Party Regulation as an Instrument of Party System Consolidation and of Mending Party Legitimacy in Slovenia

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The Legal Regulation of Political Parties

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Introduction

The process of democratisation in Slovenia has been gradual and included a liberalisation stage within the former socialist system when, although not legally allowed, political pluralism and oppositional activity were tolerated by the elite in the Socialist Republic of Slovenia. Oppositional political leagues found their political umbrella in the League of Socialist Youth and (with some delay) also in the Socialist Alliance of Working People. It was the conflict between the centralist politics at the Yugoslav federal level and the political elite of the Slovenian republic which served not only as a catalyst, but in fact led to the decisive moment when (in fear of being replaced by the federal power) the Slovenian party elite decided to go for democratisation within Slovenia and thereby ensure itself some continuity in the democratised context.¹

The regulation of modern political parties only became possible when the Slovenian party elite decided to allow political pluralism as part of a legally determined democratisation process. On one hand, the political elite did control the democratisation processes (in fact, all of the laws paving the way to democratisation processes were adopted by representatives of the old elite sitting in the republic’s socialist assembly – albeit as a result of domestic bottom-up and Yugoslav federal top-down pressures). On the other hand, the regulation of political parties was quite generous in terms of the relatively easy preconditions for establishing a political party.

The regulation of political parties was most dynamic in the process of the transition and in the early stage of the consolidation of Slovenia’s party system.² The regulation was a reaction to three major challenges: 1) competition among political parties for political space in the evolving party system; 2) possible external (international) influence.

interference in the dynamics of the domestic party system; and 3) non-democratic trends in the existing political parties (e.g. a lack of internal democracy and the emergence of party-related militia). Subsequently, the less frequent changes to party regulation in Slovenia have mostly been related to: 1) the fight against the corrupt behaviour of political parties related to their funding; and 2) the reactions of parliamentary parties to the struggle of non-parliamentary parties’ for access to state funding comparable to parliamentary parties’ access to such funding. As the party system stabilised and the core of parliamentary parties was increasingly behaving like a cartel, changes to party regulation only became possible following the Slovenian Constitutional Court’s rulings in proceedings initiated by non-cartel parties. While during the transition party regulation primarily dealt with the establishment of a modern democratic political system, the post-1992 party regulation has been related to several major trends – in fact, paradoxes. First, the prohibition on party funding from abroad has gone hand in hand with real-life trends toward financing from abroad, as occasionally revealed in public scandals. Second, while particular sources of party funding have been increasingly limited, a tendency towards increasing the number of possible party financing sources has found its way into party regulation. Third, while at the declaratory level parliamentary political parties support the idea of increasing public monitoring and control over party funding they have in fact tended to adopt legal rules which only give limited power to the controlling institutions. Fourth, while the amount of text devoted to legal rules prescribing increasingly detailed limitations on party funding has increased the rules stating the sanctions remain quite loose, the sanctions remain relatively mild while the political will to actually implement the rules also continues to be poor. Although during the last year or two – in the context of the economic and political crisis in Slovenia – voters have had even less trust in parties than the previously low levels and have clearly called on the political elite to deal with corruption much more efficiently than in the past, the political elite has only dealt with some individual cases of corruption but avoided responding to the demands to adopt stricter rules on political parties. Even international pressures (linked to the international pressures concentrated in the Council of Europe’s Group of States against Corruption: GRECO) in the direction of more transparent party funding seem not to make a difference.

In the following section the changes in Slovenia’s party regulations since 1989 are presented in greater detail.
Constitution and/or Party Law?

In 1991 Slovenia proclaimed its independence and in the same year a new Constitution was adopted. The Constitution contains no provisions on parties or their funding. Moreover, political parties are mentioned in the Constitution only a few times, in the form of a prohibition – professionals in the Slovenian Army as well as police officers are not allowed to be members of political parties; the function of a judge is incompatible with membership in party bodies (Lukšič, 1994).

For the first time since a one-party system was established after World War II, in the transition period political parties were legalised by the Law on Political Association adopted in December 1989, and in the framework of a formally monistic system as a result of pressures exerted by civil society on one hand and the old elite’s adaptation to those pressures on the other (Fink-Hafner, 1994: 35).

