



SLOVENIA TODAY AND ITS PERSPECTIVE ON THE WORLD

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It is a very difficult task to speak about Slovenia here in China. It primarily requires a mental shift for someone who is not accustomed to China's vast dimensions, be it human, cultural, geographic, economic, historical or ecological, for someone who knows of its rich history, culture and tradition of civilisation only indirectly from literature, not from his own experience.

It therefore seems useful at the beginning to tell you where I come from and to present to you the Republic of Slovenia, which I served as President for the first 10 years of independence.

The Republic of Slovenia is located at the intersection of Central Europe, the Apennine and the Balkan peninsulas, the Danube River basin and the Adriatic Sea. It borders Italy, Austria, Hungary and Croatia. It has a population of two million and covers a surface area of 20,273 square kilometres.

Slovenia came into being as an independent state after the break-up of Yugoslavia in 1991, although we Slovenes are an ancient European nation. The first scripture in the Slovenian language dates back to the 10th century, we printed our first book in 1550 and the first translation of the bible in the Slovenian language in 1584. Until the end of World War I we lived in the historic structure of the Austro-Hungarian monarchy and after 1918 we became a part of Yugoslavia as one of its constituent nations until its disassociation. Eleven years into its independent statehood Slovenia is entering the EU and NATO in 2004.

These few facts of identification seemed worthy of mention because, compared to China, Europe's time and space have different dimensions. In Chinese eyes Slovenia probably seems a micro entity with a micro identity, although Europe is home to several other such and even smaller entities. The specific weight of a country and its influence, at least in European terms, is determined by a host of factors where sheer physical size does indeed matter but is by far not the sole or primary factor.

Crucial for Slovenia's present form were the 1980s, when new currents of history engulfed Europe. Following the death of President Tito in 1980, the political, economic, social, spiritual and moral crisis in Yugoslavia grew ever deeper. The values of coexistence were annihilated, only to be replaced by the hegemonistic tendencies of the political elite, particularly that of the largest constituent nation. The different ways of

seeking a way out of this crisis were influenced also by the processes that lead to the crisis of the European socialist realm and to the fall of the Berlin wall and consequently an end to the bipolar world. Faced with the dilemmas and contradictions of the time, Slovenia decided to exercise its right to self-determination and to establish its own independent state.

During these years Slovenia underwent several very demanding processes, which were highly interconnected. These processes formed the present shape of the country and to a very high extent also now define Slovenia's positions on European and World affairs. These processes were:

1. the process of substantive changes to the political and economic systems,
2. the process of Slovenia's accession to European and Euro-Atlantic structures,
3. the process of integration into global political and economic currents,
4. the process of establishing our own state and its definition.

1. On transition.

This process exhibits similar, although not the same characteristics as in all other Central and Eastern European states that once belonged to the Soviet or Eastern political block. The roots of this difference reach far back to the diverging views on the model of socialist society that lead to the well-known Tito-Stalin dispute and to the Informbureau resolution expelling Yugoslavia from the socialist block. Ever since then it tread a unique, much more open path. This allowed Slovenia to follow its own path of evolutionary development even before 1991 and to include in its social system elements of the free market and political plural democracy. Both economically and politically, Slovenia opened widely to the west. It encouraged individual desires and energies, which are so characteristic of Slovenes, and consolidated them in a common synergy. This high level of individualism coupled with solidarity allowed us to successfully endure the reforms that reshaped Slovenia.

The economy. The economy was transformed from a socialist to a capitalist one, from a planned state economy to a market economy, from a distributive to a competitive one. From an economy where it was difficult to produce and easy to sell to an economy where it is easy to produce but difficult to sell; from a regional to an open economy; from an industrial to a post-industrial and service economy; from an economy that enjoyed guaranteed markets in the former Yugoslavia (where one third of total production was sold) and the former COMECON countries to an economy that had to fight for its share of demanding competitive markets, where 2/3 of our GNP is generated today. In 2002 Slovenia generated a per capita GDP of 11,690 Euros. In purchasing power parity this amounts to 74% of the EU average.

Property. Ownership was transformed from social property belonging to all, managed by social enterprises on behalf of and in the interest of all, to property belonging to private owners, managed in their interest by professional management teams. Privatisation of the real sector has been completed. Now the financial sector, banks and insurance companies, the energy sector, telecommunications and transport infrastructure are being privatised. The Slovene model of privatisation took account of the social nature of property in the past and the need for social cohesion in the present. Hence also the shareholders rights given to all citizens. The positive values of socialist society had an influence on this process.

