

INEQUALITIES IN SLOVENIA

THE LOW LEVEL OF TRUST IN PUBLIC
INSTITUTIONS CAN FUEL POPULISM AND
SOCIAL EXCLUSION THREATENS CIVIC LIFE
AND SIGNIFICANT GAINS TO REDUCE
INEQUALITIES

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EXECUTIVE SUMMARY

Income and wealth

Slovenia has one of the lowest income inequalities in the EU. The 2018 Global SDG Index¹ has ranked Slovenia 8th and awarded 100,00 points for SDG10. The CIVICUS civic space tracker² puts Slovenia in the 'open' category for civic space. Slovenia is ranked 11th in the World Economic Forum Gender Equality Index.³ Slovenia has a track record of strong income redistribution through taxation and significant social transfers⁴ which support women, older persons, minorities and marginalized people.

However, in 2017, 17.1% of population was at risk of social exclusion - some 345,000 out of two million; 286,000 (13.3%) were at risk of poverty; and 4.6 % were facing severe material deprivation.⁵ Among the 268,000⁶ persons below the at-risk-of-poverty threshold, 78,000 were retired (15.9% of all retired persons - 54,000 women and 23,000 men); 56,000 were persons in employment (6.6% of all employed persons); and 51,000 were unemployed (41.8% of all unemployed persons); 49,000 were children (12.8% of all children); and 34,000 were 'other persons'.⁷ In 2016 a quarter of the population had housing problems. Those being left behind are people aged 55+ years, younger people up to 30, migrant workers and members of the Roma community.⁸

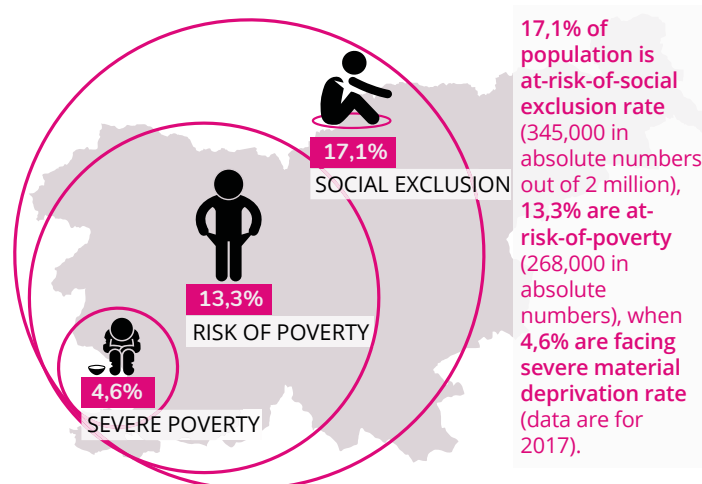
The income share of the 1% with the highest incomes increased from 3.3% in 2005 to 3.7% in 2016. Although this growth rate is lower than the EU average (5.0%), it is nevertheless one of the fastest in the EU.

Gender

The WEF⁹ Gender Gap Report ranks Slovenia 15th in economic participation and opportunity; 29th in educational attainment; and 22nd in political

empowerment. The 2017 European Gender Equality Index¹⁰ ranked Slovenia 10th overall in the EU¹¹ and 13th for health.¹² The biggest improvement relates to power: women's membership on the board of the Central Bank makes Slovenia's score for economic power the second highest in the EU (due to the changes in the Board this will be lower for 2019). Gender equality ratings have also improved in relation to earnings and income. However, the demands made on women in relation to care mean that Slovenia's scores in the domains of work and time have not improved, although Slovenia still scores the fourth highest in the EU for this subdomain. Access to knowledge is a major challenge with Slovenia ranking 25th in the European Union.¹³

SOCIAL EXCLUSION AND POVERTY IN SLOVENIA



Source: <https://www.stat.si/StatWeb/en/News/Index/7464>

Environment

Urban areas are increasingly polluted, owing to greater use of private cars, neglected public transport and high energy prices which have led to increasing use of wood, which accounts for 57% of energy used for space heating in households.¹⁴ Particle emissions from industry and diesel-fuelled vehicles are rising, with particulate matter concentrations highest in poorly ventilated low-lying areas, where even relatively low emissions can cause excessive pollution. Average annual PM10 and PM2.5 concentrations are significantly higher than the EU average.¹⁵

International Cooperation

In 2017 Slovenian ODA was €68.05 million (0.16% of GNI), a decrease from 0.19% in 2016. ODA increased for 2,9% in 2018, reaching ca. €70 million. 12% of bilateral ODA financed costs of undergraduate students from Western Balkan countries, but there is no monitoring process to assess their progress and the contribution they subsequently make to their countries of origin. Slovenia's Third Biennial report on UN Climate Change in 2018 shows an increase of 26% in climate finance between 2015 and 2016, but NGOs say that this figure is inflated by double counting resulting from unclear international reporting guidelines.

Structural causes of inequalities

Despite the positive picture described above, Slovenia is not making sufficient progress. Slovenia does not have a clear development strategy, and this affects political decision-making, with too many competing policy priorities without clear allocation of financial and human resources. Consequently, public administration is over-stretched and this negatively affects administrative efficiency and public confidence in institutions.

Public perception of corruption is one of the highest in the EU.¹⁶ Several high profile cases of corruption without satisfactory judicial resolution have increased resentment and radicalisation, and undermined belief in institutions and civic engagement in political and social processes. To maintain progress on inequality Slovenia will need to regain public confidence and strengthen policies for redistribution. This means minimising tax avoidance; strengthening taxation and social transfers; making progress on gender mainstreaming across all policy fields; and increasing investment to tackle energy poverty.¹⁷

Recommendations

- Improve effectiveness of the administration through monitoring and accountability.
- Reinforce efforts to reduce poverty and income inequalities, through taxation, closure of tax loopholes, raising minimum income levels and ensuring compliance with decent work standards.
- Use of gender quotas to ensure 50/50 representation.
- Invest in energy efficiency, targeting those in energy poverty.
- Increase ODA to 0.33 % and ensure 50% of this is invested in reducing poverty and upholding human rights.
- Strengthen support to NGOs working in development cooperation and ensure safeguards and guidelines for including the private sector in international cooperation and strengthening its contribution to poverty reduction.
- Monitor and assist foreign students to help them contribute to their countries of origin.

REPUBLIC OF SLOVENIA

GENERAL INFORMATION

	Measured in:	Date or period of data:
Area	20,273 km ²	2019
Population	2,066,880 number	12.31.2017
Population growth	-0.01 %	2017
Population density	101.9 number/km ²	12.31.2017
Population of City Community Ljubljana	289,518 number	12.31.2017
Origin of value added:		2017
Agriculture	1.8 %	
Industry	23.9 %	
Construction	4.8 %	
Services	69.5 %	
Total	100.0 %	
GDP real annual change	4.5 %	2018
GDP real change	4.1 %	Oct. - Dec. 2018
Nominal GDP	43,278 mio EUR	2017
GDP per capita	20,815 EUR	2017
Industrial production annual change	5.8 %	January, 2019
Total employment annual change	3.1 %	January, 2019
Unemployment rate (ILO definition)	4.4 %	Oct. - Dec. 2018
Annual inflation rate	1.2 %	February, 2019
General government:		
revenue	43.1 % GDP	2017
surplus/deficit	0.0 % GDP	2017
debt	73.6 % GDP	12.31.2017
BOP current account	3,375 mio EUR	2018
Trade balance	1,224 mio EUR	2018
Gross foreign debt	43,658 mio EUR	01.31.2019
Net foreign debt	5,913 mio EUR	01.31.2019