The said law only had 27 articles and regulated parties to the minimum (more precisely, at the time only the term “political organisation” was allowed). Nevertheless, several of the more common areas of party regulation (Karvonen, 2007) were mentioned in the law. It briefly defined which organisations could be treated as political organisations/parties (organisations with political aims and activities to achieve them) and what was supposed to be the aim of people gathering in such organisations (for example, participation in the formation of a political will, discussing social questions, taking political stances on important social questions, giving guidelines to elected representatives, participating in implementing people’s rights and interests, taking part in candidate-selection processes for elections etc.).

The law also included several prohibitions. Like in many other post-socialist countries (Karvonen, 2007: 446), also in Slovenia party cells or branches in the workplace or within governmental apparatus were banned by this 1989 law, and explicitly only the territorial principle of party organisation was permitted. It was also not allowed to gather in political organisations whose aim was to violate civil liberties and rights, violently destroy the constitutionally set system, threaten the independence of the state, propagate violence or war, or spread national, racial and religious hatred. If these provisions were not respected a party was banned or stop existing. The activity

\[^3\] The constitutional text originally proposed did contain a provision requiring parties to make information on their assets and funding public (Toplak, 2007: 172).
of parties was declared to be public and only exceptionally could the public be excluded by a decision of party bodies. However, for example, the law did not include articles dealing with members’ rights or the internal organisation/democracy of parties, thereby giving an almost completely free hand to create whatever kind of party someone wanted in that regard.

According to the law, establishing a party was actually very easy since only 20 signatures of citizens aged 18 years old or over were needed, together with a party statute and programme while party bodies also had to be elected. It is no surprise then that in April 1992 there were 91 political organisations, at the end of the year already 101 and in December 1993 even 124 organisations were on the register of political parties (Fink-Hafner, 1994: 37). A process of party registration was set up and it was also determined which municipal body was competent to conduct it. Somewhat unusual was the fact that there was no central register of parties since a party was only recorded on the register of the municipality where the party had its seat. Alongside articles dealing with party funding (discussed later) sanctions for violations of the law were also set, almost exclusively in the form of fines.

As noted by Fink-Hafner (1994: 37-39), the turbulent times of party splits, conflicts over party names and many allegations of irregularities in party funding practices at the beginning of the 1990s probably contributed significantly to the need for specific and more detailed party regulation which would also include: a more precise definition of a political party and its functions; at least partial regulation of internal democracy; a precise definition of the procedure of establishing, registering and terminating a party; and the regulation of party funding together with control over it.

Fink-Hafner (2001: 247) mentions several reasons for the modifications to party regulations at the start of the 1990s, with the most significant ones being: the modernisation and intensive development of interest associations; the loose definition of a political party and official records in the 1989 law; the lack of a modern regulation governing interest associations in Slovenia; financial scandals; the strengthening of anti-party sentiments; and tendencies to consolidate the party arena.

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4 However, many of the political organisations on the register were indeed fictional or only formally established but not active (Kranjc, 1994).
Finally, after a draft in 1992, a proposal prepared in 1993 along with several rounds of debates, in 1994 the Law on Political Parties was adopted. The law has been amended several times (in 1998, 2000, 2002, 2005 and 2007), but mostly due to changes to articles concerning party funding. Nevertheless, the earliest amendment to the law was not related to party funding. Namely, in 1998 the Constitutional Court annulled a provision that in Slovenia a party which propagates violence, the demolition of the constitutionally set system or demands the secession of part of Slovenia or has an intention to act or is acting in conflict with the Constitution could not be put on the register and was not allowed to be active. The commitment to only the territorial principle of party organisation was repeated in the 1994 law along with the additional provision that a party is prohibited from acting as a militia or an armed association, and that any party with such an intention is not allowed. Further, a party with a seat outside Slovenia was banned.

In comparison with the 1989 law, the definition of a party is more precise and typical for political science (Fink-Hafner, 2001) even though it is still only briefly elaborated. Consequently, it is no longer possible for typical interest organisations without any characteristics of a party to be put on a party register as had been possible in the 1989–1994 period (Fink-Hafner, 2001).

In 1994 the number of citizens needed to establish a party was raised to 200 and a demand was made to all parties to register again pursuant to the 1994 law if they wished to continue operating. Along with that, a statute, a programme, and minutes of the founding meeting and names of elected members of party bodies are still needed to register a party.

