

Sinfo

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The latest from Slovenia

On the path to social and structural reforms

- INTERVIEW: **Andrej Vizjak, M.Sc.** • ART & CULTURE: **European Capital of Culture**
- OUR EXCELLENCE: **PoliMaT Centre of Excellence** • PEOPLE: **Boris Pahor**
- SPORTS: **Remarkable Slovenian success at the Olympic Games in London**



In focus



Interview



People



Green corner



contents



Society



Sports



Art & culture



Heritage

contents

5

In focus

Fiscal sustainability – a fundamental principle on which we wish to build our country and our development

16

Interview

Mr. ANDREJ VIZJAK, M.Sc.

20

Business

22

A letter

Anunciada Fernández de Córdova,
Pierre-François Mourier

24

Art & culture

European Capital of Culture,
Shanghai Gypsy ...

30

Our excellence

PoliMaT Centre of Excellence

32

Green corner

Eco Civil Initiative

34

People

Boris Pahor

36

Sports

Remarkable Slovenian success at the
Olympic Games in London

40

Slovenian delights

Istrian house

44

Society

Culturalisation of space

47

Heritage

The Land of Hay Racks

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editorial



Vesna Žarkovič, Editor

On the path to social, structural and 'green' reforms

The Bled Strategic Forum (BSF) featured many discussions about the future of Europe in a constantly changing world. The discussants stated that Europe needs more assertive leaders, that it has to follow the path of social, structural and 'green' reforms, continue the enlargement process and open up to Chinese investments.

At the moment, Slovenia faces the great challenge of reforming pension legislation, the labour market and the Employment Relationship Act. Improved financial sustainability of the pension fund should be ensured as soon as possible in order to enable decent pensions for present and future retirees in the long term. The main goal of the current economic policy is a sustainable structural balance of public finances and the creation of conditions for stable economic growth.

Business opportunities in Slovenia are becoming scarce; therefore it is necessary to look beyond the borders. Business diplomacy is not a suitable institution for concluding contracts in the name of businesspeople, but it can open many doors in the process of establishing new business contacts. In the globalised world, many countries realise that they will have to connect with others if they wish to enter developing markets successfully, including the BRIC markets (Brazil, Russia, India and China). The Slovenian economy must also be more open to investment. Many countries with great financial potential are actually interested in investing in Slovenia, including the Arab Gulf States, Turkey, Russia and the USA.

Foreign experts claim that Slovenia ranks among the first in the world in terms of the number of patents and new technical solutions per capita. With its breakthrough technological programmes, Slovenia is among the leaders and an example to others around the world. In November, the PoliMaT Centre of Excellence is opening an office in the USA, in the city of Akron in Ohio, at the Akron Global Business Accelerator, which will enable intensive and close cooperation on new research and development programmes and technology transfer; it will also serve for testing the American market for existing industrial partners and start-up companies.

Boris Pahor, the Slovenian author living in Italy, celebrated his recent 99th birthday with the presentation of his new book, a collection of diaries, which he has dedicated to his wife. The writer stresses that love is the only value which can liberate the individual in a personal sense and mankind in the social sense. He also constantly emphasises national awareness, which is necessary for the survival of Slovenians in Italy and for the survival of the individual and mankind in the world. Boris Pahor is undoubtedly a phenomenon of universal significance. Is it perhaps time for one of the most frequently translated Slovenian authors to receive the Nobel Prize in Literature?

This year's Olympic Games in London will be fondly remembered by all who respect the accomplishments and efforts of Slovenian sportsmen and women. Due to exceptional results of our team, Slovenia won a respectable sixth place on the medals table in terms of medals per capita. This was a great success, which put Slovenia on the front pages of world newspapers and highlighted it among countries which are similar in population, but exceptional in their results.



Anže Logar, Director of the Government Communication Office

THIRD TIME LUCKY

In the past, Slovenia was considered in international circles as a good student. It entered the EU well prepared, adopted the euro soon after, and was the first of the new Members States to hold the Presidency of the Council of the EU. At the moment when Slovenia had achieved its main goals, the world economic crisis began. Slovenia did not respond in time. It insisted on gradualism, believing the crisis would soon be over. Four years later, the crisis is still here, and Slovenia is no longer among the young stars. But again, it is a good student. In the three lost years, it has learnt that without hard work and structural reforms, it will not pull through.

The results of hard study will not be visible overnight. Series of legal measures will have to be adopted which will produce results only when they are working together. Aware of this fact, the government immediately tackled the state financial consolidation. Simultaneously, it adopted the first package of measures to stimulate the economy, by which it reduced corporate income tax and abolished restrictions on investment in research and development. In the second package, the government adopted 75 measures to stimulate investment, support a society of development and knowledge, create a business-friendly environment and reduce administrative barriers. In this framework, it raised the takeover threshold from 25 to 33 per cent.

Early this autumn, the Government of the Republic of Slovenia confirmed a third package of 155 measures to stimulate economic growth. The most important systemic and structural measures are presented in this Sinfo edition. The proposed solutions in four legislative fields – the labour market and pension system, the banking system, the broader business environment, agriculture and the environment – are the result of a considerable degree of consensus among the coalition partners. To cut the Gordian knot

of the banks, the government has proposed the establishment of a company which will assume bad bank debts in return for government bonds. This will strengthen the stability of the banks and thus accelerate lending to companies. A national holding is also being established which will manage state investments in one place and thus improve the transparency and efficiency of state property management. The basis for the holding will be a governance strategy which is to be confirmed by the National Assembly.

The proposed reforms of pension and labour law, which will be subject to negotiation with social partners, are based on the demographic situation and conditions in the labour market. The new legislation will thus improve the flexibility of the labour market, enhance the efficiency of labour law protection, reduce undeclared work, enable periodical and temporary work of pensioners and the unemployed, adjust the labour market to the trend of the ageing population and ensure the financial sustainability of the pension fund.

With regard to the extent of the reform package, many may think that Slovenia is entering a period where it is better to be in the opposition. "Well, the world is never perfect..."

Prime Minister Janez Janša awarded for his innovative efforts in the process of independence and democracy in Slovenia

The Prime Minister of the Republic of Slovenia, Janez Janša, received an award for Innovation in Diplomacy at the World Summit on Innovation and Entrepreneurship that took place in Boston, USA from 26th to 28th September 2012. The award stands as recognition for a new diplomatic approach in the countries struggle for independence and for setting up democratic grounds that were essential for Slovenia's successful development in the past two decades.



The World Summit on Innovation and Entrepreneurship (www.thewsi.org/prologue.html) was launched in 2006 under the support of the United Nations, International Chamber of Commerce (ICC), African Union and a partnership with the most prominent multinational companies. Since then, the purpose of the summit is to connect and facilitate the creation of strategic alliances between the world's most innovative organisations and people who are actively transforming and improving the social and economic development of the world.

From 2008 onward, the awards at the summit have been given every year to the most innovative people and organisations making significant contributions through their work to different areas such as art, environment, economy, technology, science, education and politics. The award recognises the recipient's unique contribution to

greater prosperity and progress of his social environment and beyond.