Source: Bank of Slovenia Monthly Bulletin, March 2019, Ljubljana

INTRODUCTION

On the surface Slovenia looks like a nice place to be, to live in, and Slovenians must be considered lucky people inhabiting – from a biodiversity and natural preservation point of view – a nice spot on Earth. The 2018 Global SDG Index¹⁸ ranked Slovenia on 8th place, just after countries like Sweden, Denmark, Finland, Germany, France, Norway and Switzerland – and even before Austria. It feels good, to find out that the writers of the SDG Global Index report gave Slovenia a score of 100,0 points for the SDG10 level of implementation. Additional support for feeling good is a Gender Equality Index,¹⁹ prepared by and for World Economic Forum; Slovenia is being ranked 11th! And being located in the region that is facing many challenges in the field of renewed populism the next good news comes from CIVICUS²⁰ live civic space tracker: Slovenia is still considered having open civic space, when neighbouring countries like Italy, Croatia and Austria are labelled with narrowed and Hungary with obstructed civic space.

However, those indicators are also a little bit tricky from methodological point of view. Global SDG Index is considering three indicators for evaluating SDG10 per country: Gini Coefficient adjusted for top income, Palma ratio and Elderly Poverty Rate. When we look behind the curtains of the WEFs Gender Equality Index, we see that Slovenia is ranked 15th regarding economic participation and opportunity subindex, 29th regarding educational attainment subindex and 22nd regarding political empowerment subindex. Fourth subindex, regarding health and survival, where the global gender gap is the smallest, Slovenia shares 1st rank with many other countries. And concerning the CIVICUS open civic space label it is also true that CSOs are facing high

dependency on public funding, that has some impact on their engagement in watchdog and advocacy actions that shall fill the “open space”.

In the past decades there were many campaigns, supported by various government bodies, addressing different social groups, considered excluded or stigmatized – drug addicts, women exposed to violence, members of the Roma communities, LGBTQI+,... All of them were adding to higher level of inclusiveness in the society, focusing on exclusion and maintaining the hegemonic local discourse of Slovenia as a ‘success story’, ‘best pupil’ among transition countries. However, on the other hand, financial and economic crisis in 2008 was hitting Slovenia very hard. In words of one of the economists: “The decline could hardly be more dramatic. From 7 % economic growth in 2007 to a 7.8 % decline in 2009. From 22 % public debt as a percentage of GDP in 2007 to 52% of GDP in 2012. In only a few years Slovenia made a ‘progress’ from the best pupil in the class to a country on the verge of bankruptcy. What went wrong?”²¹

Suffering under austerity measures introduced by the government, facing violent protests in the streets and political instability, Slovenia started to discover its own picture of exclusion, poverty and inequality. Although it would be extremely interesting how that process happened, in summary, that critique started to uncover the reality of growing long-term poverty and its depth, tracing causes from before the financial crisis in 2008. Comparative analysis started to show that the ‘best pupil’ among transition countries is in reality the worst when considering many key socio-economic indicators.²²

In 2017, Slovenia adopted a new national development strategy (Strategija razvoja Slovenije),²³ that was closely linked to the Agenda 2030, being considered as the national implementation strategy also for the Agenda 2030. It has made a clear connection between national development goals and sustainable development goals. In particular, SDG10 is being connected to two different goals (goal 1 on healthy and active life, and goal 3 on providing decent life for all).

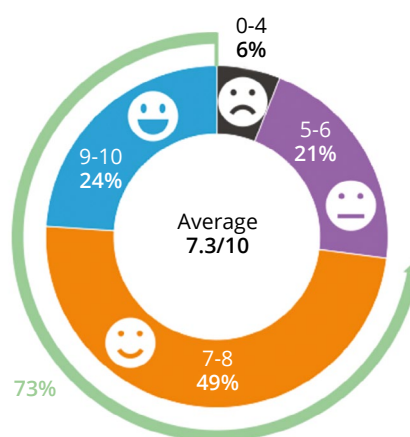
Governmental Institute for macroeconomic analysis and development (IMAD) is publishing annual Development Report as the key document for monitoring the implementation of the Slovenian Development Strategy (SDS). The last Development report, published in June 2018, is presenting the baselines for monitoring, bringing a series of thirty performance indicators – for which the SDS set target values for 2030 – and complemented by indicators that provide a detailed overview of progress in individual areas.

In the following chapters we will present some indicators, showing the current situation regarding elements of inequality in Slovenia.

However, before doing that, according to national statistics people in Slovenia are “generally satisfied with their lives, even more with personal

relationships”.²⁴ According to national Statistical Office (SURS) “24% of people assessed their life taken as a whole with the highest assessment from 9 to 10, which is 2 percentage points more than in 2017. Compared to 2017 an average assessment of overall life satisfaction was also better; it increased from 7.2 to 7.3. The share of people who assessed their overall life satisfaction with the lowest assessment (from 0 to 4) was the same as in the previous year (6%).”

Figure 1:
Overall life satisfaction, Slovenia, 2018



SURS is also providing general statistical data regarding basic income, poverty and social exclusion in Slovenia, as presented in the Table 1 below.

Table 1:
Basic income, poverty and social exclusion indicators for Slovenia²⁵

	2016	2017
Mean annual disposable income per household (EUR)	21,555	22,256
Mean annual disposable income per household member (EUR)	8,732	8,990
Mean annual equivalised disposable income per household member (EUR)	13,193	13,585
Annual at-risk-of-poverty threshold for a one-member household (EUR)	7,396	7,628
At-risk-of-poverty or social exclusion rate (% of persons)	18.4	17.1
At-risk-of-poverty rate (% of persons)	13.9	13.3
Severe material deprivation rate - for 4 out of 9 deprivation items (% of pers.)	5.4	4.6
Very low work intensity rate, age 0–59 (% of persons)	7.4	6.2
At-risk-of-poverty rate before social transfers excluding pensions (% of persons)	24.3	24.0
At-risk-of-poverty rate before social transfers including pensions (% of persons)	41.2	41.5
Inequality of income distribution: S80/S20 quintile share ratio	3.6	3.4
Inequality of income distribution: Gini coefficient (%)	24.4	23.7

Source: SURS

INEQUALITY IN SLOVENIA

In 2017 and 2018 Slovenia continued to reduce slightly its economic development gap regarding the EU average for the three years in row since 2008. In 2008 GDP per capita in PPS in Slovenia reached 90% of the EU average, however due to financial and economic crisis it fell considerably, reaching 82% in 2012. That fall can be observed also on the level of employment rates. Although not so much present in the media during the crisis, Slovenia was 7th of the Member States to diverge most from the EU average since 2008. According to data on GDP, Malta and Czech Republic have overtaken Slovenia in this period.