According to the law, every Slovenian citizen at least 18 years of age can become a party member, while citizens at least 15 years of age can join the youth organisation of a political party, and a foreigner can only become an honourable party member (the exception being EU citizens with voting rights in Slovenia). A party is obliged to have a register of party members. And there are no other provisions on party members or their rights (only an obligation that the rights and duties of members must be covered by the party statute). A very minimalist approach to regulation has also been taken with regard to the question of a party’s internal organisation – the

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5 Among them social movements (like the women’s movement, peace movement etc.) and also non-political associations (like mycologist association or consumers’ association etc.).
law states a party must have an internal party organisation, to form at least an executive body as well as a representative body of all members, and it has to establish several processes (for example, a candidate-selection process, processes for adopting the party statute and programme, a way to ensure equal opportunities of men and women etc.). This all means that the law formally puts in place what has to be regulated by a party statute, yet it is up to a party to decide how to regulate these aspects of internal party life, or what is supposed to be a result of the processes (low/high levels of internal democracy; high/low levels of (de)centralisation); negligible/important role of members and internal party organisations...). Therefore, the (significant) differences seen among Slovenian parties in terms of members’ rights and internal democracy are not a big surprise (Krašovec, 2000).

An important part of the party regulation is devoted to processes relating to party dynamics, especially to processes connected with their splits and mergers as well as ‘rights’ to party names, their abbreviations, short names etc. Such provisions were included in the 1994 law and later in its amendments (particularly in 2000) due to many bitter conflicts among the parties in processes of their (dis)integration at the beginning and in the mid-1990s (Krašovec, 2000; Fink-Hafner, 2001). The legal provisions on the party (short) name, abbreviation and symbol are a direct consequence of certain abuse recorded at the 1992 elections when one party attempted to lead voters into error through its similar (short) name with another better known party. A dispute among the parties in the 1990s led to a more detailed party regulation in 2000. Namely, the Social Democratic Party of Slovenia registered alongside this party name several others connected with the wording “social democratic”, thereby efficiently preventing for years any other party using a similar name involving the words “social democracy”. In 2000 the law was further amended so that at last a clause explicitly provided that a party can only have one name as well as a short name and a symbol.

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6 A party name must not include the name of any foreign country or a foreign party, nor include names which are the same or similar to names of state bodies, country regions or their abbreviations or symbols.

7 For example, at the 1992 elections the Liberal Democratic Party (LDS), a former socialist youth organisation, competed (it also competed at the 1990 elections), but shortly before elections the Liberal Democratic Party of Slovenia (LDSS) was also established. While the former was the biggest party in Slovenia in the 1992–2004 period, the latter was established with the clear intention to lead voters into error. The LDS due to such a confusion even somewhat re-oriented its electoral campaign – it was indeed forced to start exposing the differences between the LDS and LDSS (Krašovec, 2000).

8 There were many disputes between the newly established Social Democratic Party of Slovenia and the transformed League of Communists in this regard. The latter was only allowed to use several
Every party must be put on a register of parties. Since 1994 a register has been led at the central level by the Ministry of Internal Affairs and the process whereby a party is included on the register has also been regulated in detail thereafter. On the basis of the Constitutional Court’s decision a party can be deleted from the register, and the same applies if a court decides to abolish a provision on the inclusion of a party on a register. The Ministry of Internal Affairs starts a process of the deletion of a party from the register in only three cases – if a party demands so; if a party was included on a register on the basis of false data, if a party does not compete consecutively at parliamentary elections or at elections for municipal councils. And, like in the 1989 law, sanctions for breaches of the law are prescribed, mainly in the form of fines.