This year, the award for Innovation in Diplomacy was given to Prime Minister Janša and has recognized his efforts and contribution for independence and democracy in Slovenia. By receiving this honourable title he joined the group of amazing individuals that have accepted the award in the past. Some of the most recognizable awardees were Bill Gates, Founder and Chairman of Microsoft Corp., Stephen Hawking, Theoretical Physicist, Tarja Halonen, President of the Republic of Finland, Paul Kagame, Fighter for Peace and President of the Republic of Rwanda, and many more.

Prime Minister Janez Janša was honoured to be the first Slovenian receiving this award. He believes that it is such a recognition that gives individual democratic actions a global meaning and promotes a future that the international community strives for.

Prime Minister Janez Janša at the UN Convention for a world free of genocide

Prime Minister of the Republic of Slovenia, Janez Janša, on 27 September, addressed the 67th General Assembly of the United Nations, calling all Member States to support the initiative to strengthen the mechanisms of the Convention on the Prevention and Punishment of the Crime of Genocide. In his address, the Prime Minister reiterated the necessity for enhancing legal mechanisms for early action in preventing genocide and mass atrocities and stressed that 60 years after its adoption, the Convention needed to widen its scope and enhance its efficiency.



Prime Minister Janez Janša opened his address by recalling that the main topic of this year's session is peaceful resolution of conflict. Furthermore he stressed that all Heads of State in their addresses underlined the necessity for increased awareness and effective prevention of atrocities that we are, unfortunately, still witnessing today. Prime Minister Janša mentioned the case of Syria, where mediation activities failed and highlighted the need for strengthening preventive capacities of the UN, its Member States and international organisations.

Speaking to the delegates, Prime Minister Janez Janša recalled that last year we celebrated 60 years since the Convention on the Prevention and Punishment of the Crime of Genocide has entered into force. As he described this was

a result of tireless, year-long efforts by Mr Raphael Lemkin, a Polish lawyer: »He stalked the halls of the UN every day until December 1948, when the General Assembly finally adopted the Convention. We then waited half a century to see a first conviction of an individual for the crime of genocide. Establishment of the criminal tribunals for Yugoslavia and Rwanda in the 90s was followed by the historic creation of the permanent International Criminal Court. This was another milestone in the humanisation of the international relations.«

The Prime Minister Janša quoted the speech of the US President Barack Obama's at the US Holocaust Memorial Museum last April where he made the point that "national sovereignty never is a license to slaughter your people". Mr

Janša also mentioned that the UN Secretary-General, Mr. Ban Ki-moon, urged at the opening of the 67th session of the UN, that we should give the concept of the "responsibility to protect" a more tangible meaning.

"Since the end of World War 2 more than 80 countries have witnessed mass atrocities. At least 53 million innocent lives have been lost. Behind these numbers there were actual men and women, and also children. They had future but were not allowed to live," said the Prime Minister and called for development of a viable strategy to prevent genocide and other mass atrocities, and added that "a mechanism is needed to enable a more rapid and effective response to acts of genocide and other mass atrocities".

Prime Minister Janez Janša declared that Slovenia is ready

to play an active role in further development of this initiative, and pointed out that the initiative originates from international non-government organisations and civil society individuals and is gaining in support. Today it has several thousand supporters and their number is growing every day. He continued by saying that collaboration concerning the prosecution of alleged perpetrators of such crimes should be enhanced, and that a genuine culture of prevention should be developed globally. In this context he strongly condemned acts of violence against diplomatic and consular missions in the Arab world and stressed that freedom of speech is fundamental in democracy, and violent response has never set limits on that freedom.

Prime Minister Janez Janša ended his intervention at this year's session of the General Assembly of the United Nations by the following words: » Each and every nation as well as the United Nations as a whole have an enormous responsibility and also the opportunity to prevent future atrocities. We cannot escape our history but let us learn from it. I fully believe we do not want the mistakes of yesterday to be repeated tomorrow. We took over the responsibility for the world from our forefathers and have the enormous responsibility to make it a better place for our children. I therefore invite you to do so by joining all our efforts for a world free from genocide and other mass atrocities.«

The Government of the Republic of Slovenia intends to adopt a package of measures by the end of 2012. The key measures are presented in the following two articles.

Ministry of Finance, photo: STA

Fiscal sustainability – a fundamental principle on which we wish to build our country and our development

The key aim of economic policy is to achieve a sustainable structural fiscal balance and create conditions for stable economic growth. The goals and commitments of the economic and fiscal policy to the end of 2015 are defined, in line with requirements and obligations assumed at EU level, in the Stability Programme and in the National Reform Programme 2012–2013, which includes a proposal of structural reforms, measures for meeting the targets of the EU2020 Strategy and measures to boost growth and jobs.



BUDGET

This autumn, the government is drafting the budget for the next two years, which will be (as the current one is) devoted to lowering the budget deficit. In the next two years, the government is expecting to see the first effects of the planned reforms of the pension system and of labour market legislation; for this reason, the anticipated effects are already included in the draft budgets for 2013 and 2014. Because of

extremely difficult conditions, the public sector will have to match the capacities of the economy, and the current budget expenditure will have to be moderately restricted. At the same time, the budgets envisage an increase of development and investment funds coming from the EU, as these measures could have an important impact on economic recovery. The budgets for 2013 and 2014 also envisage certain measures to increase the revenue side, such as increases of certain charges

and taxes, which, however, will not negatively affect the economy in general.

In its session of 20 September 2012, the government defined the highest permissible upper limit of expenditure, thereby reducing the level of public sector expenditure, however with the aim of retaining the quality level of services and the implementation of key tasks. The most important efforts, as far as reducing expenditure is concerned, have already been made, and now

it is paramount to launch the recovery of economic growth and investments, in order to attain a comprehensive fiscal balance.

FISCAL RULE

Fiscal sustainability is a fundamental principle on which we wish to build our country and our development. The introduction of the fiscal rule in the constitution is a restriction forcing both the government and Parliament to



adopt measures to stop uncontrolled government borrowing and rise of the structural deficit. By signing the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union, Slovenia assumed the commitment to include the rule in the constitution. In December 2011, such a commitment was also made by all political parties in the Parliament.

The introduction of the fiscal rule in the constitution is a much more powerful commitment than its introduction in an act, as any act may be rapidly and quite easily amended, while any modification of the constitution requires more than a simple majority of votes.

The government is well aware that the mere introduction of the fiscal rule in the constitution does not solve our problems; it will be, however, a strong signal to the international community, proving our determination and capacity in addressing difficulties at the

national level. Moreover, the credibility of any rule included in a constitution is largely enhanced. Again, this would be a clear signal that our intention is to solve this issue in a serious and continuing way. Furthermore, this has already been done by Germany and Switzerland, both of which are countries Slovenia wishes to resemble.

The fiscal rule is but one of the measures to be taken by the government, which may, in general, be divided into measures aimed at lowering the extent of borrowing and measures aimed at stimulating the economy and boosting growth. The introduction of the fiscal rule in the constitution will have overall beneficial effects both in the short and the long term, while the refusal to do so would cause extensive and immediate damage.

The introduction of the fiscal rule in the constitution has also been recommended by prominent experts such as the

secretary-general of the OECD, and the governor of the Bank of Slovenia.