Figure 2:
GDP per capita (EUR, at current prices and at current exchange rate)

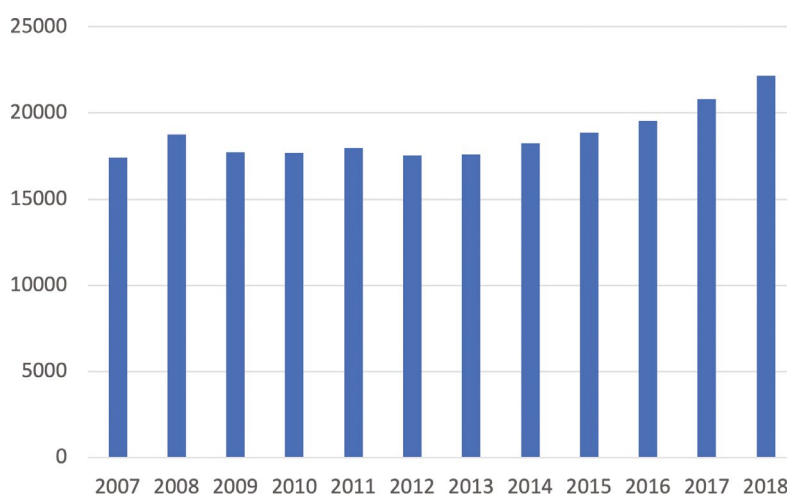


Table 2:
GDP per capita (EUR, at current prices and at current exchange rate)

GDP	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Per capita (EUR*)	17412	18769	17714	17694	17973	17540	17596	18238	18836	19547	20815	22182

*at current prices and at current exchange rate

Source: SURS

However this data shall be also matched with the data of national indebtedness – According to latest data published, the consolidated government debt in 2018 amounted to EUR 32,320 million or 70.1% of GDP, which is 3.9 percentage points less than in 2017. However, in nominal terms, debt increased by EUR 371 million or 1.2%.

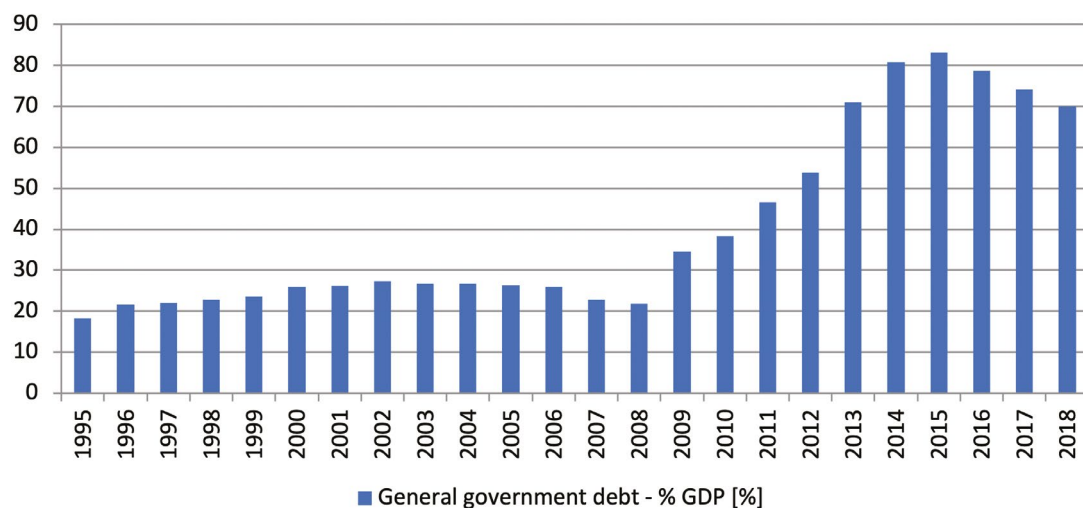
Table 3:
Debt at the end of the year in mio EUR and % of GDP, Slovenia

	2015	2016	2017	2018
	mio. EUR			
Debt at the end of the year	32,087	31,753	31,859	32,230
	% of GDP			
Debt at the end of the year	82.6	78.7	74.1	70.1

Source: SURS

On the other side, such a high indebtedness is quite young phenomena for Slovenia. In the figure below, the financial crisis together with introduction of Euro had a huge impact on the level of the debt.

Figure 3:
General government debt in % of GDP, Slovenia



A. Groups left behind

“Groups” that we might characterize as being left behind in Slovenia are older people (over 55) and younger people (until 30), migrant workers and parts of Roma community. The table below is presenting a short overview of with percentages of people below the at-risk-of-poverty threshold in Slovenia according to work intensity of the household, by household type, by most frequent activity status in the year prior to the survey, by age and gender, by accommodation tenure status and by educational attainment level.

Table 4
% of people below the at-risk-of-poverty threshold in Slovenia

	2016	2017
% of people below the at-risk-of-poverty threshold		
By work intensity of the household		
households without working members, with dependent children	73.2	70.5
households without working members, without dependent children	35.2	34.9
households with partially (<0.5) working adults, with dependent children	45.4	35.5
By household type		
one-member households	35.8	37.1
single-parent households	25.2	30,0
By most frequent activity status in the year prior to the survey (age 18+)		
self-employed	22.9	26.6
unemployed	44.8	41.8
retired women	20.1	19.5
other inactive persons (homemakers, students, unable to work...)	21,0	18.9
By age and gender		
women aged 60 or more	20.8	19.5
By accommodation tenure status		
tenants	36.1	32.9
By educational attainment level (age 18+)		
persons with basic education or less	30.1	27.2

Source: SURS

B. Income inequality

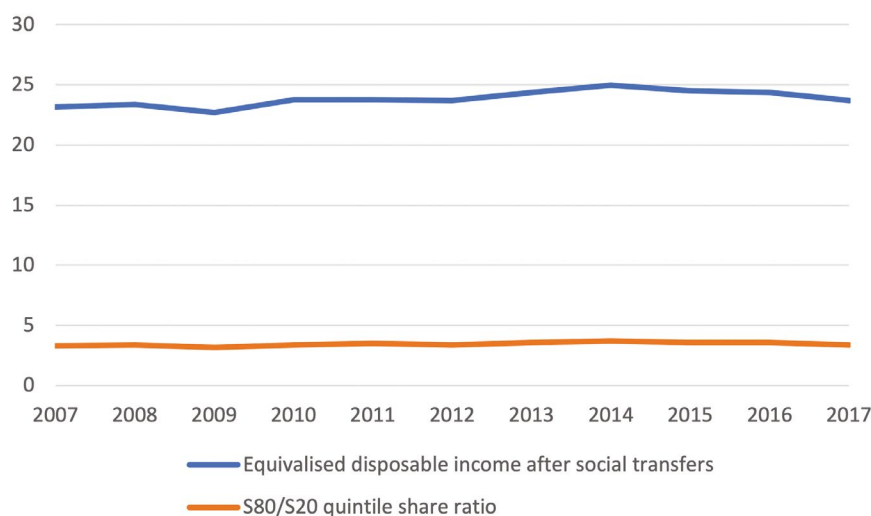
According to Institute for macroeconomic analysis and development (IMAD) income inequalities in Slovenia are low; “in 2016 they were among the lowest in the EU. In 2016 they were slightly higher than in 2008, similarly to the EU as a whole, where the largest increase was recorded for Bulgaria. As in other countries, the share of income of the 1% of equivalent household members with the highest incomes is rising at a rapid pace (from 3.3% in 2005 to 3.7% in 2016). Though it is still lower than the EU average (5.0%), its growth is now one of the fastest among EU Member States.”²⁶ Income inequalities in Slovenia are staying low also in 2017. However, as we will show below, the distribution of living costs is being distributed much more unequally, especially for the households in the first quintile.

