

## THE ROLE OF THE THIRD SECTOR IN THE SLOVENIAN WELFARE SYSTEM

**Abstract.** *The paper focuses on an analysis of the third sector's characteristics in Slovenia and its role in the Slovenian welfare system. The findings are based on a survey of a representative sample of third sector organisations in Slovenia in 1996 and 2005 where the same methodology as in the Johns Hopkins Comparative Nonprofit Sector Project was used, thereby making the data internationally comparable. The paper aims at understanding the position of the third sector within the Slovenian welfare system through a comparative analysis of that sector's characteristics and its role in other post-socialist and other European countries. It concludes by discussing the strategies for and future challenges and opportunities of the third sector's developments and its role in the Slovenian welfare system.*

**Key words:** *third sector; characteristics; welfare system; Slovenia; post-socialist countries*

### Introduction

Third sector organisations<sup>1</sup> in Central and Eastern European countries share similar characteristics that distinguish them from third sector organisations in other societies. After a change to the system in these societies there has been a 'boom' in the development of third sector organisations. However, data show that the third sector in these countries is still very much an ambiguous sector. Moreover, despite the general similarities there are some striking differences in the development level and characteristics of third sector organisations that have been evolving in these societies in a relatively short period

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<sup>1</sup> By third sector organisations we refer to private nonprofit organisations defined in accordance with the structural-operational definition applied in the Johns Hopkins Comparative Nonprofit Sector Project (Salamon et al. 1998, 1999, 2003, 2004). In Slovenia we identified five different types of third sector organisations that match this definition: associations, foundations, private institutions, co-operatives and church organisations. In Slovenia the term non-governmental organisations is usually employed for all types of third sector organisations.

of time. This particularly concerns the development of organisations providing services and how they are becoming integrated into the changing welfare systems<sup>2</sup>. Hence, our focus is an analysis of the third sector's characteristics in Slovenia and its role in the Slovenian welfare system.

The paper begins by discussing the historical perspective of third sector developments.

The second part of the paper analyses the development and characteristics of the third sector in Slovenia and its role in the Slovenian welfare system based on data collected in a survey of a representative sample of third sector organisations in Slovenia in 1996 and 2005. The repeated research is especially important since it enables an examination of changes in the development of the Slovenian third sector in the last decade. The surveys were based on the methodology employed in the Johns Hopkins Comparative Nonprofit Sector Study, thereby making the data internationally comparable. The data for 2007 are based on a report analysing business outcomes of associations and foundations in Slovenia in 2007 (Črnak-Meglič, 2008).

In the third part we aim at understanding the position of the third sector in the Slovenian welfare system via a comparative analysis of that sector's characteristics and its role in the changing welfare systems in other post-socialist and other European countries.

Relying on the presented data the paper concludes by discussing the strategies and future challenges and opportunities of third sector developments and its role in the Slovenian welfare system.

## Historical perspective

Historical analyses show that Slovenia has a long and extensive tradition of people's interest associations and self-organisation. In the period of an

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<sup>2</sup> The concept of the welfare system was introduced in Eastern-Western European discussions of social policy in the late 1980s (Svetlik, 1988; Evers, 1988; Sik and Svetlik, 1988; Evers and Wintersberger, 1988). It is a broader concept than the concept of the welfare state and/or *sozial staat*. The welfare system is an open and universal concept that embraces not only the institutions, programmes and measures with which the state provides social protection and social well-being to its citizens, but also those evolving and functioning according to the logic of the market, as well as those operating within the domain of civil society and the community. It embraces the producers as well as the users of services and financial transfers, their norms and values, and the relations among them that emerge from the management, financing, production and distribution of transfers and services, with which individuals ensure their social protection and social well-being (Svetlik and Kolarič, 1987:23). The concept is based on an assumption of relative autonomy and interdependence between the sphere of the state, the sphere of the market and the sphere of civil society and community as the structural elements of the system. The deriving thesis is that, during the historical development of individual societies, which means depending on specific economic, cultural and political conditions, different hierarchies of spheres (market, state, civil society and community) emerged from which individuals obtain resources for ensuring their social protection and well-being. The different historically formed hierarchies of spheres represent different types of the welfare system (Kolarič et al. 2002).

undeveloped welfare state (until the end of the Second World War) third sector organisations held, besides the informal sector, the primary role in the provision of public goods and services. Before the Second World War there were 8,000 third sector organisations in Slovenia (1938 – 6,014 associations and 1,677 co-operatives).