SLOVENIAN SOVEREIGN HOLDING

The government has prepared a draft act on the Slovenian Sovereign Holding and presented it to the Parliament in order to correct the lack of transparency of the current system of managing companies with state capital investment, and the loss of Slovenia's credibility abroad, and to put the management of all state capital investments under one roof.

The aim of the proposal concerning the management of state investments is to increase their value through active governance and a consistent system of corporate management. This may only be achieved by concentrating all state investments under a single manager. Currently, the assets of the Republic of Slovenia are man-

aged by several legal persons with diverging business objectives. The assets are, therefore, sometimes managed in a less-than-optimal way, so that the owner's profit depends on the business objectives of such persons and is, often, quite below the maximum possible. The draft act envisages transforming the current Slovenska odškodninska družba (Slovenian Compensation Company (SOD)) into a new company, the Slovenski državni holding (Slovenian Sovereign Holding (SDH)) that will unite all companies with state investments under one roof, and manage them centrally. The aim of the draft act is to simplify the management structure, to clearly define the scope and criteria for management of state investments, and to create common state reserve assets. The establishment of the SDH is, at the same time, an institutional and systemic solution that will enable the transparent withdrawal of the state from the

economy. A straightforward and clearly outlined list of state investments will facilitate access of foreign investment to Slovenia's market. Furthermore, a list of companies in need of restructuring will be drafted. As a result, the withdrawal of the state from the economy will be facilitated, in due consideration, of course, of market conditions.

BANKING SYSTEM STABILITY

With the aim of reaching a long-term consolidation of the banking system, the Ministry of Finance has prepared a draft act on measures to strengthen the stability of banks. The measures envisaged by the draft will be supplementary to the existing system of control measures already applied by the Bank of Slovenia as the national control authority.

The act will regulate the Družba za upravljanje terjatev bank (Company for Managing Bank Debts (DUTB)) and the Sklad za stabilnost bank (Fund for the Stability of Banks (SSB)), and measures for strengthening of the stability of banks in the Republic of Slovenia, with the aim of preserving the stability of the whole fi-

ancial system. The aim of the establishment of the DUTB and the SSB is to reduce to a minimum the expenses of measures implemented in compliance with this act, to expand loan portfolios to the non-financial sector, to privatise banks, and to establish responsibility for banks' bad debts.

The most important solutions proposed by the draft act are the following:

1) The DUTB will be established to carry out measures provided for by the act; specific-purpose assets will be gathered, and the records of such assets will be kept under the SSB; the DUTB will be a public limited company with a one-tier system of management, a general assembly (the Government of the Republic of Slovenia) and a management board consisting of seven members (three of which will be executive directors); the liability for the DUTB's obligations will be with the Republic of Slovenia, and control over the DUTB will be carried out by the Ministry of Finance; the DUTB will cease to exist on 31 December 2017; its legal successor will be the Slovenian Compensation

Company (SOD) and/or its legal successor (SDH);

2) The measures envisaged by the draft act are the following:

a. Purchase or acquisition against payment of bank's assets and management of such assets within the DUTB;

b. Government guaranties for strengthening the stability of banks, concerning:

i. Obligations taken by the DUTB;

ii. Obligations of the special-purpose company that will take over bad debts from banks (hereinafter: special-purpose company);

iii. Obligations of individual bank units established by banks to manage certain risk items;

c. Increasing the banks' share capital;

d. Measures to ensure the necessary liquidity of banks in cases of extreme urgency.

3) The measures provided for by the draft act and carried out by SSB will be financed from repayments from banks subject to the abovementioned measures, income from the

SSB's investments and their management, proceeds from debtors' bankruptcy estate and bonds issued by SSB and benefiting from the government guarantees. Another possible source of financing are funds from recovery of unlawfully obtained proceeds, as finally established in criminal proceedings against debtors of the banks subject to the measures.

4) The application of the measures may be proposed either by the DUTB at its own initiative, by the bank itself or by the Bank of Slovenia. The application of the measures under the draft act will be decided by the government on the proposal of an inter-ministerial commission composed of seven members (of which three from the Ministry of Finance, one from the Office of the Prime Minister, one from the Ministry of Economic Development and Technology and two from the Bank of Slovenia).

5) Any bank eligible for such measures will have to implement a solid and rational business policy and prepare a new business strategy.



Martin Kerin, Ministry of Labour, Family and Social Affairs, photo: STA

Only the adoption of the necessary reforms will enable Slovenia to achieve economic growth and exit the crisis

Slovenia currently faces a significant challenge: the adoption of pension legislation, labour market reforms and a new employment relationships act. The fact is that the financial sustainability of the pension fund needs to be improved as soon as possible in order to provide decent and adequate pensions for the current and future generations. At the same time, it should not be overlooked that, according to domestic and foreign institutions such as the Institute of Macroeconomic Analysis and Development, the European Commission and the OECD, the Slovenian labour market is characterised by a rigidity of permanent employment and high labour costs.



In addition to improved sustainability of the pension fund, the adoption of the draft pension and disability insurance act will prevent further pension reductions, and the introduction of informative personal pension accounts will provide better transparency and stimulate people to participate in the basic and supplementary pension insurance

schemes. The third important message of the pension reform is that it puts the length of the contribution period at the forefront.

All three components of the new draft pension legislation offer a compromise between the new proposed concept and the old concept, which was rejected in a referendum. They provide the opportunity for

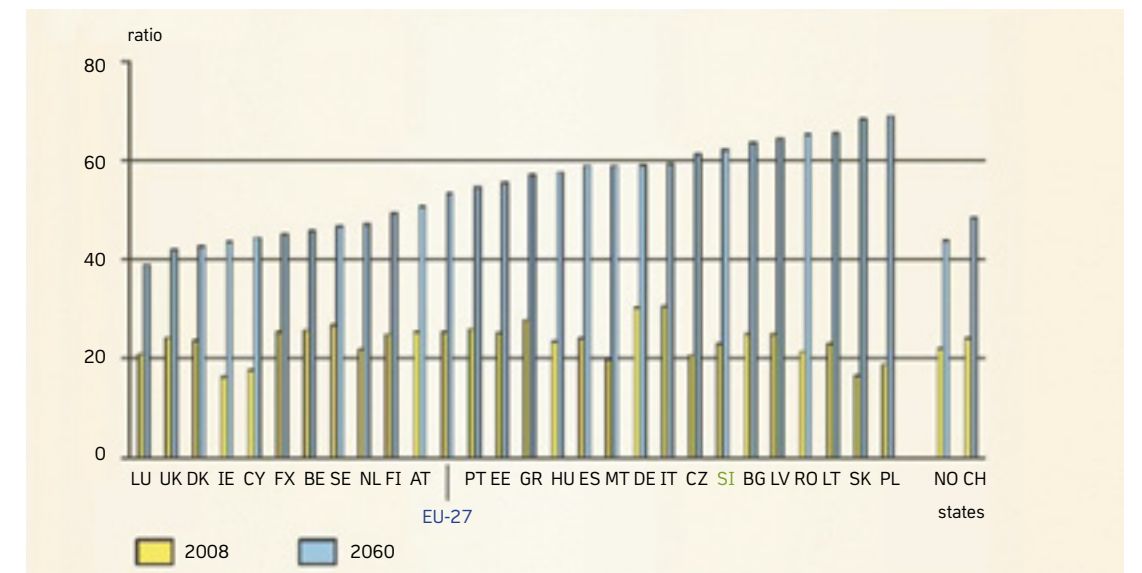
averting the negative pension fund trends. After all, it should be noted that this proposal provides for a financial stabilisation of the pension system until 2020.

