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# The Dynamics of Elites and the Type of Capitalism: Slovenian Exceptionalism?

Frane Adam & Matevž Tomšič\*

**Abstract:** »*Elitendynamik und Kapitalismustyp: Sonderfall Slowenien?*«. The configuration of elites, i.e. relationships between different factions of the political elite or between the political elite and other elites, along with the elite's prevailing cultural patterns, exert a strong impact on the course of societal development. Therefore, in order to understand the transitional process in Slovenia, it is necessary to analyse the character of political elites its evolution and dynamics in terms of reproduction/circulation. The thesis is that the elite configuration and cultural profile decisively determined the selection of the particular model of socio-economic regulation and, consequently, the type of capitalism that was formed to replace the previous system. However, the changes and events connected with financial crisis and economic crisis after 2008 may indicate that entire architecture of Slovenian social corporatism in the framework of state (national) type of capitalism generated a sort of *immobilismo* and inability to execute the necessary reforms.

**Keywords:** elite, transition, post-socialism, state capitalism, Slovenia, corporatism, consensus, economic crisis.

## Introduction

Following the deconstruction of the communist regime, together with other countries from East-Central Europe Slovenia found itself in a period of major social changes. In the case of Slovenia, the regime change was coupled with the dissolution of Yugoslavia, a state Slovenia had been part of since 1918 (under different official names). Societal transformation in terms of establishing a parliamentary democracy and a market economy along with the formation of an independent state can thus be perceived as the key milestones in the process of modernising Slovenian society. Namely, like most other countries from the region, Slovenia was in historical terms part of the European (semi)periphery (Janos 2000; Berend 2001) which was distinguished by its traditional social structure with a relatively low rate of functional differentiation and autonomy of individual parts of society. This peripheral status continued during the communist regime, despite having proclaimed the goal of mod-

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ernising society. It has to be stressed that the communist regime in Yugoslavia – which Slovenia formed part of – differs in some important aspects from others in the region. After the split between the Yugoslav and Soviet communist party leaders and the 1948 Informbiro resolution, Yugoslavia somewhat opened up towards the West and introduced gradual changes to its social and economic order. However, the process of social change conducted by the communist government could also be named inorganic modernisation directed from above (Bozoki 1994, 68). The result was far from true modernity.

A key issue within the problem of a society's system transformation is: who are the main actors, the ones with the power to influence the nature of social change? Who can influence the formation of institutional relationships that define the principles of society? Namely, the successful formation of a democratic system is not merely an automatic product of certain cultural, historical and material circumstances. Different "requisites of democracy" (Lipset 1959, 1994), such as high levels of economic development and general education of the population, a numerous middle class, a tradition of mutual respect for differences and reaching compromises etc., have important impacts on the ability to constitute a democracy, but democratic change must be introduced by "agents", i.e. specific political protagonists (Schmitter 1993, 425).

The nature of post-communist society thus strongly depends on those social actors who exert control over the transition process. We speak about elites, notably political ones, as it is these individuals "who are able, by the virtue of their strategic positions in powerful organisations, to affect national outcomes regularly and substantially" (Field et al. 1990, 152). They hold the key responsibility to execute the so-called "triple transition" (Offe 1993), meaning a change of political, economic and social systems. During times of intensive social change the political elite or its dominant type is the one with the biggest influence on the structure of and the way individual institutions operate, and thus also influences the nature of the newly formed social organisation (Tomšič 2011, 60). In such circumstances, political actors are exposed to uncertainties and risks of an unclearly defined political space but, conversely, they are more (compared with established democracies) actively involved in defining these circumstances (Cotta 1996, 70). The configuration of elites, i.e. relationships between different factions of the political elite as well as between the political elite and other elite segments (business, cultural elite), along with the elite's profile in terms of prevailing cultural patterns, exert a strong impact on the course of societal development. Therefore, in order to understand the transitional process in Slovenia it is necessary to analyse the character of political elites its evolution and dynamics in terms of reproduction/circulation.

Slovenian societal development in the post-communist period in terms of both the dynamics of the systemic transformation and the type of socio-economic institutional setting had some specific, idiosyncratic elements when compared with other societies of East-Central Europe. The same holds for the

configuration of political elites. In this respect, we can speak about “Slovenian exceptionalism”. Our thesis is that the elite configuration and cultural profile, i.e. the domination of a particular elite faction and its ideological hegemony, decisively determined the selection of the particular model of socio-economic regulation and, consequently, the type of capitalism that was formed to replace the previous system. However, the changes and events connected with financial crisis and economic crisis after 2008 may indicate that entire architecture of Slovenian social corporatism in the framework of state (national) type of capitalism generated a sort of *immobilismo* and inability to execute the necessary reforms.