Table 5
Inequalities of equivalised disposable income distribution,
quintile share ratio S80/S20, in %

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Equivalised disposable income after social transfers	23,2	23,4	22,7	23,8	23,8	23,7	24,4	25	24,5	24,4	23,7
S80/S20 quintile share ratio	3,3	3,4	3,2	3,4	3,5	3,4	3,6	3,7	3,6	3,6	3,4

Source: Eurostat Portal Page – Population and Social Conditions – Living Conditions and Welfare – Income and Living Conditions, 2018.

Figure 4
Inequality of income distribution in the past decade, Slovenia, 2018, in %



Source: Eurostat Portal Page – Population and Social Conditions – Living Conditions and Welfare – Income and Living Conditions, 2018.

C. At-risk-of-poverty rate

Statistical Office of Republic of Slovenia announced in 2018 that according to the National Statistics on Income and Living Conditions (SILC) the 2017 at-risk-of-poverty rate in Slovenia was reaching 13,3%. In 2017 about 268,000 people were living below the at-risk-of-poverty threshold. "The annual at-risk-of-poverty threshold for a one-member household was set at EUR 7,628; the net disposable monthly income of people below the at-risk-of-poverty threshold was thus below EUR 636 per equivalised adult person. The threshold for a four-member family with two adults and two children younger than 14 was set at EUR 1,335 per month and the threshold for a two-member household without children at EUR 954 per month."²⁷

Figure 5
Poverty and social exclusion (SILC) in Slovenia

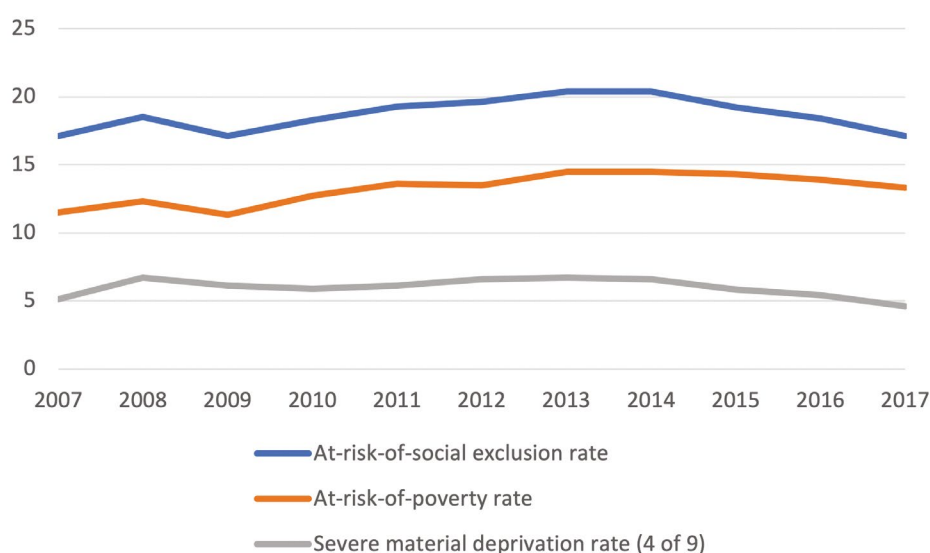


Table 6
Poverty and social exclusion (SILC) in Slovenia (in % of persons)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
At-risk-of-social exclusion rate	17,1	18,5	17,1	18,3	19,3	19,6	20,4	20,4	19,2	18,4	17,1
At-risk-of-poverty rate	11,5	12,3	11,3	12,7	13,6	13,5	14,5	14,5	14,3	13,9	13,3
Severe material deprivation rate (4 of 9)	5,1	6,7	6,1	5,9	6,1	6,6	6,7	6,6	5,8	5,4	4,6

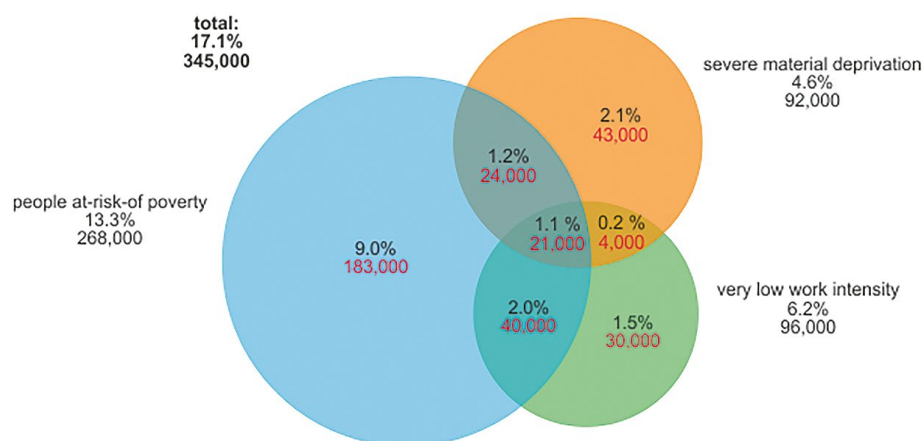
Source: SURS

In comparison with a year of 2016, the at-risk-of-poverty rate decreased by 0,6 of a percentage point. "The at-risk-of-poverty threshold increased by EUR 232 per year. The calculation is based on the income earned in 2016, since 2016 was the income reference year for the 2017 survey. In 2016 the mean disposable household income increased, so did the median equivalised disposable household income and also the at-risk-of-poverty threshold. The Gini coefficient decreased by 0.7 p.p. and the quintile share ratio by 0.2 over the previous year. Therefore, we can infer that income was slightly more equally distributed among households.

Among the 268,000 persons below the at-risk-of-poverty threshold, 78,000 were retired (15.9% of all retired persons), 54,000 of them were women and 23,000 men, 56,000 were persons in employment (6.6% of all persons in employment), 32,000 of them were employed and 24,000 self-employed, 51,000 were unemployed (41.8% of all unemployed persons), 49,000 were underage children (12.8% of all children) and 34,000 were other persons (19.1% of all persons unable to work, homemakers, students, other inactive and unclassified persons)."²⁸

From the point of view of the social exclusion, its rate decreased by 1.3 percentage points in 2017. It was 17.1%. Thus about 345,000 individuals in Slovenia were at-risk-of-poverty or social exclusion in 2017, i.e. "26,000 fewer than in the previous year. Fewer persons than a year before were at-risk-of-poverty or social exclusion due to the decrease in all three social exclusion indicators: the at-risk-of-poverty rate by 0.6 p.p., the severe material deprivation rate by 0.8 p.p. and the very low work intensity rate by 1.2 p.p."²⁹

Figure 6
People at-risk-of-poverty or social exclusion, Slovenia, 2017



Source: SURS

For example, Slovenia is together with Portugal, Cyprus and Hungary one of the countries with the highest deprivation rates in the EU - in 2016 almost one quarter of the population was suffering from various kind of housing problems. On the other side the share of the population overburdened with housing costs in Slovenia is almost half lower than in the EU as a whole. This is due to the specific ownership structure. 70% of population is living in houses and 30 % in flats with ca. 76% of all dwellings being owner occupied. This is also being reflected in the mortgage or outstanding loan burdening only ca. 10% of the population.

D. Gender inequality

In the Gender Equality Index 2017,³⁰ Slovenia achieved a score of 68.4 out of 100, which is about eight points higher than its score for 2005. This score is approximately two points above the EU-28. Slovenia ranks 10th in the European Union. It has lost one position. According to European Institute for Gender Equality Slovenia was ranked regarding domains of health, power, money, work, time and knowledge.

