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Outlook and Prospects for the Slovenian Public Sector and Public Institutions under the Slovenian 15th Government

Gašper Pirc















Outlook and Prospects for the Slovenian Public Sector and Public Institutions under the Slovenian 15th Government

Summary

After the year 2023 brought many struggles for the current Slovenian government that encompassed internal issues, lack of clear results, and corresponding fall in public support, it certainly wished for a better start to 2024. However, after just 2 full months into 2024, it is becoming more and more clear that the government will have a lot of work to do to improve its public standing. Firstly, the issues regarding the public sector which has been facing three separate strikes at the beginning of 2024 – the highest profile being the strike of medical doctors and dentists, which is already their longest in history – will need to be dealt with as soon as possible. Secondly, the government will also need to work on improving its internal cohesion. Likely only then, that the support for its work may increase.

Background: the history of the Slovenian healthcare system and its position in the public sector

Ever since its independence in 1991, Slovenian political leadership endured a rather difficult relationship with the public health sector and its syndicate, i.e., Fides. While the supposedly accessible and quality (public) health system has been considered the backbone of the Slovenian social system and at the core of the Slovenian attempts to present itself as socially progressive and dependable, there have existed issues regarding the interpretations of what the features of a (quality) public sector are and how quality and fair health services may be achieved.

The position of the minister of health has proven to be particularly problematic as it has frequently been at the center of disputes and controversies – especially since the turn of the millennium. Since the year 2000, there have been as many as 21 people who took over the position of the minister of health for some duration of time; no minister after Milojka Kolar Celarc who was a Minister of Health from 2014 to September 2018, held the position through the entire 4-year governmental mandate, with some of the remaining in the position for last than a year; during that time frame, the ministry was temporarily held by the prime ministers on three occasions.¹

¹ Source: "Zgodovina Ministrstva za zdravje," Portal GOV.SI, accessed February 26, 2024, https://www.gov.si/drzavni-organi/ministrstva/ministrstva-za-zdravje/o-ministrstvu/zgodovina-ministrstva-za-zdravje/o-ministrstva-za-zdravje/.

While many attempted to fix the glaring issues in the health sector, the attempts were frequently met with opposition, conflicted, or uncomprehensive. Already in the early 1990s, after the independence, the Slovenian healthcare system was faced with severe financial deficits and consequent illiquidity. The overall restructuring of the Slovenian health system as expected in the now-independent, socially conscious, and Western-oriented country began with the adoption of the Act on Health Care and Health Insurance in 1992. The legal reform introduced both compulsory and voluntary health insurance and re-introduced private health services. The law designated the state as responsible for creating a strategy for the development of public health, providing a system of public health services, supervising health services and insurance, training medical personnel, and performing public health tasks. The state also assumed responsibility for the establishment (and ownership) of healthcare facilities at the secondary and tertiary levels, as well as responsibility for financing investments in advanced healthcare equipment and buildings.

The Institute for Health Insurance of Slovenia (ZZZS) was designated the responsible body for the national system of compulsory health insurance (including the establishment of contracts with contractors, pharmacies, and suppliers of medical materials). The choice of personal physicians was set to be a free choice of the individual. Slovenia was and is considered a state with a system of universal healthcare.²

For example, in 2010, Slovenia allocated 9% of its GDP (i.e., EUR 3.2 billion) to health care, which placed it in the bottom quarter of European countries in terms of funding of the health sector as per the share of GDP.³ The level of financing as per the share of GDP remained steadily increased in recent years after the years when it was down due to the financial crisis. In 2021, the share amounted to 9,5% of state GDP.⁴ Even after the progression of the financial crisis, which significantly affected Slovenia between at least 2010 and 2015, expenditures remained high compared to other newer OECD members.

Nevertheless, the worth of public subsidies for the operation of the system has been gradually decreasing since the start global financial crisis. Measures that affected the amount of public funding allocated to health care included reductions in service prices, wage freezes,

² See Tim Albreht, Pribaković Brinovec R., Jošar D., Poldrugovac M., Kostnapfel T., Zaletel M., Panteli D., Maresso A. "Slovenia: Health system review," *Health Systems in Transition* 18, no. 3 (2016):1–207.

³ Source: "Financiranje zdravstvenega varstva v Sloveniji," Medicinska fakulteta, accessed February 26, 2024, https://www.mf.uni-lj.si/application/files/9215/4378/2592/14 Financiranje.pdf.