## Political Dynamics in Post-Communist Slovenia

### Introduction of a Parliamentary Democracy and the Country’s Independence

In Slovenia, the transition from the old regime to the new one was carried out in a contractual way, i.e. achieved through compromise (Karl and Schmitter 1991) or a “transplacement” as Huntington (1993) calls it, i.e. the joint (more or less co-ordinated) action of actors in opposition and in power (albeit not in a formalised way, for example in the form of a ‘round table’ like in Poland and Hungary). At the end of 1980, popular discontent with the communist regime resulted in the formation of an organised (although heterogeneous) opposition which emerged from different nonconformist intellectual circles<sup>1</sup> and social groups (so-called “New Social Movements”).<sup>2</sup> With their public demands for democratisation, human rights and a redefinition of relationships in the federal state (directed toward Slovenian sovereignty), various opposition groups exerted pressure on the ruling communist party, causing its internal differentia-

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<sup>1</sup> The most powerful centre of non-conformism in Slovenia could be found among the cultural elite, which concentrated around certain journals that dealt not only with cultural but also general social problems. In terms of the issues that concerned the existence of the Slovenian nation in the context of the socialist system and the state of Yugoslavia, the group of writers and intellectuals circulating around the journal *Nova Revija* (founded in the early 1980s) should be pointed out. That circle was most determined and far-sighted in its arguments for the need for national independence and the democratisation of society as basic conditions for the successful functioning of the Slovenian nation. This was most clearly stated in the 57th issue of *Nova Revija* (published in 1987) which contained articles that were actually some sort of a political anti-programme, an alternative to the governing elite.

<sup>2</sup> ‘New Social Movements’ included environmentalist, peace, feminist and other groups engaged in various public arenas according to their specific interest. They acted in the sense of “anti-politics” (Konrad 1988), with the intention to protect social spaces from state /political penetration, avoiding distinctly political activities.

tion.<sup>3</sup> The party, rather its reform-oriented fraction that gradually prevailed, started dropping its orthodox ideology and party-power principles and finally accepted the introduction of political pluralism, with intention to also secure its position within the democratic regime (Fink-Hafner 1997). In this way, the installation of the democratic institutional setting took place quite smoothly, without any major disturbances.

Its first multi-party elections undoubtedly gave a new face to the Slovenian political space. After 45 years of communist rule, power moved into the hands of political forces not bound to state and communist-party structures. They formed the DEMOS coalition, a mixed association of political powers joined by their struggle to re-establish political pluralism and to form an independent Slovenian state.<sup>4</sup> Actually, if we conclude from the names of the participating parties, the coalition represented all major ideological options typical of modern democratic politics (social-democratic, liberal, and Catholic-conservative). Amongst the votes received by DEMOS, the greatest share went to the Christian Democrats even though its main representatives did not play an important role in the struggle for democracy during the second half of the 1980s. Nonetheless, key positions in the new government were occupied by the Slovenian Democratic Alliance (Slovenska demokratska zveza – SDZ) since it had the most competent people at its disposal.<sup>5</sup> Soon, friction appeared within the coalition and thus the minority liberal fraction (the democrats) with relatively great power and the conservative part (Christian democrats) with the majority support started to separate. The separation transferred into the Slovenian Democratic Alliance which was also very heterogeneous, so the party broke up into the more liberal Democrats and the more conservative National Democrats. This was the beginning of the end for DEMOS. This coalition decisively contributed to Slovenia's independence that was achieved during its short period in government, together with the installation of a democratic institutional system. However, due to ongoing tensions between the coalition's liberal and conservative factions, it fell apart at the end of 1991.

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<sup>3</sup> The differentiation that took place within the regime's political structures played an important role in formation of Slovenia's political space. In the late 1980s the official youth organisation that had normally played the role of party transmission in the sense of controlling the young population started to act independently and represented views that were distinct from the policy of the 'older brother'.

<sup>4</sup> The DEMOS coalition was made up of six parties: Slovenian Christian Democrats, Slovenian Farmer's Union (later Slovenian People's Party), Slovenian Democratic Union, Social Democratic Party of Slovenia and Slovenian Artisans' Party.

<sup>5</sup> This party was the intellectual core of the DEMOS coalition with many members who played a key role in bringing down the old regime.