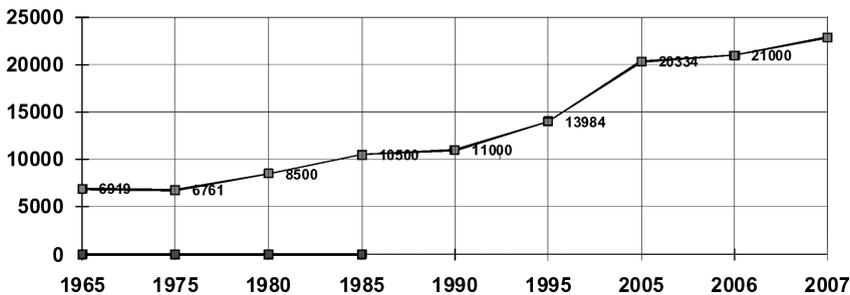
In the post-war period we can distinguish four periods:

1. *The period of state socialism* – the socialist revolution put a stop to the tradition of many third sector organisations' activities. In the period of state socialism the public sector took over practically all functions of third sector organisations. The tradition of a strong and developed third sector was interrupted and only a small share of third sector organisations could continue their work but on a new basis, which only allowed one type of third sector organisation: associations. The characteristic of this period was a much smaller number of third sector organisations than in the period between the two wars. In 1965 there were 6,919 associations and in 1975 just 6,761 (Kolarič et al. 2002).
2. *The period of self-governing socialism in the 1970s* – decentralisation (delegation of responsibilities for providing and financing public goods and services to municipalities) and the weakening of state control over associations' activities, which was brought about by the Act on Associations (1974), enforced the establishment of new organisations. A new space for the bottom-up founding of third sector organisations was formed, meaning they were on the initiative of citizens and not only on the state's initiative. Consequently, third sector organisations, especially the newly established ones, became more autonomous, but communication with the state stayed quite limited. Further, the state did not equally include them in the production of public goods and services, nor in the process of enforcing interests.
3. *The period of new social movements in the 1980s* – the 1980s in Slovenia were a period of the development of third sector organisations. Different new social movements (peace, ecological, feminist, spiritual, subculture movements etc.) began to spread which, besides political activities, also began to create an alternative network for the production of goods and services. They operated in the form of working groups within different organisations (like, for example, of a youth political organisation). Gradually, they started to become independent and as such part of civil society. The characteristic of these new social movements in Slovenia was that they were not bottom-up movements since they did not have a mass basis. In this period civil society was established as an alternative to the official political structure. However, already by the end of the 1980s the autonomous activity of new social movements became limited to political activities. In the 1990s a significant number of protagonists from the

new social movements integrated into the political party and, later, state establishment. Only small remains of the new social movements stayed in the framework of civil society. They organised themselves in associations and other organisational forms in fields such as alternative approaches in social work and psychiatry, different activities of psychosocial help for population groups in need, alternative culture production etc. The figures show that in the 1975 to 1985 period the number of associations rose by 64 %.

4. *The period of transition after 1990* – the process of deregulation which started in the 1970s was only finished by the mid-1990s, when new laws were adopted that regulated the basis for activities of all types of third sector organisations (foundations, private institutes), the same legislation also abolished the state monopoly over the production of social and other services. The Act on Foundations (1994) re-enabled the setting up of foundations, The Act on Institutes (1991) enabled the establishment of private institutes and the political changes supported the renewed establishment of church organisations, which had until then been active illegally. The number of organisations in this period almost doubled.

Figure 1: THE NUMBER OF THIRD SECTOR ORGANISATIONS IN SLOVENIA BETWEEN 1965 AND 2007



Source: 1965–2005 (Kolarič et al., 2002; 2006), 2006–2007- estimated value on the basis of the number of associations and foundations that delivered their financial reports for 2006 and 2007, plus the number of private institutes and church organisations from 2005.

Today there are over 22,000 third sector organisations in Slovenia; apart from associations there are also all other types of third sector organisations: foundations, private institutes, religious organisations and co-operatives. However, associations make up the vast majority of the third sector, representing 94 % of all third sector organisations in Slovenia. When comparing the number of third sector organisations with the number of inhabitants, Slovenia ranks among those countries with the highest share of third sector organisations (1.02 organisations per 100 inhabitants).

## Characteristics of the third sector in Slovenia

As a basis for our research into the third sector's characteristics in Slovenia, we used indicators to measure the scope of the sector's development in individual states in international comparative analyses. These indicators were taken from the international research called the Johns Hopkins Comparative Nonprofit Sector Project (Salamon et al. 1998, 1999, 2003, 2004).