**How are Party Finances Regulated?**

As March and Olsen (1984) explain, financial resources are a necessary condition of the activity and survival of all organisations (either directly or indirectly) and the same is true for political parties. Since finances are an important element of the life of parties one may also expect them to be regulated. As found by Karvonen (2007), this is indeed the case and in many countries whether they are established democracies, new democracies, semi-democracies or even non-democracies such provisions can be found, with the most detailed provisions seen in new democracies. Over time, three main financial sources have developed: donations by companies, donations by individuals and membership fees, and later public subsidies emerged. All of them remain useful party sources, but it is often the case that their importance has changed over time. As found by researchers, shares of public subsidies in parties’ annual financial structures have been generally growing in the last few decades. Today, as a rule, in Europe public subsidies are the most important financial source for many parties (see, for example, Mair, 1994; Van Biezen, 2003; Van Biezen and Kopecky, 2007). When speaking about public subsidies, it should be
noted that parties usually have to fulfil certain criteria to be entitled to them. Such criteria mainly involve electoral success; more precisely, a party’s entrance to parliament (Alexander, 1989, Nassmacher, 1989). Alternatively, in some cases non-parliamentary parties which have received a certain percentage share of votes at elections are also entitled to public subsidies. Public subsidies are allocated to parties according to the share of votes they receive at elections or seats they hold in parliament. This has indeed privileged parliamentary parties and assured their survival. In contrast, due to the great importance of public subsidies to which they are no entitled, non-parliamentary parties have had even bigger problems simply surviving than in the past. When discussing public subsidies, one must differentiate two forms: a) direct public subsidies (for example, monthly public subsidies, (partial) single reimbursement of costs of electoral campaigns, public subsidies for the employment of experts or assistants, public subsidies for the purpose of MPs’ electoral constituency offices); and b) indirect public subsidies (for example, public subsidies for establishing a party foundation, free of charge access to public TV, especially during electoral campaigns, free of charge postal deliveries, free of charge distribution of electoral propaganda materials, payment of experts and administrative employees of parliamentary party groups) (Pierre, Svåsand and Widfeldt, 2000; Van Biezen, 2003).

Party finances were briefly (by three short articles) already regulated in Slovenia by the end of 1989 when the Law on Political Association was passed and legitimated all basic forms of party funding – membership fees, donations by individuals and companies as well as public subsidies. The law entitled parties which were members of the old/socialist Socio-political Chamber at the national and local levels to receive monthly public subsidies. The result was that two parties which had developed out of former socio-political organisations (the SD and the LDS) were in

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10 Access to state resources is comparatively more inclusive in the case of Western democracies than elsewhere (Van Biezen and Kopecky, 2007).
11 Most of the disputes that arose during its passage in the parliament concerned the founding of parties. Approximately half of the MPs supported the introduction of the source, while the other half rejected it (Toplak, 2007: 171). It seems the situation in this regard was similar to that in other post-socialist countries, where mainly newly established parties were looking for their introduction to compensate for the disadvantages they were confronting in comparison with transformed parties (Kranjc, 1994: 90; van Beizen, 2003: 36).
12 Alongside this chamber the Chamber of Municipalities and the Chamber of Associated Work existed.
this aspect in a privileged position for several months – up until the first free, democratic and multiparty elections were held in April 1990.\textsuperscript{13} Moreover, in the period of political transformation and democratisation in the early 1990s the transformed parties had far fewer problems developing and maintaining their organisational structure as well as with financial and human resources, buildings and equipment than the newly established parties since the former had simply inherited such resources (Vehovar, 1994; Fink-Hafner, 1997). Public subsidies were allocated to parties according to number of seats they held in the Chamber.

The 1989 law did not expressly prohibit party funding from abroad (although the law adopted in 1994 does). Hence, the situation in Slovenia was probably quite similar to that in other Central and Eastern European countries where it was certainly the case that Western foundations and foreign agencies played a significant role in the survival of new parties during their initial phase, although the precise extent of their contribution remains uncertain (Lewis, 1998: 140). In terms of party funding the law was minimalist, but in any case it remained in force even up until 1994 when it was replaced by the Law on Political Parties. This also means that at the start of the transition party funding was regulated minimally for five years and several financial scandals that arose therefore cannot not be seen as a surprise. It is precisely due to those finance scandals that another public demand/expectation was to regulate party funding more extensively, together with the introduction of more serious control over party funding. Indeed the 1994 Law on Political Parties regulates party funding in greater depth.

The Law on Political Parties again lists the above-mentioned basic forms of party funding, but also adds some other legitimate sources of party financing; parties can receive financial resources from property revenue, gifts, bequests and the surpluses of revenues from companies owned by a party (the party can only own companies involved in publishing or culture).\textsuperscript{14} The share of this last type of funding source must not exceed 20\% of a party’s total annual income. In 1994 a limitation on donations was also introduced. Donations by an individual or a company to one party in a given year should not exceed 10 average monthly salaries in Slovenia. If donations exceed

\textsuperscript{13} From December 1989 to April 1990 certain new and non-parliamentary parties were entitled to some temporary public subsidies. However, the amounts of the temporary public subsidies were very low.

