



Weekly Briefing

**Slovenia political briefing:
Expectations for 2024:
Political, Economic, and Social Outlook of Slovenia in 2024
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Summary

The year 2023 will not be remembered for many successes of the Slovenian political leadership – especially on the domestic front – but will likely be regarded as the year of moderate but clear recovery after the recent shock regarding the COVID-19 pandemic and high inflation crisis.

While the 15th Slovenian government has been through a rather rough year and support for its work significantly dropped in 2023, it still has the opportunity to follow up on its political agenda in 2024 and implement at least some of the many important reforms its leader Prime Minister Robert Golob announced more than one year ago. Such measures may be needed to avoid severe political consequences of the growing public discontent with its operation.

In terms of economy, Slovenia seems to be on the way to moderate recovery but there is still some work to be done in 2024 before the Slovenian economy can be regarded as stable and fully recovered. The economic recovery likewise remains an important task of the current Slovenian government.

Background: the unsatisfactory performance of the government and other challenges of Slovenian society in 2023

The year 2023 proved to be highly challenging for the 15th Slovenian government which started the year with high expectations and stated intention of justifying the ambitious coalitional agenda; Prime Minister Robert Golob even stated that the year 2024 will be the “year of reforms”¹ and that we can expect critical and far-reaching reforms in, among others, health, education, and administration sectors as well judicial and fiscal systems.²

However, not everything – or seemingly not even much – went according to the presumed plan for the government in 2023. While there have been some developments regarding perhaps

¹ Source: STA, “Premier Golob za leto reform državljanom zaželel pozitivno energijo in pogum,” *NI*, December 30, 2022, <https://n1info.si/novice/slovenija/golob-v-novoletni-poslanici-vlada-v-slovensko-druzbo-vmila-obcutek-normalnosti/>.

² Consult e.g. K. M., STA/Katja Kodba, “Golob razkril, na katerih področjih se leta 2023 obetajo velike spremembe,” *Siol.NET*, December 30, 2023, <https://siol.net/novice/slovenija/golob-ob-novem-letu-letu-2023-bo-letu-reform-595643>.

the most critical of the reforms, the comprehensive reform of the health sector (for example, starting with January 1, 2024, the controversial supplementary health insurance has been scrapped in favor of all-encompassing universal health insurance on the basis of obligatory health contribution),³ there have been just as many setbacks and aggravated issues including the unsuccessful attempt at mitigating the problem of overly long waiting lines for health services and eventual resignation of Minister of Health (and Deputy Prime Minister) Danijel Bešič Loredan.⁴

As the year 2023 has yet again proven, the health sector remains among difficult areas to manage and it has become hard for the Ministers of Health to stay at the helm until the end of the governmental term – the last one to do so was Milojka Kolar Celarc who was a Minister of Health from 2014 to September 2018; since then as much as nine ministers or acting ministers of health was named.⁵ If the start of 2024 is an indication of the future, the sector will remain highly problematic due to the tensions between disagreeing entities and the seriousness of the issues at stake.

Another issue that came to the fore in 2023 was related to the potentially mismanaged education system in Slovenia. Despite the urgency – there are quite some problematic areas that need to be improved and the comparative results of Slovenian students have fallen behind many of their foreign peers –⁶ not enough seems to have been done in 2023. It is however believed that the government might be right in reforming the Slovenian education sector as there has not been a truly comprehensive reform since a 9-year elementary school program replaced the previous 8-year program in 2003 while the students' results are at best stalling and at worst falling behind peers.⁷

³ See Sarah Neubauer, “Dopolnilnega zdravstvenega zavarovanja ni več. Kako bomo zavarovani odslej?,” *N1*, January 3, 2024, <https://n1info.si/novice/slovenija/dopolnilnega-zdravstvenega-zavarovanja-ni-vec-kako-bomo-zavarovani-odslej/>.

⁴ Among other sources, see “Poslavlja se še en minister za zdravje,” STA, accessed December 23, 2023, <https://www.sta.si/3190490/poslavlja-se-se-en-minister-za-zdravje>.

