Carl. TV crews were attacked several times, and photojournalists were attacked and beaten during a violent protest in November 2020.

Most smear campaigns against journalists are published by media outlets that are close to SDS or funded by them (Demokracija, nova24tv.si, demokracija.si, skandal.si and TV channel Nova24TV). A considerable number of articles criticize journalists and their reporting. The amount of the space that is dedicated to reporting other news speaks for itself. The language is particularly offensive naming journalists as ‘antijanša’, ‘socialist’, ‘leftist’, ‘media assassins’, or ‘warriors of certain agendas’. The ugliest smear campaigns are carried out by trolls in the comment section of articles and in social media posts. From the outside, it appears that the whole operation is well organized, because targeted journalists report the same scenario in which the attacks unfold every time.

Targets of the attacks are critical journalists, mainly those who cover internal affairs, investigative journalists, TV anchors and reporters, especially those working for the public broadcaster. Women are targeted more often and more severely, and the language is much more brutal (using terms like ‘presstitutes’, ‘whores’, and all sorts of very direct sexual comments).

Those attacks come from everywhere, including fake accounts that provide fake publicity, but also from the most prominent politicians, including the prime minister. The prime minister is setting the agenda on Twitter and leads the attacks by his example. He vigorously attacks journalists and mainstream media, as he calls them, following Trump’s example. Janša has referred to journalists as ‘presstitutes’ on multiple occasions and accused them of false reporting. He has

---

described STA as a national disgrace, accused STA director Bojan Veselinovič of being an accomplice in a murder, and accused Igor Kršinar, editor-in-chief of magazine Reporter, of using hard drugs. Veselinovič and Kršinar filed lawsuits against Janša for these insults. Slovene editors responded to all the attacks with the joint public statement “we won’t bend under pressures.”

Only six cases of attacks on journalists in the last 10 years made it to the court. Rulings in civil and criminal proceedings against Janez Janša, who in 2016 called two female RTV journalists prostitutes on Twitter are still not binding, which is raising concerns.

The decision of the high court, which gave Janša’s insults protection under freedom of political speech, is not in line with years of judicial precedent and is highly concerning. The Association is encouraging journalists to report serious verbal threats, but their complaints are largely dismissed by prosecutors because of their very strict criteria for criminal offenses. Online threats are not considered concrete and threatening enough to meet those criteria. There are similar problems with prosecuting hate speech in Slovenia. Since the Supreme Court broadened the definition there is hope for a more efficient prosecution of hate speech.

STA has become a symbol of rebellion
The amount of pressure that the current government is exercising over the Slovene Press Agency is unprecedented in the country’s history. The government stopped financing the Agency in November 2020, jeopardizing the survival of the professional and autonomous agency and the jobs of around 100 employees. In January 2021, the problem seemed to be solved by a special provision in the seventh economic stimulus package which granted the STA financing on the basis of its business plan for 2021, but the Government Communication Office once again announced the refusal of its monthly invoice for the public services that STA is providing – there have now been more than 170 days without payment.

Pressure on the agency doesn’t stop there. The government instructed the police and Labor inspectorate to investigate suspected criminal acts allegedly committed by Bojan Veselinovič, STA director, and Mladen Terčelj, head of the STA supervisory board. The Labor inspectorate has already carried out the inspection. The police conducts an investigation to determine whether there are elements of suspected criminal acts prosecutable ex officio based on allegations of irregularities regarding the STA. The police claims that the investigation is based on a number of reports of these allegations and not based on a government decree. The police has already visited STA and Dnevnik. UKOM issued a criminal complaint against Bojan Veselinovič. The goal of these procedures is exercising pressure to gain editorial control over the agency.

On 3 May, the Association and friends of STA launched a crowdfunding campaign Za obSTAnek to reach out to everyone who believes that people deserve a high-quality media service. The campaign has raised over 270,000 euros, securing at least two more months for salaries while the Agency fights legal battles with the state to recover the missing finances.

Media in the midst of pandemic
Governmental hostility toward the media sector can be seen even in the measures that were taken to counter the negative effects of the pandemic. In Slovenia, there was no specific state help for media outlets, which were treated as all other companies and were eligible for state aid under the emergency stimulus packages. Some of the

---

media companies stated that most of these general provisions were not tailored for their needs.

Self-employed journalists could apply for aid under the same conditions as self-employed workers in other sectors.

The SAI asked the Ministry of Culture to prepare a special ‘media package’, which never happened. The minister even said at one of his press conferences that to his knowledge no media outlet in Slovenia was under (financial) threat and that they are welcome to apply for aid under the general stimulus packages like any other company. In contrast to this statement, Marketing magazine reports\(^{190}\) that in 2020 advertising dropped by at least 11%.

The Ministry even delayed the payment process for programs already selected for co-financing in the previous annual media tender. The contracts were signed just before the epidemic was declared. Yet, media finally received their grant amounts in full in November 2020. In one of the packages, there was a provision regarding smaller broadcasters by which they were pardoned from paying the RTV signal and frequency fee. Nova24TV was among the TV channels that profited the most from that measure.

Newspapers and other print media were banned from coffee shops, hair salons, and other places where they were usually available pre-pandemic until 2 September 2020. When the second wave hit in October, the service sector was closed again. This also had a negative impact on print media subscription revenues.

