



Slovenia's innovative public-sector experiments

This year, the former Yugoslavian republic of Slovenia celebrated 25 years of independence. It joined the euro area in 2007 and, five years later, weathered a severe crisis in its banking sector. Refusing a bailout, the government stepped up reform efforts, particularly by curtailing the government involvement in the country's economy in order to not jeopardise public finances. The country's administration is resolutely turned towards the future, and offers new types of partnerships.

Starting in the mid-1990s, there were those who began to speak of a "Slovenian miracle"¹. The country's indicators were very positive – when it entered the euro area, it had a 7% growth rate and unemployment of 4.5% (which was as low as 2% in Ljubljana, the capital city). As early as May 2004, when it joined the European Union, it was – economically speaking – the first among the 10 accession countries. The 2009 crisis brought upheaval with it: in December 2013, the government was forced to bail out five national banks, including the three largest, for a total of €3.2 billion² (10% of Slovenia's GDP). As a result, the country's budgetary situation went off the charts: the deficit reached 15.2% of GDP, debt doubled in two years and the country went into recession.

To put an end to the crisis, the government introduced two key reforms. First was a new plan to privatise fifteen State-owned companies, a move that was called for by Brussels³ and highly recommended by the OECD. Secondly, it launched a fiscal austerity programme⁴ (including a 15% pay cut in civil service wages, along with the elimination of several bonuses and allowances, reduction in allocations to local government and reform of the pension system). By 2014, the deficit had been reduced by two thirds and the country returned to growth. Although the public debt continued to increase slightly (it is expected to begin to fall in 2017) and remained above the 60% mark set by the Maastricht Treaty, on 17 June 2016⁵, the European Council stated that it was ending the Excessive Deficit Procedure that it had launched at the end of 2009.

Streamlining IT costs via the "Slovenian State Cloud"

The budgets for ITC developments were also cut back, despite citizens' constantly growing demands to be able to accomplish procedures online. One possible solution to this challenge is the use of cloud computing, which is already fairly widespread in the private sector, whereas its use in the public sphere is still in its very early stages. In December 2015 the government launched a "State Cloud" project (*Državni računalniški oblaki*)⁶, with which it hopes to change the way online services are made available to civil staff, citizens and businesses, and at substantial savings.

In 2017, according to Jurij Bertok, head of the government's IT and E-service Directorate, cloud computing will save the government €5.9 million in data storage fees (a 41.7% decrease)⁷. The use of open-source

¹ <https://www.welt.de/print-welt/article644945/Im-Land-der-Sparsamen.html>

² <http://www.bsi.si/library/includes/datoteka.asp?Datotekald=6209>

³ <http://www.reuters.com/article/us-eu-economy-slovenia-idUSBRE94S0P720130529>

⁴ http://www.vlada.si/en/media_room/government_press_releases/press_release/article/slovenia_2013_and_2014_budgets_approved_36334/

⁵ <http://www.consilium.europa.eu/fr/press/press-releases/2016/06/17-cyprus-ireland-slovenia-deficits/>

⁶ <http://www.sloveniatimes.com/cloud-infrastructure-launched-for-public-administration>

⁷ http://idg.bg/idgevents/idgevents/2016/0316172443-12.50-13.10_Bertok-Sofija-FINA-L-NEW_v1.pdf

applications – another priority of the 2015–2020 digital strategy – represents another significant source of savings, estimated at €7 million. Overall spending will be reduced by 27%. When deployment is completed at the end of 2017, Minister Bertok estimates that 153 positions (23%) in the government's IT services will be eliminated.

This innovative programme represents Slovenia's implementation of the "Cloud 4 Europe"⁸ project, which was launched in June 2013 and financed by the EU. The project has 24 institutional and private partners located in 12 different countries. Every year in November, the University of Ljubljana – which played an active role in designing the new public platform – hosts an international cloud computing conference⁹, during which it presents its most recent research efforts into the use of this technology.

"Partnership for Change": exchanges for better understanding out access

The Slovenia government has been criticised for its over-involvement in the economy, and *Partnerstvo za spremembe*¹⁰, the new form of partnership between Slovenia's Ministry of Public Administration and the American Chamber of Commerce represents a genuinely innovative departure. The goal is to "overcome the gap between these 'two worlds', to address long-lasting stereotypes (...), to enhance understanding about different goals and views, to establish knowledge transfer between organisations and to build a strong partnership for addressing common challenges."

The project grew out of a meeting between Minister Boris Koprivnikar and young people working in companies affiliated with the American Chamber of Commerce. A total of 27 people took part in the first exchange between the government and these businesses. Through joint workshops, the participants lay the groundwork¹¹ for this new cooperative effort, which will seek solutions to five major challenges: making interdepartmental cooperation more efficient, boosting the motivation of employees in public administration, forming a Slovenian national trademark, making complex services effective and user-friendly, and building curriculum skills for the 21st century.

Flush with its initial success, in 2016 the experience was extended to five ministerial departments and 30 companies. This year, a total of 67 people (including 30 civil servants) worked together to find concrete, applicable solutions¹² that will be deployed in various government departments and then assessed. The process has the personal support of Prime Minister Miro Cerar, who called the partnership "a model of cohabitation and an example for modern-day Slovenian to follow). It was awarded the Creative Network Award 2016¹³, and was preselected by the OECD – from among 150 initiatives – to be presented at the World Government Summit¹⁴, which will be held in Dubai in February 2017.

Bringing together digital technology and sustainable development

One of the challenges facing the government is the low level of foreign investment in Slovenia. Spirit Slovenija, a government agency that was set up in 2013, is making strong contributions to restoring the balance of trade. On 6 June 2016, it was ranked Eastern Europe's top Investment Promotion Agency¹⁵ by the Global FDI Association. The country's qualities include a well-educated workforce, the fact that English, German and Italian are spoken by two-thirds of Slovenians, and an above-average share of gross domestic expenditure on R&D (77% of total funds provided by the business sector).

Given that "the digital economy is growing seven times faster than the rest of the economy"¹⁶, and buoyed by its strong commitments in terms of sustainable development (Ljubljana is the 2016 European Green capital and it's the world's first country to be named a "green destination"), Slovenia is looking to benefit from this innovation-driven collaboration, but also from its geostrategic position, to become the "green reference country in digital Europe"¹⁷.

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⁸ <http://www.cloudforeurope.eu/>

⁹ <http://www.cloudconference.eu/>

¹⁰ http://www.mju.gov.si/en/areas_of_work/partnership_for_change/

¹¹ <http://www.amcham.si/en/news-partnership-for-change-five-breakthrough-challenges-selected.html>

¹² <http://www.amcham.si/en/partnership-for-change-solutions-to-5-challenges.html>

¹³ <http://www.amcham.si/sl/zaljubili-so-se-v-slovenijo-in-partnerstvo.html> (page in Slovenian)

¹⁴ <https://worldgovernmentsummit.org/>

¹⁵ <http://www.spiritslovenia.si/en/news/2016-06-10-SPiRIT-Slovenija-ranked-Eastern-Europe-s-Top-Investment-Promotion-Agency>

¹⁶ http://europa.eu/rapid/press-release_SPEECH-12-964_en.htm

¹⁷ http://www.mju.gov.si/en/areas_of_work/green_reference_country_in_digital_europe/