The presented characteristics can be explained in the context of the state-socialist type of welfare system that prevailed in Slovenia for 50 years before the political system was changed. The logic of this system determined the role of third sector organisations – they did not play the role of important service providers (services were assured by the public sector/state), but they were important as they supported the capability of informal social (mainly family) networks to provide care for their members. Third sector organisations mostly existed in the form of associations that were not (highly) professionalised and included a large share of volunteers; they were active in all fields and were most numerous in the fields of sport/recreation and culture (Kolarič et al. 2002; Kolarič et al. 2006). In the following chapters the data show that the third sector in Slovenia still manifests characteristics of the former state-socialist type of welfare system.

### *Employment in the third sector*

One of the most significant indicators of the scope of the third sector is employment and its growth. The share of employment in third sector organisations in Slovenia is very small and only represents 0.74 % of the workforce in Slovenia. In comparison to research in 1996 the data show that in eight years there were no changes in the third sector employment level, even though the number of third sector organisations in the same period went up by 40 %. Hence, one of the main characteristics of the third sector in Slovenia is its continuing low level of professionalisation. Third sector organisations have on average 0.77 of an employed worker; however, there are substantial differences among organisations. The majority (80.6 %) of third sector organisations has no employees. A real professionalised structure is in place for only 17.1 % of organisations, meaning they have more than two employees per organisation (3,880 of all third sector organisations). Religious organisations have the smallest share of employees, while private institutes have the largest number of employees among all types of third sector organisations.

The highest number of employees is seen in the field of sport and fire brigades. It is interesting to note that the share of employees in organisations active in the area of the social services (i.e. organisations for disabled

and humanitarian organisations) amounts to 26.7 % of all those employed in the sector, even though the share of these organisations within the third sector structure in Slovenia is a mere 3.6 %. These figures allow us to conclude that organisations active in the field of social services have the most professionalised structure. This is a consequence of a continuation of the special position organisations for the disabled and humanitarian organisations held in the past. The state was extensively financially supporting them (especially through a lottery fund, today's FIHO<sup>3</sup>) throughout. In these organisations, besides a well-developed voluntary structure, a relatively strong professional structure also developed which is growing stronger today.

In the Slovenian third sector the majority of organisations are voluntary organisations. The contribution of volunteers in the Slovenian third sector is substantial. If we look at the third sector's share of total employment in Slovenia (see Figure 5) the data show that third sector employs just 0.74 % of all those employed in Slovenia, while the scope of volunteer work converted into the number of hours performed by full-time employees is equivalent to 0.91 % of total employment, meaning that volunteers perform 26 % more work than those employed in the sector. Further, considering that most third sector organisations in Slovenia (80.6 %) have no employees, voluntary work represents a significant supplement to the work performed by employed personnel in the third sector.

### *Structure of the third sector*

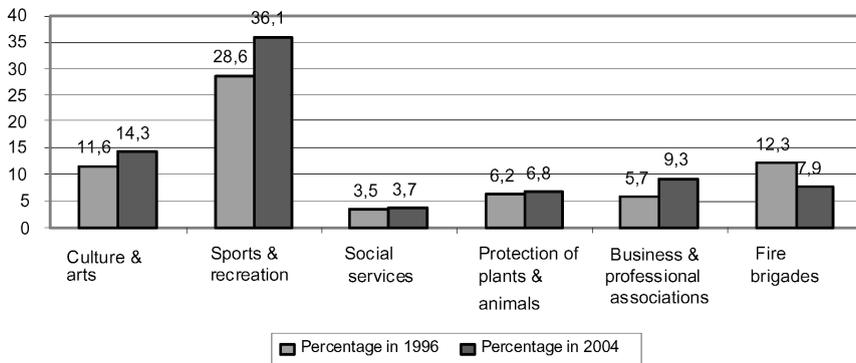
The data show that in the structure of Slovenian third sector the organisations active in the field of sport and culture still represent the vast majority of organisations, representing together one half of all third sector organisations. There are far fewer organisations active in the field of healthcare, social services and education. This is a consequence of a specific third sector development in Slovenia, since the state mainly supported organisations that were member-serving organisations, and to much lesser extent organisations which services were intended for a broader public.

As the figure shows, traditional welfare services still engage a much smaller share of third sector employment. The data from 2004 on the third sector's structure does not differ considerably from the data gathered in 1996, meaning that no major changes occurred in the structure of the third sector in that decade. This is a consequence of the specific structure of the welfare system that formed during the socialist period when the state took care of satisfying nearly all public needs and services with its extensive and qualitative network of public network services.