⁵ See “Zgodovina Ministrstva za zdravje,” Portal GOV.SI, accessed January 26, 2024, <https://www.gov.si/drzavni-organi/ministrstva/ministrstvo-za-zdravje/o-ministrstvu/zgodovina-ministrstva-za-zdravje/>. Celarc's term was already challenging; the ones of those who after her even more so.

⁶ For example, between 2020 and 2021 Slovenia fell 12 spots from 41st to unflattering 53rd rank in the recent education rankings of the Best Countries Report. Source: “Education Rankings by Country 2024,” World Population Review, accessed January 26, 2024, <https://worldpopulationreview.com/country-rankings/education-rankings-by-country>.

⁷ Refer to J. K. O., “Septembra obvezna devetletka,” *24ur.com*, July 13, 2003, <https://www.24ur.com/novice/slovenija/septembra-obvezna-devetletka.html>.

There were also continuing issues related to the housing (e.g., real estate) situation in Slovenia. For years, the situation regarding real estate prices and availability has been volatile with heavily inflated prices dominating and compromising the housing market in Slovenia. Since 2015, even during the COVID-19 pandemic, real estate prices have been steadily rising with nominal annual house price changes reaching more than 15% in 2021 alone. At the same time, the mortgage market has expanded from 7.6% of GDP in 2007 to more than 14% of GDP in 2021.⁸ The situation created a problematic situation for young people (especially families) during the economic downturn. Despite the Minister for Solidarity Future Simon Maljevac's promise that the government will build around 5000 apartments by 2026 while the government will also strive to establish a long-term sustainable system by the end of the current government's mandate, which will enable the construction of 3000 public apartments per year,⁹ the housing situation in Slovenia remains problematic not least due to the continuous high rate of general inflation.

Finally, there were issues that were mostly a result of external factors or were outside of the control of Slovenian political leadership and social elements. What was originally an energetic crisis due to the high prices of (wholesale) energy products that started in late 2021¹⁰ later became a comprehensive longer-term economic decline due to high prices of food and energy, fueled by the consequences of the Russo-Ukrainian war. In addition, catastrophic floods in winter caused significant economic and humanitarian harm to Slovenian citizens and the state.

All those issues led to the unsatisfactory performance of the 15th Slovenian government in (popular) opinion polling indicating a progressively lower level of support for its work. The government reached the nadir of its falling support in April 2024 when the ratio between the supporters and opponents of the government significantly swung in favor of the latter. The

⁸ Source: "Slovenia Residential Real Estate Market Analysis 2023," Global Property Guide, accessed January 26, 2024, <https://www.globalpropertyguide.com/Europe/Slovenia/Price-History>.

⁹ See N1, "Minister Maljevac: Letos načrtujemo gradnjo približno tisoč stanovanj," N1, February 7, 2023, <https://n1info.si/novice/slovenija/kako-bo-vlada-prevetrila-stanovanjsko-politiko/>.

¹⁰ See e.g. the report from the European Commission at "Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic, and Social Committee, and the Committee of the regions titled Tackling rising energy prices: a toolbox for action and support," EUR-Lex, accessed December 15, 2022, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2021%3A660%3AFIN&qid=1634215984101>.

support later slightly increased¹¹ but the trust in the work of the government has been net negative for quite some time now.

With those issues abound, it is safe to say that the 15th Slovenian government is looking forward to a challenging second part of their term; however, much can be done to prevent further decrease in support and alleviate the unease of the Slovenian population that has just been through a rough period.

The expectations for 2024: the situation regarding the public sector employees and the need for comprehensive social and political reforms

Recently, the situation regarding the Slovenian health sector (which has been problematic for quite some time) has been alarming. In January 2024, the disagreements between the Ministry of Health and the Slovenian syndicate of medical doctors and dentists Fides escalated in response to the stalemate in discussions regarding salary structure and other critical matters.¹²

Among the chief (and relatively rare) successes of the government in 2023 was the elimination of the unpopular and somewhat convoluted supplementary health insurance and its replacement with universal health insurance.¹³ Nevertheless, this has been countered by the inability of the government to curb the issue of excessively long waiting times for medical services and problems on relation government-syndicate which led to the profound worsening of the already problematic condition in the Slovenian health sector.

