### FONDATION ROBERT SCHUMAN

#### European Elections monitor

# The right-wing running favourite just one month before the general elections in Slovenia

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On 13th July next 1.7 million Slovenians are being called to ballot for early general elections – the second in three years. Prime Minister Alenka Bratusek resigned from her post on 5th May last after having been beaten in the election for the leadership of her party, Positive Slovenia (PS) on 26th April.

According to Slovenian electoral law, the President of the Republic has thirty days to suggest a replacement for the resigning Prime Minister. The parties represented in parliament and even a group of at least ten MPs can also put a candidate forward. Head of State Borut Pahor, who supports early general elections, chose not to put forward a new candidate. "It makes no sense to form a government that cannot act," he declared highlighting the fact that the country needed reform. The political parties and MPs followed suite. On 1st June Borut Pahor announced the organisation of early elections on 13th July. The election has to be organised within two months following the dissolution of parliament and no less than 40 days after the announcement of their date.

#### A never-ending political crisis

In 2011, the government led by Borut Pahor (Social Democrats, SD) was forced to resign which took Slovenia towards early elections. These were held on 11th December and won by Positive Slovenia, a party created by the Mayor of Ljubljana and former head of the supermarket chain Mercator, Zoran Jankovic (PS) and supported by former President of the Republic (1992-2002) Milan Kucan. Zoran Jankovic, put forward for the post of Prime Minister after his party's success was rejected by Parliament. The leader of the Democratic Party (SDS) Janez Jansa was finally made head of the Slovenian government on 10th February 2012.

On 8th January the Slovenian Commission for the Prevention of Corruption published a report accusing the Prime Minister Janez Jansa and Zoran Jankovic of not declaring several hundred thousand euros in income to the tax department (two million as far as the latter was concerned, who was accused of tax fraud and corruption).

Janez Jansa's government was ousted after a vote of no-confidence by MPs on 27th February 2013. On 20th March Alenka Bratusek became the first woman

Prime Minister of Slovenia. In addition to her party the government comprised the Social Democrats (SD), led at the time by Igor Luksic; the Civic List Gregor Virant (LGV) and the Democratic Pensioners' Party (DeSUS) led by Karl Erjavec.

Although he has no power on a national level (his bid for the post of Prime Minister was rejected by parliament in spite of the success of Positive Slovenia in the general elections on 4th December 2011) Zoran Jankovic did not withdraw from political life. He likes to repeat that his return is imminent and reminds everyone what he is owed: he also does not hesitate in intervening in political life. On 7th April last Alenka Bratusek stressed that Positive Slovenia suffered because there were two presidents and due to Zoran Jankovic's interference in the party's decisions.

"We need to implement the economic programme that was adopted during our previous congress," indicated the Mayor of Lubjljana maintaining that he was sorry that the government did not invest enough in major projects. He finally withdrew his support to Alenka Bratusek, who distanced herself from the party's programme under the pressure of her coalition partners whom Jankovic qualifies as being "speculators who interfere too much in Positive Slovenia."

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During her 14 months as head of government the Prime Minister constantly had to fight to maintain the unity of her majority and notably to win the confidence of her party. Hence on 5th April several MPs of Positive Slovenia did not hesitate to run against the party's official line and voted against the Interior and Civil Service Minister Gregor Virant who was suspected of having bought low cost plane tickets from the airline Adria Airways in 2008-2010 in spite of ethical rules he himself had upheld. The latter, who denied this accusation, finally won the confidence of the Drzavni Zbor (National Assembly), the lower chamber of parliament, 39 votes in support, 23 against.

In the autumn of 2013 Zoran Jankovic announced that he wanted to organise a congress for Positive Slovenia. This took place in the spring on 26th April, Alenka Bratusek was ousted: she won 338 votes and Zoran Jankovic 422. "Without the support of my own party I can no longer be head of government because I would no longer stand on an equal footing with the other parties in the government coalition," she then declared. The three other parties in the coalition were against the election of Zoran Jankovic as the leader of Positive Slovenia.

"The time has come to replace the irresponsibility of some individuals by the fair, responsible, coherent politics of others," indicated Ms Bratusek after her meeting with Borut Pahor on 30th April.