## Era of the LDS

Following the decline of DEMOS and fall of the first democratic government, the leading role in the Slovenian political space was taken over by the Liberal Democracy of Slovenia (*Liberalna Demokracija Slovenije, LDS*) which won the 1992 elections. This former socialist youth organisation had successfully transformed itself into a political party, adopting a liberal ideology and leaning on the civic movement tradition from the 1980s (New Social Movements). After many individuals who were at first active in these movements joined the organisation, it managed to lose its image of a regime organisation; although organisationally it continued to lean upon the structure of the communist regime (local organisations, material infrastructure, cooperation within the structures of power etc.). It became under the leadership of Janez Drnovšek, the main political force in the state for most of the post-communist period, who was a senior partner of either mixed or centre-left governing coalitions up until 2004. Mr. Drnovšek headed three governments in the 1992-2002 period. His prime ministership was only interrupted for six months in 2000 when his government lost a vote of no-confidence that led to the formation of a centre-right government. However, the following parliamentary elections held that year were decisively won by the LDS.

During the rule of the LDS, Slovenia achieved its most important international goals, i.e. becoming a member of both the European Union and NATO (in spring 2004). Due to his ability to negotiate and make compromises, for a decade Mr. Drnovšek managed to not only steer heterogeneous government coalitions but also to strike a balance between the different factions in his own party. In this way, he maintained the centrist image of his party. However, after being elected President of the Republic in 2002, thus leaving behind his positions as both Prime Minister and president of the LDS, the process of the party's disintegration began since he as one of its leaders had enjoyed enough authority both within the party and among the general public. This led to a change of power relations in the political space two years later.

## Centre-Right Turn

The LDS' political domination ended in 2004 when it was defeated at parliamentary elections, losing to the Slovenian Democratic Party (SDS) which became the leading party of the centre-right governing coalition (with was not entirely ideologically homogeneous since the Democratic Pensioners' Party that declares it is left-leaning was also a coalition partner) with its party president Janez Janša as Prime Minister. The government launched extensive socio-economic reforms in terms of reducing the control of the government. These reforms provoked fierce opposition not only from the political opposition but also from influential interests, especially trade unions, resulting in a considerable reduction of their scope and 'depth'.

This coalition was the first to ‘survive’ its entire mandate and to lead the country in the period of its independence. During its rule, Slovenia enjoyed its highest economic growth in the whole transition period. However, Janša’s government became engaged in bitter conflicts not only with the political opposition but also with a considerable part of civil society and the media who accused him of introducing political control over key strategic areas of society.<sup>6</sup> Despite evident achievements like the smooth introduction of the common European currency, the euro, and successful Presidency of the Council of the EU, Janša and the SDS managed to remain in power for just one mandate, losing the next parliamentary elections to the Social Democrats (SD) led by Borut Pahor.

### Return of the Centre-Right and Its Early Departure

The 2008 elections brought a new political turn since power was assumed by centre-left parties, with the SD as the main partner in the government (replacing the LDS as the main centre-left party). However, even though the ruling coalition was ideologically more homogeneous than its predecessors, conflicts between the coalition parties started at the outset of the Pahor government’s mandate. They became a permanent feature of the coalition and the chief reason for its early dissolution.

The global economic crisis that broke out that year seriously affected the Slovenia economy and made governing the country tougher than was expected by the main protagonists. After quite unsuccessful attempts to tackle the crisis and the rejection of several laws (the most important involving reform of the pension system) at referenda in spring 2011, this coalition fell apart in 2011, resulting in a parliamentary vote of no-confidence against the government. The political crisis resulted in the first early elections in the history of Slovenian parliamentarianism.

The elections that took place in December 2011 considerably changed the party composition in parliament. Two newly formed parties – Positive Slovenia, led by the Mayor of Ljubljana Zoran Janković, and a Citizens’ List led by former Minister of Public Administration Gregor Virant – entered into parliament while three established parties were excluded. These included both parts of the once strong LDS (in 2007, a faction had seceded from it and formed a new party) that are now marginal political groups. The elections created a political stalemate, with no political force receiving a decisive parliamentary majority. While a relative majority had been won by the newly formed party

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<sup>6</sup> The revolt against Janša’s government on the side of the media community was clearly manifested in a petition signed by 571 journalists at the end of 2007 that was directed toward the Prime Minister’s alleged attempts to take control of the main media institutions and thus curtail their independence.