In late January 2024, due to supposed unresolved issues, general tension, and the lack of progress in negotiations between the syndicate and government regarding future salary structure and perks believed to be consistent with the difficulty of working in the medical profession, the medical doctors went on the strike on the suggestion of their syndicate Fides. According to

¹¹ See e.g. G. K., "Raziskava: Nov padec podpore Golobovi vladi," *MMC Radiotelevizije Slovenija*, April 7, 2023, <https://www.rtvsllo.si/slovenija/raziskava-nov-padec-podpore-golobovi-vladi/664150>; and A. S., "Anketa: Podpora vladi zrasla prvič po štirih mesecih padanja," April 24, 2023, *MMC Radiotelevizije Slovenija*, <https://www.rtvsllo.si/slovenija/preberite-tudi/anketa-podpora-vladi-zrasla-prvic-po-stirih-mesecih-padanja/665928>.

¹² Among others, see A. K. K., T. K. B., "Pogajanja med vlado in Fidesom na mrtvi točki. Boštjančič: "Fides verjame, da lahko izsili svoje." *MMC Radiotelevizije Slovenija*, January 24, 2024, <https://www.rtvsllo.si/zdravje/pogajanja-med-vlado-in-fidesom-na-mrtvi-tocki-bostjancic-fides-verjame-da-lahko-izsili-svoje/696033>.

¹³ See Sarah Neubauer, "Dopolnilnega zdravstvenega zavarovanja ni več. Kako bomo zavarovani odslej?," *N1*, January 3, 2024, <https://n1.info.si/novice/slovenija/dopolnilnega-zdravstvenega-zavarovanja-ni-vec-kako-bomo-zavarovani-odslej/>.

reports, half of the doctors are said to have revoked their consent to do overtime work, further problematizing the already challenging situation regarding the Slovenian health system.¹⁴

In 2024, the condition of the Slovenian health sector is set to remain a critical issue, and the attempts to contain the very dangerous consequences of a potential lack of cohesion and consistent quality in the sector and its organization. It seems that the improvements that tackle the over-complexity and even convolutedness regarding insurance policy, the system of ordering health services, and the people's ability to obtain a personal doctor while striving for greater and more efficient digitization of services is the right way to move forward,¹⁵ but more needs to be done in order to improve the customer service and alleviate some more tenacious and harder-to-solve issues such the long waiting lines and the lack of medical personnel.

As one of the most respected Slovenian medical professionals and a public intellectual Dr Alojz Ihan stated in his recent opinion piece, it is easy to blame doctors for compromising the balance in the public sector by their demands for higher salaries which are already above those of most other public sector workers while the public health system is being faced with multiple challenges; however, there should also not be unreasonable demands for the quality of the services given the current state, and that it is time that politics starts to manage the public health care for the benefit of Slovenian patients and insured persons. At the same time, health care should be infused with long-term investments needed to intensively increase and restructure it according to the needs of patients and make it more, if fully may not be viable at the moment, compatible with the standards of leader European health systems.¹⁶

Negotiations between the syndicate and the government may take some time; time that is always best spent tending to the patience in need of urgent. Despite the issues, it is fair to believe that the Slovenian healthcare system offers quality services even with the problems related to consistency of service provisions and personnel shortages. Above all else, in 2024 the leading concern of the Ministry of Health, and, by large, the government should be in helping to maintain the high standard of Slovenian health services despite its many issues. On the other hand, the government must be careful not to let medical doctors slide outside of the public

¹⁴ Compare STA, "Soglasja za nadurno delo naj bi preklicala polovica zdravnikov," *Delo*, January 30, 2024, <https://www.delo.si/novice/slovenija/fides-bo-preklicala-soglasja-za-nadurno-delo/>.

¹⁵ Consider e.g. the establishment of the all-encompassing medical services portal zVEM: <https://zvem.ezdrav.si/portal/>.

