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A high level of cooperation, training and effective governance

Slovenia's low institutional competitiveness is characterised by ineffective management of the public sector, long administrative and judicial procedures, heavy burden of state regulation, a business environment that is insufficiently encouraging despite recent progress, and a high degree of perceived corruption, all of which are evident from Slovenia's scores in international competitiveness rankings. Fragmentation and poor integration of public sector bodies hamper cooperation between sectors and between different levels of administration, increasing operating costs. Trust in public institutions and the rule of law is low, judging by the high number of applications to the European Court of Human Rights. The performance of the justice system in terms of accessibility and quality significantly affects trust in public institutions. The number of pending court cases has been reduced in recent years and the average duration of procedures shortened, which indicates that the effectiveness of the justice system has improved; the available indicators also show improvements in quality. Slovenia is also one of the safest countries in the world, which has a positive impact on quality of life; at the same time, it participates in international organisations, operations and missions, which supports a stable international environment and human security. Numerous strategies have been adopted in recent years to address challenges in these fields (public administration, the judiciary and international affairs); the key going forward is to implement the planned measures and fulfil international commitments.

5.1 Efficient governance and high-quality public service

Efficient governance and high-quality public service (development goal 12)

Achievement of this goal requires efficient strategic governance of public institutions and the creation of high-quality public policies that respond to change effectively and quickly. Significant factors listed in SDS 2030 as contributing to stronger governance of the public sector include framing goal-oriented policies, creating a highly developed culture of cooperation between citizens and institutions to strengthen trust in the latter, involving stakeholders at all levels of policy development and monitoring, nurturing social dialogue, and ensuring accessibility of information. It is also important to make governance of public systems and services efficient (and innovative), improve oversight of institutional and social structures, and ensure accountability for adopted decisions.

Performance indicators for development goal 12:

	Latest value		Target value for 2030
	Slovenia	EU average	
Trust in public institutions , in %	Parliament: 11 Government: 17 Local authorities 43 (2017, autumn survey)	Parliament: 35 Government: 36 Local authorities: 51 (2017, autumn survey)	At least half the population trusts public institutions (average of latest three surveys)
Executive capacity , average score on a 1–10 scale	4.7 (2016)	6.1 (2016)	EU average in 2030

Slovenia's institutional competitiveness is gradually improving, but it has not yet regained pre-crisis levels. International competitiveness indicators (of the IMD, WEF and World Bank) show that the state's ability to ensure the proper functioning of the economy declined strongly after the start of the crisis compared to other countries. The strongest setbacks were recorded in indicators measuring public finances (see Section 1.1) and the institutional framework. International surveys highlighted strong dissatisfaction of businesses with the performance of public institutions, poor adjustment of government policies to the altered economic circumstances and increased perception of corruption. In the last three years Slovenia has made headway in international competitiveness rankings, but its rank is nevertheless lower than before the crisis, which is largely attributable to the marked decline of survey indicators during the crisis.¹²⁶ As several key macroeconomic factors recovered, so too did business sentiment, but segments covering the performance of the state, such as state regulation, duration of administrative and judicial procedures, and efficiency of the legal framework and government spending, still score poorly. Trust on the part of businesses¹²⁷ and the population¹²⁸ in the functioning of key institutions of the state and in policy remains very low and significantly below the EU average.

Public involvement in the legislative process and decision-making is low and election turnouts have been falling. Public involvement is a mechanism that promotes cooperation in the process of making decisions or creating documents by everyone affected

by or interested in a decision. Such involvement is also an opportunity to strengthen trust in public institutions, improve their transparency, and create better and more lasting policies. Fundamental and minimum standards of the involvement of stakeholders are determined by the Resolution on Legislative Regulation,¹²⁹ which is binding but often ignored in the legislative process.¹³⁰ Turnout in elections in which political representatives are directly elected is relatively low compared to other EU countries. In the last general election, it stood at 51.7%, the lowest in the EU after Poland, Lithuania, France and Romania (in presidential elections, it was the lowest among all EU countries with directly elect presidents).¹³¹

The involvement of stakeholders in social dialogue is high.¹³² Social dialogue represents an important means of coordinating the interests of employers, employees and the state. The central forum of dialogue is the Economic and Social Council, while the state puts in place appropriate mechanisms for facilitating and strengthening dialogue. Decisions are adopted in accordance with the rules of procedure and are binding on all social partners,¹³³ but consensus on major issues (e.g. response to the crisis or indexation of the minimum wage) often remains elusive. SDS 2030 therefore calls for the strengthening of cooperation and accountability of all partners in social dialogue, while the government made the commitment in the last social pact that it would more actively involve social partners in the

¹²⁹ Resolution on Legislative Regulation, Official Gazette of the RS, No. 92/2007.

¹³⁰ Public Participation in the Legislative Procedure (Ministry of Public Administration), 2015.

¹³¹ International Institute for Democracy and Electoral Assistance (IDEA), 2017.

¹³² Industrial Relations in Europe 2014 (EC), 2015; ICTWSS database, 2015.