The outgoing Prime Minister said she was proud of the work achieved by her government and said that she did not want to give up her position. "It is clear that we should take the path adopted in March 2013 to form a coalition," she declared.

Alenka Bratusek left Positive Slovenia followed by 12 of 27 of the parties MPs as well as the Economy Minister Metod Dragonja and Defence Minister Roman Jakic. On 31st May she founded the Alenka Bratusek Alliance. "The early elections are a fact and it would be fair for the citizens to decide who should hold the country's fate in their hands over the next four years," she said as the President of the Republic announced the organisation of the election.

Just one month before the general elections the

Democratic Party is running favourite in the election in spite of the conviction on 5th June 2013 of its leader, Janez Jansa, to two years in prison for corruption. The former Prime Minister (2004-2008 and 2012-2013) was found guilty of having received 900,000€ in bribes from Austrian businessman Walter Wolf in support of his party on the purchase of 135 armoured vehicles by the Defence Ministry in 2006 (he was Prime Minister at the time) for a total of 278 million € from manufacturer Patria – a company owned by the Finnish State to a total of 73%. This deal that was made obligatory by Slovenia's entry into NATO in 2004, was the biggest military contract ever signed by Ljubljana. Janez Jansa's conviction was upheld by the High Court of Slovenia on 28th April 2014.

The Democratic Party easily won the European elections that took place in Slovenia on 25th May last, taking 24.88% of the vote and 3 seats. The coalition rallying New Slovenia and the People's Party (NSi-SLS) won 16.56% and two seats. Verjamem (I believe), a party founded by Igor Soltes, former President of the Court of Auditors came third with 10.46% of the vote and one seat ahead of the Democratic Pensioners' Party (8.14%, 1 seat), the Social Democrats (8.02%, 1 seat) and Positive Slovenia (6.61%). The leader of the Social Democrats Igor Luksic resigned after the election. Turnout was very low and totalled 20.96%.

The Slovenian political scene suffers severe fragmentation, notably on the left. Apart from the Alenka Bratusek Alliance, five parties have recently been created, with the positioning of some not being yet well defined. These are Verjamem; Solidarity, allying three groups which were involved in the 2012 demonstrations against the government and the austerity policy led by Uros Lubej, Marina Tavcar Krajnc and Damjan Mandelc; Concret, a centrist party created by MP Jelko Kacin, former Defence Minister (1994-1997) and former leader of the Liberal Democrats (LDS); the Miro Cerar Party, a teacher of law at the University of Ljubljana, and finally the United Left which rallies the Democratic Labour Party (DSD), the Sustainable Development Party (TRS) and the Initiative for a Democratic Socialism (IDS). The Social Democrats and DeSUS have chosen to stand

together on 13th July under the Social Democratic Bloc for All Generations. Karl Erjavec, the DeSUS leader stressed that the two parties share the same views on many issues and that they believe that the protection of pension rights and that of the health and education systems were a priority. He said that the alliance had been made possible by the resignation of Igor Luksic, deemed too radical by Karl Erjavec, and the election of his replacement, Dejan Zidan, as head of the Social Democrats at the beginning of June. The two parties are continuing discussions with Solidarity and I believe with whom they hope to strengthen left-wing unity in order to prevent the dispersal of votes which would be detrimental to the left and possibly prove fatal to the Social Democrats.

On the right New Slovenia and the People's Party are also standing together for the population's vote.

#### An economy on the path to improvement

"Slovenia is on the right path," stressed Alenka Bratusek on 5th May, when she resigned. Indeed she can be pleased at having succeeded in reversing the downturn in the economy. In December 2013 after her first year as head of government Ljubljana had managed to recapitalise its three main banking establishments (NLB, NKBM and Abanka) which had been riddled with toxic debts (to a total of 7 billion € according to the IMF, i.e. 20% of the GDP) which was a danger to government finance. This recapitalisation enabled Slovenia to avoid turning to international financial aid.

Ljubljana has reformed retirement pensions and the labour market. It has increased taxes including VAT and tried to introduce a new property tax, which was cancelled however by the Constitutional Court.