The transition of ownership and the liberalisation of capital enterprise required the setting up of a free market including all its mechanisms and institutions – financial institutions, a stock market, securities, oversight bodies. The transition of ownership proved the most demanding reform operation of all. It has an impact on people's mentality, habits and values. It also places social security on a different foundation. We have gone from a system where social security, including employment, was provided by the state, to a system based increasingly on individual responsibility and a partnership between the state, employers and employees. Slovenian society thus remains sufficiently stable and integrated, without massive social exclusion and difference. The transition was conducted with the recognition that maximising profit and shareholder interests are not the single universal motive of successful management

The process of transition included the entry of foreign capital. Today, the share of foreign investments amounts to 1,900 Euros per capita. Slovenia has a system of incentives encouraging foreign investment, granting foreign capital the status of a domestic investor. At the same time the belief is setting in that national identity also requires national economic and financial foundations.

Political transition was a soft process, the essence of which was the introduction of multi-party parliamentary democracy, free multi-party elections and a high level of human rights promotion. Like other aspects of transition, it too enjoyed a political consensus among all political forces and the entire nation. This consensus was also confirmed at the first democratic multiparty elections in the spring of 1990 and the adoption of the Constitution in the autumn of 1992, which comprises all the democratic standards of modern European society. We are now integrating into our Constitution the principles required for common life in the European Union.

The processes of political and economic transition in Slovenia were faster and less stressful than in countries under the influence of the Soviet Union. The reason for this lays in the more democratic nature of Yugoslav socialism, which consolidated the economic, political, national and social aspects of life in society, as well as in the much greater openness and connection of Slovenia to the western world, particularly its markets and democratic heritage.

2. Europeanisation.

The process of Europeanisation was a logical consequence of the opening up of Slovenian society and the links the Slovenian economy had with more developed European markets. Already in 1990, following unsuccessful attempts at modernising Yugoslavia, when Slovenia opted in favour of independence and disassociation from the former Yugoslavia at a plebiscite, our country defined EU and NATO accession as its two primary strategic objectives. Both of them were successfully achieved. Our negotiations on EU membership were a success, save a few exceptions, and we are to enter the Union on 1 May 2004 and the Euro-zone in 2005. Slovenia also received an invitation to join NATO, which is to materialize next year.

In a geopolitical position that is strategically and transport-wise of extreme importance in terms of political and commercial connections, Slovenia is highly interested in dispelling as soon as possible the consequences of past block divisions and in

preventing new rifts, especially a division into a developed and an underdeveloped, a safe and an unstable Europe. Besides consequences on the lives of Europeans this would also significantly reduce Europe's chances of being an influential and responsible factor on a global scale, commensurate with its economic strength and cultural tradition. These are the constants of Slovenia's political enterprise in Europe. The feeling is prevalent that Europe is indeed capable of living with differences, in coexistence, mutual respect and tolerance. It is on these principles stemming from its tradition as a civilisation that it will be able to define itself as an economic as well as a political entity capable of acting as a counterpart to other regions of the world and the economy of the planet. Its differences allow it to cooperate and compete. It is from this perspective that we judge the process of EU enlargement, which we actively participate in, as well as relations between the EU, NATO and Russia.

Due to the diversity of political, economic and cultural identities on the European continent, Slovenia gives particular priority to integration in Central Europe and the Balkans, i.e. Southeastern Europe.

Central Europe is a cultural, economic and social area situated between Europe's west and east, an area where Slovenes were formed as a nation. This is where our historic roots and connections are. Our cultural identity was influenced by the proximity of the Czechs, Poles, Italians, Germans, Austrians and Hungarians - nations that for centuries lived together in the Austro-Hungarian Empire. It is difficult to precisely define Central Europe geographically and politically. Perhaps that is why the most appropriate definition is one by Hungarian author György Konrad, stating that Central Europe is the current state of mind of the people living in this region. That was shown clearly after the fall of the iron curtain and the end of the Cold War, which most savagely divided this very region by placing the Poles, Czechs, Slovaks and Hungarians - nations with a western democratic tradition - into Europe's political east. Central Europe, a political non-entity until the fall of the Berlin Wall, reintegrated immediately after the Wall fell. The Vishegrad group of countries, for instance, came to life at once. CEFTA (Central European Free Trade Agreement) and the Central European Initiative were formed. Slovenia actively participates in these economic, cultural and political spheres, also with the Vishegrad four (Poland, Czech Republic, Slovakia and Hungary). Slovenia's economic presence is of particular importance in the region. Not only in terms of trade, but also through investments and joint ventures, as well as the transfer of know-how. This applies also to Russia and the Central Asian states of the former Soviet Union, particularly Kazakhstan. Due to its significance to Slovenia, China has been and remains an important challenge. Prime Minister Anton Rop's current visit only further upholds this fact.