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<sup>3</sup> Fundacija za financiranje invalidskih in humanitarnih organizacij v Sloveniji (Foundation for Financing Organisations for Disabled and Humanitarian Organisations in Slovenia).

Figure 2: STRUCTURE OF THE THIRD SECTOR IN SLOVENIA



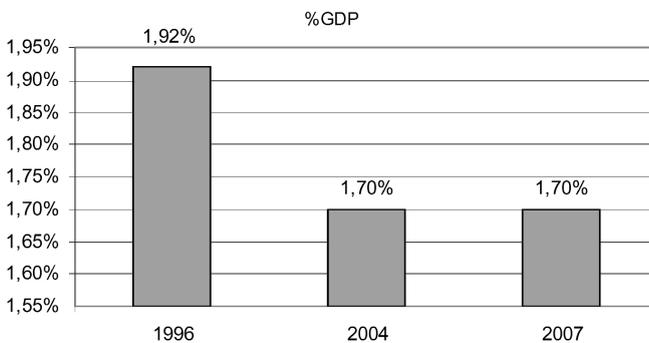
Source: Kolarič et al., 2002, 2006

### Third sector revenues

#### Scope of revenues

Data on the extent and sources of third sector organisations' financing are, besides the level of employment, a relatively reliable indicator of the importance of the third sector, the circumstances in which it operates and the state's relationship with it.

Figure 3: THIRD SECTOR ORGANISATIONS' REVENUE SHARE IN GDP IN 1996, 2004 AND 2007



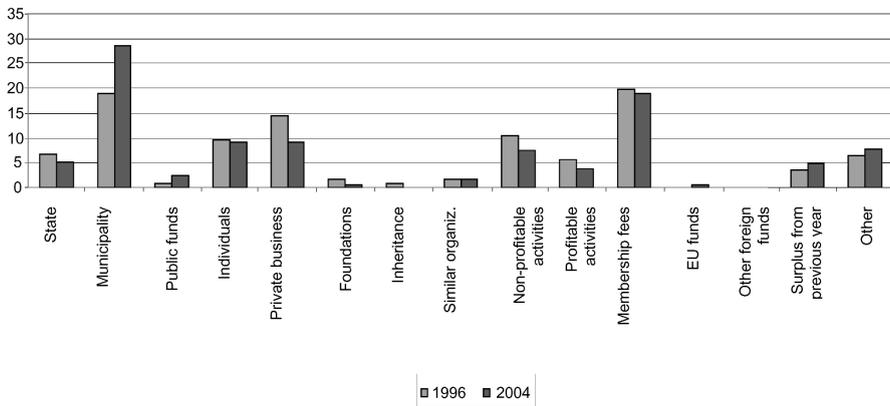
Source: For 1996 and 2004 (Kolarič et al., 2002; 2006), for 2007 - estimated value on the basis of associations and foundations revenues in 2007 (Črnak-Meglič, 2008) plus an estimation of revenues of private institutes and church organisations with regard to their proportional share of revenues in 2004.

It has to be noted that in the 2004–2007 period and especially in 2007 Slovenia experienced substantial growth in its GDP (in 2007 annual real GDP growth was 6.8 %)⁴. In the same period growth in third sector organisations revenues on the aggregate level remained unchanged, although the number of organisations increased. Hence, the growth of GDP was much higher than the growth of third sector organisations' incomes in the same period so we note a significant decrease in third sector organisations' revenues share in GDP (from 1.9 % to 1.7 %).

### Structure of revenues

The figures on the structure of third sector organisations' revenues in 1996 and 2004 show that the most important individual source of revenues is local government sources, followed by membership fees.

Figure 4: STRUCTURE OF THIRD SECTOR ORGANISATIONS' REVENUES IN 1996 AND 2004



Source: Kolarič et al., 2002, 2006

With regard to the absolute prevalence of member-serving organisations, membership fees represent a very important individual income source for Slovenian third sector organisations. Public (mainly local government) sources enable employment mostly in third sector organisations in the field of social care (for example, in organisations for the disabled) and also corporate sponsorship money that ensures that third sector organisations in the field of sport have the biggest share of employment of all Slovenian third sector organisations.

⁴ Source: SURS (Statistical Office of Slovenia), accessed at: [http://www.stat.si/letopis/2008/26\\_08/26-02-08.htm](http://www.stat.si/letopis/2008/26_08/26-02-08.htm)

*Table 1: STRUCTURE OF THIRD SECTOR ORGANISATIONS' REVENUES  
IN 1996, 2004 AND 2007*

	1996	2004	2007
Market sources	44%	30%	46%
Public sources	27%	36%	24%
Private donations	29%	21%	20%
Other sources		13%	10%

Source: 1996 and 2004 (Kolarič et al., 2002, 2006); 2007 (own calculations on the basis of associations' financial reports).