The pension legislation reform is also urgently needed in terms of projections of demographic trends in population ageing. According to the data from the Statistical Office

of the Republic of Slovenia and EUROSTAT data on Slovenia for the next fifty years, these projections are relatively unfavourable. The population ageing process is a trend that is characteristic of all EU Member States; however, it is particularly intense and more markedly present in Slovenia.

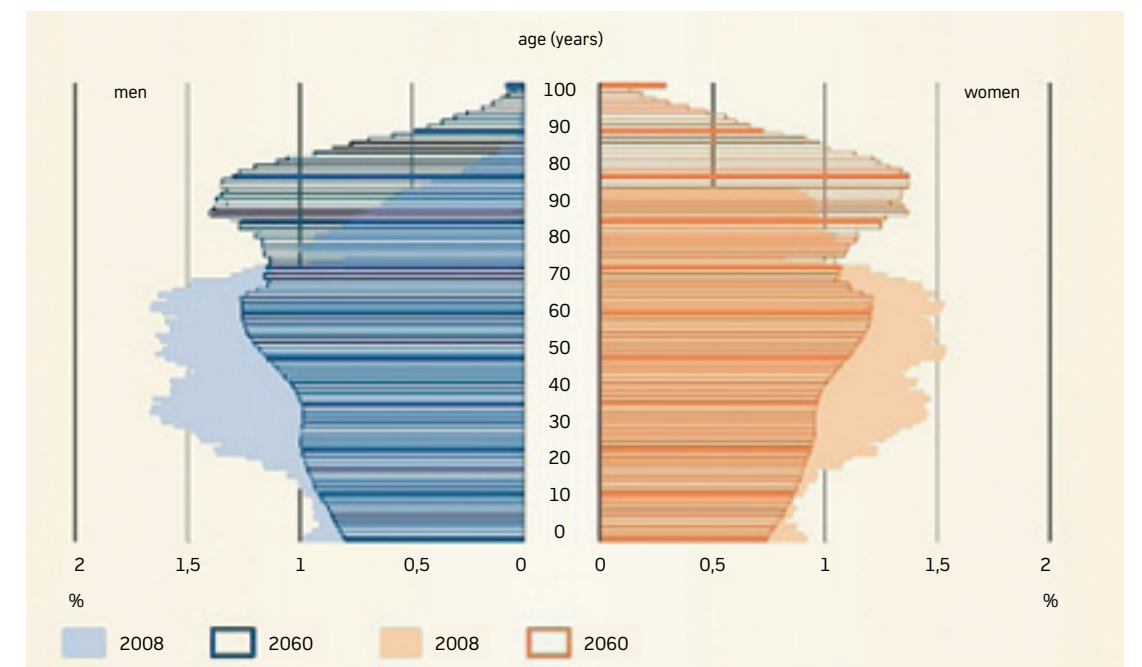
OLD AGE DEPENDENCY RATIO

The ageing of the population is clearly shown in the chart which illustrates the age structure of the population in 2008 and 2060. It shows the increase in the share of the elderly in the total population in Slovenia. The share of the younger population will gradually give way to the share of the elderly. Intense population ageing and its direct impact on public finances is already a reality. The decline in the number of insured persons, i.e. the decrease in the working-age and employed population, exerts a major impact on the fiscal sustainability of the pension system.



AGE STRUCTURE OF THE POPULATION

In December 2011, the Slovenian average retirement age was only 58 years and 8 months for women and 61 years and 9 months for men, well below the planned full retirement ages of 61 and 63 for women and men respectively. Despite a gradual increase in the actual retirement age due to pension reform since 2000, this increase has slowed down and practically came to a halt in the past few years.



Source: Ministry of Labour, Family and Social Affairs

All the relevant facts highlight the need for adapting pension system to a less favourable demographic structure; moreover, fiscal policy should be adapted in order to respond to demographic challenges. Long-term solutions should be found, particularly with a view to improving the ratio between the insured and the retired.

The key change is that the new draft pension legislation is based on the assumption that 40 years of service and 60 years of age is a sufficient criterion for a full pension. The aforementioned grounds for adopting a pension reform are crucial for the success of this project, which will also create new jobs. This is the reason

why the Government is taking measures for stimulating economic growth, rehabilitating the economic situation and creating new jobs in addition to the package of other measures proposed for this autumn. In this regard, it should be noted that the pension reform alone will not resolve the key problems unless the country succeeds in stimulating economic growth to exit the crisis.

THERE WILL BE NO ECONOMIC GROWTH WITHOUT LABOUR MARKET REFORM

This year, the social partners face a complex task of adopting labour market reform that must accompany the

measures for faster economic growth. At the same time, it should be borne in mind that while changes to labour legislation are urgent, they are merely an essential component of labour market reform.

The most important feature of the current labour market conditions in Slovenia is a pronounced dualism, i.e. a segmentation revealing the difference between the status of employees with permanent contracts and that of those with fixed-term contracts. An insight into the history of labour legislation changes shows that progress has been made in the direction of ensuring flexibility, although considerably less in permanent employment contracts.

This has resulted in an increase in the share of fixed-term contracts.

It should also be stressed that the problem of labour segmentation is much more long-term than it appears at first glance. Temporary employment particularly involves the more vulnerable population groups, and the consequences of temporary employment are reflected in lower level of social insurance rights, poorer access to credit and education, and so on. This why it is essential to ensure a greater flexibility in the labour market, increase the effectiveness of labour security and reduce illegal employment by occasional and temporary hiring of pensioners and of

the unemployed, and ensure consistency with national and international regulations and policies.

The key starting point for amending the Employment Relationships Act is the introduction of the concept of a uniform permanent employment contract, which is discussed in the European Commission documents. The purpose of these documents is to identify the problem of labour market segmentation in the EU Member States and to find a solution for reducing the differences between employ-

ees with permanent contracts and those with fixed-term contracts, employees working through agencies providing part-time employment and self-employed persons. The Member States are required to discuss the proposal to examine the possibilities of appropriately incorporating the concept of a uniform permanent employment contract, with gradually increasing rights of employees during the initial period (the trial and adjustment period) and the transition to a stable employment period, into their re-

spective national legislations. The method of introducing the proposal into the national regulations requires a further, thorough and professional discussion, with due regard to national legislation and circumstances.

The EU still sees light at the end of the Slovenian tunnel, and through its high representatives urges Slovenia to adopt the aforementioned reforms within the shortest possible time: "Both reforms follow the direction proposed by the European Commission. It is very important that both re-

forms take into consideration the key elements which I consider to be correct," stressed the European Commissioner for Employment, Social Affairs and Inclusion, László Andor, at the international conference titled "Labour Market Reform, New Opportunities for a Better Tomorrow", which was organised by the Ministry of Labour, Family and Social Affairs in September this year. The adoption of these reforms thus requires the consent of the social partners if we want to see the light at the end of the tunnel as early as 2013.