Slovenia also has a special interest in the Balkans, in the remaining countries that were formed on the territory of the former Yugoslavia. This is an area we know very well, since we lived in it for 70 years. Slovenia played an active role in seeking solutions to the crisis and stepping away peacefully. Once the integrative idea and values uniting the southern Slavic nations in a single state were gone, Slovenia was not prepared to concede to a hegemony of the Serb political elite that wanted to force onto others its own understanding of Yugoslavia as an undemocratic, centralist, autocratic state. Even now, when most parts of the former Yugoslavia are in a state of neither war nor peace, Slovenia continues to take initiative in the search for a political future for the Balkans and participates in all international activities in the region, particularly the Stability Pact, the International Trust Fund for Demining and Assistance to Mine Victims, the

Foundation for the psychological and physical rehabilitation of child victims of war. While it was member of the Security Council, which it also successfully presided, Slovenia was also the initiator of similar UN actions. Slovenia is aware of its responsibility for a peaceful and safe life in this area since it borders the region directly with Croatia to its south. We have maintained alive our links with these countries, including economic and cultural ties. Their economies were complementary to Slovenia's. After the end of armed conflict trade flows and cultural exchanges were re-established. Slovenia is an important investor in these countries and Slovenes own a significant number of companies there or are co-owners together with local entities. It is important that Slovenia cooperate with these countries with its experience from EU negotiations, helping them prepare for membership of this integration structure.

3. Globalisation.

Just as the rest of the world, the process of globalisation first embraced Slovenia in the economic sphere, through the globalisation of capital. Slovenia had to penetrate and establish itself in international markets if it wanted to survive. It was logical that it opened up to international capital flows. That was unavoidable also due to the changing of an unfavourable industrial structure with a high share of labour-intensive industries: textile, leather, wood processing. This was also urgent in order to modernise technologies, computerisation, information and process technologies, modern organisation and education of management

With the entering of Slovenia's economy into the process of globalisation, Slovenia is recognising the advantages and opportunities of this process, but also its challenges and threats. Opinions concerning the globalised world and its future are also forming. Events following September 11, 2001 had a particular influence on these standpoints, especially the military intervention in Iraq and the rise of international organised crime, illegal migrations and ecological disasters. These developments unveiled the obvious interconnection and fateful interdependence of our modern world. Globalisation is defined primarily by the interests of capital through global economic and financial structures, which dictate the pace and manner of development that not all can follow equally. The disparities in the world and the gap between the rich and the poor are thus increasing. Different possibilities of access to communication and information technology as well as to the knowledge required for their application only further widen this gap. So-called equal opportunities turn into inequality, cooperation and solidarity is replaced by rivalry. The problem of inequality, especially the problem of exclusion of whole social groups, states and even continents, gives rise to tensions and paves the way for fundamentalism and terrorism. This is becoming the underlying long-term security issue in our world.

The fact is that globalisation and interdependence are not complemented by an adequately developed global responsibility. The development of global governance, of global institutions and norms to support such governance, did not follow the pace of globalisation. The UN is in crisis. Instead of multilateralism that would strengthen the role of the UN and solidify the necessary reforms, unilateralism is setting in. It is quite disheartening to find that the United Nations had greater influence, enjoyed a better reputation and wielded greater authority during the Cold War than they do today. In light of the increasing risk of war and terror the UN's authority would be indispensable in order to curb the rise of violence and barbarism.

It is obvious that governing this emerging new world requires radical adjustments that would establish humanity's global responsibility for its own future and the future of life itself on this planet. This also signifies the definition and protection of the world's common good. Primarily, though, it requires a comprehensive understanding and implementation of the phenomenon of human rights in a way that would not separate economic, social and cultural rights so drastically from civic and political rights. In doing so we shall absolutely have to respect different understandings of this phenomenon based on the different traditions of great cultures.