⁴ Source: "Med epidemijo covida-19 izdatki za zdravstveno varstvo v 2021 za več kot desetino višji kot leto prej," Statistični urad Republike Slovenije, accessed February 26, 2024, https://www.stat.si/statweb/News/Index/11179.

and a greater share of co-payment demands.⁵ It is believed that despite the greater share of GDP that is allocated for the work of the healthcare system, the latter lacks efficiency, and the services are compromised.

Despite many successfully attained smaller reforms and legal amendments the Slovenian healthcare sector remains notoriously difficult to manage due to the strained relations between different actors, the criticality of issues, and the volatility of the conditions; it could be that managing the sector induces significant stress that may have contributed to the series of management changes.

While Milojka Kolar Celarc who led the Ministry of Health between 2014 and 2018 instituted many changes, some of them are believed to already be obsolete, and the comprehensive reform of the Slovenian healthcare system –⁶ along with the apparently much-needed reform of the insurance system – have been among the main issues recognized in the coalitional agenda of the 15th Slovenian government.⁷

While healthcare has been the most visible and discussed part of the Slovenian public services sector, there have been lots of issues with other parts of the sector and public services of national importance in around a year and a half of the 15th Slovenian government, including the issues regarding the national broadcasting organization of Slovenia, the strikes of judges⁸ and the 112 emergency number operators,⁹ and the still un-realized complex restructuration of the public sector paygrade system.¹⁰ The accumulation of the issues brings up the fear that rather than the predicted time of reforms,¹¹ we may be heading for a year of strikes; hopefully, such a scenario can be avoided.

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⁵ See "Slovenija: Zdravstveni profil leta 2017," OECD iLibrary, accessed February 26, 2024, https://read.oecd-ilibrary.org/social-issues-migration-health/slovenija-zdravstveni-profil-leta-2017 9789264285422-sl#page1.

⁶ See e.g. Borut Mekina, "Milojka Kolar Celarc / 'Kaj se bo zgodilo z dobički, ki so jih imele zavarovalnice v času epidemije in neizvajanja zdravstvenih storitev?'," *Mladina*, April 21, 2023, https://www.mladina.si/224159/milojka-kolar-celarc-kaj-se-bo-zgodilo-z-dobicki-ki-so-jih-imele-zavarovalnice-v-casu-epidemije/.

⁷ See e.g. the coalition contract at "Program za delo koalicije," iusinfo.si, accessed February 26,

^{2024,} https://www.iusinfo.si/download/razno/1652697215-KoalicijskaPogodba.pdf.

⁸ See T. H., STA, "V četrtek prva sodniška stavka v zgodovini države," *24ur.com*, January 4, 2024, https://www.24ur.com/novice/slovenija/tozilci-v-cetrtek-za-eno-uro-prekinjajo-delo.html.

⁹ See STA, "Pogajanja z operaterji 112: ministrstvo prepričano, da lahko stavko prekinejo," *N1*, February 29, 2024, https://n1info.si/novice/slovenija/vladni-pogajalci-so-ustvarili-razmere-za-prekinitev-stavke-operaterjev-112/.

To See e.g., Tone Mastnak, "Plačni sistem javnega sektorja v težavah," Delo, February 4, 2023, https://www.delo.si/mnenja/pisma-bralcev/placni-sistem-javnega-sektorja-v-tezavah/.

¹¹ Consult K. M., STA/Katja Kodba, "Golob razkril, na katerih področjih se leta 2023 obetajo velike spremembe," *Siol.NET*, December 30, 2022, https://siol.net/novice/slovenija/golob-ob-novem-letu-leto-2023-boleto-reform-595643.

The longest strike of Fides in its history and what that means for the current government and the Slovenian public sector

At the end of February 2024, the strike of the Slovenian medical doctors and dentists is in its seventh week, making it the longest strike of the health sector in history.¹² The Slovenian Union of medical doctors and dentists (Fides) has been conducting aggressive and heated negotiations with the government that have been largely on the shoulders of the newly appointed Minister of Health Valentina Prevolnik Rupel.