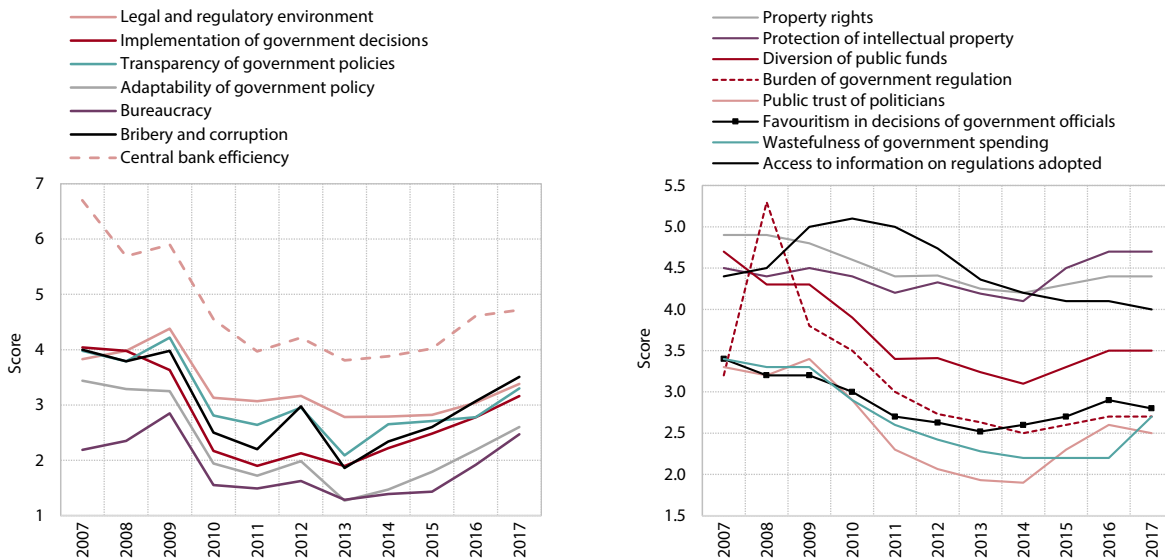
¹³³ Rules of Procedure of the Economic and Social Council, Official Gazette of the RS, No. 82/2007.

¹²⁶ The drop in survey indicators was also the result of marked deterioration in business sentiment, which was far more pronounced than in other countries.

¹²⁷ The World Competitiveness 2017 (IMD), 2017.

¹²⁸ Eurobarometer Survey 88 (EC), 2017.

Figure 33: Government efficiency indicators for Slovenia according to IMD (left) and WEF (right)



Sources: The World Competitiveness 2017 (IMD), 2017; The Global Competitiveness Report 2017 (WEF), 2017. Note: Higher scores are better, maximum scores are 10 for IMD (left) and 7 for WEF (right).

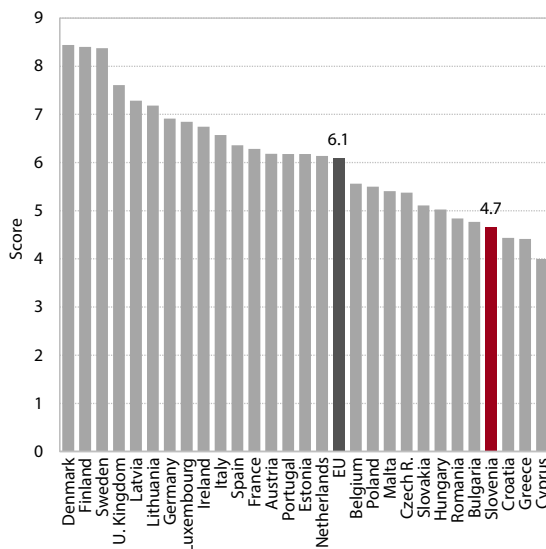
drafting of strategic documents within the framework of the European Semester.

5.1.1 Performance of public administration and provision of public services

The efficiency of public administration, an important factor in government performance and competitiveness of the country, which also plays an important role in development at local and national levels, is low. International comparisons show that executive capacity, an indicator measuring strategic governance of public institutions, is very low compared to other EU countries. The indicator shows inefficiencies in various areas (regulatory impact assessment, strategic planning, participation of different expert groups in the preparation of legislation, etc.). An overly complex organisational structure affects both the efficiency of the provision of public goods and accountability, which is dispersed and difficult to identify.¹³⁴ In 2015 Slovenia adopted a strategy for the development of its public administration, which should help improve and modernise the public sector and ensure better services for citizens and businesses; the strategy was operationalised with a two-year action plan adopted in 2016.¹³⁵

¹³⁴ Slovenia: Towards a Strategic and Efficient State (OECD), 2012.
¹³⁵ Two-year action plan for the implementation of the 2015–2020 public administration development strategy in 2016 and 2017, 2016. The measures cover the following areas: efficient organisation, efficient use of human, financial and spatial resources, improvement of legislative environment, open and transparent conduct, quality management, modernised inspection, and efficient IT.

Figure 34: Index of executive capacity, 2017



Source: Sustainable governance indicators, 2017; IMAD calculations.

Slovenia ranks around the EU average in terms of development of e-government services. One of the goals of SDS 2030 is to design user-friendly, accessible, transparent and efficient public services, with e-government services playing an important role as digitalisation expands. In 2015 the eUprava e-government portal was updated, providing a one-stop shop for citizens performing e-administration services – from data kept about the citizens by the state to information about administrative procedures

and applications filed. Several comparative analyses conducted by the EC and the OECD¹³⁶ show that Slovenia is lagging behind EU leaders in terms of exploiting the potential of e-services and digitalisation. The European Commission has recommended that Slovenia accelerate the digitalisation of front-office services (user-centric) and back-office systems and promote uptake of electronic services among its citizens. A significant limitation in this area is patchy general knowledge of e-services and insufficient ability of citizens to use such services. The introduction of a portal for open public-sector data in 2016 improved data accessibility and Slovenia ranks among the countries that have made the greatest progress in this area in recent years.¹³⁷

As part of measures to improve the performance of public administration, quality models are being introduced in public administration bodies. The majority of administrative units started to control quality using quality standards over a decade ago, but in recent years they have also introduced the Common Assessment Framework (CAF)¹³⁸ for the public sector and regular self-assessments complete with action plans, remedial measures, responsible persons and implementation deadlines. The introduction of CAF as a system of quality management also started in public administration bodies in 2017 (13 ministries joined the self-assessment).¹³⁹