Positive Slovenia (PS), its leader Janković was unable to gather majority support for his government (his candidacy was rejected in parliament). The person who succeeded in the task of establishing a government backed by a parliamentary majority was Janez Janša, the leader of the SDS who thus for the second time (since 2004) became the Prime Minister. In terms of its party composition and ideological hallmarks, his current government resembles the first government (besides its predominantly conservative faction, it includes liberal and even more socially oriented elements).<sup>7</sup>

## Structure of the Political Space

The Slovenian political space is characterised by a division into two political blocs (Adam and Tomšič 2002; Tomšič 2008; Jou 2011). The first is the so-called “left” and the second is the so-called “right” bloc, with neither being fully internally homogenous. They are most clearly divided by their institutional origins. The two parties which for most of the post-communist period had played the main role in the first camp – the Liberal Democracy of Slovenia (LDS) and the Social Democrats (SD) (up until 2005 called the United List of Social Democrats) have their organisational roots in the old (communist) regime – the latter is the successor to the former ruling Communist Party.<sup>8</sup> The other bloc consists of three main parties – the Slovenian Democratic Party (SDS) which is the dominant party there, the Slovenian People’s Party (SLS) and New Slovenia (NSi) – which were established during the democratisation process (all three are members of the European People’s Party). The distinction between the ‘old’ and ‘new’ parties as they are often labelled in public discourse largely covers the left-right cleavage (‘left’ as the ‘old’ and ‘right’ as the ‘new’ parties).<sup>9</sup>

This bipolar structure remained for the whole period, although there are some political groups that cannot be clearly classified in one camp or another;<sup>10</sup> meaning that the right-left division of the political space became

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<sup>7</sup> Janša’s second government is composed of the Slovenian Democratic Party, Citizens’ List, the Slovenian People’s Party, the Democratic Pensioners’ Party and New Slovenia.

<sup>8</sup> It should be mentioned that the LDS acquired some special features. In 1994, a small but very significant group of members of two parties from the new political elite (members of the DEMOS coalition that governed from 1990 to 1992) joined the Liberal Democracy of Slovenia.

<sup>9</sup> The labelling of both political blocs as ‘the left’ (first camp) and ‘the right’ (second camp) long used in public discourse differed from their meanings in the context of Western democracies (to some extent blurring the picture of the Slovenian political space) since members of the business elite are proponents of ‘the left’, mostly the LDS, while many of those who considered themselves de-privileged (often described in terms of injustices suffered during the communist regime) have supported ‘the right’.

<sup>10</sup> There are parliamentary parties that belong to this category. The first one is Citizens’ List, a centrist-oriented party with a (neo)liberal paradigm; the second one is the Democratic Pen-

considerably stabilised (Bebler 2002). However, some changes regarding relationships took place within both political camps. In the 'left' camp, the LDS played the leading role throughout most of the transition period, followed by the SD and, after the last elections by PS, although the future of the latter is far from certain since it is a recently established party with a weak local organisation and without a strong ideological 'core' (so it is uncertain whether it will be able to maintain its position as an opposition party). In the 'right' camp, the leading role was first played by the Slovenian Christian Democrats (NSi's predecessor), then by the SLS and now, for more than a decade, by the SDS. Whereas the situation in the 'left' camp was quite stable through most of the transition period and only became more volatile in the last few years, in the 'right' camp the situation became stabilised after the beginning of the century, with the SDS maintaining its dominant position.

Despite the dual structure of the political space and other profound differences between both camps, the government coalitions were usually composed of parties with different ideological orientations. In fact, only two coalitions were ideologically 'uniform'<sup>11</sup> while others were either left- or right-leaning. However, in most governments, there was one party that was evidently dominant, holding in its hands not only the position of Prime Minister but also other key posts in the executive branch.

## Cleavages and Conflicts

Post-communist countries are characterised by different cleavages that are a hangover from previous development.<sup>12</sup> Many authors stress that conflicts of a symbolic and ideological nature are dominant in post-communist societies (Ost 1993; von Beyme 1993). Slovenia is no exception. These conflicts have led to strong political and even general social polarisation, with the situation in some features thus being similar to the one before WWII (Tomšič 2011). This refers in particular to issues concerning attitudes to religion and the role of the Catho-

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sioners' Party which is in fact an interest group of the retired population. It is usually declared as left-leaning but is very pragmatic in its political behaviour since it is willing to ally itself with centre-right parties (it participated in two right-leaning governments).

<sup>11</sup> This was the case with the left-oriented coalition during the mandate 2008-2011, as well as with the short-lived right-oriented coalition in 2000.