While there have been several strikes led by Fides in the past, they never lasted as long – for example, the strike in 2010 that was seen as critical due to the "dangerous tendencies in Slovenian healthcare" was resolved fairly quickly with the agreement between Fides and the Slovenian government.¹³

While doctors are generally quite respected in Slovene society, the aggressive rhetoric of Fides may by some members of the society be seen as greedy and may have turned them against strikers, and many came to see Fides' goals against the well-being of the large part of Slovenian citizens and the state as such. ¹⁴ Medical personnel contain some of the highest earners in Slovenia and it is believed that Fides is demanding a further increase of three additional salary grades for the "senior" and "older" doctors, or 12 percent higher salary. ¹⁵ Recently, Slovenia ranked sixth in the list of 13 European countries with the highest gross annual salaries, as the average gross salary of a Slovenian general practitioner is almost 55000 EUR per year. ¹⁶

On the other hand, doctors complain that there are critical systemic problems that should have been resolved a long time ago and that there are problematic practices in the Slovenian healthcare system that political leadership so far failed to appropriately address. In particular, overtime work and the overworking of doctors while expecting quality service when there is a general lack of qualified personnel are regarded as pressing problems. A well-respected medical doctor and public intellectual Alojz Ihan recently stated in an opinion piece that it is remarkably easy to blame doctors for compromising the balance in the public sector by their demands for

¹² Source: Miha Plementaš, "Najdaljša zdravniška stavka v zgodovini," *Dnevnik*, February 12, 2024, https://www.dnevnik.si/1043043432.

¹³ Consult Polona Movrin, "Fides potrdil dogovor z vlado," *Zurnal24*, September 10, 2010, https://www.zurnal24.si/slovenija/fides-potrdil-dogovor-z-vlado-94494.

¹⁴ See, e.g., Al. Ma., "Tarča: Zdravniška šahovska partija," *MMC Radiotelevizije Slovenija*, February 29, 2024, https://www.rtvslo.si/zdravje/tarca-zdravniska-sahovska-partija/700022.

¹⁵ Source: Andreja Rednak, "Fides za že zdaj najbolje plačane zdravnike zahteva povišanje plač. Koliko?" *Finance*, January 8, 2024, https://www.finance.si/fides-za-ze-zdaj-najbolje-placane-zdravnike-zahteva-povisanje-plac-koliko/a/9020047.

¹⁶ Source: A. B., STA, "Slovenski zdravniki rekorderji v plačah: ljubljanski s kar 181 tisoč evri bruto na leto," *Metropolitan*, January 16, 2024, https://www.metropolitan.si/novice/slovenija/place-zdravniki/.

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. Among doctors, there seems to be a belief that more long-term investments and strategic planning should be provided for the healthcare sector to be better suited for what it really should be mainly about – addressing the justified expectation and quality treatment of patients.¹⁷

Nevertheless, there has been conspicuously little talk about patient rights and concrete plans on how to provide greater security for the needs of the patients and reduce the overly long waiting lines for medical services. It seems clear by now that the intervention legalization of the previous minister Danijel Bešič Loredan that should tackle the long waiting lines failed, and the ongoing strike will likely make the onset of any attempt to actually tackle such critical issues appear later than it could. On the other hand, the 15th Slovenian government did manage to make significant changes of the (unpopular) insurance system and replaced the theoretically optional, but practically necessary supplementary health insurance with a more complex universal health insurance; it is considered that such an action might be a forerunner of a more complex healthcare reform that was announced some time ago. The focus on improvements that tackle the over-complexity of 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 might be the right orientation of the government in this case, however, some the most pressing current issues of the healthcare sector such eliminating long waiting lines and the lack of medical personnel must be tackled sooner or later.

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¹⁷ Among others, see Al. Ma., "Tarča: Zdravniška šahovska partija," *MMC Radiotelevizije Slovenija*, February 29, 2024, https://www.rtvslo.si/zdravje/tarca-zdravniska-sahovska-partija/700022; and "Kolumna dr. Alojza Ihana: Zdravniki in place," N1, accessed January 29, 2024, https://nlinfo.si/novice/mnenja/kolumna-dr-alojza-ihana-zdravniki-in-place/?fbclid=IwAR358pS3wvVEMdwnFFp3xPThYFt8Q7eDmkgpvrcpWosZD6vktu70-YKAxWA.

¹⁸ See Nina Knavs, "Vsi preobrati mandata Bešiča Loredana," *Dnevnik*, June 14, 2023, https://www.dnevnik.si/1043026033.

¹⁹ 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/.

²⁰ Consider e.g. the establishment of the all-encompassing medical services portal zVEM: https://zvem.ezdrav.si/portal/.