Implementation of the programme of measures to eliminate administrative obstacles and improve regulation continues, but the impact of regulations should be measured more systematically. A variety of programmes to eliminate administrative obstacles have been systematically executed for over ten years, with the currently valid document, the Single Document to Ensure Better Regulatory and Business Environment, having been adopted in 2013. The Single Document is expanded with new measures on an ongoing basis, and the implementation of the planned measures has increased in the last two years (currently about two-thirds of all the planned measures are being implemented).¹⁴⁰ Among the key measures that have been introduced are the SME test, a test for small and medium-sized enterprises as support in the drafting of regulations and the measurement of their impact on business, and a central credit register with the Bank of Slovenia containing data on the debt of natural

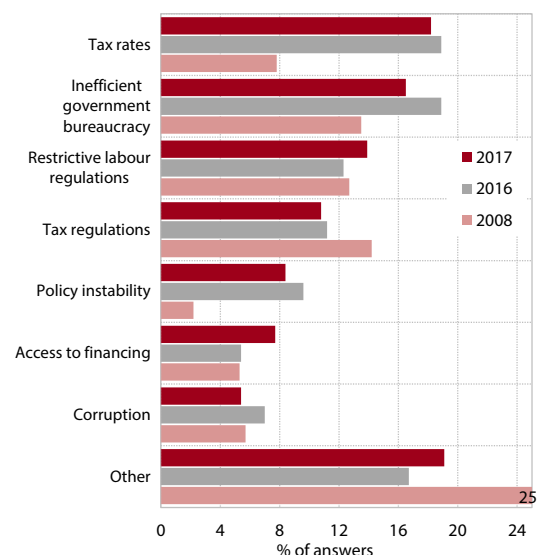
persons and business entities. Several other measures that will significantly affect the business environment are in the process of implementation, for example a reform of the regulation of professions and activities (e.g. attorneyship and conditions for entering the tourism market) and completion of new planning and construction legislation. However, there are still shortcomings in regulatory impact analysis (RIA), since new legislation is still not subject to systematic and comprehensive analysis of the impact of regulation on public finances, business, the environment and society as a whole.

5.1.2 Impact of public institutions on the economy and business sector

Efficiency of the institutional framework and performance of the state and its institutions are essential for an environment conducive to business in Slovenia. The organisation and performance of government must support better competitiveness of the private sector. International surveys and organisations (the WEF, IMD, World Bank, European Commission and OECD) have cautioned Slovenia against state interference in company operations (and a too slow reduction of administrative burdens for companies), warned about inefficient governance and called for the sale of state-owned companies (insisting that the strategy of the Bank Assets Management Company should be implemented); inefficient organisation and poor integration of parts of the public administration remains a major problem as well.

Recent surveys among businessmen show that the main obstacles to business in Slovenia are related

Figure 35: Main obstacles to doing business in Slovenia (WEF survey)



Source: The Global Competitiveness Report 2017 (WEF), 2017.

¹³⁶ eGovernment Benchmark 2017 (EC), 2017; Government at a Glance 2017 (OECD), 2017.

¹³⁷ Open Data Maturity in Europe 2017 (EC), 2017.

¹³⁸ The Common Assessment Framework in the public sector is a tool for comprehensive quality management developed by the public sector for the public sector based on a model of business excellence by the European Fund for Quality Management (EQFM).

¹³⁹ EIPA data show that there were 81 registered CAF users in Slovenia at the end of 2017 who used the model at least once for internal assessment of their performance, i.e. self-assessment (European Institute for Public Administration CAF Database, 2018).

¹⁴⁰ 10th Report on the Implementation of Measures Under the Single Database of Measures Aimed at Improving the Legislative and Business Environment and Increasing Competitiveness (Ministry of Public Administration), 2018.

to taxes and tax policy. In the last decade significant progress has been made to facilitate and speed up the formation of new businesses, but after the start of the crisis it turned out that not enough has been done to support their smooth functioning. The ease of doing business has been significantly improved with changes to insolvency legislation in 2013 that reduced the duration of insolvency procedure and prevented asset stripping of insolvent debtors. The WEF survey finds that the main obstacles to doing business in Slovenia are high taxation (and high labour costs due to social contributions) and inadequate tax legislation, pointing out that the high tax rates are hampering investment growth. Other major obstacles include long procedures conducted by public bodies, which are mostly the result of planning and construction regulations (and long coordination with other stakeholders in procedures), and labour legislation, which is too restrictive according to business managers surveyed.

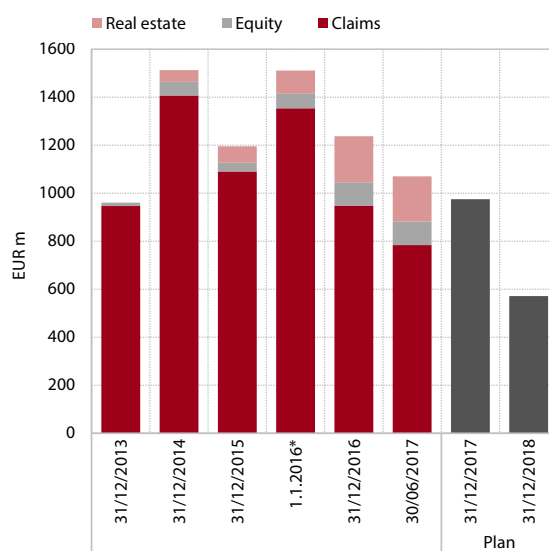
By adopting the State Asset Management Strategy¹⁴¹ in 2015, Slovenia rounded off the legislative and institutional framework for the withdrawal of the state from company ownership and better management of companies that remain in state ownership. The strategy, which divided state assets into portfolio, important and strategic assets, is a blueprint for the Slovenian Sovereign Holding (SSH) and the Bank Assets Management Company (BAMC) facilitating accelerated privatisation and more efficient governance. By 2020 at the latest, SSH is expected to transfer to the Republic of Slovenia all securities and equity defined as strategic or important,¹⁴² and after it has settled all liabilities to denationalisation claimants, other assets will follow. The operation of BAMC was extended until the end of 2022 with amendments to the Act Regulating Measures of the Republic of Slovenia to Strengthen the Stability of Banks¹⁴³ adopted in 2016. The amendments allow BAMC to more efficiently participate in debtor restructuring and company financing procedures with the aim of increasing the economic value of its claims; they also contain provisions improving governance and supervision of BAMC, which is obliged to sell off at least 10% of the estimated value of acquired assets each year.