THIS YEAR'S STRATEGIC FORUM BLEDED ON EUROPE AND THE RESHAPED GLOBAL ORDER

The main two issues at Seventh Strategic Forum, which took place from 2 to 3 September 2012 in Bled, were the following: the role Europe should play in the new, multipolar world in which the centres of power of influence and decision-making are spreading to new countries and players, and how the EU should be regenerated internally in order to play a role in such a world. At one of the largest international conferences organised by Slovenia, these and similar questions were dealt with by over 450 politicians, business representatives and experts from more than 40 countries. The forum was organised by the Slovenian Ministry of Foreign Affairs in cooperation with the Centre for European Perspective (CEP). The Bled Strategic Forum was established in 2006 and over the previous seven years has proved to be one of the most important international conferences in the region, attracting participants from all over the world.



The strong participation proves that the Bled Strategic Forum has been recognised not only in this region but also beyond. Although it is a relatively young forum, it has succeeded in becoming popular and in becoming prominent among such forums in the region.

EUROPE IN A CHANGING INTERNATIONAL COMMUNITY

The Bled Strategic Forum (BSF) offered a series of discussions on the future of Europe in a changing international community. The participants pointed out that Europe needs more decisive leaders, that it

must take steps towards social, structural and 'green' reforms, continue with the enlargement process, and open itself up to Chinese investments.

Slovenian Foreign Minister Karl Erjavec: "The main topic of this year's Bled Strategic Forum, "Europe and the Reshaped Global Order", proved to be highly relevant,

as we all ask ourselves about the position of Europe in this reshaped global order, where the centres of power are moving from north to south and west to east. Following the two-day discussion, the message of the Forum could be that the world has changed and therefore also Europe must keep up with these changes."

José Ángel Gurría, Secretary-General of the Organisation for Economic Co-operation and Development (OECD) highlighted in particular the importance of reforms: *'In seeking solutions to overcome the crisis and to restore economic growth, the quality of these solutions also needs to be taken into account. We need structural reforms, social reforms and "green" reforms. The implementation of reforms requires the courage of our leaders to deal with long-term matters, although these might be problematic from the aspect of government popularity.'*

The President of the European Bank for Reconstruction and Development, Sir Suma Chakrabarti, also believes that courageous leaders are needed. According to him, the crisis will continue next year.

The panellists highlighted that one possibility for Europe to restore economic growth would be to open up to investments from China, India and other countries with capital

to invest. 'If you want to receive help from China, you must change your attitude toward this country,' emphasised Deputy Director-General of the World Trade Organisation (WTO), Alejandro Jara.

Experts ensured that China's attitude towards Europe is very positive and that China is willing to help tackle the crisis in Europe. With the aim of ensuring international stability, it also supports a strong euro and the further enlargement of the European Union, which has long been one of the main topics of the European political arena.

The European Union is facing a severe economic crisis, which, however, should not have an impact on its enlargement process. The political representatives of the countries of South-Eastern Europe strongly believe that their countries, still in the waiting room of EU membership, could bring fresh energy into the European Union and actually strengthen it.

The participants of the Bled Strategic Forum, who focused in particular on seeking the way out of the crisis in Europe, also discussed issues relating to other parts of the world. In the debate about Afghanistan, they agreed that cooperation, in particular economic cooperation, is very important for the country stretching along the Hindu Kush mountain range, as well as for all of Central Asia. During Sunday's discussion on the situation in Syria and other North African countries in which

the so-called Arab Spring took place, the participants came to the conclusion that Europe had not done enough to support the Arab Spring.

Other participants pointed out that the Old Continent is no longer the only area that could offer help. In respect to the role which the EU should play, the President of the Republic of Slovenia, Danilo Türk, highlighted that the EU should first put its own house in order, refrain from preaching, and reconsider its priorities.



Minister Žerjav and Secretary-General Gurría on the measures to increase competitiveness of Slovenian economy

The Minister of Economic Development and Technology, Radovan Žerjav, and the Secretary-General of the OECD, José Ángel Gurría, discussed measures aimed at increasing the competitiveness of Slovenia's economy. According to the minister, it was encouraging to hear that the course of action taken to solve the situation in Slovenia is the right one.

The Ministry of Economic Development and Technology strives to improve the economic situation and the competitiveness of the economy. In a very short period of time, it has prepared – in cooperation with other ministries – the most urgent measures to promote economy and ease its burden, Minister Žerjav explained to his guest.

The Slovenian Minister of Economic Development and Technology: *'Considering the strong opposition to the imple-*

mentation of many important projects aimed at promoting the economy and resolving the crisis in Slovenia, it is encouraging to hear confirmation from "such an authority" as Mr Gurría that the course of action taken to solve the situation in Slovenia is the right one. The purpose of Mr Gurría's visit to Slovenia is also to offer the support of the OECD in the urgent implementation of structural reforms and measures giving new impetus to the economy, and to present the OECD as a partner thereof.'

At the working meeting, the minister also expressed his satisfaction that Slovenia had become member of the OECD. Since doing so two years ago, Slovenia can participate in the development of international solutions for tackling the global economic and financial crisis and other changes that the world economy has been facing.

According to Minister Žerjav, Slovenia supports the work of the OECD related to the identification of the best practices and the promotion of international cooperation in the key policy areas, the search for ways to improve competitiveness in the OECD member countries and the OECD partners, and the promotion of inclusive growth creating new job opportunities.

In his words, the participation of Slovenia in the OECD helps reveal the weaknesses of the state in some economic policy areas; therefore, the OECD recommendations based on individual reviews of the OECD referring to Slovenia are very useful.

At the meeting with Prime Minister Janez Janša in Ljubljana, Mr Gurría commended Slovenia's efforts to design measures and structural reforms to improve the com-

petitiveness of the economy. During a working lunch, the prime minister and the secretary-general analysed in detail the economic situation of Slovenia, which has been severely affected by the global economic crisis. They discussed the key short-term and long-term development measures including, in particular, the measures for the rehabilitation of the banking system, the implementation of the pension and labour market reforms. Prime Minister Janša emphasised that the Slovenian Government had already adopted a number of fiscal consolidation measures and measures aimed at stimulating lending and improving the business environment to boost economic recovery. Mr Gurría expressed his support to the Prime Minister and the entire Slovenian government.

Slovenia must strive for economic cooperation with other countries

Slovenia's foreign policy has responded to the changed international environment. At the 17th Consultations of Slovenian Diplomats, which took place on 4 September 2012 at Brdo pri Kranju, Slovenian Foreign Minister Karl Erjavec called on the diplomats to give strategic consideration to the priorities of Slovenian foreign policy and the mechanisms for its implementation.



'We need to reconsider our present and former orientations and traditional partnerships, and then take a step forward on the basis of a critical analysis,' noted Minister Erjavec. He also emphasised that 'only a modern and substantive foreign policy can strengthen Slovenia's image in the international community.'

Alongside the setting of new priorities and contents, the ministry has been undergoing certain changes to make its work more economical and rational, while still enabling the effective performance of foreign policy tasks.

According to the minister, the decision to close six diplomatic and consular representations was not at all easy; however, this provides an opportunity to begin a reconfiguration of the diplomatic network.

'As soon as material conditions allow, we must focus on the regions and countries becoming new political and economic power centres,' emphasised the minister, urging the diplomats to continue to draw on their rich experience and perform their work in a creative and responsible manner.