In 2013, the Slovenian GDP contracted by 1.1% i.e. less than forecast. Growth is due to reach 0.5% this year as in 2015 according to the ratings agency Fitch, which on 2nd May, raised the country's debt rating (BBB+) from negative to stable. The agency lauded Alenka Bratusek's government action in support of the stabilisation of the banks and stressed that external imbalances had been reduced over the last few months. Inflation rose to 0.4% in April and unemployment lay at 10.1% in 2013, which is lower than the EU average (10.8%). The minimum salary is 789,15 €, which

matches the EU average. The government debt has increased however and now lies at nearly 80% of the GDP; the budgetary deficit is also up and totals nearly 1 billion  $\in$ .

The Slovenian economy is in better health but reform has to continue. The government is due to privatise several businesses. "Slovenia must increase productivity and competitiveness and maintain the level of the Welfare State by assessing our fiscal position," declared Alenka Bratusek, who is extremely proud of having avoided an international bail-out. The price of improving economic results has been high however for a share of the population which is suffering from the cuts in government spending.

Slovenia was top of the class in terms of the countries which entered the EU on May 1st 2004 but over the last few years it has suffered a strong wave of popular discontent due on the one hand to the socio-economic measures (freezing of civil servants' salaries and retirement pensions) taken by the various governments to revive growth after the international economic crisis and on the other by the financial scandals in which some politicians have been involved. "The political class in office for the last twenty years has now been totally discredited. 40% of the economy is still led by the State. With each change politicians simply place those close to them at the head of the major groups," indicates Damjan Mandelc, a teacher of sociology at the University of Ljubljana.

In November 2012, many demonstrations were organised in the former workers' bastion of Maribor, against the privatisation of the speeding fine collection system. Mayor Franc Kangler (People's Party, SLS) was forced to resign in December 2012. He was replaced on 18th March 2013 by Andrej Fistravec. At present political instability is weakening Slovenia.

#### **The Slovenian Political System**

Slovenia has a bicameral parliament. The Drzavni Zbor (lower chamber, National Assembly) comprises 90 members, all elected for a 4 year period by proportional representation. The Constitution guarantees a seat to each of the Italian and Hungarian minorities. The Drzavni Svet (upper chamber, National Council) is elected for 5 years by indirect suffrage and comprises 40 members: 18 representatives of the professional and

socio-economic sectors (4 for the employers, 4 for the employees, 4 for the farmers, SME's and independent workers and 6 for non-profit making organisations) and 22 members representing local interests. The role of the Drzavni Svet is consultative.

In the general elections Slovenia is divided into 8 electoral units – which are then divided into 11 single list constituencies which elect 88 MPs. The representatives of the Hungarian and Italian minorities are elected in two specific constituencies.

Candidate lists have to win the support of three MPs, who are members of the party on the list and 50 voters or the support of 100 voters in the same constituency (for lists of candidates submitted by the parties) and finally 30 voters as far as the Hungarian and Italian communities are concerned. The elections are proportional and voting is preferential (the voter can show his preferences by ranking the candidates in the list). Finally political parties have to put forward at least 35% of women to stand as candidates. Lists which only have three names must include at least one woman and one man.

The parties have to win at least 4% of the vote to be represented in the *Drzavni Zbor*. The first distribution of seats is made on a constituency level using the Droop quota system (number of votes cast in the constituency, all lists together, divided by the number of MPs elected in the constituency +1). The remaining seats are divided nationally according to the d'Hondt

method and MPs are then chosen from lists with the highest remainder.

