

---

## Executive summary

---

*Slovenia has enjoyed successful economic development, but now faces a worrying economic outlook and rising public debt; a “fit for purpose” public administration is essential to achieve recovery.*

---

Slovenia’s small and open economy raises its sensitivity to global developments, and the recession in 2009 generated a strong fiscal deterioration and worrisome upward trend in the public debt, although both the public debt and deficit are expected to remain below the OECD average. Urgent fiscal consolidation measures have included the reduction of public sector employment and the public sector wage bill in order to reduce operational expenditure. At the same time, a well-functioning public administration is critical to helping the government set a workable strategy for recovery and long-term growth, and to identify and implement the policy measures in support of this. The effectiveness of the public administration as well as its efficiency needs attention at this stage, requiring actions to strengthen strategy planning and its link to budgeting; rationalisation of internal functions and structures; establishing a more coherent Centre of Government and strengthening the political/administrative interface; and addressing contextual issues such as legislative complexity that undermine flexibility and the implementation of reforms.

---

*Securing a clear strategic vision which can be implemented in practice requires effective strategy development and implementation.*

---

First, it is important that strategy is clear, and is appropriated by all relevant actors. There is a need to consolidate the significant efforts already made through Slovenia’s Development Strategy 2005-2013 to define a long-term vision and objectives for the country. This framework would be reinforced by sustaining a strong vision of national priorities in strategy development within the broader context of EU strategy and the effective management of EU Directives; better aligning the Development Strategy and the coalition agreement; building clearer links between strategic and ministry sectoral planning; building capacity for strategic implementation; and strengthening capacities for monitoring and evaluation of policies. Cascading strategic objectives into ministries so that these are reflected in sectoral policy development merits particular attention. It is also important to find ways of linking strategic documents and the government political agenda, so that long-term objectives can be appropriately sustained across electoral cycles. The implementation of strategies requires that the central public administration has the capacities to do this, ranging from effective leadership to the relevant skills and competences.

- Prepare a report on the strategic vision for Slovenia’s EU policy. Improve awareness within ministries of the linkages between EU and national policy.
- Consider a review of the systems for the negotiation and transposition of EU Directives into Slovenian law.
- Establish guidelines for the preparation of coalition agreements and introduce a Government Action Plan on the implementation of the coalition agreement.
- Consider how to create stronger linkages between ministry sectoral plans and the new Development Strategy 2013-2020.
- Consider a capability audit of current skills and competences in the central public administration, and ensure that the senior leadership is focused on policy implementation as well as policy development.
- Develop capacity for the development of measurable indicators to track and evaluate policies and programmes.

---

*Effective strategy setting and implementation also requires stronger linkages between strategic planning and budgeting, and a simpler budget process.*

---

The second major reinforcement which is needed to strategy is to make a stronger link with budgeting. Performance budgeting is the mechanism by which strategic vision is translated into programme spending. Slovenia has introduced performance budgeting but it now needs to set itself realistic and incremental steps toward effective operationalisation. These steps might be the development of a targeted use of programme review and evaluation in support of budgetary decision making; further simplifying the budget classification system to better support managerial flexibility and responsibility; and incrementally relaxing budget controls through top-down budgeting to increase the flexibility and accountability of programme managers. The budget process also needs simplification. Despite reforms, more can be done including reorganising economic and budget functions; simplifying the budget cycle and improving Parliamentary scrutiny; and increasing the transparency of budget data.

- Consider the introduction of targeted programme reviews to evaluate their achievements.
- Continue to simplify the budget classification system.
- Establish an incremental strategy to operationalise top-down budgeting, and build capacities for this.
- Clarify the roles and responsibilities of the bodies within the central public administration that have economic and fiscal functions to avoid overlap and improve co-ordination.
- Improve the process of parliamentary scrutiny of the budget.
- Develop a citizens’ guide to the budget.

---

*A fit for purpose machinery of government and motivated workforce are key to the effective performance of the public administration.*

---

Successful performance requires an appropriately sized, skilled and motivated workforce, and systems and structures (machinery of government) which provide an effective supporting framework. Slovenia faces several challenges: sub-optimal internal structures; a lack of strategy in relation to workforce reduction; and a relatively weak performance management system. There is potential to improve structural efficiency by merging some functions; improving the service delivery capacity of administrative units; and taking steps to minimise the risk of agency proliferation. Taking a strategic approach to HR management, including workforce reduction, and strengthening the performance management system to achieve results, also need to be tackled. A shared whole-of-government commitment to objectives can be nurtured by creating linkages between individual, organisational and whole-of-government performance objectives, as well as strengthening the individual staff performance management system, paying attention to incentives.