¹⁶ Refer to "Kolumna dr. Alojza Ihana: Zdravniki in place," N1, accessed January 29, 2024, <https://n1info.si/novice/mnenja/kolumna-dr-alojza-ihana-zdravniki-in-place/?fbclid=IwAR358pS3wvVEMdwnFFp3xPThYFt8Q7eDmkgpvrcpWosZD6vktu70-YKAXWA>.

sector salary grading system as that could have devastating consequences for the public sector workers' internal salary balance and state budget as the other groups (such as judges) would likely not be silent about it.¹⁷

Already in January 2024, there have been intensive meetings between the representatives of the government and public sector syndicates, and the reform of the (public sector) wage system and the attempt to eliminate wage disparities are set to be a thematic focus and among the leading concerns of the government in 2024.¹⁸

Another group of public sector employees, educators, will likely also issue their demands (more) aggressively in 2024. It has been a long time since the last comprehensive reform of the education sector in Slovenia, and the students' results appear to be falling in comparison to their international peers. At the same time, salaries of the educators have mostly fallen behind the comparative salaries of medical doctors, and the Education, Science and Culture Trade Union of Slovenia (SVIZ) recently warned that with the proposals of elimination of public sector wage disparities the government preserves, transfers, and even intensifies wage disparities in the purview of the new salary system.¹⁹ If Fides succeeds in ensuring a separate wage subsystem for doctors, that could lead to a chain reaction in other parts of the public sector.

Alongside salary grade system issues, the reform of elementary education will also likely be in focus in 2024. There are still some disagreements regarding the concrete shape of the reform, but it is widely believed that reform should be attentive to the issues of technologization, digitalization, and the concern with artificial intelligence and ecological dimensions in the education process.²⁰

Finally, despite the election of the new management board meant the effective end of that the saga regarding the previous management and their refusal to accept the results of the public referendum in November 2022 according to which the public supported the government's

¹⁷ See e.g. P. P., "Zakaj je za zdravnike ločen plačni steber tako zelo pomemben?," *SioINET*, January 24, 2024, <https://siol.net/novice/slovenija/zakaj-je-za-zdravnike-locen-placni-steber-tako-zelo-pomemben-625273>.

¹⁸ See STA, M. P., "Vlada in javni sektor znova za mizo: pogajanja bi končali do poletja," *24ur.com*, January 24, 2024, <https://www.24ur.com/novice/slovenija/vlada-in-javni-sektor-znova-za-mizo-tocki-pogajani-tudi-dopust-in-regres.html>.

¹⁹ Source: "Sviz v sredo na protestni shod zaradi nestrinjanja z vladnim predlogom pri odpravi plačnih nesorazmerij," STA, accessed January 26, 2024, <https://www.sta.si/3227143/sviz-v-sredo-na-protestni-shod-zaradi-nestrinjanja-z-vladnim-predlogom-pri-odpravi-placnih-nesorazmerij>.

²⁰ See Jure Čepin, Miranda Bratkič, "Damijan Štefanc: Spremembe v osnovni šoli znova brez širšega premisleka," February 1, 2024, *MMC Radiotelevizije Slovenija*, <https://www.rtvlo.si/slovenija/ob-osmih/damijan-stefanc-spremembe-v-osnovni-soli-znova-brez-sirsega-premisleka/696876>.

proposal for a new amendment to the act on the national broadcasting organization that is should to the more fair and less politicized reporting and general conditions at the organization,²¹ the situation regarding the Slovenian National Radio and Television remains precarious as the new management has already been accused of aggressive removal of the elements of the previous regime; while changes in quick succession were expected, a fear remains that the new amendment may also have problematic (political) consequences for the work of the medium.²²

More alarming, still, are the financial concerns of the organization due to which many established emissions may not continue in 2024, and in the long-term, there has been some talk about significant cuts into some of the sections of the program – that may especially hurt more specialized and less generalized, widely popular (cultural) programs.²³

The year 2023 was definitely challenging for the current government, which has been reflected in the dramatic fall of support among the voters; along with the lack of progress on the ambitiously announced reforms, the government was also beset by internal strife such as the issues at the smallest coalition party, the Left which obtained new leadership,²⁴ and the continuous lack of mutual trust among members of the other two coalitional parties.²⁵ To ensure its political survival, the 15th Slovenian government will certainly work on the internal coherence of the government and the common ability to follow up on its political agenda and work toward the successful implementation of the much-needed social and political reforms.