“The gender equality score in the domain of health is the highest in Slovenia: it ranks 13th in the EU for health. The situation is relatively better in terms of access to medical and dental services, an area which holds the 3rd highest score in the Union.

The biggest improvement has taken place in the domain of power. All the indicators in the sub-domain of political power have significantly increased, along with the share of women on the board of the central bank, one of the elements of economic power. Slovenia’s score for economic power is the second highest in the EU-28. Slovenia’s score in the domain of money has also increased, although to a lesser extent. Gender equality has improved in relation to the distribution of earnings and income. Slovenia has recorded the third highest score of EU-28 in the sub-domain of economic situation, which deals with the risk of poverty and the distribution of wealth throughout the population.

Slovenia’s scores in the domains of work and time have not progressed. While in the domain of work, this is the result of stalling in all the sub-domains, in the domain of time the situation has slightly improved with regards to the allocation of time for care activities but has deteriorated in relation to social activities. Nonetheless, Slovenia’s score in the sub-domain of social activities is the 4th highest in the European Union.

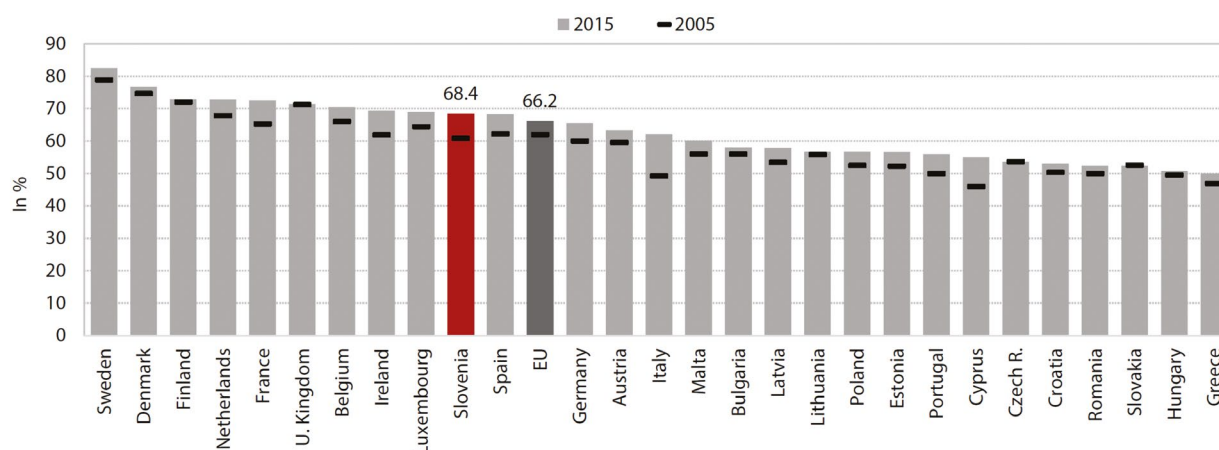
The domain of knowledge records Slovenia’s lowest score. Although the sub-domain of segregation has improved slightly, it remains a major challenge and Slovenia ranks 25th in the European Union here.”³¹

Table 7
Gender Equality Index (GEI) and its six domains

	Slovenia				SDS 2030 target	EU			
	2005	2010	2012	2015		2005	2010	2012	2015
GEI	60,8	62,7	66,1	68,4	>78	62,0	63,8	65,0	66,2
Work	71,2	71,9	71,3	71,8		70,0	70,5	71,0	71,5
Money	77,7	80,3	81,3	81,6		73,9	78,4	78,4	79,6
Knowledge	52,1	55,0	54,9	55,0		60,8	61,8	62,8	63,4
Time	73,4	68,3	72,4	72,9		66,7	66,3	68,9	65,7
Power	36,5	41,1	51,5	60,6		38,9	41,9	43,5	48,5
Health	86,3	86,8	87,3	87,7		85,9	87,2	87,2	87,4

Source: IMAD Development report 2018, Eige Report, 2017

Figure 7
Gender Equality Index (GEI)



Source: IMAD Development report 2018, Eige Report, 2017

For comparison only WEF Global Gender Gap Index is presented, where Slovenia is ranked 11th.

Table 8:
Global Gender Gap Index, 1-11, WEF

Country	Global index		Economic participation and opportunity		Educational attainment		Health and survival		Political empowerment	
	Rank	Score (0-1)	Rank	Score (0-1)	Rank	Score (0-1)	Rank	Score (0-1)	Rank	Score (0-1)
Iceland	1	0.858	16	0.793	39	0.999	121	0.968	1	0.674
Norway	2	0.835	11	0.806	41	0.999	95	0.972	3	0.563
Sweden	3	0.822	9	0.808	52	0.998	115	0.969	7	0.512
Finland	4	0.821	17	0.786	1	1.000	60	0.977	6	0.519
Nicaragua	5	0.809	69	0.679	36	1.000	1	0.980	2	0.576
Rwanda	6	0.804	30	0.743	109	0.961	90	0.973	4	0.539
New Zealand	7	0.801	23	0.761	1	1.000	107	0.970	9	0.472
Philippines	8	0.799	14	0.801	1	1.000	42	0.979	13	0.416
Ireland	9	0.796	43	0.725	57	0.996	111	0.970	8	0.493
Namibia	10	0.789	12	0.804	42	0.999	1	0.980	20	0.375
Slovenia	11	0.784	15	0.795	29	1.000	1	0.980	22	0.361

Source: Global Gender Gap Index 2018, WEF

E. Environmental inequality

Although Slovenia has the highest share of protected areas in EU, perceived higher biodiversity, its population lives in urban areas with higher levels of air pollution (PM₁₀, PM_{2.5}). Due to development anomalies transport by passenger cars was growing and the use of public transport, in particular "railways, is relatively low by international standards. This can partly be attributed to a lower degree of urbanisation and higher dispersion of settlements, but in recent years the trend has also been affected by reduced frequency of operation and discontinuation of public transport lines, as evident from the relatively high share of the population who assess public transport as poorly accessible."³² Thus public transport is being heavily subsidized by the government – public bus services and national railways. It is also well known, that Slovene households are committing more than 18% of their disposable income to cover transport costs.

Table 9:

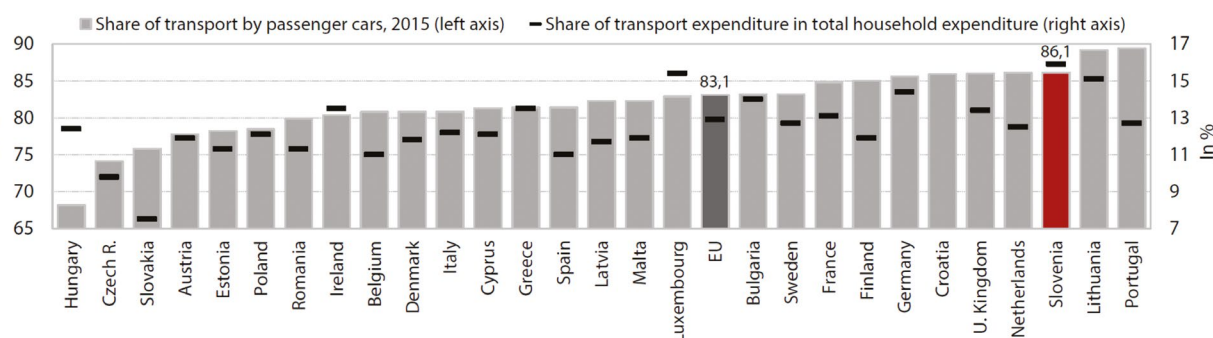
Transport by passenger cars in total passenger transport, in %

	2000	2005	2008	2009	2010	2011	2012	2013	2014	2015	2016
Share of transport by passenger cars in total passenger land transport, measured in passenger km											
Slovenia	82.9	85.6	86.4	86.7	86.8	86.6	86.7	86.3	86.3	86.1	
EU	82.4	83.3	82.8	83.6	83.5	83.2	82.8	83.0	83.1	83.1	

Source: IMAD 2018, Eurostat Portal Page – Transport, 2017; calculations by IMAD. Notes: in passenger transport, also public transport by road.