If we combine all sources of revenue according to the methodology used in the Johns Hopkins Comparative Nonprofit Sector Project (Salamon et al. 1998, 1999, 2003, 2004) in three main revenue sources – public sources, market sources and private donations – we can then see that in 1996 and 2007 the most important source of revenues were market sources, e.g. commercial income from the sales of goods and services. On the contrary, in 2004 the most important revenues of third sector organisations were public sources. The data for 2007 are not fully comparable since the calculations of the revenue structure for 1996 and 2004 are based on a survey of third sector organisations, and for 2007 the data refer to an analysis of organisations financial reports, but only for associations since data were unavailable in this form for other types of third sector organisations. Although the data are not fully comparable we can conclude, since associations represent 94 % of all third sector organisations, that there was a decrease in public source revenues. The revenue structure of third sector organisations is now similar to the revenue structure in 1996, with market sources being by far the most important source of revenues. Regarding private donations there was a drop in this type of source. They were the second most important source of revenues in 1996 and in following years they fell to last place. However, in 2007 they were not far behind public source revenues.

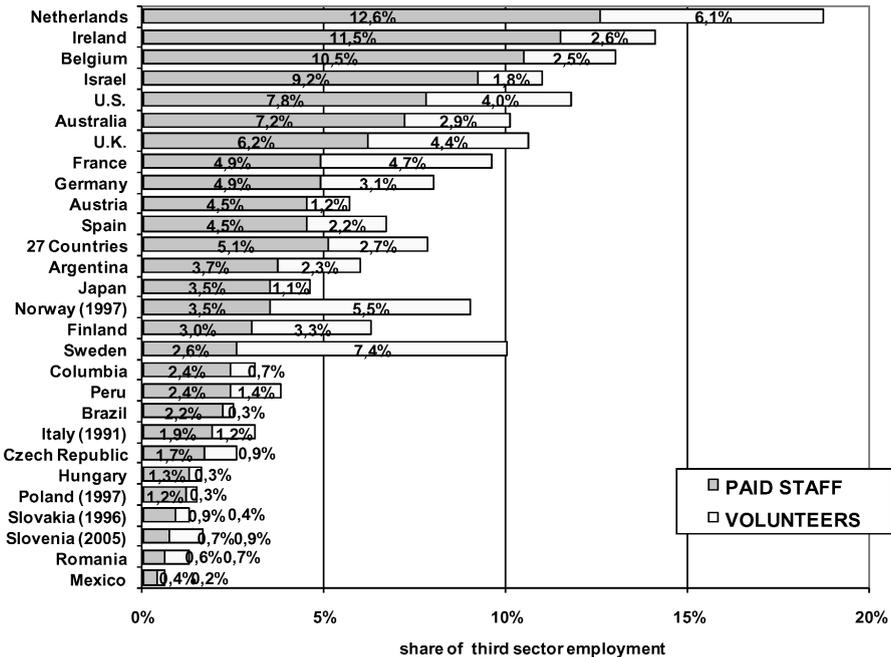
On the other side, looking at the individual sources of revenues and by adding donations from private individuals (see Figure 5) to membership fees, we can then see that almost one-third of third sector organisations' revenues are contributions from individuals as their members or supporters.

### Comparative perspective

A comparison of Slovenia with other post-socialist countries and all the countries included in the Johns Hopkins research shows that Slovenia has one of the least developed third sectors as evident from one of the main

indicators of the sector's development – the level of the sector's professionalisation measured by the sector's employment.

Figure 5: THIRD SECTOR'S SHARE OF TOTAL EMPLOYMENT WITH AND WITHOUT VOLUNTEERS BY COUNTRY



Source: Salamon et al., 2003; Slovenia (Kolarič et al., 2002, 2006)

The data on voluntary work in a comparative perspective show that Slovenia is similar to Scandinavian countries with regard to the fact that the majority of work in third sector organisations is performed by volunteers, meaning that third sector organisations are primarily voluntary organisations. However, the share of voluntary work in the Slovenian third sector is substantially smaller than in the Scandinavian countries. Unlike in Slovenia, in other post-socialist countries the majority of work in the third sector is performed by paid staff and this is one of the striking differences between Slovenia and other post-socialist countries.