\textsuperscript{14} It is unclear when a party is considered to be the owner of an enterprise. Is this the traditional 50\% plus one share or is it, for instance, 10\% which can already represent a controlling share in enterprises? Or does merely one share mean ownership? (Krašovec, 2000).
three average monthly salaries then a party must list the donors, their names and addresses and the respective amounts in its annual reports. Every year parties must submit their reports on their financial activity in the previous year to the parliament.\textsuperscript{15} These reports are reviewed and appraised by the Court of Auditors before they are sent to the parliament.\textsuperscript{16} However, the Court only gives its opinion on whether those reports satisfy the formal regulations concerning the structure of their contents. It does not have any legal basis to force their revision.\textsuperscript{17} Taking all of this into account, the serious warnings issued by GRECO in 2010 and 2012 (see GRECO: Third Evaluation round) about a lack of a transparency in party funding and therefore the high potential of corruption in this regard cannot come as a surprise. GRECO highlighted the lack of the Court’s (or any other body’s) formal power to control party funding as one of the most problematic issues. But the fact that the majority of donations have not exceeded three average monthly salaries also entails a risk of corrupt activity since in this case it has not been necessary to reveal the donor so their identity remains unknown. Although in the last few years parties have been working on amending the law with the aim to assure greater transparency and to respond to the GRECO demands/expectations, none of the proposals they were working on reached the parliamentary stage. We can therefore probably agree with GRECO that we can hardly talk about the transparency of party funding in Slovenia.

The mentioned law forbids certain forms of party funding. As mentioned, party funding from abroad is not allowed\textsuperscript{18}, and also prohibited are funds coming from governmental bodies, public companies and institutions, municipal bodies, humanitarian and religious organisations and companies with at least 25%\textsuperscript{19} of public capital.

\textsuperscript{15} The 1989 law determined party finance operations to be public, but did not introduce any demand for parties to prepare a financial report.
\textsuperscript{16} Political parties that have received public subsidies must publish a short version of the report in the National Gazette.
\textsuperscript{17} Walecki (2006) in his study on control over party finances revealed the problem of a low level of implementation of the law, but it is necessary to say that in fact in Slovenia no competent body formally has any important jurisdiction to enable it to efficiently control party finances, although there is some control in companies which donate funds to parties.
\textsuperscript{18} Since 2002 an exception is membership fees paid by party members living abroad.
\textsuperscript{19} Till 2007 this limit was set at 50%. 
The 1994 law continued to state that only parliamentary parties\textsuperscript{20} could receive public subsidies. In relation to this provision, the Constitutional Court has intervened twice. In both cases, small, non-parliamentary parties requested the Court’s opinion. In the first case, four parties described such provisions as discriminating against non-parliamentary parties. In the proceedings they claimed that such funding is a very important source and because non-parliamentary parties do not have such a public source available their chances of equal activity in the political arena are significantly worse. In 1999, the Constitutional Court ruled that limiting public subsidies solely to parliamentary parties was not in line with the Constitution and the chances of parties to conduct equal activities. Consequently, in 2000 the parliament amended the Law on Political Parties with the most important change involving public subsidies. The parliament namely introduced public subsidies for all parties which at the last elections had received at least 1% of votes and had candidates in three-quarters of constituencies (there are eight constituencies in Slovenia). In 2002 small, non-parliamentary parties again commenced legal proceedings in the Constitutional Court. It declared that the requirement to have candidates in three-quarters of constituencies was also not in accordance with the Constitution due to discrimination against regionally-based parties. At the moment, the only criterion for parties to be entitled to public subsidies from the national budget is that a party must have received at least 1% of the votes cast in the most recent elections.\textsuperscript{21}

Parties entitled to public subsidies receive them monthly. The exact amount in the 1994–2000 period depended on the number of votes received at elections. Each vote counted for 30 Slovenian tolers (SIT).\textsuperscript{22} The amount was adjusted for inflation. Since 2000, the formula for the distribution of public subsidies has changed. At the beginning of the each year it is determined how much funding from the national budget will be earmarked for party funding, but the amount must not exceed 0.017% of GDP. Parties entitled to public subsidies have received 10% of the set amount of finances for public subsidies in equal shares, with the remaining 90% being distributed among them according to their electoral success.