- Merge or rationalise some functions currently split across organisations within the central public administration, based on a functional review of the latter.
- Undertake a value for money review of the network of administrative units, and review the service delivery model for opportunities to improve efficiency and effectiveness.
- Strengthen the criteria and processes for the establishment of government agencies.
- Implement a workforce planning strategy for the central public administration, and ensure that staff reductions are appropriately targeted.
- Modify the current framework for individual staff performance management in order to strengthen the link with strategic objectives, and encourage a performance driven culture.
- Develop a staff motivation strategy, embed recent salary system reforms, consider the reactivation of performance pay provisions and maximise the use of non-cash incentives.
- Consider how to strengthen central leadership and stewardship for the renewed HR strategy.

---

*Achieving the objectives set out in strategy documents requires effective governance to steer the implementation of the government's agenda across the whole of government.*

---

The process starts at the political and administrative interface, that is, the relationship between the senior leadership of the public administration and government ministers, which needs to work smoothly. Slovenia has a deficit of processes for securing this connection. A coherent and effective Centre of Government is also essential for steering policy development and implementation. It needs to act as a central leadership hub in order to facilitate co-operation, collaboration and co-ordination across the whole public administration. It is critical for the development of a strategic vision, and as steward of

this vision, it is accountable for overall results. At its core is the body (Central Office) that provides direct support and advice to the head of government and the Council of Ministers. Slovenia's Centre of Government is somewhat fragmented, and its systems and procedures for steering also need attention. Finally, embedding a culture of effective co-ordination and co-operation across the public administration needs to be taken further, with particular reference to the co-ordination of policy and legislative development using impact assessment.

- Increase the use of business plans within ministries to clarify accountability and responsibilities for meeting government goals.
- Develop mechanisms for consultation and agreement between the political level and senior civil service leadership, build leadership capacity, and establish accountability frameworks.
- Establish a core Central Office to provide direct support and advice to the head of government and the Council of Ministers.
- Define the institutions that make up the Centre of Government. Review and develop procedures and systems across the Centre of Government for more effective co-ordination.
- Strengthen consultation and communication within and beyond the central administration. Improve legislative drafting and the application of regulatory impact assessment.
- Consider a review of regulatory policy.

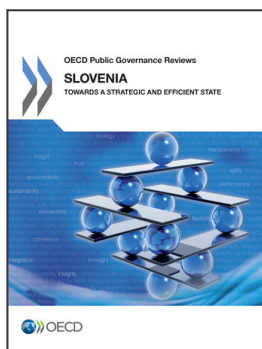
---

*There are several contextual challenges faced by Slovenia which affect its ability to undertake further reform.*

---

Slovenia needs to improve the environment for reform so that it can support change, including reform of the public administration, more effectively. The specific challenges are an excessive reliance on legislation and regulation including over-prescriptive primary legislation, creating inflexibilities in the machinery of government and in policy and service delivery; a challenging constitutional context with a system of public referenda which may be called in relation to any new law; and an imbalance between the role of democratically elected government institutions, the role of the social partners and the influence of trade unions.

- Develop a more appropriate balance of responsibilities between parliamentary legislation and executive orders. Revise the legislative framework governing referenda.
- Consider how to renew and refresh the social dialogue.
- Develop and communicate a vision and clear roadmap for public sector reform.
- Articulate reform priorities and define an action plan for their achievement.
- Establish clear leadership responsibilities to push and guide reform.



**From:**  
**Slovenia: Towards a Strategic and Efficient State**

**Access the complete publication at:**  
<https://doi.org/10.1787/9789264173262-en>

**Please cite this chapter as:**

OECD (2012), "Executive summary", in *Slovenia: Towards a Strategic and Efficient State*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264173262-2-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to [rights@oecd.org](mailto:rights@oecd.org). Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at [info@copyright.com](mailto:info@copyright.com) or the Centre français d'exploitation du droit de copie (CFC) at [contact@cfcopies.com](mailto:contact@cfcopies.com).