<sup>12</sup> One can discern three key types of such cleavages: a) the structural-political one which refers to the relationship between those groups that, on the basis of their positions in the former regime, possess resources that provide them with certain privileges, and the groups that lack such resources; b) the cultural one which is reflected in the opposition between traditionalists (who strive to retain particular traditions and peculiarities) and modernists (who call for the Westernisation of their societies in terms of the adoption of 'universal' principles typical of Western societies); and c) the socio-economic one which is shown in the gap between the 'winners' and 'losers' of post-communist transitions (especially in economic terms) (Markus 1996, 13-4).

lic Church in society. Religion is one of the key factors determining the left-right orientation of voters as shown by some research data (see, for example, Jou 2011, 37). Another key factor of ideological and political polarisation is attitudes to the past, meaning both the period between the two world wars and the communist period. Due to numerous tragic events (occupation, civil war, post-war killings and court show trials, dispossessions and persecution of political opponents), the former is the source of significant trauma and resentment among Slovenians. When it comes to evaluating the not-so-distant history and its most neuralgic points, such as collaboration with the occupying forces during WWII, the communist revolution and the following taking over of power, we encounter diametrically opposing views regarding which nobody wants to even consider any kind of concession.<sup>13</sup>

Ideologically-based struggles that in a way represent a continuation of “the cultural struggle” (Kulturkampf) are often conditioned by the interests of their protagonists and can thus serve as a means to (de)legitimise existing power relations and organise material resources. The conflicts that result from the diverse understandings and assessments of the communist past and the nature of the former regime can largely be understood in the sense of the efforts made by various factions of the political elite to prove how entitled they are to their leading position in society.

After the 2004 parliamentary elections it appeared that political polarisation would ease, with the issue of socio-economic regulation gaining in importance. The campaign before these elections was evidently less burdened by the ‘old’ ideological issues. Lying at the forefront were issues related to the socio-economic regulation of society like liberalisation of the economy, tax reform and welfare state reform. When the right-leaning government launched the above-mentioned socio-economic reforms, it encountered considerable reluctance from the opposition which warned against an increase in social inequality and the impoverishment of a considerable share of the population – meaning it was demonstrating its ‘leftist nature’ in terms of its social orientation and scepticism regarding ‘unleashed’ capitalism. However, in the last few years the animosity and conflict between the political camps has regained considerable strength. The best example of such ideological activities is the decision of municipal authorities in the Slovenian capital Ljubljana to name a future street

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<sup>13</sup> On one side, ‘the right’, anti-communist wing strongly disapproves of the communist revolution and Communism in general, justifying the pre-war parties’ and collaboration of the Catholic Church with the occupier (saying ‘they were forced to do so due to the danger of Communism’). On the other side, ‘the left’ or ‘post-communist’ wing continues to condemn the collaboration during the war, holding an ambivalent attitude to the communist regime or even approving of it (saying ‘it was not all that bad’, ‘there were certain negative aspects, but there were many good sides to it’ etc.). The picture presented is somewhat caricatured since less extreme and dogmatic points of view also exist, although it seems that they are less distinctive amongst the public.

after the former Yugoslav communist leader Josip Broz Tito, a move that met with strong resistance from the centre-right opposition and a considerable share of the public, accusing the mayor and his followers of trying to rehabilitate the communist regime.

### The Relationship Between the Elite Factions

For most of the post-communist period, the Slovenian political space has been dominated by a 'left-liberal' bloc. Since the first parliamentary elections in 1990, there have been seven 'political turns' (including establishment of the first non-communist government in 1990, and the current one); in other words, changes of the political options in power (and six different heads of government, including the current one). However, in this 22-year period governments not dominated by 'left-liberal' parties have held office for just seven years.

The political domination of the 'left-liberal' bloc is strongly connected to the configuration of the general elite in post-communist Slovenia, i.e. the prevalence of the principle of elite reproduction, meaning the strong persistence of people with roots in the former regime in top positions in different spheres of society.<sup>14</sup> The consequence has been that the vast majority of the elite has gravitated (regarding its voting preferences) towards the political part of the retention elite as represented by the LDS and SD. This faction of the political elite has enjoyed much better connections with various strategic groups within society, above all the management and business spheres, academia, judiciary, and the media. Its advantage has thus rested on its intellectual and cadre potential as well as financial resources which have led to its disproportionate influence and informal power in society (Adam 1999; Tomšič 2008). This informal power has contributed to the dominance of 'the left' being more than their legitimate power, i.e. support from the population, since both blocs were more or less in balance up until the parliamentary elections of 2000 (when the LDS and the left bloc won with a large majority).