During the pandemic, journalists’ access to public documents and public information was limited. Some of it was an understandable consequence of restrictions to prevent the disease from spreading, but the government also used the pandemic as an excuse to close access to information for journalists and the public. In the first wave of the pandemic, all the instructed time limits in administrative procedures were dismissed, including deadlines to process FOI requests to access public documents and provide answers to journalists’ questions. Public officials were not available for answers, some ministries - for example, the Ministry of Culture - have not answered questions at all or with long delays. This is still the case at many levels. From March to May 2020, government press conferences were held online and the right of journalists to ask questions was limited. At first, the government’s idea was that there would be no live questions and that they would just answer questions sent in advance. The association protested this proposition, and later, a system was established that enabled journalists to ask questions.

The Government Communication Office (UKOM) has limited journalistic access to public officials, ministers, and heads of different expert bodies. Journalists need UKOM’s consent to appear in evening news shows, which had never been the case before. This was especially prominent during the period when the government had problems with unsecure antigen tests for COVID-19.

In 2020, journalists and other citizens had difficulties obtaining court decisions – the judicial system’s view is that they do not have to comply with the Access to Public Information Act, which the Association and Information Commissioner believe is not true and not supported by judicial precedents. To counter this problem, changes to the Criminal procedure act were adopted at the end of 2020.

The grip on the media is not loosening

The new government regulation adopted on 10 June 2021, detailing how the STA should perform its public service, could have urgently resolved public financing after a five-month suspension. Instead, it raises new questions about the agency's autonomy, the balance between public and commercial revenue, and reporting requirements - all of which are already dealt with in the law governing the agency’s operations.

STA director Bojan Veselinovič described the regulation as "a new manoeuvre to bypass two..."


SOUTHEAST EUROPE IN FOCUS | SLOVENIA 30 YEARS AFTER INDEPENDENCE
laws that the government has been violating since the start of this year.”

The ongoing revision of Slovenia’s media landscape by the government is also evident in this year’s results of the government's co-funding scheme which was made public at the end of May. A number of media outlets have failed to secure state funding and thus face financial struggles. The main reason for the rejection of their applications was their alleged media bias.

Media expert Marko Milosavljević from the Ljubljana Faculty of Social Sciences told Dnevnik that the ministry's commission in charge of reviewing the applications was in fact politically imbalanced itself.

"A five-member commission makes decisions about media plurality and objectivity with four members being extremely close to the SDS party", he said.

Conclusion

Slovenian media legislation is outdated and unresponsive to the challenges of the digital transformation, the repeated attacks on journalists, and attempts to exert greater control over the country’s public service media (including the suspension of the financing for the Slovene Press Agency for more than 170 days), creating an increasingly hostile climate for critical reporting.

In conclusion, while the media is much more under attack during Janša’s governments, especially over the last year, the past centre-left governments are equally responsible for the poor state of Slovenia’s media legal framework. For years, governments lacked political will to conduct a proper media policy. As long as politicians from left and right are more interested in media capture than the survival and development of the media sector in the interest of its citizens, Slovenia can’t and won’t be a regional frontrunner in media freedom.

191 http://agency.sta.si/2911078/sta-staff-new-regulation-does-not-address-key-issues
192 https://english.sta.si/2900986/govt-rejects-co-funding-major-media-outlets
About the Authors

Matej Avbelj is Professor of European Law at the New University, Ljubljana, Slovenia, where he also acts as Rector. He graduated from the University of Ljubljana Faculty of Law, obtained an LL.M at NYU School of Law and defended his PhD at the European University Institute, Florence. Dr. Avbelj has been awarded several fellowships and research grants and has acted as a guest lecturer at many universities in Europe and the USA. He has written extensively in the fields of EU law, constitutional law and legal theory. His most recent publication (co-authored with Jernej Letnar Černič) is titled: ‘The Impact of European Institutions on the Rule of Law and Democracy: Slovenia and Beyond’. E-Mail: matej.avbelj@epf.nova-uni.si

Niko Korpar is an economist at wiwi, The Vienna Institute for International Economic Studies and the country expert for Slovenia. Besides, he is working primarily on green issues, researching the green transformation in CEE and Western Balkans. He also focuses on green taxes and international trade in relation to the environment, especially carbon border adjustments. Previously he worked in the circular economy in Slovenia and helped write the national circular economy roadmap for Slovenia, Serbia and Montenegro. He holds a Bachelors degree from the University of Ljubljana and a Masters degree from WU Vienna. Currently he is a PhD candidate at WU. E-Mail: korpar@wiiw.ac.at

Alenka Krašovec is professor of political science at the Faculty of Social Sciences at the University of Ljubljana and researcher at the Centre of Political Science Research at the same institution. Her research interests are political institutions and processes. Her journal publications have appeared in Slovene scientific journals, but also in journals such as West European Politics, Electoral Studies, the Journal of Communist Studies and Transition Politics, Communist and Post-Communist Studies, Problems of Post-Communism, as well as in (edited) books published in Slovenia and by prominent international publishing houses. E-Mail: alenka.krašovec@fdv.uni-lj.si

Meta Novak is an assistant professor at the Faculty of Social Sciences University of Ljubljana and researcher at the Centre of Political Science Research. She holds a PhD in sociology. Her main areas of research interest include interest groups, lobbying, civil society in the national and the European context, political knowledge, political opinionation, and approaches for teaching EU topics at schools. E-Mail: meta.novak@fdv.uni-lj.si

Špela Stare has been the Secretary General of the Slovene Association of Journalists since 2002. She graduated in journalism and started her career as a journalist for Radio Študent and Tribuna. She later moved on to the position of the Project Coordinator at Ljudmila – Ljubljana Digital Media Lab (its successor is now Ljudmila Art and Science Laboratory). E-Mail: generalni@novinar.com