Yields on investments in state ownership have improved in the last several years, but international organisations have warned that corporate governance of state-owned companies must improve further. SSH, as the manager of state-owned equity stakes in companies, creates conditions for active management of assets in accordance with a multi-year management plan.¹⁴⁴ As of the end of 2016, the book

value of all assets under management (assets in direct ownership of SSH and assets of the Republic of Slovenia managed by SSH) was EUR 10.45 billion, which is slightly less than in preceding years.¹⁴⁵ The state recapitalised SSH at the end of 2016 with EUR 200 million; prohibited from selling equity in companies designated as strategic or important, SSH had been unable to settle the liabilities for denationalisation claims it took on as the legal successor of the Slovenian Compensation Company. After the return to economic growth, the yield on assets under SSH management rose to 6% (2014: 1.8%, 2015: 4.7%)¹⁴⁶ and the proceeds from dividends improved. Nevertheless, the OECD has warned that SSH should improve governance at state-owned companies in accordance with OECD corporate governance guidelines and appoint competent and professional supervisory boards.¹⁴⁷ It also considers that the long list of strategic and important companies should be shortened to just a few strategic companies in industries where competition is not possible and whose state ownership would have a positive impact on the economy as a whole.

Withdrawal of the state from company ownership is conducted through BAMC and SSH. The withdrawal via BAMC,¹⁴⁸ which has to be wound down by the end of 2022, continues at an accelerating pace. Assets under BAMC management amounted to EUR 1.2 billion as of the

Figure 36: Assets under BAMC management



Source: BAMC interim report, 2017.

Note: As of 1 January 2016, the value of the portfolio increased after the merger by acquisition of Factor banka and Probanka. Under the transaction, BAMC received a small leasing portfolio, which is included among the claims.

¹⁴¹ Ordinance on State-Owned Asset Management Strategy, Official Gazette of the RS, No. 53/2015.

¹⁴² Act Amending the Slovenian Compensation Fund Act, Official Gazette of the RS, No. 55/2017.

¹⁴³ Act Amending the Act Regulating Measures of the Republic of Slovenia to Strengthen the Stability of Banks, Official Gazette of the RS, No. 104/2015.

¹⁴⁴ State Assets Management Strategy and Annual State Assets Management Plan.

¹⁴⁵ 2013: EUR 11.25 billion; 2014: EUR 11.6 billion; 2015: EUR 11.59 billion.

¹⁴⁶ The key goal is to generate yields on state assets of 8% of book value of equity by 2020.

¹⁴⁷ OECD Economic Surveys: Slovenia (OECD), 2017.

¹⁴⁸ The state withdraws from company ownership through BAMC in three ways: by selling equity stakes in companies, by selling claims (non-performing loans) to companies and by selling real estate that BAMC took possession of in the process of bank restructuring.

end of 2016 and declined by around EUR 168 million by mid-2017. Non-performing claims account for the bulk of the assets (73% as of 30 June 2017), with real estate and equity accounting for a small share of the total.¹⁴⁹ The BAMC business strategy for 2016–2022 stipulates that assets under management will more than halve by the end of 2018 compared to 2016;¹⁵⁰ BAMC must offload at least 10% of the estimated value of acquired assets each year. On the other hand, the sale of equity stakes in companies that are on the list of 15 companies under SSH management slated for privatisation proceeded at a sluggish pace. In 2017 SSH sold two companies (in total, ten from the list have been sold so far),¹⁵¹ one sale is scheduled for 2018, while the procedures for the sale of the remaining equity stakes have been suspended. SSH, which managed equity in 88 companies as of the beginning of 2018, additionally plans the sale of equity stakes (some of them being minority stakes) in 13 other companies, including a large bank and casinos.¹⁵² A renewed launch of the procedure to sell the largest state-owned bank (Nova Ljubljanska banka) hinges on an agreement with the European Commission.

¹⁴⁹ In the first half of 2017 the value of equity and real estate under BAMC management did not change significantly, whereas the value of claims fell by as much as 17.4%.

¹⁵⁰ Between its inception and mid-2017, BAMC created revenue from asset management of EUR 1.1 billion, of which EUR 369.2 million in 2016 and EUR 246.4 million in the first half of 2017. BAMC thus exceeded the whole-year statutory target for revenue from transferred and absorbed assets in the first half of 2017.

¹⁵¹ SSH has so far sold equity in ten companies from this list (Adria Airways, Adria Airways Tehnika, Aerodrom Ljubljana, Cimos, Elan, Fotona, Helios, Nova KBM, Paloma and Žito), of which Cimos and Paloma were sold in 2017.

¹⁵² Major companies include Abanka, Casino Portorož, Casino Bled and HIT.

5.2 A trustworthy legal system

A trustworthy legal system (development goal 10)

The legal system is of significant national and strategic importance for the protection of citizens, economic development and prosperity, as all social systems and subsystems are highly dependent on it. The goal is to create a legal system that provides a high-quality and efficient legal framework. Key factors of trust in the legal system listed by SDS 2030 include protection of human rights, fundamental liberties and equal opportunities, clear procedural and substantive legislation, concern for the independence, efficiency and transparency of the judiciary, and elimination of the causes of corruption.