The diplomats were also addressed by President Türk, who (similarly to Minister Erjavec) highlighted that 'the current international situation requires careful consideration and mature decisions.'

Prior to the discussion on the proposals for the future, according to President Türk, it should be emphasised again that the situation in the country has a key impact on foreign policy. 'In this respect, it is obviously clear that Slovenia must improve its situation at the national level – the economic as well as the political one. Because only a successful country, i.e. a country that successfully resolves its economic problems and successfully conducts its internal political discourse, can lead a successful foreign policy,' he stressed.

'Slovenia must have a more active role, in particular an active role in the European Union; it needs ingenuity in its relations to major powers, a high-profile foreign policy and, of course, constant progress in its relations with neighbouring countries,' added President Türk.

In his view, Slovenia will also have to decide which path to take in the future. There are two options: 'We can simply choose a conservative view and focus on the most direct tasks that include good neighbourly relations, economic diplomacy and our role in the Balkans; Slovenia could also choose a more ambitious path, leading to a more active role in the development of foreign and security policy in the European Union, a more inventive role in the relations with major powers and a high-profile



multilateral diplomacy, in particular with regard to human rights, humanitarian aid and international law.'

'Prior to starting with the details, a wider political consensus and a political decision must be reached. In policy, the rule applies that political will and a sense of healthy ambition are of key importance in deciding between the different choices,' emphasised President Türk.

DIPLOMACY TO HELP MANAGERS FIND NEW MARKET OPPORTUNITIES

On 5 September 2012, Maribor hosted a business conference at which more than 170 business representatives met with 38 representatives of the Slovenian diplomatic corps in order to jointly look for new business opportunities on foreign markets. The President of the Chamber of Commerce and Industry of Štajerska, Roman Glaser, sees the future of the economy in the penetration of new markets; Foreign Minister Karl Erjavec promised that the state would provide the necessary support.

In Slovenia, there are fewer and fewer business opportunities, we therefore need to look for them beyond our borders, highlighted Minister Erjavec in Maribor, adding that the task of economic diplomacy is not to

conclude contracts on behalf of businessmen; it is, however, clear that it can open many a door in establishing new business contacts.

He called on the businessmen to jointly participate on foreign markets and noted that the countries of the globalised world have realised that they will have to cooperate with some other countries to successfully penetrate the emerging markets, among them the markets of the BRIC countries (Brazil, Russia, India and China).

Minister Erjavec strongly believes that Slovenian economy can be given new impetus if the state opens up to foreign investment. In his opinion, the countries with a high financial potential, among them the Gulf countries, Turkey, Russia and the USA, are very much interested in investing into Slovenia.

The minister believes that we first have to change our way of thinking and open up to the globalised world. 'When we talk about foreign investments, we all support them; however, when real investors appear, we all have strong reservations,' he noted critically. Roman Glaser, who is also President of the Management Board and Director-General of Perutnina Ptuj, believes that such meetings are a good opportunity to take advantage of Slovenia's export potential.

ANDREJ VIZJAK, M.Sc.

FAIRNESS, SOLIDARITY AND RESPECT MUST GOVERN OUR ACTIONS WHEN DEALING WITH OUR FELLOW MEN AND WOMEN



The raising of the retirement age by three years up until 2020, EUR 150 million in savings in the coming year and EUR 240 million in 2014, 40 years of pensionable service without the option of buying additional pensionable service, halting the negative trend of reducing pensions and stopping the growth in the number of pensioners in the period up to 2020 are the main highlights of the pension reform underscored by Andrej Vizjak, the Minister

of Labour, Family and Social Affairs. The proposal for the new pension legislation also envisages the adaptation of the existing pension system to the new demographic and economic circumstances, and further ensures its long-term fiscal sustainability and stability, as well as decent pensions for current and future generations of pensioners. Reform of labour legislation is being prepared simultaneously with pension system reform.

Minister, is the new pension reform proposed by the Government really new, or is it more of a compromise between the new direction and the document rejected in the referendum last year?

The solutions are a compromise between what we would like and what can be achieved in practice. We must be aware of the complexity of the field we are dealing with, as well as the difficulties in the negotiations with social partners, whose expectations and positions differ greatly. The Government side is well aware of this. Our proposal for reform of the pension system differs from previous ones in the fundamental principle of what a pension is. We started from the assumption that it is insurance for old age and not a kind of benefit.

The pension system needs to be changed because of demographic conditions, because expenditure on pensions is constantly growing and because there were many early retirements in previous periods. The economic and financial crises have also played their part in making matters worse. If we do not change the system, pension costs will start to rise steeply as early as in 2016.

The proposed reforms introduce extensive changes that will have important consequences for citizens. Will a compromise between social partners be crucial in the reform process?

It certainly will. In comparison with arrangements in other countries, we rank very high in terms of permanent employment. And this is where

we will have to reach some sort of compromise between what is possible and what is desirable. Turning to the labour market in Slovenia for a moment, I can say that employers want to have the right to dismiss employees without cause and with minimum costs to themselves, and also want to further lower the wages of workers in order to lower taxes on labour costs. But this is not possible. Even in comparisons with other countries, we must always look at the broader context. We must be aware of the power wielded by the referendum-related regulations which are available in our country, as well as the real power of trade unions, which could easily come together to form a united front and thus a majority if we intervene in workers' rights more radically.

But when we talk about the pension reform, employers are mostly in favour of changes. Of course, they have certain additional proposals that we will certainly take into consideration, like the proposals of others. The same applies to the trade union side, which has certain reservations. However, the negotiations are underway, and I believe that we will be able to find common ground.

What is the current status of the negotiations?

We are currently in the initial phase of negotiations with social partners. Some trade unions are making the negotiations on this issue conditional upon solutions to other matters. This is quite normal. But it is crucial in such negotiations that we state at the beginning the fundamental issues on which we cannot

and do not intend to make concessions. I have presented these foundations, or the core of the reform, to our negotiation partners, i.e. areas where it will be difficult for us to give way, as to do so would make the reform pointless. We respect our social partners and we can find common ground on many of their proposals. At the same time, we have attempted from the very outset to tailor our proposals to their principles. That is, we wish to establish a negotiating dialogue based on mutual respect. Therefore, we expect the other side to understand us and our fundamental solutions.

What is the basis of the proposed pension reform that you would specifically like to highlight?

We have based our efforts on the assumption that pension is an insurance for old age and not a kind of benefit. In our proposal to change the pension system, the basic premise was the balancing of the pension system between pension receipts and entitlements arising from the system. Our key objective is, therefore, the financial sustainability of the system, with decent pensions coupled to the transparency of the system through the introduction of informative personal pension accounts. We wish to establish a principle of dependence between contributions and payouts, while at the same time maintaining intergenerational solidarity and increasing the share of active persons insured.

The key changes proposed within the scope of the reform is a forty-year insurance period without the option of buying

additional pensionable service as a condition for retirement and sixty years of age upon retirement. The aim of the reform is for us to stop the further reductions in pensions and adjust them. We also wish to arrange occupational insurance and introduce greater flexibility in the system. We would like to encourage people to take out supplementary insurance, as they would thus ensure greater security for themselves. With this reform, we wish to reconcile the ratio of those who pay into the pension fund and those who receive payments from it.