7 political parties are represented in the National Assembly at present:

- Positive Slovenia (LZP-PS), a liberal left-wing party founded by Zoran Jankovic in 2011 and former outgoing Prime Minister Alenka Bratusek, 28 MPs;
- Democratic Party (SDS), a liberal party created in 1989 and led by former Head of Government (2004-2008 and 2012-2013), Janez Jansa, 26 seats;
- Social Democrats (SD) founded in 1993, lying to the left, formed by the former Communist Party (PCS), led by former outgoing Agriculture and Environment Minister (2013-2014), Dejan Zidan who replaced Igor Luksic, the party's only representative in the European elections on 25th May last members of the outgoing government coalition, with 10 seats;
- Civic List Gregor Virant (LGV), liberal party created in 2011 by the outgoing Interior and Civil Service Minister Gregor Virant, member of the outgoing government – 8 seats;
- Democratic Pensioiners' Party (DeSUS), founded in 1991 and chaired since 2005 by outgoing Foreign Minister Karl Erjavec and member of the outgoing government coalition - 6 seats;
- -People's Party (SLS), a conservative party created in 1988 and led by Franc Bogovic, 6 seats;
- New Slovenia-People's Christian Party (NSi-SKD), party founded in 2000 and led by Ljudmila Novak, - 4 seats.

#### Reminder of general elections results of 4th December 2011 in Slovenia

Turnout: 65.6%

Political Parties	No. of votes won	% of votes won	No. of seats won
Zoran Jankovic List- Positive Slovenia (LZP-PS)	314 273	28.51	28
Democratic Party (SDS)	288 719	26.19	26
Social Democrats (SD)	115 952	10.52	10
Civic List Gregor Virant (LGV)	92 282	8.37	8
Democratic Pensioners' Party (DeSUS)	76 853	6.97	6
People's Party (SLS)	75 311	6.83	6
New Slovenia-People's Christian Party (NSi-KLS)	53 758	4.88	4
Hungarian and Italian Minorities	4 534		2
Others	85 108	7.66	0

Source: Electoral Commission http://www.dvk-rs.si/index.php/si/arhiv-drzavni-zbor-rs/leto-2011-predcasne-volitve

The President of the Republic is appointed by direct universal suffrage every five years. Borut Pahor (SD) was elected on 2nd December 2012 with 67.44% of the vote beating outgoing head of State Danilo Türk, who won 32.56% of the vote. Turnout was the lowest ever since the country's independence in 1991: 41.95% (48.24% during the first round on 11th November).

According to the polls the main opposition party,

the Democratic Party is due to win the election on 13th July, followed by the Social Democrats, DeSUS and New Slovenia. Zoran Jankovic's party, Positive Slovenia is forecast to lag behind in last position. It remains that it is difficult however for pollsters to anticipate the result obtained by political parties that have recently been created. The electoral campaign officially started on 13th June.

## In Slovenia the new party, Miro Cerar (SMC) wins the general election

The new party led by Miro Cerar (SMC) founded on 2nd June last easily pulled ahead in the general elections organised on 13th July in Slovenia. This election was the second in three years to be convened early in the wake of the resignation on 5th May last of Prime Minister Alenka Bratusek (Alenka Bratusek Alliance, but Positive Slovenia at the time (PS)). The SMC which was formed by a professor of law at the University of Ljubljana, Miro Cerar, won 34.61% of the vote and took 36 of the 90 seats in the Drzavni Zbor (National Assembly), the lower chamber of parliament. The Democratic Party (SDS) of former head of government (2004-2008 and 2012-2013) Janez Jansa, who is in prison at present, came second with 20.69% of the vote and 21 seats (-5 in comparison with the previous elections on 4th December 2011). In prison since 20th June in the town of Dob near Ljubljana after his conviction for corruption, the SDS leader complained of not being able to vote after the rejection of his request for exceptional leave from prison and criticised the elections as being "unfair". It should be noted that he forgot to enrol to vote within the time limit to make a postal vote. The Democratic Pensioners' Party (DeSUS) led by outgoing Foreign Minister Karl Erjavec won 10.21% of the vote and 10 seats (+4). He came out ahead of the United Left (ZL), the Democratic Labour Party (DSD), the Sustainable Development Party (TRS) and the Initiative for Democratic Socialism (IDS) which took fifth place with 5.97 % of the vote (6 seats). The Social Democrats (SD) led by Dejan Zidan followed close behind with 5.95% of the vote and 6 seats (-4). Finally New Slovenia-Christian Democrats (NSi) led by Ljudmila Novak won 5.53% of the vote (5 seats) and the Alenka Bratusek Alliance (ZAB) 4.34% of the vote and four seats.