Performance indicators for development goal 10:

	Latest value		Target value for 2030
	Slovenia	EU average	
Rule of law index , rank among EU members	Rank 15 (data for 21 EU countries) (2016)	–	Ranking in the top half of EU countries
Time needed to resolve civil and commercial court cases , number of days	277 (2015)	244 (2015)	200

Trust in the rule of law and the judiciary is low. The rule of law is underpinned by the principle of equality before the law and emphasises the inalienable authority of law. The bedrock of people's trust in the legal order and respect of legislative provisions is clear, understandable, transparent and unambiguous legislation, while people's trust in the legal system and the rule of law also depends on the implementation of rights in practice, the duration of administrative and court procedures, accessibility of legal remedies, and predictability and stability of legal standards. International comparisons (the World Justice Project and World Bank Governance Indicators) indicate there are shortcomings in the rule of law, with Slovenia ranking poorly in this regard compared to other EU countries. Distrust in the rule of law and the judiciary is reflected in the relatively high number of applications¹⁵³ to the European Court of Human Rights (ECHR), which is significantly higher than in other EU countries.¹⁵⁴ Most of the cases in which violations have been determined are related to effective legal remedy and long court procedures, but in the last three years the majority of the violations have concerned the right to fair trial.¹⁵⁵ Slovenia respects ECHR rulings and has adopted appropriate remedial measures, which is reflected in a reduction of the number of open cases at the court in the last year.¹⁵⁶ Trust in the judiciary remains relatively

low, in particular due to the poor perception of the independence of courts and judges among the general public.¹⁵⁷ Similarly, low trust among the general public has also been detected by a study of public satisfaction with the work of the courts,¹⁵⁸ although the same study did find that satisfaction is improving.

In justice, the priority is to improve the efficiency, transparency and quality of the justice system, with an emphasis on the judicial branch. The key strategic document in this field is the Justice 2020 Strategy, which determines that by 2020 the expected time it takes to resolve important cases is to be reduced to 6 months, with all other cases to be resolved in 3 months. The number of judges per 100,000 population should decrease (to 42), while the ratio between court (non-judge) staff and judges should increase to 4.3 (non-judge staff per judge). One of the principal challenges in this field is to create a predictable and stable legal environment, and to adopt measures and legislation in cooperation between the judiciary and the executive branch. The Supreme Court has warned against the broadening of jurisdiction on the grounds that this could lead to an increase in pending cases (e.g. the new Family Law transfers jurisdiction in several areas from social work centres to courts) if the number of judges continues to decline in line with the agreed objectives.

Court statistics show that the efficiency of courts has improved further. In the last several years the number of pending cases at almost all courts has continued to

1,750 (2014) to 127 and the number of unexecuted judgements from 309 (in 2015) to 49.

¹⁵⁷ Flash Eurobarometer 447: Perceived Independence of the National Justice Systems in the EU among General Public, 2017; Flash Eurobarometer 448: Perceived Independence of the National Justice Systems in the EU among Companies, 2017.

¹⁵⁸ Opening of the court year 2018 (Supreme Court), 2018.

¹⁵³ Since 1993 almost 95% of all applications have been ruled inadmissible or thrown out, and in 2017 alone the court rejected or threw out 1,818 applications on inadmissibility grounds (Analysis of Statistics 2017, European Court of Human Rights, 2018).

¹⁵⁴ Since 1993 violations have been found in 3.5% of all applications, which is above the EU average (2.3%), as violations were determined in 329 of the 353 applications admitted.

¹⁵⁵ The violations peaked between 2006 and 2008, with 262 cases involving the right to fair trial in a reasonable time (Violations by Article and by State, 2014, 2015, 2016 and 2017).

¹⁵⁶ In *Ališić and others vs Slovenia*, the ECHR ruled in 2014 that Slovenia was responsible for compensation of unpaid foreign currency deposits in Ljubljanska banka subsidiaries in Zagreb and Sarajevo. The execution of the judgement reduced the number of open cases from

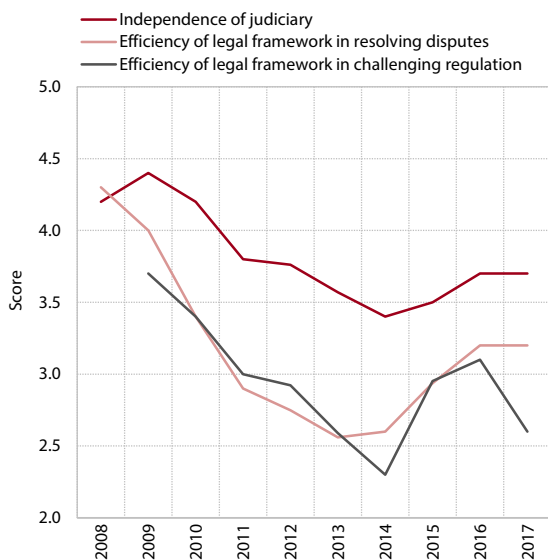
fall, while most courts, even though the number of judges and court staff¹⁵⁹ declined, resolved more cases than they received.¹⁶⁰ New caseload (in particular the number of more important cases¹⁶¹) has been dropping off, which the Supreme Court believes is partly a consequence of a decline in speculative applications due to greater alignment of case-law and legal certainty and the awareness that courts resolve cases efficiently and quickly. The average time it takes to resolve a case also fell, standing at 7.7 months for important cases and 2.6 months overall in 2017. As efficiency improves and procedures get shorter, one of the main challenges is to preserve the quality of the judiciary and protect the rights of parties to legal proceedings.¹⁶² Compared to other EU countries, the expected duration of civil and commercial procedures is slightly longer, though it has been falling.¹⁶³ Despite changes to insolvency law that shortened court procedures,¹⁶⁴ the entire duration of such procedures is still rather long. Insolvency cases are

recorded as unresolved at court until they are completed, despite the fact that courts cannot directly affect the course of proceedings after issuing the decree on their commencement.¹⁶⁵ Corporate and personal bankruptcy procedures in particular are long, averaging 18.7 and 44.6 months respectively, whereas other liquidation procedures (compulsory liquidation and simplified compulsory settlement) are much shorter.¹⁶⁶ At least to a certain extent, this probably affects how businesses rate the work of the judiciary (see the WEF survey).