And what are the real objectives?

The raising of the retirement age by three years until 2020; EUR 150 million in savings in the coming year and EUR 240 million in 2014. If we are able to go from the current compulsory 35 years of pensionable service to a compulsory pensionable service of 38 years, we will have done a lot.

The long-term sustainability of the pension system is one of the main goals of the reform. What is the current financial situation of the pension fund?

Between 2005 and last year, the ratio of insured persons and retirees deteriorated significantly, falling from 1.67 to 1.53 insured persons per retiree. The reform is urgently needed, as the pension fund is becoming financially unsustainable, and if this happens, it is only a matter of time before the binding payouts of pensions are brought into question.

The financial stability of the fund is critical if we take into



account the budgetary possibilities and the state of the economy. Nearly a third of the money for pensions is allocated from the budget, which is also encumbered by rising liabilities from borrowing. The story of the budget is also problematic, because we borrowed significantly in the past, which entails higher interest. We also have more legal commitments from the past; and we would like to revive the economy and encourage foreign investment. We have limited room for manoeuvre...When we take all of these facts into consideration, we see that the problem is intensifying. Therefore, we just have to do whatever is necessary to stabilise the system in a very short time, as the payments of pensions may otherwise be threatened.

Are we aware of this?

No, because pensions have been paid out regularly until now, as have the salaries of public servants. The average citizen has not fully felt the crisis yet. People feel cheated if you take away rights that they gained in the past, even though it is highly questionable whether this is truly so. We must realise that some entitlements have to be adjusted to the possibilities and sustainability of the system.

The new pension act also introduces several changes for women, one of these being that educated women will not be able to claim child benefits.

Even educated men will not be able to claim benefits for military service. We are in the same boat in this regard. We are actually still retaining the positive discrimination of women through the pension assessment quotient. This means that under equal retirement conditions, women's assessment quotient will be four percentage points higher. We proposed these solutions for several reasons. The first is the general trend in Europe to equalise conditions, as there is no reason not to be equal in this respect. The statistical data also show this: for example, women receive pensions for five years more than men because they live longer and also retire sooner.

In the last ten years, the period in which women receive pensions has been extended by four months per year, which means by a quarter. Within this same period, the period for receiving a pension has been extended by four years for women and by only 1.7 years for men. This means that positive discrimination is not warranted and that it would be difficult to argue in its favour. We are retaining the frequently overlooked principle that mothers enjoy the right to claim maternity allowance and parental compensation. We must come to understand that these periods are longer in Slovenia than they are abroad. Additionally, each child enables them to lower their retirement age threshold. We also have several instruments available that further facilitate this. At the same time, we are thinking about other options in the form of various bonuses. That is, we must realise that it is families that make the people who contribute to the pension fund. Of course, it is problematic to make differentiations and selections between those who have children and those who do not.

The proposal also introduces changes in the area of education-related relief. What will the new arrangement for the lowering of the age threshold be like?

We will find solutions for this as well, because the existing system is unfair in certain respects. It is primarily tied to the education of insured persons. That is, educated people have a certain career model of advancement, whereas someone who does a job for which they do not require an education somehow does not have this opportunity and does not advance. Workers with a lower education achieve only miniscule advancement, which is why I think it would be right to find a better solution. Such people start working earlier, while those who have an education are employed relatively late. Both groups thus achieve the full insurance period without the option of buying additional pensionable service in different periods of life, and this is where

I believe we can find constructive solutions. Fairness, solidarity and respect must govern our actions when dealing with our fellow men and women.

We must also take into account the specifics of the Slovenian mindset: we would like to retire as soon as possible, but work for as long as possible. We experience the workplace as stressful, but do not find work itself to be so. In short, we would like to work until we die, but leave our workplace as soon as possible. We are also arranging this relationship between the educated and less educated people with the new legislation.

The reform also deals with all of the pensions paid from the pension fund that are not based on payments of social security contributions.

In the past, we granted a myriad of rights and exceptions to certain social groups that often have no relation to solidarity. The rights were granted to people who were not entitled to them for social security reasons. We are not making any changes to these rights and the beneficiaries with the amendments to the legislation. However, we believe that it is not good for a pension system that we view as a classic insurance system to be encumbered by these expenditures as well.

We wish to make this area more transparent and just and thereby motivate contributors. If a pension depends on the contributions paid in, the contributor or the insured person has a greater motive to make such payments. However, we must be careful and just in this regard, as such pension recipients include patients with asbestos-related diseases, veterans from all the wars, as well as people who worked for forty years, but were employed at the age of fifteen.

It is also true that many receive monthly receipts from the pension fund and the budget even though they have not paid into the pension system. The Slovenian pension system has a high level of solidarity between and within generations. The fundamental question at this point is whether a pension is insurance or a social transfer.

In this regard, we must realise that a pension is by no means a social transfer for the socially threatened. We have monetary social relief for this purpose, as well as other measures provided by the welfare state.

How many such cases do we have in financial terms?

These cases account for approximately EUR 440 million annually.

The reform also introduces a high-profile novelty, so-called informative personal pension accounts, through which each person will be able to "monitor the paid in contributions and their amounts, whereby the accounts will also feature a simulation of the pension amount upon retirement". What is this all about?

It is a transparent system that will enable access to paid-up contributions. Each insured person will have access to information on whether their employer is paying their contributions, and they will thus be able to control their pension account themselves. Each insured person will receive a password enabling them access to an information system that has an application enabling calculations and holds data on the insurance period, the amount of paid-up contributions, the conditions for retirement and the option of calculating the insured person's pension. The insured person will thus be able to choose to pay more into the insurance fund, which primarily applies to those who choose the amount of their contribution to the pension fund themselves.

When can we expect this new pension legislation to come into force?

I hope that it will come into force as early as in January 2013. The new labour legislation is expected to come into force at the same time. With such comprehensive reform, we would stop the further negative trend of pension reductions and somewhat mitigate the trend of the growing number of retirees in the period leading up to 2020. This is currently our key objective.

The key objective of the proposed labour legislation reform is also to decrease segmentation in the labour market, as Slovenia currently enjoys a relatively high level of job security for people on permanent employment contracts on the one hand and a sort of 'wild flexibility' in the form of fixed-term employment on the other.

We do have two extremes in the area of employment. On the one hand, we have the highest level of fixed-term employment contracts among young people in Europe, meaning that employers – including the state – are no longer employing people in permanent positions. On the other hand, we have one of the highest job security indices for people on permanent employment contracts. We wish to reduce these two extremes by loosening the index and limiting fixed-term employment contracts. To me, the logic behind fixed-term employment is incomprehensible, as it is clear that a worker on a permanent employment contract is more loyal to their employer, as well as more motivated. I have spoken to various employers, all of whom are aware that they can only write a success story with people and a team that are dedicated to them.

Many employers were afraid of employing a worker permanently, as the rigidity of the procedures simply did not leave them any room for manoeuvre if there was too little work or if they were not satisfied with the worker. By simplifying the procedures for dismissal and making the actual cause for dismissal clearer, we wish to embolden employers to take on people under permanent employment contracts. We wish to convince employers that the procedures will enable the adjustment of the number of employees even in cases when there is not much work available, when they are not satisfied with a worker and in the event that they are forced to adapt to market conditions. We are thus sending a message to both workers and employers not to create reasons for dismissal. This creates an equitable relationship between the worker and employer.