Figure 8:

Passenger transport



Source: IMAD 2018, Eurostat Portal Page – Transport, 2017; Eurostat Portal Page – Economy and Finance, 2017. Note: Data for Croatia not available.

On the other hand, energy poverty has been identified in the country, contributing to the poor air quality in urban areas.

In 2015, households from 1. quintile were spending 17,7% of their disposable income of electricity, gas and other fuels in their dwellings. Those households were the only ones that a worse off in comparison with previous years - all the other quintiles are spending lesser share for electricity and heating.

Table 10:

Share of average disposable household income, spent for electricity, gas and other fuels in dwellings, distributed per income quintiles, Slovenia

	2000	2003	2006	2009	2012	2015
	%					
Quintiles - TOTAL	6,7	6,3	6,4	6,6	7,4	6,7
1. quintile	13,1	12,4	13,9	15,9	18,9	17,7
2. quintile	9,1	9,0	9,3	10,4	12,1	10,1
3. quintile	7,6	7,1	7,4	7,9	9,2	7,7
4. quintile	6,5	6,0	5,8	6,0	6,6	5,9
5. quintile	4,3	4,2	4,2	4,1	4,4	4,0

Source: SURS

In the same time, as household energy consumption depends on the temperature conditions, energy efficiency of dwellings, behaviour of people in the household, prices of energy sources, etc., structure of fuels used for heating changed considerably. "The increase in retail prices of energy sources is reflected in changing of the structure of energy sources consumed in households. From 2009 to 2015, the consumption of extra light heating oil in households decreased by 53%. Wood fuels represent a growing share and in 2015 they accounted for 57% of total energy consumed for space heating."³³

That change, together with necessity to use personal cars for transport, has impact on air quality in Slovenia. Especially in urban areas. "The quality of ambient air in Slovenia is strongly related to excessive particulate matter (PM) pollution, which in turn reflects the needs for heating and the wind pattern of the area. Exceeding the PM daily limits is typical for the cold part of the year when there are prolonged temperature inversions. Particle pollution during the heating season is mainly due to emissions from households' outdated wood biomass furnaces, followed by particle emissions caused by energy use in industry and transport, particularly diesel-fuelled vehicles. Particulate matter concentrations in Slovenia are highest in poorly ventilated basins, where even relatively low emissions can cause excessive pollution. The general exposure of the urban population to particle pollution, having been declining in the last few years, partly also as a result of milder winters, rose slightly again according to the most recent data for 2015. Household particle emissions have increased, contributing around 70% of total emissions, as have emissions caused by energy production. Average annual PM₁₀ and PM_{2.5} concentrations are relatively high and significantly higher than the EU average."³⁴

Table 11:

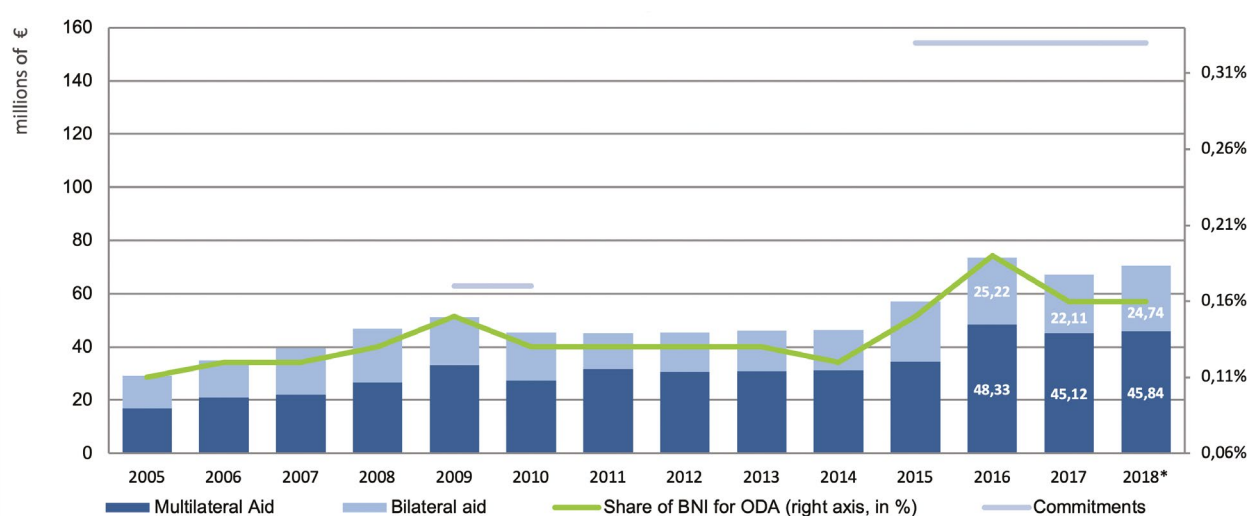
Urban population exposure to particulate matter, in micrograms per m³

	2000	2005	2007	2008	2009	2010	2011	2012	2013	2014	2015
	PM ₁₀										
Slovenia	N/A	36.8	32.3	29.1	27.5	28.2	31.0	25.4	24.9	22.5	27.4
EU	28.7	28.4	28.8	26.5	26.5	26.2	27.3	24.8	24.0	22.5	22.8
	PM _{2.5}										
Slovenia	N/A	N/A	N/A	23.9	18.7	21.8	24.1	20.4	20.1	17.5	21.6
EU	14.4	15.6	16.8	17.2	17.4	18.1	18.3	16.6	15.5	15.1	14.5

Slovenia contribution to inequality on international level

This chapter is taken from CONCORD Aidwatch 2018 report³⁵ – and represents SLOGA's contribution to describe Slovenia's contribution to inequality on international level by not fulfilling the commitment to provide 0,33% of Gross National Product for official development aid, as defined by OECD DAC.

