

# 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

Albin Keuc, SLOGA Slovenian Global Action, with assistance from Robert Križanič, Institute Povod

## Income and wealth

Slovenia has one of the lowest income inequalities in the EU. The 2018 Global SDG Index<sup>1</sup> has ranked Slovenia 8<sup>th</sup> and awarded 100,00 points for SDG10. The CIVICUS civic space tracker<sup>2</sup> puts Slovenia in the 'open' category for civic space. Slovenia is ranked 11<sup>th</sup> in the World Economic Forum Gender Equality Index.<sup>3</sup> Slovenia has a track record of strong income redistribution through taxation and significant social transfers<sup>4</sup> 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.<sup>5</sup> Among the 268,000<sup>6</sup> 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'.<sup>7</sup> 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.<sup>8</sup>

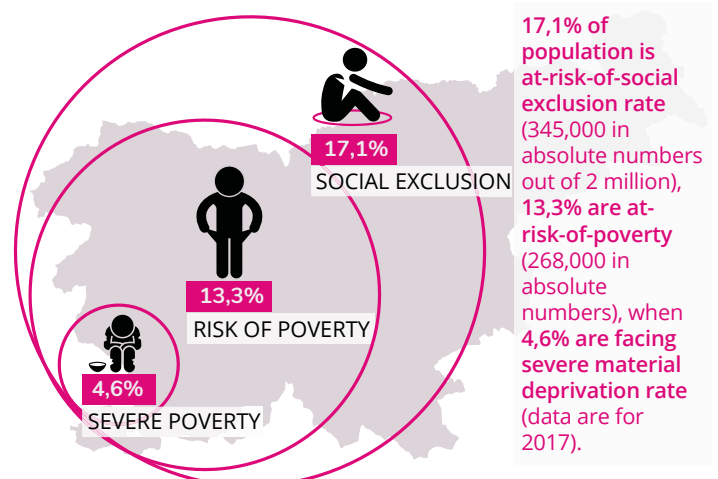
The income share of the 1% with the highest incomes increased from 3.3% in 2005 to 3.7% in 2016. Although this growth rate is lower than the EU average (5.0%), it is nevertheless one of the fastest in the EU.

## Gender

The WEF<sup>9</sup> Gender Gap Report ranks Slovenia 15<sup>th</sup> in economic participation and opportunity; 29<sup>th</sup> in educational attainment; and 22<sup>nd</sup> in political

empowerment. The 2017 European Gender Equality Index<sup>10</sup> ranked Slovenia 10<sup>th</sup> overall in the EU<sup>11</sup> and 13<sup>th</sup> for health.<sup>12</sup> 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 25<sup>th</sup> in the European Union.<sup>13</sup>

## SOCIAL EXCLUSION AND POVERTY IN SLOVENIA



## 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.<sup>14</sup> 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.<sup>15</sup>

## 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.<sup>16</sup> 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.<sup>17</sup>

## 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.

To read the full national report and the comprehensive Europe-wide report with all references, please visit: [www.sdgwatcheurope.org/SDG10](http://www.sdgwatcheurope.org/SDG10)



This publication has been produced with the financial assistance of the European Union. The contents of this publication are the sole responsibility of "Make Europe Sustainable For All" project partners and can under no circumstances be taken as reflecting the position of the European Union.

- <sup>1</sup> 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)
- <sup>2</sup> CIVICUS Civic Space Monitor, <https://monitor.civicus.org/>
- <sup>3</sup> World Economic Forum, The Global Gender Gap Report 2018, Geneva, 2018
- <sup>4</sup> IMAD, 2018
- <sup>5</sup> National Statistics on Income and Living Conditions (SILC)
- <sup>6</sup> Ibid.
- <sup>7</sup> 19.1% of all persons unable to work, homemakers, students, other inactive and unclassified persons. Ibid.
- <sup>8</sup> SURS – Statistical Office of the Republic of Slovenia. <https://www.stat.si/statweb/en>
- <sup>9</sup> World Economic Forum, The Global Gender Gap Report 2018, Geneva, 2018
- <sup>10</sup> European Institute for Gender Equality, [Gender Equality Index: Slovenia](#), Brussels, 2018, p. 1
- <sup>11</sup> 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.
- <sup>12</sup> Ibid
- <sup>13</sup> Ibid.
- <sup>14</sup> 2015 data. IJS, 2018
- <sup>15</sup> IMAD 2018, p. 137
- <sup>16</sup> 89% according to Eurobarometer.
- <sup>17</sup> One example is Project ZERO which targets citizens in energy poverty.