The quality of the Slovenian judiciary is comparable to other EU countries. Quality of the judiciary in the narrow sense is the quality of judges' output – i.e. court decisions – but in the broader sense it also reflects the provision of court services. According to the CEPEJ¹⁶⁷ study, the quality of the judiciary in Slovenia is positively influenced by the frequency of training of judges and court staff, satisfaction surveys, and the use of clear efficiency standards. On the other hand, Slovenia lags behind in the use of ICT and in communicating with parties to procedures. The quality of court services is also assessed by the World Bank (Doing Business), with Slovenia ranking around the EU average. The quality of court services is also good according to the court user satisfaction survey (in particular regarding the ease of understanding the judge's language and the professionalism of judicial staff).

The perception of corruption remains high. The rate of perceived corruption in a country mainly reflects the performance of institutions of the rule of law, public sector integrity and the quality of public sector management. The number of reports of corruption and other irregularities surged after the start of the crisis, which can be largely attributed to new legislation,¹⁶⁸ more publicised work of investigative institutions (e.g. Commission for the Prevention of Corruption) and better public awareness. In 2017 a new programme for the strengthening of integrity and transparency was adopted for the period 2017–2019; it emphasises measures to improve the integrity of institutions, public employees, holders of public office and other employees in the public sector and greater transparency therein.¹⁶⁹ Yet the adoption of programmes and measures does not per se affect the perception of corruption, which is among the highest in the EU,¹⁷⁰ as also evident from World Bank governance indicators which measure corruption.¹⁷¹ A similarly negative opinion is also prevalent among the Slovenian population,¹⁷² which sees

Figure 37: Indicators of efficiency of the judiciary in Slovenia according to the WEF



Source: The Global Competitiveness Report 2017 (WEF), 2017.

Note: Higher is better, highest score is 7.

¹⁵⁹The number of judges fell by 77 in 2013–2017 and the number of court staff by 74. As of the end of 2017 there were 43.1 judges per 100,000 population and the ratio between court staff and judges was 3.9. To achieve the goal, the number of judges should fall by 20 and the number of court staff should rise significantly (by 220–230 persons).

¹⁶⁰The caseload indicator (the ratio between the number of resolved cases and new caseload in the last 12 months, expressed in percent) stood at 103% in 2017, which indicates improved efficiency, with the courts resolving more cases than they receive.

¹⁶¹Cases designated as important include all cases resolved by the Supreme Court and cases at other courts in accordance with the classification in the methodology for statistical research of court performance, which is determined by the justice ministry.

¹⁶²Opening of the court year 2018 (Supreme Court), 2018.

¹⁶³The 2017 EU Justice Scoreboard (EC), 2017.

¹⁶⁴The procedure to issue a decision initiating insolvency (the declaration of bankruptcy) lasted 45 days on average for bankruptcies of legal entities and 19 days for personal bankruptcies.

¹⁶⁵Includes the liquidation of the bankruptcy estate and discharge of debtors or, in the case of personal bankruptcy, expiry of the probation period for the waiver of liabilities.

¹⁶⁶Data for 2016. Annual Report on the Efficiency and Effectiveness of Courts (Supreme Court), 2017.

¹⁶⁷The 2017 EU Justice Scoreboard (EC), 2017.

¹⁶⁸Act on Integrity and the Prevention of Corruption, Official Gazette of the RS, No. 69/2011.

¹⁶⁹Programme of the Government of the Republic of Slovenia for the Strengthening of Integrity and Transparency 2017–2019, 2017.

¹⁷⁰Corruption Perception Index 2017 (Transparency International), 2017.

¹⁷¹World Bank Governance Indicators, 2017.

¹⁷²Special Eurobarometer 470: Corruption (EC), 2017.

corruption as a part of the business culture, with health care and public procurement seen as being particularly susceptible thereto. In order to reduce corruption risks in these two areas, the introduction of centralised contracting in health care continued in the past year (e.g. pooling of contracts for medicines, medical devices and equipment); in the past, this was an area where funds were often found to have been used uneconomically.¹⁷³

¹⁷³Final Report on the Implementation of the Programme of the Government of the Republic of Slovenia for the Strengthening of Integrity and Transparency 2015–2016 – Zero Tolerance to Corruption, 2017.

5.3 A safe and globally responsible Slovenia

■ A safe and globally responsible Slovenia (development goal 11)

The aim is to equip Slovenia to be able to face global challenges such as migration flows, terrorism, climate change and respect of human rights. Factors listed by SDS 2030 as instrumental to strengthening global responsibility and solidarity include providing a high level of security, which includes providing protection against terrorist and other supranational threats (cyber threats included) and promoting prevention and strengthening the capacity for managing natural and other disasters. It also highlights the strengthening of foreign policy cooperation at the bilateral and multilateral levels and defence capabilities. Through international development cooperation and humanitarian aid, Slovenia contributes to a more balanced and just global development and the eradication of poverty and inequality.