²¹ Among others, see “Rezultati referendumov: volilci potrdili vse tri zakone, tudi kvorumov ni bilo,” N1, accessed January 26, 2024, <https://n1info.si/novice/slovenija/rezultati-referendum-rtv-vlada-dolgotrajna-oskrba/>.

²² See e.g. B. T., Marko Feist, “Na RTV ne gre za čistko, gre za pospravljanje po čistki,” *Delo*, September 27, 2023, <https://www.delo.si/novice/slovenija/na-rtv-ne-gre-za-cistko-gre-za-pospravlanje-po-cistki/>.

²³ Among others, consider the letter sent by the representatives of the academic-culture radio program ARS at the announcement of the supposed »biggest financial cut in the history« of the medium: A. J., “Program Ars opozarja na posledice napovedanega `največjega finančnega reza v zgodovini`,`” *MMC Radiotelevizije Slovenija*, December 15, 2023, <https://www.rtvlo.si/kultura/drugo/program-ars-opozarja-na-posledice-napovedanega-najvecjega-financnega-reza-v-zgodovini/691808>.

²⁴ See e.g. Gregor Cerar, “Slovenija v letu 2023: Poplave, ministrske menjave in strm padec podpore vladi,” *MMC Radiotelevizije Slovenija*, December 27, 2023, <https://www.rtvlo.si/slovenija/slovenija-v-letu-2023-poplave-ministrske-menjave-in-strm-padec-podpore-vladi/692633>.

²⁵ The latter may be seen in the current tension between the Minister of Justice and the leadership of her party, Social Democrats after the controversial investment of the Ministry of Justice in unsuitable building as the potential residence of the judiciary. The new affair showcases that the lack of political quality assurance and the internal issues in the government may continue in 2024. Refer to G. K., A. K. K., “Ministričina analiza nakupa sodne stavbe izpostavlja številne nenavadnosti,” *MMC Radiotelevizije Slovenija*, January 1, 2024, <https://www.rtvlo.si/slovenija/ministricina-analiza-nakupa-sodne-stavbe-izpostavlja-stevilne-nenavadnosti/696938>.

The economic and social recovery in 2023 and 2024

The year 2023 will not be just remembered as the year of political disappointment, but also as the year of recovery after the main strike of the high inflation crisis from 2022 on and further crises due to natural disasters such as the catastrophic floods in August 2023.²⁶

Last year brought significant challenges to the already precarious economic situation. As of January 2024, Slovenian inflation remains high (though lower than in the previous two years) with a 4,2% annual inflation rate which has unfavorable consequences for the Slovenian economy.²⁷ Additional economic issues for Slovenian citizens may also come from gradual deregulation of prices after the main inflation during a slight economic conjuncture. On the other hand, while the recovery efforts after the disastrous floods in August 2024 heavily strained state finances and will continue to use significant amounts of funds from the special-purpose assets of the European Union to restructure and enhance infrastructure, affected housing and flood protection systems,²⁸ the Slovenian economy is nevertheless up for a moderate recovery in 2024. Given recent forecasts, the growth of Slovenian GDP is set to pick up the pace and is expected to accelerate progressively to 2% in 2024 and 2.7% in 2025.²⁹

In January 2024, the Slovenian government established a system of public bonds with the state guarantee of the payment of 3.4% annual interest to secure funds for the state budget and at the same time encourage citizens to participate in the capital investment market.³⁰

The measures such as that may be seen as an attempt to further stimulate the Slovenian economy which has been stalling recently due to several (external) factors; the year 2024 may be seen as the year when the trend turns, and Slovenia starts gradual economic recovery. The latter may be also reflected in a rather ambitious plan of infrastructural improvements and

²⁶ Refer to “Nalivi in obilne padavine od 3. do 6. avgusta 2023: Preliminarno poročilo,” ARSO, accessed January 26, 2024, https://meteo.arso.gov.si/uploads/probase/www/climate/text/sl/weather_events/padavine_3-6avg2023-preliminarno.pdf.