This can be explained by the fact that in Slovenia there is a particularly low level of development of the third sector's service role. As evident from Figure 7 the share of third sector organisations active in the field of service provision in Slovenia is very small. What is especially evident is the low level of development of third sector organisations in the fields of social services, health and education.

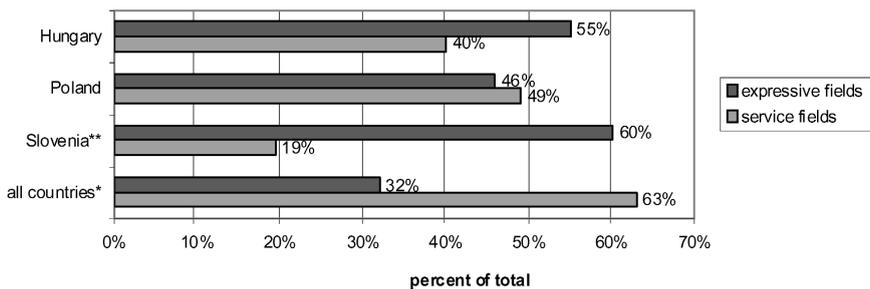
Figure 6: THE THIRD SECTOR'S STRUCTURE ACCORDING TO ACTIVITY FIELD IN A COMPARATIVE PERSPECTIVE<sup>5</sup>



Source: Salamon et al., 1999, 2003; Slovenia (Kolarič et al., 2006)

If we group the fields of activities in the ICNPO classification according to two broad general categories of service functions and expressive functions we obtain the following picture.

Figure 7: THE THIRD SECTOR'S STRUCTURE ACCORDING TO SERVICE AND EXPRESSIVE ROLES



\* 32-country average.

\*\* The remaining 21% could not be classified.

Source: Salamon et al., 2003; Slovenia (Kolarič et al., 2006)

Data for all countries included in the Johns Hopkins Comparative Nonprofit Sector Project show that the third sector primarily has service

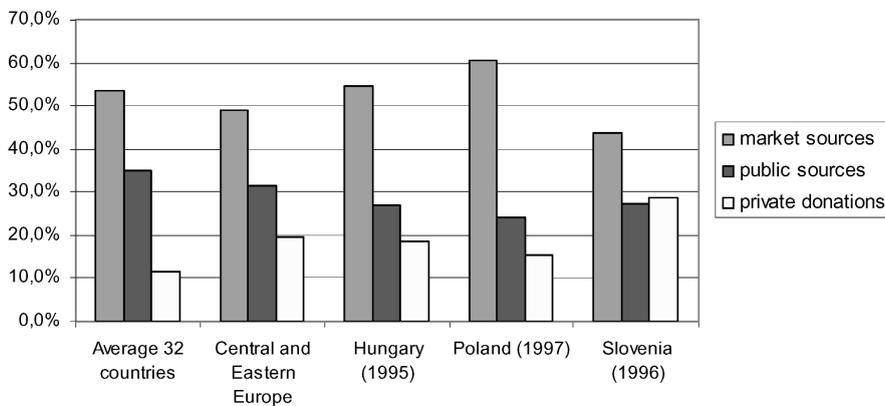
<sup>5</sup> For the time period comparable to the data gathered in the Johns Hopkins Project we do not have data for Slovenia about the share of employment in different fields of third sector activity in total employment in the country. The data for Slovenia included in the table are from 2005 and show the percentage of organisations registered according to their primary filed of activity in accordance with the ICNPO classification.

functions, while the common characteristic of post-socialist countries and some Scandinavian countries is that their third sectors primarily have expressive functions. However, the exception of Poland should be emphasised since it is the only post-socialist country that was included in the group of countries where the third sector is service-dominant (Salamon et al. 2003). Hence, when comparing Slovenia to Hungary and especially Poland the low level of development of third sector organisations in service fields is apparent, particularly if we consider that the data for Slovenia were gathered almost a decade later than for Hungary and Poland.

Therefore, despite the general similarities there are striking differences in the level of development and characteristics of third sector organisations evolving in these societies in a relatively short period of time. This particularly relates to the development of organisations providing services and how they are becoming integrated into the changing welfare systems. As the presented figures show, despite the fast development of the third sector after the change in the system no major changes have occurred in the pluralisation of the Slovenian welfare system, while in two other post-socialist countries, Hungary and especially Poland, these changes are much more apparent.

Another indicator of the specific post-socialist characteristics of the sector is its revenue structure, which still retains characteristics from the past. The revenue structure of Slovenian third sector organisations in a comparative perspective is presented in the figure below.