■ Performance indicators for development goal 11:

	Latest value		Target value for 2030
	Slovenia	EU average	
Share of population that reported crime, vandalism or violence in their area, in %	8.5 (2016)	13.0 (2016)	< 10
Global Peace Index, rank among EU members	5 (2017)	–	Maintaining ranking among the top ten countries in the world and top five in the EU

Since independence, Slovenia has been a member of the most important international organisations which maintain a stable international environment, security and human rights. A member of the United Nations since 1992, it has also been active in specialised UN agencies and commissions (the World Health Organisation, UNESCO and UNICEF). It is a member of the Council of Europe and the Organisation for Cooperation and Security in Europe. For over a decade it has also been a Member State of the EU, which is its most important political and legal environment. The fundamental framework of institutional national security, aside from that set by the EU's common security and defence policy, is NATO. Slovenia allocated 0.9% of GDP for defence in 2016, which is below the EU average and falls short of NATO commitments. The most important multilateral economic organisations of which Slovenia is a member are the International Monetary Fund, the World Trade Organisation and the Organisation for Economic Cooperation and Development, which brings together the most developed countries in the world.

Slovenia is one of the safest and most peaceful countries in the world. The Global Peace Index ranks it among the ten most peaceful countries in the world, with the EU the most peaceful region. Other indicators show it is also one of the safest countries, and crime declined in 2012–2016.¹⁷⁴ In 2016 the number of crimes handled by the police was 26.6% below the ten-year average. After 2014 the share of economic crime in total crime declined and the share of general criminal offences increased.

5.3.1 Safety

Slovenians feel safe in their country. The sense of endangerment in the living environment remains low. The share of people who feel safe walking alone in the local area after night remains high. In 2016 fewer people had a personal experience with burglary or physical assault than in preceding years and their share is lower than the EU average.¹⁷⁵ The sense of safety also depends on people's trust in the police, which though improving in the last two years remains below the EU average.¹⁷⁶ Slovenians continue to feel that their immediate neighbourhoods and Slovenia generally are secure places to live in. Statistics show, however, that in 2015 the standardised death rate from assault was slightly above the EU average (Slovenia: 0.8 persons per 100,000 population; EU: 0.7).

Transport safety has greatly improved in recent years. The standardised death rate from transport accidents was above the EU average in 2015, the latest year for which data are available, with 7.8 persons per 100,000 population dying as a result thereof (EU: 5.8). However, in 2010–2017 the number of deaths declined at a faster pace than in the EU as a whole and was much lower in 2017 than in 2010.¹⁷⁷ There are several factors behind the improvement, including better transport infrastructure

¹⁷⁵ European Social Survey. The data for European countries show the total average result of selected countries regardless of size of national sample or country size. The selected countries are countries for which data were available (Belgium, Germany, Finland, France, Great Britain, Ireland, Netherlands, Poland, Sweden and Slovenia).

¹⁷⁶ Eurobarometer Survey 88 (EC), 2017.

¹⁷⁷ Data for 2017 are preliminary. In Slovenia the number of deaths due to traffic accidents declined by 25% in 2010–2017 (EU: 20%) and stood at 104 in 2017.

¹⁷⁴ Annual Report on the Work of the Police 2016 (Ministry of the Interior – Police), 2017.

(e.g. motorway construction), safer cars and preventive measures (e.g. reduction of permitted blood alcohol level). These trends continue although the total number of kilometres driven has been rising, having increased by almost 50% from 2000.¹⁷⁸

Slovenia is also under a constant threat of natural and other disasters. In 2016 the Administration of the Republic of Slovenia for Civil Protection and Disaster Relief intervened with protection, relief and rescue staff in more than 15,800 incidents.¹⁷⁹ In recent years the number of accidents has been rising. The main causes of natural disasters in Slovenia are floods, strong wind and snow. Timely intervention is ensured through emergency notification centres and public rescue services, and the preparedness of other rescue and relief forces and civil protection units. The key challenge is creating a system that will facilitate effective coordinated action and contribute to the mitigation of damage and other consequences of an accident. Preventive measures are important as well, in particular appropriate land use planning and measures for protection against fire and other natural disasters.¹⁸⁰ The goals, policies and strategy of protection against natural and other disasters are determined in the national programme for 2016–2022,¹⁸¹ which was adopted in 2016.

Slovenia is also successful in facing security challenges at the international level. In 2010–2016 the number of recorded instances of organised crime increased.¹⁸² Increases were recorded in illicit production of and trafficking in prohibited drugs, banned substances in sports and precursors for the production of illicit drugs. Cybercrime also increased in this period, mostly on account of a surge in attacks on information systems (there was a higher number of reports by physical and legal entities concerning ransomware infections and email fraud).¹⁸³ Migration also represents a major security challenge; the number of illegal border crossings has increased since 2010, mainly due to increased migration from crisis areas.¹⁸⁴ In the last year

the number of illegal migrants has continued to rise.¹⁸⁵ The number of weapons-related crimes, on the other hand, decreased.¹⁸⁶ In the area of terrorism, Slovenia focuses on preventive action.

5.3.2 Global responsibility

Slovenia strives to improve global responsibility and solidarity.¹⁸⁷ This entails speaking up and working for peace and security, prosperity and dignity for all people, eradication of poverty, environmental and sustainable development, respect of human rights, and peaceful and inclusive societies. An important aspect thereof is the consistent implementation of international commitments, including financial obligations, adjustment of the domestic legal order, and fulfilment of international commitments regarding climate change and sustainable development (see Chapter 4).