Turnout was not very high, undoubtedly due to the date of the election. Indeed many Slovenians have already left for their holidays. Half of those registered turned out to vote (50.99%) i.e. -14.61 points in comparison with the previous elections on 4th December 2011.

"It is a good result. It shows that people have chosen commitment to an alternative political culture which does not divide. I am happy that voters have realised that Slovenia needs change, that it needs to change its political culture. It is this type of culture that our party can provide. We do not want the politics of division,"

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Results

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declared Miro Cerar when the results were announced. The academic, who led a campaign focused on a return to moral behaviour in politics, undeniably benefited from the Slovenian population's disgust with their political class.

On 5th June 2013 former Prime Minister Janez Jansa was sentenced to two years in prison after being found guilty of having received a bribe of around 900,000€

from Austrian businessman Walter Wolf, in support of his party during the purchase in 2006 (he was Prime Minister at the time) of 135 armoured vehicles by the Defence Ministry for a total of 278 million € from the arms manufacturer Patria. Moreover the Mayor of Ljubljana and leader of Positive Slovenia (PS) Zoran Jankovic, is suspected of having failed to declare several thousand euro in income tax to the authorities.

#### General Election results of 13th July 2014 in Slovenia

Turnout: 50.99%

Political Parties	No of votes won	% of votes won	No of seats won
Miro Cerar Party (SMC)	298 342	34.61	36
Democratic Party (SDS)	178 294	20.69	21
Democratic Pensioners' Party (DeSUS)	88 026	10.21	10
United Left (ZL)	51 490	5.97	6
Social Democrats (SD)	51 300	5.95	6
New Slovenia-Christian Democrats (NSi)	47 701	5.53	5
Alenka Bratusek Alliance (ZAB)	37 375	4.34	4
Hungarian and Italian Minorities			2
Others	121 002	12.70	0

 $Source: Slovenian\ Electoral\ Commission\ http://volitve.gov.si/dz 2014/index.html$ 

Miro Cerar is criticised for having neither experience nor a programme. Author of the first Slovenian Constitution after independence in 1991 he says that he wants to strengthen the rule of law and counter corruption more effectively and "eliminate the ideological gulf between left and right". The SMC is formed by academics, business people and public personalities.

Mr Cerar maintained during his electoral campaign that he would respect European criteria and work towards reducing Slovenia's budgetary deficit to bring it under the 3% required by the Stability and Growth Pact. He said he favoured privatisations, which he is making his priority, deeming however that some strategic business sectors must remain under State control. Hence he is against the privatisation of the telecoms operator Telekom Slovenije and that of the international airport in Ljubljana. We should note that more than half of the Slovenian economy still lies in the hands of the State. Miro Cerar wants to improve Slovenia's competitiveness and to do this he has announced that the labour market will be reformed.

Aged 51, the winner of the general elections is better known because of his parents. Miroslav Cerar, his father, won two gold medals at the 1964 Olympic Games for gymnastics (parallel bars and the pommel horse) and his mother Zdenka, a member of the Democratic Libe-

ral Party, (LDS), which governed Slovenia from 1992 to 2004, was Slovenia's Prosecutor General and Slovenian Justice Minister (20th April-3rd December 2004). An academic and expert in constitutional law, Miro Cerar has been a parliamentary advisor for many years. After Janez Jansa's resignation following a vote of no confidence by MPs on 27th February 2013 he was in line to lead government for a time, a position that finally went to Alenka Bratusek.

Miro Cerar, who has ruled out governing with the Democratic Party, will, in all likelihood, form the next government with the Social Democrats and the Democratic Pensioners' Party - unless he chooses to open up his majority by forming an alliance with an additional party.

Many analysts doubt that the elections on 13th July will bring stability back to the country which is in both political and economic crisis. Some even forecast a further election within a year. "It is not a question of who will win but who has a plan for the terrible autumn that awaits Slovenia," read the columns in the Slovenian daily newspaper Delo on the eve of the elections. Indeed the country has still not recovered from the economic crisis it has been suffering since 2009. Although it seems to be recovering many, sometimes painful reforms for part of the population, still have to be undertaken.

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