Figure 8: THE STRUCTURE OF THIRD SECTOR ORGANISATIONS' REVENUES<sup>6</sup>



Source: Salamon et al., 2003; Slovenia (Kolarič et al., 2002)

<sup>6</sup> Although we have more recent data from 2005 on the structure of Slovenian third sector organisations' revenues, we chose to include data from 1996 since they are more comparable to the years of data collection in the Johns Hopkins Comparative Project.

As shown in Figure 9 third sector organisations in Slovenia in comparison to other countries have relatively equally distributed revenues from all three sources, especially due to the large share of revenues from private donations. This revenue structure proves that the processes of governmentalisation<sup>7</sup> and marketisation<sup>8</sup>, upon which the professionalisation of Slovenian third sector organisations is based, have not truly begun. All three, closely mutually connected processes will indeed only begin when, besides member-serving organisations, the share of public-serving organisations starts to expand within the structure of Slovenia's third sector (Kolarič, 2003).

Hence, the key findings to be pointed out are that, despite statistical data showing that Slovenia is among those countries with one of the highest numbers of third sector organisations per inhabitant (1.02 organisations per 100 inhabitants), the third sector's position in Slovenia as measured by the two main indicators of the sector's development (people employed in the sector and the share of third sector revenues in national GDP) is relatively weak. Compared to all countries included in the international research Johns Hopkins Comparative Non-profit Sector Project (Salamon et al., 1998, 1999, 2003, 2004) according to their professionalisation levels third sector organisations in Slovenia hold the penultimate place. This ranks Slovenia's third sector among the least developed in Europe, including among former socialist countries.

The findings show that the third sector in Slovenia is still very much an ambiguous sector, similarly to what was concluded for other post-socialist countries in the Johns Hopkins Comparative Nonprofit Sector Project (Salamon et al., 1999). In ten years (1997–2007) the Slovenian third sector was growing intensively but at the same time it was not developing. There was an increase in all types of third sector organisations, yet all other parameters with which we measure the sector's development, remained practically the same.

In our opinion, the mentioned third sector characteristics can be explained by looking at the sector's role and its integration into the changing post-socialist welfare systems; precisely, whether the third sector's role is based on the principle of subsidiarity or complementarity to the public sector. By this we understand whether third sector organisations represent a

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<sup>7</sup> This is the process by which third sector organisations become service providers for the welfare state. It refers to situations where governments contract out the provision of health, educational, social and other kinds of services to third sector organisations and pay for them.

<sup>8</sup> This is the process of the penetration of essentially market-driven relations into the non-profit sector (Salamon, 1993: 16). It represents competition among third sector organisations themselves and between them and profit-oriented organisations for those 'customers' who can pay more for the services and goods offered for sale.

substitute to the services that should be provided by the public sector (the principle of subsidiarity) or are merely a complement to the services the public sector does not provide to a sufficient extent or with enough quality (the principle of complementarity). Therefore, we should discuss this issue in the broader context of the Slovenian welfare system's characteristics that developed in the period of transition.

### The Slovenian welfare system and the role of the third sector

In the past Slovenia belonged to the group of countries in which elements of the state-socialist type of welfare system prevailed. The state played the most important role in the provision of goods and services as well as regards the insurance dimension (systems for providing social security) and the supply dimension (programmes for supplying citizens with social services). Although in the last decade some changes have been introduced in the regulation and financing of programmes and services, the effects of these changes have only been put in force slowly. As concluded by Esping-Andersen (1996), social policy in developed countries is oriented to the *status quo* and is resistant to changes. The indicators confirm that the state in Slovenia still holds a dominant, almost monopolistic role in the provision of public goods and services.

In the transition period in Slovenia there were no radical changes in the welfare state insurance dimension or in the social protection system. Similarly, there were no radical changes in the welfare state supply dimension or public services system. The comprehensive and decentralised network of public services from the socialist period has remained practically unchanged from 1990 through until today. There was no retrenchment in public expenditures for public social services and in their employees. The data show that the share of public expenditure on public institutes was 11.7 % of GDP in 2003, just 0.2 % less than a decade before (11.9 % of GDP in 1993).

The figures show that the number of employees in third sector organisations and other private organisations or other forms of employment in education, social protection, health care, recreational sport and cultural activities and research in 2002 was only 7.5 % (8,796 workers) of all workers employed in these activity fields.<sup>9</sup>

These data confirm that the state is not withdrawing from the supply of public sources and services, and that it has not opened up space for other sectors, including the third sector.