It is quite understandable that these changes cannot be completed without serious effort to come up with a common ethical foundation serving as the guideline and criterion of our actions. Changes will occur neither by nodding to absolute relativism nor through attempts at fully basing the required universal ethic on western Euro-American civilisation, viewed in other parts of the world as a sort of spiritual hegemony. The universal nature of values can only build on a dialogue between civilisations. With the recognition of an interdependent world the point of departure of such dialogue would have to be the golden principle of coexistence in human society, the principle of solidarity: "do not do unto others what you would not want done unto yourself". This principle implies respect of the human person, of human life and of the dead. The complex problems of our modern world cannot be solved in any other way than through dialogue, for dialogue is the precondition of survival. Otherwise the human world will turn into a war of all against all, where the stronger will be victors at the expense of the weaker. Anti-globalisation movements are sufficiently serious reminders of this. This dialogue is not about giving up one's own tradition or ethos. It is about enriching it with the beliefs of others.

The principle of dialogue and the principle of solidarity are the keys to solving the problems of the modern world. Even if the decision-makers of today - businessmen, financiers and politicians - will not feel bound by the principle of solidarity, even if they will not be capable of accepting dialogue, they would still be able to construct a functional society. But it would be one that would certainly gradually decay and lead to destruction. Physical force based on weapons is not the solution. The force of arms must be overcome by the force of dialogue. In spite of the difficult nature of relations in the modern world, dialogue remains the only true alternative for solving this world's problems, dilemmas and wrongdoings. Slovenia is involved in these debates, particularly within the UN and OSCE, at whose helm it will stand in 2005.

4. The process of forming our own state.

This is what separates Slovenia most evidently from other transition states. Also because this process coincided with the violent break-up of the former Yugoslav state caused by the arrogance and the unwillingness of the erstwhile Belgrade regime for a peaceful and democratic disassociation once there was no longer the possibility of staying together. Slovenia adopted the decision to exercise its right to self-determination and to form its own independent state. The increasing political, economic and moral crisis and the inability to find other solutions demonstrated that the Yugoslav state, a consequence of the outcome of two world wars, was over. Slovenia justified its decision with the plebiscite of 1990. Its outcome of over 80% in favour was implemented by the proclamation of independence in 1991. We strived to do so without

conflict, in agreement with the other republics and by regulating all the relationships stemming from our past life in the common state, just as was proposed by the peace conference on Yugoslavia in 1991. The wars against Bosnia, in Croatia and Kosovo made this more difficult, but now this process is virtually complete. Only negotiations concerning property succession are still under way.

Following the proclamation of independence, Slovenia had to set up its entire state infrastructure – the diplomatic network, the army, police, customs and tax administrations. It had to achieve international recognition. It became a member of international organisations. First of all the UN, where it has already proven itself as a successful and active member of the Security Council

Slovenia has a comprehensive legal system, harmonised with EU law. It has a justice system and institutions overseeing the securities market, preventing competition distortion, corruption and money laundering. It has institutions actively fighting all forms of international organised terrorism and crime. It is a member of many international organisations, including the WTO, EFTA, the IMF and the World Bank, and is on the threshold of the OECD. Slovenia fulfils the obligations stemming from those memberships.

Now Slovenia is preparing as an EU member state to provide for the Union's security on its southern border, which is becoming the EU's Schengen border under the responsibility of Slovenia. Hopefully not for long, with Croatia following Slovenia soon. Thus the Schengen border will move further east, marking an ever-larger EU.

Allow me to conclude here. In my view Slovenia is a successful and safe country guaranteeing high levels of legal and social security, functioning according to the principles of rule of law, the welfare state and a market economy. Now that the country has realised its strategic objectives of EU and NATO membership, thus having at its disposal the developmental and economic instruments of these organisations, it is defining new objectives to pursue with these instruments. Among these objectives is certainly a more rapid economic integration and opening up to the world, as well as assistance to countries of the former Yugoslavia, to help prepare them as soon as possible for life in these integration structures. I must emphasise that we shared the same points of departure with these countries at the break-up of Yugoslavia. We took different paths, however. The Slovenian choice has proven successful. According to the UN Human Development Report, Slovenia is ranked 28th out of a total of 173 countries. We feel the responsibility to help others with our experience. Also to help those who wish to get involved economically in these countries, if they want to do so together with us, if they want to have us as partners. We are convinced that China's experience would also be useful for Europe. Cooperation between China and the EU will most probably come about. Perhaps even an enhanced partnership. But that is a matter for the future and a matter of concrete interests.

If in any way I was able to incite your curiosity I would be glad to satisfy it by answering your questions now. Thank you.