\textsuperscript{20} Till 2000 the threshold was three parliamentary seats (in practice this meant between 3.2% and 3.3% of votes), and since 2000 the threshold has been 4%.
\textsuperscript{21} In the case of an electoral coalition of two parties the criteria is 1.2% and in the case of three or more parties the criteria is 1.5% of votes.
\textsuperscript{22} 1 EUR = 239.64 SIT
Parties can also receive public subsidies at the local level. Municipalities (Slovenia has 210 municipalities) are competent to make this kind of decision. In any case, the amendments to the law (in 2000) specify that only parties which received at least 50% of the votes needed for one member of the local council to be elected can be entitled to receive funds from a municipality budget. Here, the biggest share of a municipality’s budget which can be reserved for public subsidies has also been set, namely at 0.2%.

Analysis of the annual financial reports submitted by parties to the Court of Auditors (which have not been subject to any serious review) reveals that Slovenian parties have generally been largely dependent on public subsidies, despite the legally permitted diversity of financial sources. In all parties, public subsidies have been the largest individual financial source, while in some parties they have been almost the exclusive financial source (Krašovec, 2000; Krašovec and Haughton, 2011: 205). Analysis of voting behaviour shows that in selected cases where the privileged position (of parliamentary parties) for receiving public subsidies was at stake, irrespective of their party affiliation or governmental/opposition status MPs voted almost as a homogenous bloc in favour of the laws and amendments (Krašovec and Haughton, 2011: 207). Nonetheless, it should be stressed that both laws and their modifications also contained some other provisions unrelated to public subsidies.

Control over implementation of the provisions of the law dealing with party funding is assigned to the Ministry of Finance. The law provides sanctions for violations, with a party in breach of the regulation being subject to fines ranging from EUR 4,150 to EUR 20,850. However, as found by Krašovec (1997; 2000) and Toplak (2007), the anticipated sanctions for breaking the law have not yet been implemented. In its

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23 Indeed only parties can be entitled to receive public subsidies on the local level, while lists of independent candidates are not entitled to them even though precisely such lists have recorded important successes. But also this provision was assessed by the Constitutional Court in 2001 which declared that it is not in conflict with the Constitution.

24 Toplak (2007: 188) even claims that most of the funds collected and spent are not included in the official reports.

25 Data acquired in a survey conducted among ministers and high-ranking civil servants in 2003 by Demstar reveal an interesting picture. 41.2% of respondents evaluated the public subsidies of their parties as the most important financial source, while even 37.3% of them answered that membership fees were the most important. The same survey revealed that 76.5% of respondents thought that, in principle, parties have to be financed from the national budget (Nørgaard and Johannsen, 2003).
report, GRECO (2012) also noted that in practice there have been no sanctions despite a few violations of the law have been found and empirically proven. And even though there have only been a few scandals this does not mean that there are no illegal practices in this area (Toplak, 2007: 188). But these scandals have also revealed an interesting behaviour of Slovenian parties – when they have been asked to comment on alleged illegal financial actions of other parties, as a rule they do not make any comment other than to say that this is an internal matter of each individual party (If we take the above-mentioned voting behaviour of parties into account such a behaviour is not non-excepted).

Some rules on party funding have been included in other laws, most notably the law regulating electoral campaigns – how campaigns can be financed, which sources are allowed, limitations on donations and spending etc. Moreover, the briefly described monthly direct public subsidies have not been the only way for parties to acquire money from the budget. Already the Law on Elections in Assemblies of 1989 introduced the (partial) single reimbursement of the costs of electoral campaigns. The same provisions were included in the Law on Election Campaigns passed in 1994 and later in the Law on Referenda and Electoral Campaigns (2007). Parties or candidates that have entered parliament, or received at least 2% of all votes at the national level, or 6% within one constituency, are entitled to the reimbursement of their expenditure for electoral campaigns. The actual amount of reimbursement depends on the number of votes received (parliamentary parties are entitled to EUR 0.33 per vote received, while other parties are entitled to a reimbursement of EUR 0.17 per vote received). In any event, the level of reimbursement must not exceed a party’s expenditure in an electoral campaign.