Figure 9:
ODA through years (multi- and bilateral aid, % GNP for ODA, 0,33 commitment), Slovenia



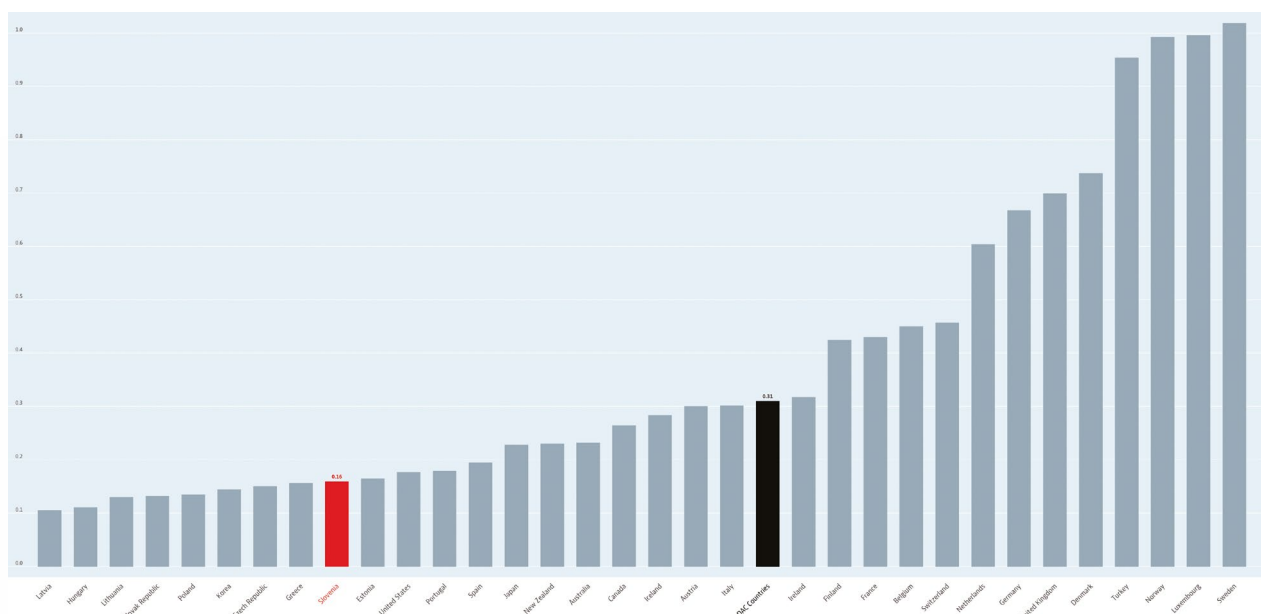
Source: MFA, March 2019

Slovenia provided €68.05 million in ODA in 2017 representing 0.16% of GNI, a decrease from 0.19% in 2016. This significant fall was mainly due to diminishing refugee costs' eligibility and 5% GNI growth (some ODA spending is fixed and not attached to percentage of GNI). Another significant change in 2017 was an increase in imputed student costs, by €2.58 million annually (up 45,9% from 2016). This places Slovenia as the EU member state that allocates the biggest percentage of its ODA to this type of cost (around 12% of bilateral ODA). Imputed student costs are mainly reported for undergraduate students coming from Western Balkan countries to study in Slovenia. A system for monitoring the progress and contribution of those students to their countries of origin should be developed.

In 2017, the amount of bilateral ODA with gender equality as principle objective stayed the same as in the previous years (around 1%). Meanwhile guidelines for mainstreaming gender equality and empowerment of women in international development cooperation were prepared for adoption at national level.

In early 2018, Slovenia published a Third Biennial report on UN Climate Change, recognising an increase in Slovenian climate finance of 26% between 2015 and 2016. Nevertheless, Slovenian NGOs point out that Slovenia is double-reporting some of the results and spending under ODA and climate finance due to lack of more transparent international reporting guidelines.

Figure 10
Slovenian ODA in comparison with other OECD countries



Source: MFA, March 2019

STRUCTURAL CAUSES OF INTERNAL AND EXTERNAL INEQUALITIES IN SLOVENIA

Although primary impression based on national statistics Slovenia is doing well, there are many anomalies pointing out many structural issues that are not being addressed properly. One of the key structural causes is unclear development strategy and its embeddedness in on-going political decision-making. There are too many priorities in almost every policy field, being not supported by clear allocation of financial and human resources. Thus it is inevitable that public administration (bureaucracy) is being more and more responsible and accountable for everything, as it is the key social structure that can address many fires active simultaneously.

Slovenia is being regularly ranked very low regarding administrative efficacy, trust to institutions, adhering to the rule of law.

The perception of corruption is one of the highest in the EU. According to Eurobarometer, 89% of the population thinks, that corruption is very common in Slovenia. Similar data are provided through World Bank governance indicators, developed to measure corruption.

The other side of that is the very low level of trust in institutions. Especially political institutions - Parliament, government, political parties have very low level of trust. Although IMAD Development report is making a suggestion that decreasing trust to institutions might be linked to the financial crisis, that trend can be followed way back into 90-ties.

High levels of mistrust into the very social institutions that were created to follow the idea of greater good for all are also having effect on the decision-making processes. Several high profile cases of corruption not resulting with any kind of court punishment are strengthening the sentiments of helplessness, active citizenship as don Quixote narrative on one, and sentiments of radicalization, populism and demagoguery on the other side.

PRACTICES, INSTRUMENTS AND POLICIES TO REDUCE INEQUALITIES IN SLOVENIA

To maintain low income inequality in Slovenia national policies are focusing in great extent on strengthening its redistribution policy. "Slovenia is a country with strong income redistribution through high progressivity of taxation (personal income tax) and moderate redistribution of income through social transfers."³⁶

There are many policies in place to address various groups (women, elderly, minority groups, marginalized people) with different financial and supporting mechanisms with regular monitoring and reporting. In example Slovenia has imposed gender quotas for European, national and local elections, with legal consequences (dismissal of the candidate list). There are many methods employed to foster women participation in politics – through capacity building activities, mentoring, networking, awareness raising and media communication trainings.

Government adopted specific Guidelines for gender mainstreaming in the work of ministries by 2020. Guidelines were prepared by the Equal Opportunities Department of the Ministry of Labour, Family, Social Affairs and Equal Opportunities.

The Guidelines support the work of ministries in gender mainstreaming in their specific fields of work and specify the role of Coordinators for Equal Opportunities of Men and Women.

In the field of energy poverty, several supporting mechanisms are in place. One is Ecofund, a financial fund that provides financial means for various environmental and energy efficient measures to companies, local authorities and households.

ENSVET is a national network of energy efficiency counsellors, working on local level, counselling the private investors how to proceed with their efforts to improve their energy efficiency in companies, private and public buildings.

Lately a project ZERO was reintroduced, specifically targeting citizens in energy poverty. The whole project is being supported by financial means of the relative new Climate fund.

Recommendations

Overall recommendations:

- Improving effectiveness of the existing instruments with thorough and external evaluation of their functioning, results and impacts
- Strengthening the culture of result based monitoring and evaluation.
- Improving accessibility of existing programmes and mechanisms for all through targeted supporting staff.
- Measuring long-term impact of the supporting programmes.
- Stabilizing and improving predictability and strengthening flexibility of the mechanisms in place.
- Improving responsibility and accountability of the policy- and decision-makers.

On income inequality:

- strengthening distributive mechanisms and progressive taxation to fair and just redistribution of wealth in the society.
- minimizing opportunities for tax avoidance by the corporate actors.
- developing instruments and mechanisms to support decent work conditions, with special emphasise on legal setup to ensure the implementation.

On poverty:

- raising the minimum income on the national level and thus also raise other forms of social aid and safety nets.
- reconsidering the debts write off measures for those who are living under poverty level.
- strengthening financial support for non-profit renting of the publicly owned dwellings.

On gender equality:

- use of gender quotas in electoral processes to attain 50/50 representation of women and men in political decision making.
- supporting development of additional trainings and awareness raising activities to support gender quotas.

On environmental inequalities:

- maintaining the share of land under natural protection regimes.
- Improving and strengthening financial support for energy efficiency measures for people living under poverty line.