²⁷ Source: “Prices and Inflation,” Statistical Office of the Republic of Slovenia, accessed February 1, 2024, <https://www.stat.si/statWeb/en/Field/Index/2>.

²⁸ Consider inspecting “Ukrepi države za pomoč po poplavih,” Portal GOV.SI, accessed January 26, 2024, <https://www.gov.si/zbirke/projekti-in-programi/ukrepi-drzave-za-pomoc-po-poplavih/>.

²⁹ See “Economic forecast for Slovenia,” European Commission - Economy and Finance, accessed January 26, 2024, https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/slovenia/economic-forecast-slovenia_en.

³⁰ See G. C., “Začenja se vpisovanje ljudskih obveznic, država jamči izplačilo 3,4-odstotnih letnih obresti,” MMC Radiotelevizije Slovenija, February 1, 2024, <https://www.rtvlo.si/gospodarstvo/zacenja-se-vpisovanje-ljudskih-obveznic-drzava-jamci-izplacilo-3-4-odstotnih-letnih-obresti/696866>; or “Začenja se vpis prvih obveznic za državljane,” Portal GOV.SI, accessed February 1, 2024, <https://www.gov.si/novice/2024-02-01-zacenja-se-vpis-prvih-obveznic-za-drzavljane/>.

complex investments set to be realized in 2024 and 2025: in the beginning of 2024, the long-awaited construction of the new train and bus stations in the Slovenian capital Ljubljana finally started,³¹ and there are about establishing a new Slovenian national airline,³² among others.

While 2023 in many respects was not a great year – especially considering the inflation crisis and the natural disaster(s) – it nevertheless showcased the positive acknowledgment of significant social coherence and the ability of cooperate for a greater purpose.³³ Thus, the Slovenian nation celebrated the heroism of specific service members such as firemen who have been critical in mitigating the damage caused by the fury of nature in recent years. The still-less tumultuous – if gradually more tense – political conditions and lesser social unease certainly helped in building up social cohesion. It is the acknowledgment of that that may be the most important foundation of the possible Slovenian political, social, and economic recovery in 2024.

³¹ See Vanja Brkić, “Gradnja Emonike v začetku leta 2024,” *Dnevnik*, December 9, 2023, <https://www.dnevnik.si/1043039024>.

³² Consult “Slovenia aims for national carrier with eleven routes,” EX-YU Aviation News, accessed January 26, 2024, https://www.exyuaviation.com/2023/09/slovenia-aims-for-national-carrier-with.html#google_vignette.

³³ Such as for example during the solidarity day when many Slovenian citizens opted to aid the ones that were affected by the August floods: “14. avgust – dan solidarnosti,” Portal GOV.SI, accessed December 23, 2023, <https://www.gov.si/novice/2023-08-10-14-avgust-dan-solidarnosti/>.

Conclusion

The year 2023 may be seen as a year of particular (especially political) progression for Slovenia – it however marks the slow but clearly visible recovery of Slovenian in many critical fronts after the crises due to the COVID-19 pandemic and the inflation and high prices of food and energy. It looks like the year 2024 might be the year when the general recovery in Slovenian picks up the pace; however, for that it will need a stable political leadership and the successful implementation of at some of the critical reforms that the government announced at the start of the previous year.

If the current government fails to stabilize, the pressure may mount and the moderate political faces – such as the supposedly popular moderate right-wing politician Anže Logar who has just established him and his supporters as a legitimate political option for the future – may be able to capitalize on public discontent in the times when moderation in political activity may be the most reasonable answer for the disappointed public. Therefore, in the year 2024 will certainly need to produce tangible results and follow up on their political agenda in order to avoid heavy political repercussion and help the Slovenian citizens in still somewhat troubling times.