Before that, though, the strike will need to end and some agreement between the Slovenian government and Fides should be reached. On March 1, 2024, a large part – believed to amount to one-fourth of medical doctors in Ljubljana and one-third in Maribor – revoked their consent to do overtime work which added an additional layer of difficulty to both reaching an agreement to end the strike and tend for the patients benefit as good as possible. The government responded with the adoption of a decree that defined the medical services that doctors must provide even during the strike, with the stated goal of protecting people and their basic human rights as set out in the constitution. Doctors and other critics however believe that restricting strikes in this way and effectively ruling by decree is illegal.²¹

Regardless of how the situation unfolds, such a long strike can be damaging to the already problematized Slovenian healthcare system. It also turned the opinion of a large part of the Slovenian population against doctors which might add issues in the future doctor-patient trust and general relationship. On the other hand, if Fides manages to succeed in its demands, that could seriously harm the fragile balance of the Slovenian public sector and its salary structure which has been already at risk due to other events and pressures recently. Among them, there are other parties that are unhappy with the current system such as judges.

Further issues in Slovenian public sector and the low support for the government

Due to several factors including tense conditions in Slovenian politics after relatively unsuccessful political years with a large number of unfulfilled promises, unresolved issues in the Slovenian public sector, and other examples, there have been further strikes that appeared in the Slovenian state and public sector or among the extended arms of government.

Already in November 2023, there was a talk about the possible strike of judges due to the supposed unsatisfactory salaries in the sector and with the attempt to eliminate the salary disparities between judges and other state officials.²²

In January 2024, the tension between the government and representatives of judges escalated and on January 4, 2024, the judges gathered in protest at the Supreme Court, with the state impetus for such action being disrespect for the decision by which the Constitutional Court

²¹ See M. Z., "Vlada določila, katere storitve morajo zdravniki opravljati kljub stavki. Fides: 'To je nezakonito.'," *MMC Radiotelevizije Slovenija*, February 29, 2024, https://www.rtvslo.si/slovenija/vlada-dolocila-katere-storitve-morajo-zdravniki-opravljati-kljub-stavki-fides-to-je-nezakonito/699950.

²² See Peter Lovšin, "Sodniki imajo dovolj, obeta se stavka," *Dnevnik*, November 16, 2024, https://www.dnevnik.si/1043037468.

found that the regulations governing judges' salaries conflict with the constitution. They also recalled that the Constitutional Court ordered the government and the legislature to eliminate the unconstitutionality by January 3, which did not happen. Judges therefore protested the violation of the legal order, calling for respect for the rule of law and the rule of law.²³

The strike of judges, accompanied by disgruntled lawyers, continued in February 2024.²⁴

While the strike has not been yet as unsettling and high profile as the strike of the Fides, it was another instance of an assertive protest against the alleged wage disparities of the group which is otherwise already among the best-paid servants in the public sector. If the government fails to stop the momentum, the situation may escalate in other areas (e.g., education) of the public sector as well – especially where the employees are paid comparably less than their above-mentioned peers.

There is, however, another active strike of the group of people that is usually less discussed and noted yet plays an immensely important role in the Slovenian social system. The strike of the operators of the 112 emergency number, (represented by the trade union of the Slovenian Ministry of Defense), which presents a spot where critical reports including healthcare emergency demands are being processed, has been going on for quite some time in 2024 but may be coming closer to the end. The Secretary of State at the Ministry of Defense Rudi Medved recently indicated that there may be progress regarding the new collective agreement, and the allocations in the public salary grade system are likely to be discussed at the general negotiations. The union of the Ministry of Defense however stated that they will decide on canceling the strike only when the government can justly reform the pay system by September to account for the wage issues of the operators by September 2024 or they will demand separate negotiations with the government.²⁵

All those issues and disagreements point to some deep-seated problems regarding the construction of the Slovenian public sector pay grade system. The aggressive posturing of some of its parts may lead to a chain reaction that could further problematize the situation in the

https://sobotainfo.com/novica/politika-gospodarstvo/sodniska-stavka-se-nadaljuje/227396.

²³ Source: T. H., STA, "V četrtek prva sodniška stavka v zgodovini države," *24ur.com*, January 4, 2024, https://www.<u>24ur.com/novice/slovenija/tozilci-v-cetrtek-za-eno-uro-prekinjajo-delo.html</u>.