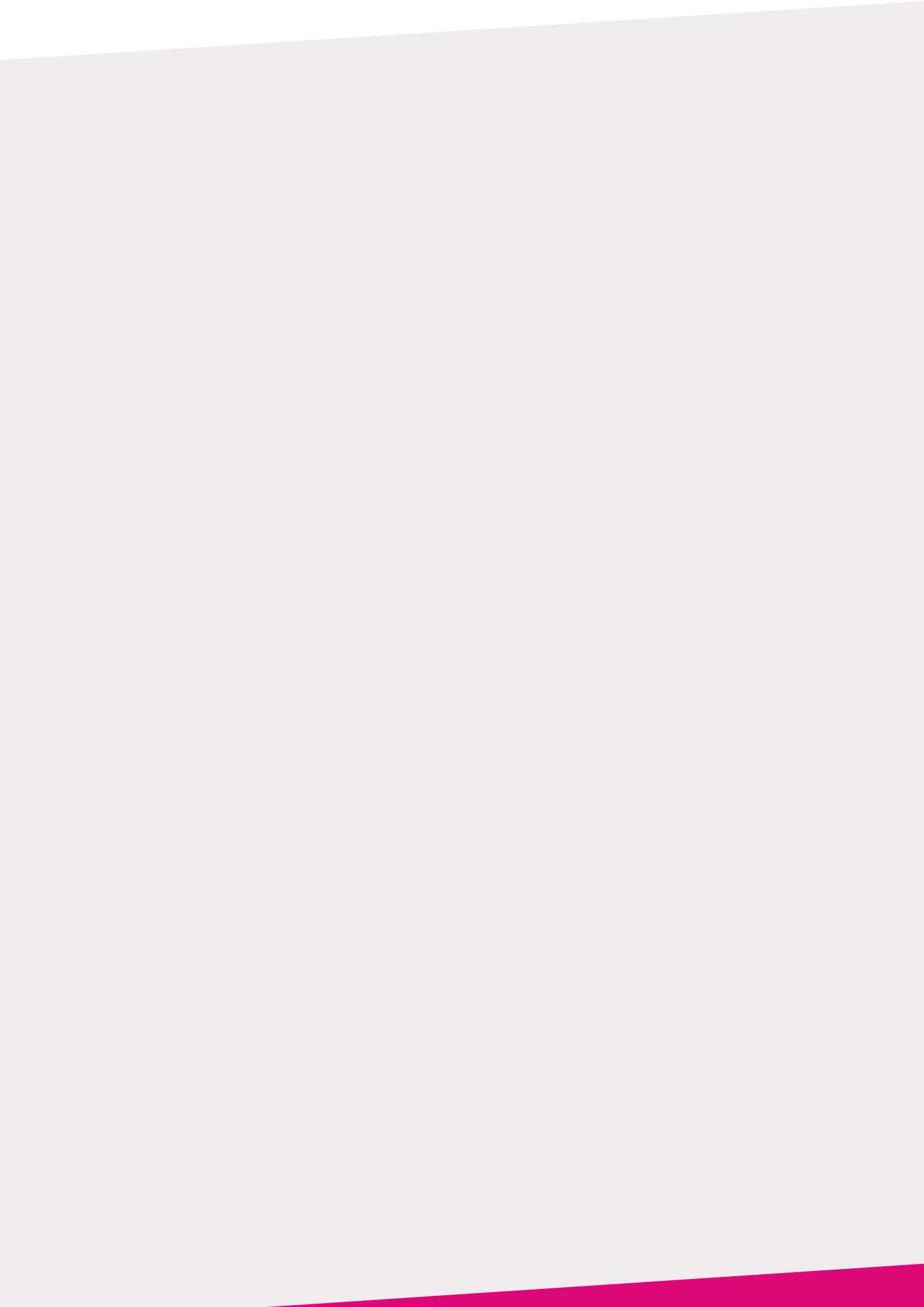
In the field of Official Development Aid:

- Increase ODA to 0.33% of GDP and ensure adequate organisational structure of governmental bodies for ODA implementation are in place, and focus programmes on reducing poverty and upholding human rights in LDCs.
- Extend bilateral ODA to become at least half of total ODA and strengthen the financial support to development projects of NGOs in development cooperation and education and humanitarian aid.
- Develop mechanisms for monitoring the brain drain concerns directly connected with raising imputed student costs from ODA-recipient countries and ensure continuity/follow-up cooperation with foreign supported students to extend their contribution to their countries' development.
- Prepare clear guidelines and safeguards for including the private sector while strengthening its involvement in reducing poverty; strengthen the respect of human rights in LDCs and ensure adequate financial resources for strengthening cross-sectoral and multi-stakeholder partnerships.

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- ⁴ IMAD, 2018
- ⁵ National Statistics on Income and Living Conditions (SILC)
- ⁶ Ibid.
- ⁷ 19.1% of all persons unable to work, homemakers, students, other inactive and unclassified persons. Ibid.
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- ¹⁰ European Institute for Gender Equality, [Gender Equality Index: Slovenia](#), Brussels, 2018, p. 1
- ¹¹ Slovenia overall score is 68.4 out of 100. See European Gender Equality Index – Annex 3. Table 4. Domain rankings relate to the domains of health, power, money, work, time and knowledge.
- ¹² Ibid
- ¹³ Ibid.
- ¹⁴ 2015 data. IJS, 2018
- ¹⁵ IMAD 2018, p. 137
- ¹⁶ 89% according to Eurobarometer.
- ¹⁷ One example is Project ZERO which targets citizens in energy poverty.
- ¹⁸ Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G., SDG Index and Dashboards Report 2018. New York: Bertelsmann Stiftung and Sustainable Development Solutions Network (SDSN)
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- ³¹ Id.
- ³² IMAD 2018, p.48
- ³³ IJS, 2018
- ³⁴ IMAD 2018, p. 137
- ³⁵ CONCORD Aidwatch report 2018, Slovenia (by SLOGA)
- ³⁶ IMAD, 2018





The European-wide project **Make Europe Sustainable for All (MESA)** is coordinated by the European Environmental Bureau (EEB) and implemented in 15 European countries by 25 partners. It aims to raise citizens', CSOs', and policy-makers' awareness on the Agenda 2030 and the Sustainable Development Goals (SDGs), adopted by the 193 Member states of the United Nations in 2015. At the core of the project are campaigns and advocacy on inequalities, sustainable agriculture, gender equality, climate change, migration and sustainable consumption and production. This report was produced as part of the **Fighting Inequalities** in Europe campaign of the project, and contributes as well as the global **Faces of Inequality** campaign, which gives social exclusion, poverty and discrimination a face.

#SDGS4All ■ <https://makeeuropesustainableforall.org> ■ <https://makeeuropesustainableforall.org/fight-inequalities>
<https://gcap.global/faces-of-inequality>

Povod, Institute for culture and development of international relations in culture, is coordinating cross-sectoral initiative for Agenda 2030 and the Sustainable Development Goals (SDGs) in Slovenia to monitor its implementation inside the country, to support advocacy activities of civil society and promote implementing of goals on all levels of society activities. Povod is mainly working on international development cooperation and intercultural dialogue.

SLOGA is a platform of Slovenian non-governmental organizations, working in the field of international development cooperation, global education and humanitarian aid. The aim of the platform is to connect and strengthen the partnerships among NGOs, which are active and/or are raising awareness of Slovenian and European public about uneven distribution of global wealth and subsequent significance of global solidarity and interdependence.