The composition of Slovenian elites and the dynamics of the political space have been the subject of dispute among scholars. Some consider this situation

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<sup>14</sup> This level of elite reproduction is much higher than in other comparable Central European countries (Czech Republic, Hungary, Poland and Baltic states) where the change in regime resulted in fundamental changes to elite positions and thus the circulation of elites was higher (see, for example, Szelenyi and Szelenyi 1995; Steen 1997; Srubar 1998). Research conducted in 1995 on Slovenian functional elites in politics, culture and the business sector shed light on the relations between the old (people who occupied high positions before 1988 and were able to retain them) and the new elites (those assuming elite positions after 1988). In fact, this showed a fairly high level of reproduction in all elite sectors. The rate of reproduction amounts on average to 77%, with the highest individual level being seen in the business sector (84%) and the lowest in politics (66%), while in culture it reaches 78% (Kramberger 1998; Igljč and Rus 2000).

to be unproblematic, stressing the benign effect of elite reproduction, especially political and social stability – Slovenia has experienced less social turbulence than any other transition country – while at the same time relativising the significance of the data indicates a high level of elite continuity (Iglič and Rus 2000; Kramberger and Vehovar 2000) or attributing that to the positive role of the old communist elite in the democratisation process (Miheljak and Toš 2005). However, other more critical interpretations exist, including those advocated by the authors of this article (Adam and Tomšič 2002; Tomšič 2008). A distinct domination of the political elite that is tied to the former regime and is therefore striving for the retention of certain relations and privileges can seriously hinder the democratic and market transformation of the social system. First of all, the great domination of a single political side in itself hinders democratic development since the lack of effective control – the main problem is the weakness of mechanisms of so-called “horizontal responsibility”, i.e. independent control institutions of the political or power elite (O’Donnell, 1998) – facilitates various misuses of power and obstructs the necessary social changes that could threaten the position of the present elites. Secondly, given the criteria for recruiting to elite positions that were in use during the former regime and had nonetheless required political suitability and loyalty, it is not self-evident at all that members of this elite are qualified to successfully implement their role. Besides, the ‘old’ elite (more or less secretly) contributed to the retention of certain value presumptions that characterised the former regime<sup>15</sup> with which it impedes the founding of democratic values and principles.

In the economic realm, the high level of elite reproduction was reflected in the gradualist approach embraced by policy-makers at the start of the process of transforming Slovenian society (Rojec et al. 2004). This gradualism was characterised by slow and cautious reforms, especially in the economic field, reflected in a staggered privatisation, maintenance of the high level of state interventionism and a low share of foreign direct investment, the persistence of a large public sector etc. It was a result of the endogenous nature of the Slovenian transition since it preserved an important role for the old business-managerial elite which even in the new circumstances managed – with strong assistance from the state – to retain a considerable share of its positions and opposed further liberalisation of the economy since that could have harmed the *status quo*. This approach was sustained by advocates of the ‘national interest’ who championed domestic ownership of companies (at least those in strategically important branches), claiming that it brings more beneficial societal outcomes since local owners are more attached to the community and thus more socially responsible than foreigners who only care about profits. The notion of

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<sup>15</sup> For example, it prevented the reception of any declaration that would clearly condemn the non-democracy of the communist regime and the delays in the repairing the wrongs caused by the regime.

the ‘national interest’ was clearly instrumentalised in the hands of the ‘old’ elite by maintaining its positions through the elimination of potential competitors from abroad. And it was maintained by the political elite via institutional mechanisms unfavourable to foreign investment.

The gradualist approach was intended to be abandoned when the government of Prime Minister Janez Janša prepared a plan to introduce a comprehensive programme of social and economic reforms directed at liberalisation and deetatistation that should enhance the competitiveness and innovativeness of the Slovenian economy and society at large. Although some measures and reforms were adopted in the economic and social field (a slight tax reduction, liberalisation in terms of support for private initiative in state-dominated sectors like education and health-care, a reduction of administrative barriers for the business sector), the reform efforts can hardly be labelled successful. They were stopped at the half-way mark, mostly due to strong resistance from different interest groups which defended their entrenched positions.