²⁴ See STA, "Sodniška stavka se nadaljuje," *sobotainfo.com*, February 7, 2024,

²⁵ Source: STA, "Pogajanja z operaterji 112: ministrstvo prepričano, da lahko stavko prekinejo," *N1*, February 28, 2024, https://n1info.si/novice/slovenija/vladni-pogajalci-so-ustvarili-razmere-za-prekinitev-stavke-operaterjev-112/.

already uneasy structure of the sector of public servants. It is expected that in June, salaries in the public sector will increase due to adjustments in the amount of 80 percent of inflation in the period from December 2022 to December 2023. It is expected that the gross average salary of medical doctors and dentists, who are already at the top of the list of average earnest by profession in the public sector, will increase the most, followed by legislators and judicial officials including judges; official of other state or public bodies will see lesser increase than the aforementioned. Thus, if the government does not act rationally, the new agreements with representatives of particular professions may lead to even greater wage disparities which may also set some other public sector employees – such as educators – in motion. While the public sector has some benefits ahead of the private sector – such as seemingly greater job security and the existence of strong trade unions – the salaries are tied to the state financial structure and could be stymied due to external factors such as the energy crisis. Therefore, sensical distribution of funds is certainly something the current government will need to focus on; especially in light of its recent struggles and the lack of concrete results during the first part of its term.

Given the fact that many of the proposed reforms are still some way off, the 15th Slovenian government will likely need to avoid further negative press as its issues seem to be piling up, which corresponds to the low level of public support for its work. Recently, there was a controversy regarding the actions of the now already former Minister of Justice Dominika Švarc Pipan and her strenuous relationship with her party, the Social Democrats. After Švarc Pipan was accused of negligent managing and objective responsibility for the purchase of an office building in Ljubljana for the needs of the Ministry of Justice and several courts in Ljubljana; however, the purchase was met with criticism, among others, due to the poor state of the building and irregularities in the assessment and measurement of the building. The accusations led to the call for resignation that came from her own party, and which would later spiral into public scrutiny of the party operation.²⁷

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²⁶ Source: Sandra Boršič

²⁷ Among others, see G. C., "Švarc Pipan: V tem trenutku želim čim dlje od aktivne politike," *MMC Radiotelevizije Slovenija*, February 29, 2024, https://www.rtvslo.si/slovenija/svarc-pipan-v-tem-trenutku-zelim-cim-dlje-od-aktivne-politike/699975; or STA, M. R., "Dominika Švarc Pipan se še ne poslavlja od politike, z Robertom Golobom se o sodelovanju ni pogovarjala," *Večer*, February 29, 2024, https://vecer.com/slovenija/dominika-svarc-pipan-se-se-ne-poslavlja-od-politike-z-robertom-golobom-se-o-sodelovanju-ni-pogovarjala-10351410.

That, along with preceding issues, resulted in new lows regarding the support of the government. While the support stagnated through January 2024,²⁸ in February 2024 only 24.9 percent of respondents rated the government's work as successful, while as many as 70 % of them considered the government to be unsuccessful, which is the record low number of unconvinced. The two greatest factors for such low numbers are the above-mentioned internal issues of the coalitional parties and the strikes in the public sector.²⁹ Those are indeed the areas where the immediate and sensible amelioration of the situation on behalf of the government may be most needed right now.

Conclusion

The year 2024 did not start on the best of terms for the already challenged 15th Slovenian government which has progressively seen lower and lower support numbers. However, there is still time to improve the current situation and their historical assessment as more than half of its term – unless unpredictable happens – is still ahead of it. However, some concrete results – especially regarding critical reforms such as the comprehensive reform of healthcare or the stabilization of the situation in the public sector – will need to be achieved as soon as such a prospect becomes realistic, lest the government could in the worst-case scenario even be heading toward the premature end of the term. The relative successes of Slovenian foreign politics such as the seemingly increased Slovenian international standing and the election as a member of the Security Council of the United Nations could be a guiding light for the government's domestic performance.

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²⁸ See R. K., Matic Prevc/STA, "Podpora vladi stagnira," *Siol.NET*, January 15, 2024, https://siol.net/novice/slovenija/podpora-vladi-stagnira-624525.

²⁹ Source: STA, "Podpora vladi in SD strmoglavila," *24ur.com*, February 19, 2024, https://www.24ur.com/novice/slovenija/podpora-vladi-in-sd-strmoglavila.html.