There have also been some other forms of public party subsidies to parliamentary parties – parties have been entitled to receive a monthly subsidy to ensure the work of MPs in their electoral constituencies. Parliamentary parties have also received certain amounts (every month) for so-called additional professional help. In 1997, when such support was introduced for the first time, each parliamentary party group was entitled to one-third of the monthly salary of a parliamentary counsellor for each MP. Since 2002, for the above-mentioned purpose each parliamentary party group has received a monthly salary of a parliamentary counsellor for each MP. Another indirect public subsidy flows to parliamentary parties in the form of those secretaries,
experts and administrative staff working in parliamentary party groups and who are paid by the state. In 1997, each parliamentary party group was entitled to secretarial, expert and administrative staff and another administrative staff member for every additional eight MPs. Since 2000, each parliamentary party group has been entitled to even more expert and administrative staff than previously. All of these resources have been assured to parties by the Decree on the Organisation and Work of Departments of the National Assembly and its amendments. An analysis of MPs’ voting behaviour on the Decrees also shows MPs were acting as a virtually homogenous bloc with only a minimal number of MPs not supporting them.

In addition, there have been some less visible forms of public subsidising of parliamentary parties (parties use state buildings, phones, cars ... for their meetings, international activity) but these already border on the fine line of legality or even cross it (Bebler, 1999). Last but not least, the Law on the Radio and Television of Slovenia states that candidates and parties have the right to free air time during an election campaign. The public TV broadcaster thus provides payment-free access to all candidates and parties running for seats in parliament (either in the form of self-presentations of candidates or parties and their programmes, or debates among candidates or party representatives).

It seems that all of this has even reinforced parties’ dependence on the state for maintaining their activities and survival. Simultaneously, by tapping the different resources of the state parliamentary parties in Slovenia obviously have an advantage over non-parliamentary ones and the former have clearly acted in a cartel manner (Krašovec and Haughton, 2011).

**Party Law and Its Consequences**

Since the transition to democracy in Slovenia parliamentary parties have been adopting legal rules related to political parties. While up until the mid-1990s parties had been consolidating and been concerned with a variety of organisational matters (determining the basic rules on the establishment of a political party, fighting over party names, determining minimal standards of internal party democracy and financing), later on party funding became ‘the’ issue of party politics. This is not only due to the sensitivity of political parties, but to the public outrage with financial
scandals related to party funding. In these circumstances, the following three trends prevail.

1) Parliamentary parties’ control over the rules on party funding
According to the party laws several financial sources are allowed in Slovenia, but as the analysis of the annual financial reports showed also in Slovenia public subsidies are the most important. Moreover, in the circumstances of relatively low levels of membership and limits on donations from companies and individuals the parties in Slovenia are heavily dependent on state resources and parliamentary parties have been using their position to channel state resources to give themselves an advantage at the expense of those outside the legislature (Krašovec and Haughton, 2011). Taking this into account, the loss of this funding source has significantly influenced the chances of parties’ survival and/or development. Even though since 2000 parliamentary parties have not been the only rightful claimants to the direct public subsidies, it is obvious that parliamentary status is essential parties’ survival since it also brings important other sources that are needed for normal party activity. In this sense, the fact that since 1992 only one party (New Slovenia at the 2011 elections) has managed to return to the parliament after having lost its parliamentary status is not a surprise.

2) Parliamentary parties’ non-responsiveness to the more or less ‘toothless’ domestic and internal pressures to amend the party funding rules
In spite of countless public warnings that the Court of Auditors of the Republic of Slovenia does not have enough power to either actually learn about the details of party funding or to sanction illegal party practices in this field, the law governing this court has not been amended appropriately. Further, despite several draft amendments prepared in the last few years to alter the regulation of party funding so as to ensure greater transparency, none of them have actually been sent for the parliamentary procedure. Despite the 2009 public discussions in Slovenia over state subsidies to political parties and their potential elimination, later even the idea of only allowing public funding and abolishing all others sources has been developed. Both proposals and discussions were driven by the idea that either solution could prevent corruption. But even though GRECO has called for several changes to be
made to the regulation of party funding with the aim to ensure greater transparency, nothing has been changed.

3) Slovenian parties’ loss of legitimacy and challenges to representative democracy

During the last two decades the core of the parliamentary political parties has been increasingly involved in non-transparent relationships with an increasingly politically influential economic elite (to a great extent linked to the particular privatisation mode adopted in Slovenia). In the context of the international financial and economic crisis the inability of the political parties (burdened by their corrupt links to these segments of the business elite and their own problems with legitimacy) to govern efficiently and transparently have led not only to mass demonstrations against particular measures, but also to calls to reconstruct the model of democracy based on representation through political parties.

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