### The Elite’s Ideological Profile: Consensus or Hegemony?

The configuration of the elites and the dynamics of change in elite positions have strongly affected the prevailing cultural orientations, i.e. values and ideas in the political space and society in general. Namely, elites are the most important “cultural entrepreneurs” (Kubik 2003), i.e. the producers and transmitters of the cultural scenario that affects political and social dynamics. Some observers speak about the strong consensus-based politics that have characterised post-communist Slovenia, stressing the relatively low polarisation between political parties and high agreement on the national level with regard to key policy issues (Guardianchich 2011; Bennich-Björkman and Likić-Brborić 2012). According to Guardianchich, Slovenia has developed a “model of open consensual decision-making as its *modus operandi* where the powerful social partners negotiated on equal terms with government” (Guardianchich 2011, 1-2). Other authors state that this consensus has been based on a “deliberative national identity” that has legitimised policies adopted in the transition period (Bennich-Björkman and Likić-Brborić 2012, 66). The Slovenian polity also involves institutional arrangements that in formal terms indicate the cooperation of different parties and consensual decision-making such as proportional representation, mixed governments, and the system of social partnership. In this regard, the Slovenian elite may be classified within the consensual elite type, characterised by a high level of unity and a high level of differentiation (Higley et al. 1998; Higley and Lengyel 2000).<sup>16</sup>

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<sup>16</sup> Higley, Pakulski and Wesolowski specify various types of political elites on the basis of two factors: the level of integration and differentiation of elites. The level of elite integra-

However, the situation with regard to elite consensus is more complicated. While it is true that all major political forces have shared some common political goals like integration into the European Union, introduction of the euro or maintenance of the core elements of the welfare state (Fink-Hafner 2006), they have strongly disagreed on many other issues. The above-mentioned institutional mechanisms could not overcome the strong ideological divisions (as described in the previous section). After the major international (European) goals had been achieved the politico-ideological polarisation became more evident.

In fact, this consensus was not reached on the basis of the mutual acceptance of common solutions by opposing political camps. Instead, it was a result of the dominant position of one particular political group. Namely, for most of the transition Slovenia's political and social life was characterised by a kind of politico-ideological hegemony exercised by the 'left' camp (Adam et al. 2009). This meant that the values, ideas and solutions proclaimed by its protagonists received much more media attention and support from opinion-makers and thus much more public 'weight' than those defended by its opponents from the 'right', sometimes being presented as something 'normal' or even 'common knowledge'.<sup>17</sup> In this way, we can speak about a kind of quasi-consensus based on an unbalance of power and ideological domination rather than on the deliberation of equal political players.

This hegemonic consensus was taking place in the conditions of the above-mentioned bipolar structure of the political space, even though the electoral support for both camps was often quite in balance. It was mainly through informal elite networks, with strong interconnections among the political, business and cultural elite (the ideology of the 'national interest' was a clear expression of this 'fusion'), with the 'left' camp enjoying support from key 'strategic elites', which was decisively related to the above-mentioned high level of elite reproduction. Referring to the defence national interest, it can be said that the parties belonging to rightist camp, didn't have common attitude or consistent alternative solutions. For instance, it is known that SLS (People's party) advocates from time to time (depends who is in leading position in the

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tion is defined on the basis of two dimensions: normative (common values) and interactive (inter-communication). The differentiation of elites also has two dimensions: horizontal, which refers to social heterogeneity, organisational diversity and autonomy; and vertical, which refers to the autonomy of elites from the pressure of the masses as well as from supra-national factors. On this basis, they distinguish between four types of elites: besides a consensual elite also an ideocratic (a high level of unity and a low level of differentiation); fragmented (a low level of unity and a high level of differentiation) and a divided elite (a low level of unity and a low level of differentiation) (Higley et al. 1998, 3-5).

<sup>17</sup> The Slovenian media sphere is characterised by strong unbalance (this holds especially for the printed media) since the majority of them more or less openly favour 'the left' (see Tomšič 2007; Makarovič et al. 2008).

party) national interest and it is against foreign direct investments. Implicitly they supported the emergence of national capitalism. This is true also for other parties from this bloc (including SDS) which were in some periods (especially when they came to power from 2004 to 2008) inclined to negotiate with powerful representatives of business interest.