The international environment is in constant flux, posing new challenges for Slovenia. Changes in the broader international environment and new global trends and challenges (migration flows, terrorism, cybersecurity, climate change, and the impact of technological progress on the integration of regions and states) have profound implications for Slovenia. Slovenia's challenge is not only to improve its ability to respond and adapt to new trends and global challenges, but also to increase its role and influence in shaping these trends and challenges.¹⁸⁸ To this end, Slovenia plans to continue strengthening its network of diplomatic and consular missions and its activities in international organisations and other forums. Following the success of its candidacy for the Human Rights Council in 2016–2018, Slovenia has the opportunity to strengthen its role in the UN, not only in the protection of human rights, but also in the maintenance of international peace and security and respect for international law.

EU membership is Slovenia's primary leverage in the shaping of policies and the creation of mechanisms and measures that address current trends and challenges in accordance with Slovenian values and interests. Slovenia has actively participated in decision-making on the implementation of the EU's Global Strategy¹⁸⁹ as a framework for EU action in international relations. It has complemented the actions of the EU in particular by working to deepen political, economic, social and cultural relations in the Western Balkans with

¹⁷⁸ OECD Road Safety Annual Report 2017, 2017.

¹⁷⁹ Such as natural and other disasters, transport accidents, fires and explosions, pollution incidents, accidents involving hazardous substances, nuclear and other incidents, finds of unexploded ordnance, supply disruptions and damage to buildings and other events that required technical and other assistance.

¹⁸⁰ Slovenia will also address these challenges by using EU funds, in particular through the 5th and 6th priority axes of the Operational Programme for the Implementation of EU Cohesion Policy (Adaptation to Climate Change and Better State of the Environment and Biodiversity).

¹⁸¹ Resolution on the National Programme of Protection against Natural and Other Disasters 2016–2022, Official Gazette of the RS, No. 75/2016.

¹⁸² In 2010, there were 352 cases of organised crime, in 2015, 524 and in 2016, 393.

¹⁸³ The lowest number of attacks on information systems was recorded in 2010 (76), but by 2011 it had already increased to 236. In 2012–2015 there were fewer such crimes, but in 2016 their number increased to 260 and was the highest since 2010.

¹⁸⁴ 2015 was an exceptional year, as mass migration occurred as part of the migration and refugee crisis. Police statistics on illegal border crossings do not include migrants who entered Slovenia during the period of mass migrations (around 360,000 persons).

¹⁸⁵ In 2016, 1,148 illegal crossings of the national border were recorded, with the figure increasing to 1,930 in 2017 (citizens of Afghanistan, Turkey, Kosovo, Pakistan and Algeria accounted for the bulk of the crossings).

¹⁸⁶ The highest number of weapons crimes was recorded in 2014 (134); in 2016 there were 93, still more than in 2012, when the number was lowest (88).

¹⁸⁷ Slovenian Development Strategy 2030 (SVRK), 2017.

¹⁸⁸ Slovenia: Secure, Successful and Respected in the World (foreign ministry), 2015.

¹⁸⁹ Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy, 2016.

the aim of strengthening the resilience of societies and countries in the region and accelerating their process of EU accession. The implementation of the Global Strategy also involves measures for strengthening the Union's security and defence, such as Permanent Structured Cooperation in the area of security and defence policy (PESCO),¹⁹⁰ which was established by the Council in December 2017. In this framework, 25 EU Member States, Slovenia included, adopted ambitious commitments, among them the pledge to increase defence budgets.

Slovenia's ability to successfully address global trends and challenges also depends on resolving fundamental issues concerning the existence, future integration and political nature of the EU.

Slovenia is in favour of a deepening and enlargement of the Union. Its priorities include strengthening the democratic legitimacy¹⁹¹ of the EU, the rule of law as the guiding principle of EU Member States,¹⁹² and the re-establishment of the full functioning of the Schengen system.¹⁹³ Key debates are underway in the EU on the completion of economic and monetary union, reform of the common agricultural policy, and the next multi-year budget framework. Slovenia needs to clearly define what its interests are in these regards, so that it can play a role in shaping decisions that will affect its future position in the EU and the prosperity of its citizens. Framing and asserting Slovenia's interests in the EU requires in-depth work on EU affairs, closer coordination and more staff, including in the light of the presidency of the EU Council that Slovenia will take over for the second time in the second half of 2021.¹⁹⁴

International development cooperation and humanitarian aid are essential components of global responsibility and contribute to the strengthening of bilateral relations and Slovenia's image in the world.

Expenditure on official development aid has increased in recent years but remains well below internationally adopted commitments. In the last two years, the bulk of the increase in aid has been associated with the refugee and migration crisis.¹⁹⁵ Multilateral aid in the framework of EU development policies accounts for the majority of spending on aid. The Resolution on International Development Cooperation and Humanitarian Aid adopted in 2017 confirmed the commitment that by 2030 Slovenia will allocate 0.33% of gross national income for official development aid and at least 10% of the available bilateral development aid for humanitarian assistance.¹⁹⁶ The OECD issued an overview of Slovenia's

international development cooperation in 2017 and the challenges it listed included narrowing its focus to just a few priority regions and hence improving the effectiveness of aid, better cooperation and the sharing of information with stakeholders in Slovenia, and forging long-term partnerships with prospective aid donors.¹⁹⁷

¹⁹⁰ Implementation Plan on Security and Defence (Council of the EU), 2016.

¹⁹¹ Lange, S., 2016.

¹⁹² This is also an objective of the EU's external action (particularly in candidates and potential candidates for EU membership).

¹⁹³ Speech by Prime Minister Miro Cerar at the consultation of Slovenian diplomats, 2018.

¹⁹⁴ Barbutovski, D., Bucik, M., Lange, S., Mimeo, 2017.

¹⁹⁵ Report on International Development Aid 2016 (foreign ministry), 2017.

¹⁹⁶ Resolution on the International Development Cooperation and Humanitarian Aid of the Republic of Slovenia, Official Gazette of the RS, No. 54/2017.

¹⁹⁷ OECD Development Cooperation Peer Reviews: Slovenia (OECD), 2017.