



Weekly Briefing

Slovenia Political briefing:
Resignation of Prime Minister Miro Cerar
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Resignation of Prime Minister Miro Cerar

Short summary

After the Supreme Court annulled 2017 referendum on the law for new railroad project and demanded a new referendum to take place, Prime Minister Miro Cerar, whose government and his own political party strongly supported the proposed law, announced his decision to resign. His resignation and the subsequent fall of the government will result in pre-term elections and several other activities were brought to an unexpected halt because the government in resigning is only allowed to perform necessary tasks.

History and background

The current government came to power in 2014, when Miro Cerar's Party (SMC, today renamed »Modern Centre Party«) won elections with a surprisingly high result, winning 34, 49% of votes. Miro Cerar became the Prime Minister and composed the government together with two other political parties, Social Democrats (SD) and Pensioner's party of Slovenia DeSUS. The Ministries were divided among them, with the leaders of the two other parties both becoming ministers in the new government. Dejan Židan (SD) became the minister of agriculture and Karl Erjavec, head of DeSUS, was made the minister of foreign affairs. The both were on the same positions in the previous government of PM Bratušek (2013–2014), while Erjavec held the same position in the 10th government of Janez Janša, effectively being the Minister for Foreign Affairs almost continuously since 2012. The three government parties divided the ministries: Modern Centre Party (SMC) got 8 ministries and one ministry without portfolio, Pensioner's party of Slovenia (DeSUS) got 3 ministries and one ministry without portfolio and Social Democrats (SD) got 3 ministries.

The main priorities of the government agenda were:

- political stability (they came to power after two government that each lasted only one year)
- health care reform
- controlled privatization of state monopolies
- improved efficiency of the state mechanisms and optimization of the public sector
- improved efficiency of the court system

12th governmental term faced a lot of challenges in the first year already. Two subsequent ministers for education resigned due to corruption scandals, followed by resignation of almost a third of the ministers (most notably defense, culture and finance ministers), before the first half of the mandate was over. A lot of instability was due to the fact that the winning Miro Cerar Party was only established few weeks before elections and a lot of its high level members had very little experience with high level politics and very unclear political pedigree. There were also several occasions where the coalition faced serious struggle between its political parties, most notably with questions of privatization, health care reform, etc.

Recent government crisis and resignation

In the last year before the scheduled elections the government was faced with several crises, most of which were related with the failure to realize the projects from the coalition agreement. Most notable were:

- Problems with passing the health care reform: in debate for a longer period of time, the attempt by the health minister Kolar Celarc faced harsh opposition from the side of the medical practitioners and from the side of insurance companies.

- Pressing demands of the European Commission to privatize the biggest Slovenian bank, Nova ljubljanska banka, which was due to the conditions

Slovenian Bratušek government had to accept to be allowed to provide state help for the bank in 2013. Prime minister's and Minister of finance's initial attempts to negotiate an alternative to replace the privatization scenario turned out ineffective, which was also seen as an important failure of the Cerar government.

- Failure to successfully negotiate with the public sector syndicates: After improved economic trends, a raising economic growth and general recovery of the economy, the public sector syndicates started demanding that the austerity measures which were applied to the public sector employees during the harshest crisis, are removed and employees get some recompensation for the salary and benefits' cuts they had to endure. The negotiations were brought to a stalemate just few days before the PM resignation.

- Tensions within coalition, which became explicit when ministries of the three parties starting openly opposing each other's agendas. Criticism was especially harsh between SMC ministers and the ministers of the other two parties. This was especially obvious on the issue of health care reform and finally after a corruption scandal with the model of the Second track railway line, where SMC was seen as responsible.

- Annulment of the referendum on the Law on the building of Second track of the railroad between Divača and Koper: referendum, organized by a civil society group, but indirectly supported by several opposition representatives took place in September 2017. The referendum failed due to very low turnout (20, 55%), which was too low for the results to be valid, although 53, 47% of the votes were against the law, effectively enabling the government to go forward with the law. The annulment of the referendum in March 2018 therefore meant that the government will not be able to start realizing one of its biggest infrastructure priorities.

Following the announcement of the court decision on the referendum annulment on March 14, Prime Minister called a press conference the same evening and announced his resignation. Apart from this reason, he also

mentioned several others; most explicitly he accused the other two »old political parties« in the coalition of sabotaging their common government projects.

The aftermath and consequences

In the time framework, Miro Cerar's resignation was fairly meaningless, since the elections were due in two months anyway, and were therefore was mostly seen in media as Cerar's attempt to save the last remains of political credibility for him and his political party. It also enabled him and the government to get out of the negotiations with the syndicates, since the government after his resignation can only perform necessary daily activities and can not tap into the budget on such a substantial level. It also enabled him to try and get some last political credibility through SMC members of the parliament with attempts to pass several »likeable« laws, on improving social benefits, childcare, even on the legalization of cannabis products.

The tensions between political parties in the government in resignation are becoming stronger after the resignation and the functioning of the government is fairly limited due to this as well. Especially the left-centre side of the political spectrum started profiling itself against the other competitor parties and several issues might still ensue in the following weeks. On April 14 the elections were finally called by the President Borut Pahor and are scheduled for June 3rd, which is approximately a week sooner than the regular election would take place.

Conclusion

The resignation of Prime Minister Miro Cerar was a result of several serious crises the government was facing in the last months' time. Not changing the election timetable substantially, he explained it as an attempt to retain political integrity and bring to an end the dysfunctional relations among the government parties. In media it was mostly seen as an attempt to get out of the difficult situations with syndicates and bank privatization and earn some lost credibility for his political party to be able to compete for at least a modest result

in the upcoming elections. The pause of two months for all the important decisions that this government was due to make could mean a difficult beginning for the new government after the June elections.