On the legislative level many provisions enabling the public sector's

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<sup>9</sup> Structure of the Active Labour Force, Statistical Office of Slovenia.

dominant position to be maintained have been preserved. They chiefly derive from the definition of the public network, which is already saturated with public providers. There are almost no empty spots in the public network. Hence, the continuation of the third sector's small scope and marginal role is predominantly the consequence of the small space available for its activities. This derives from the coverage of needs for public goods and services within the services of a comprehensive, decentralised and qualitative public sector, which was practically preserved intact throughout the transition period. Therefore, the third sector's role is limited to complementing the production of the public sector. The model of relations between the state and the third sector remains the same – state-dominant.

The state-dominant model of state/third sector relations is also a characteristic of Scandinavian countries which belong to the social-democratic welfare system. However, the main difference among countries belonging to the state-socialist or social-democratic welfare system refers to third sector organisations' nearness to and dependence on the state as one of the dimensions for examining relations between the state and third sector organisations (see Kuhnle and Selle, 1992; Kolarič, 1994). In the social-democratic welfare system the third sector plays, similarly as in the state-socialist welfare system, a limited role in the production of public goods and services while at the same time there is a close relationship between the state and third sector organisations. Third sector organisations in the Scandinavian model are well integrated into public policy and recognised as important representatives of civil society interests (Svetlik, 1992). On the contrary, in Slovenia the data demonstrate a low degree of communication and contacts and a distant relationship between the state and the third sector organisations (Kolarič et al. 2002, 2006; Rakar, 2007), which is one of the biggest differences in comparison with the Scandinavian model. This means that the Slovenian government does not consider third sector organisations as serious partners with regard to meeting people's needs and contributing to general prosperity in society (Kolarič, 1994; Kolarič et al. 2002).

More specifically, the unequal treatment of public institutes and other service providers has another vital consequence. Only entry to the public network allows non-public providers' equal financial possibilities for performing services as for the public institutes. In this way, non-public service providers only take part in the implementation of complementary programmes for which there are only limited public resources.

One of the important forms of the regulations with which the state influences the third sector's activities is tax relief; however, the available range of such relief is not encouraging enough for donors that would lead to pluralisation of the welfare system being accelerated.

Yet, amendments to legislative regulations are not a sufficient condition

for the extension of the scope and role of the third sector. The limited scope and role of the third sector organisations in the production of public goods and services in Slovenia are also a consequence of the weak financial stimulation and subventions of the state.

The well developed and comprehensive public/state sector was seen as a positive characteristic of the Slovenian welfare system and especially here we can see many similarities with the social-democratic welfare system. In the context of the transition from socialist to post-socialist society, in the first half of the 1990s the Slovenian welfare system was in formal legal terms constituted as a dual model, combining elements that are basic constitutive elements on one side of the conservative-corporativist welfare system and of the social-democratic welfare system on the other.

Further, the presented characteristics relate to the fact that Slovenia did not experience a so-called 'welfare gap' in the transition period as was experienced by some other post-socialist countries.

## **Conclusion**

Referring to the socio-political strategies of the welfare system's reforms we can firmly conclude that the dominant strategy in Slovenia remains the 'classical welfarism strategy'.

The formation of partnership relations whereby third sector organisations would become an equal complementary partner to public services appears to be a relatively distant goal. Nevertheless, we need to put this goal on the agenda as soon as possible since both sides would gain from it: due to the competition public services would be forced to reform themselves in order to reduce administrative and organisational entropy, and at the same time increase the access to and quality of services, making them more user-oriented; on the other side, third sector organisations would become more professionalised, expert-driven and organisationally developed.

However, important obstacles to this process are the fragmented and non-cooperative third sector, the absence of a politically strong and integrated civil society and the absence of mechanisms and channels in the political system for the indirect incorporation of third sector organisations' representatives and the articulation of civil society's interests. Only a strong, integrated and publicly recognisable third sector can make a breakthrough in the political and state-administrative structures which have so far defended the public sector and allocated public funds predominantly in favour of the public sector.

If we want to boost the role of third sector organisations in Slovenia, and adjust the direction of their development in line with developments in certain other European countries, it is necessary to change the level of their

public (co)financing and tax relief and introduce other supporting mechanisms (for example, different counselling possibilities). For these changes to come to fruition both the government and individual political parties should have clearly elaborated development strategies for the pluralisation of the social policy and service system. A consensus should be achieved on at least some points of the necessary changes. Without this, the state cannot systematically and comprehensively begin the requisite changes and institution-building of a pluralised welfare system.

#### LITERATURE

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