## Discussion and Conclusion

In 2009 our article (Adam, Kristan and Tomšič 2009) focusing on a comparison of the elite configuration and its impact on societal development in Estonia and Slovenia had just been published (having been written in early 2008 when the global financial crisis was just appearing in the media). Our conclusion was that both of the quite different models had been relatively successful till that point in time but, according to our empirical analysis, both of them were insufficient responses to the new political and socio-economic challenges. This has become more evident in the few years since 2008. Surprisingly for most analysts, Slovenia's corporatist and (allegedly) consensual model has turned out to be perhaps even more problematic than the Estonian (neo)liberal type of capitalism. Estonia's economic growth was affected strongly by the financial crisis but its post-2009 fast recovery is quite obvious (Mynt and Drahodoukupil 2012). In contrast, in 2012 Slovenia still faces a recession and is struggling with the debt crisis and the stabilisation of its public finances. One competent observer states: "It is puzzling that the financial crisis hit Slovenia so badly after fifteen years of sustained growth, low unemployment, and inflation at Euro-zone level. According to Eurostat, the unemployment rate rose from low 4.2 per cent in September 2008 to 7.8 per cent in December 2010, and GDP fell by 8.1 per cent in 2009" (Guardianchich 2011, 4).

In order to understand the country's exceptionalism during the transition period and reasons for the recent societal blockade, some crucial changes and modifications – which have also affected the political arena and configuration of the elite – taking place in the last few years should be summarised.

- The centre-left camp proved to be quite unstable. First of all, the leading party of the centre-left – the LDS – broke up (after its electoral defeat in 2004) on the basis of internal tensions and the Social Democrats (SD) became a new leader of the left camp and winner of the elections in 2008. Its coalition government was in many aspects ineffective not simply because the problems it faced were difficult but also due to the tensions among the coalition partners and its inability to maintain social dialogue with the trade unions and other interest groups. Just before the early elections at the end of 2011, two new parties were formed, one being centre-liberal (Citizens' List) which is included in the current centre-right coalition – although its emergence is somewhat connected with discontent toward the leader of the main centre-right party, Janez Janša. On the other side, a big relatively left-wing

party called Positive Slovenia under the leadership of the controversial Mayor of Ljubljana (Zoran Janković, former manager and entrepreneur) was also formed then. Its political and ideological profile is still unclear, although strong left-wing populist tendencies are observable. This means that the political space and political elite composition is quite unstable and not yet consolidated.

- Trade union organisations which were to some extent cooperative with the centre-left governments in the transition period (until 2004) – and less with the centre-right government from 2004 to 2008 – became an unreliable and conflictive partner also in period after 2008 with the centre-left government. This government failed to implement some reforms (especially the pension reform) also thanks to the bitter opposition of unions. It seems that the system of social dialogue and negotiations has been eroded.
- After 2000 a second phase of privatisation began on the basis of the concentration of shares in the hands of managers (manager buy-outs) and financial companies. Just before the transformation, managerial capitalism was true owners' capitalism but then – again after 2008 – it turned out that this was only possible with political support and the help of bank loans. But many firms whose managers had tried to privatise were hit by the global financial crisis and recession. They became insolvent or on the edge of bankruptcy and cannot pay back the loans (and have therefore endangered the financial stability of banks). Most exposed actors of managerial privatisation – so-called tycoons – were discredited and became the target of public criticism and some were charged of corruption and money laundering. Majority of politicians decided or were forced to join the public opinion. In some other big companies the managers gave up such ambitious projects and remained satisfied with their role of minor owners.
- On the other side, managers connected with leftist politicians (especially former Slovenian President Milan Kučan) wanted to exert their influence by establishing an interest association called Forum 21. After some years this association was abolished recently. All of this can be interpreted as showing that an important part of the business elite has lost some of its power, while connections to parts of the political elite have also been interrupted. The symbiosis of the managerial and state (national) types of capitalism has come to an end and it may be questioned whether the state-led model of capitalism will survive in the next few years.

These changes indicate and predict a relatively high level of instability, fluidity and contingency of the political process in the years to come. The hegemonic consensus has lost its very foundations. It cannot be overlooked that the early elections in 2011 have in fact brought about greater fluctuation and turmoil within and between the political parties. Many previously unknown people have entered political life and parliament. On the other side, all of the main parties have preserved a strong personalised character. They are dependent on

their leaders, on their names and personal engagement. The situation is somewhat reminiscent of the “iron law of oligarchy” discovered by German sociologist Michels 100 years ago.

It can be said that the Slovenian political (and business) elite is again at a crossroads. First, it must consolidate itself on a democratic basis where leaders are important but cannot be new patriarchs and rent-seekers. The political elite should regain the confidence of the citizens and contribute to solving the greatest socio-economic crisis since the country’s independence. So far it is difficult to say whether the political elite and other factions of the elite are part of problem-solving or an impediment to finding solutions on the basis of inclusive and competent decision-making.

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