We wish to loosen the rigidity of labour legislation. We are lowering severance pay and shortening notice periods. An employee facing termination of their employment relationship could thus start actively looking for new employment as soon as possible. We are striving for stability of employment, not job security.

The reform also introduces a uniform employment contract, which is an important innovation.

That is true. We wish to enforce the principle that a permanent employment contract is the norm. It is primarily young people that find it difficult to secure a permanent employment contract today. Most of them have had to sign a fixed-term employment contract. If the worker and employer come to the adjustment period that follows the five-month probationary period and then on to the stable period that is the most binding on the employer, there must be an actual cause or an operational reason for contract termination. The proposed reform, therefore, envisages a uniform permanent employment contract, the aim of which is to provide primarily young people with stable employment, so that they can plan their futures, take out loans and think about starting a family.

The proposed reform also enhances the security of the elderly. Under the new arrangement, the current protection for employees who are over fifty-five years of age and up to five years in pensionable service to meet the conditions for retirement based on age (which means it will no longer be linked to age). An employer will not be allowed to dismiss them without their consent.

That is right. Demographic trends show that we are increasingly becoming an aging society, which is why this is a very important area to consider. The proposed changes are a slight loosening of the employment conditions for the elderly. We are convinced that by pro-

tecting a particular category of people too much, we harm them as well as help them. This has also proven to be true for disabled people. A few years ago, when we relaxed the system of employment of the disabled, we saw numerous positive effects.

It is true that we are at the very top in terms of the share of the elderly who are unemployed, and their employability is highly problematic. This is why we are proposing that the long-service bonus be replaced by a bonus for permanent service. We have also envisaged specially tendered funds for the employment of the elderly. The concept of a uniform permanent employment contract is also favourable for the elderly and limits the chances of them being employed for a fixed term, which prolongs their uncertainty.

These elements will enable you to achieve greater flexibility in the labour market. How will this affect the competitiveness of the Slovenian economy?

The country's competitiveness depends on several factors, including the labour market. The proposed measures are intended to improve competitiveness in this segment of the labour market. The reform introduces numerous elements of flexibility. The first element is the simplification of employment

procedures and the termination of the employment relationship, whereby case law will play a key role. The proposals further introduce certain enhancements, i.e. that in the event of a consensual termination, a worker may claim unemployment benefit (in a slightly reduced form). This will apply to cases when the employer and employee find that they can no longer work together constructively. I believe this involves a high level of flexibility.

The next very important element of flexibility is the reduction of severance pay and the shortening of notice periods. A notice period begins to overlap with the period when a person receives unemployment benefit, meaning that despite severance pay, employers enjoy lower costs associated with a worker in the notice period, as the employment service refunds them for the time that the worker spends as a job seeker within the time of the notice period. A further measure is the introduction of internal flexibility. This means that an employer may temporarily reassign a worker to a new post, provided this is required by the market. We are also introducing occasional and temporary work. Therefore, we are introducing a whole range of elements that will certainly affect the competitiveness index.





45th International Trade Fair in Celje

45th MOS IN CELJE

Good vibrations for the future

At the 45th International Trade Fair (MOS) in September in Celje, more than 1600 exhibitors from 34 countries presented themselves in 16 halls and on outdoor exhibition stands of the Celje Showground. There were also eight group presentations of countries that see potential for economic cooperation in Slovenia and the wider region. Events within the fair included the business conferences Business Opportunities in Slovenia with a meeting of craftspeople and entrepreneurs from the EU and South-East Europe, Slovenian Companies and Investment Opportunities in Serbia, and Introduction to Ecuador's Economy and Possibilities for Cooperation. Even though the fair was shorter, the attendance figures are similar to those in 2011, with the number of visitors exceeding 137 000. Several Slovenian ministers also attended the fair. At the opening ceremony, Minister Žerjav explained that a strategic reflection on the development vision of the country is needed; therefore, the minis-

try is preparing a new Slovenian industrial policy for the new financial outlook in the second half of this decade. He said that Slovenia has to act fast by promoting investments, removing obstacles and, most importantly, by saving the banking sector, as without that we will achieve nothing.

Foreign Minister Karl Erjavec presented economic diplomacy activities to the representatives of Slovenian companies and exchanged with them proposals for the improvement of mutual cooperation, because in the circumstances of decreasing economic activity and a decline in exports, it is important to open new possibilities, to diversify exports and to seek new business opportunities in distant markets that were not so affected by the crisis.

At the conclusion of the fair, the best of the entrepreneurs and craftspeople were presented with awards of the Celje Fair to reward them for their innovativeness, courage and daring.



FDI Summit 2012 in Ljubljana

FOREIGN INVESTMENT S

FDI Summit 2012 in Ljubljana

At the FDI Summit 2012, the international conference on the importance of foreign investment for Slovenia's development, many business people, chairpersons of the boards of Slovenian and foreign companies, heads of educational, expert and other institutions, ministers and Slovenia's president discussed the current economic situation in Slovenia and in the wider region, and the urgent measures Slovenia must take to end several years of economic stagnation and to prevent financial collapse in the coming months.

The Minister of Finance, Janez Šušteršič, had an opportunity to present the government's decision to establish a bank to take over bad bank loans, so as to make the cleaned-up banks more attractive to investors. He also touched on the Slovenian Sovereign Holding, which would con-

solidate the ownership and unify the management of Slovenia's investments, as well as increase the transparency of procedures.

Following the minister's speech, the President of Ring International Holding AG, Ralph Martens, assessed that many necessary measures are imminent, especially in the banking system sector.

The Managing Director of Hella Saturnus, Christof Droste, added that it is good to hear that the government is making decisions, however, merely to offer information at a single point in Slovenia would be a passive approach. The holding will also have to actively seek investors.

The concluding thought of the conference was that a change is needed in the thinking and acting of those who still doubt that we need foreign investors. We do need them!

ENTREPRENEURSHIP AND SPORT

11 Olympic medals from London

Sandiline from Koper, a company producing water sport gear, has 20 years of experience in top level competitions. Athletes wearing sportswear made by Sandiline have won more than 250 medals, as many as 11 at the Summer Olympics in London.

Among them are 'Big Ben', as British call the best sailor in the world, Ben Ainslie, and kayakers, the majority of which compete in Sandiline sportswear.

Regarding promotion, the Olympic Games were an important opportunity for the

company, which is battling the economic crisis by accelerating investment in the development of its own sportswear trademark, Sandiline. In addition to the efforts to develop its trademark, Sandiline also cooperates with major trade-

marks and is currently producing gear for Adidas sailing team. Thus, Sandiline wishes to find a way to a wider circle of buyers in a market niche, which is intended solely for world champions in white water sports and sailing.



Aljoša Tušek realised his childhood dream.

MOTORSPORT

Slovenian race car of surpluses

The Renovatio T500 of Tushek Supercars has raced from Slovenia onto the global sports car scene, and was noticed at its premier presentation at the car show in Monaco, 19-22 April 2012. An invitation to the great drivers' parade in Le Mans, taking place on the eve of the 24 Hours race, followed in June. In a 2-km long drive through city streets, the Renovatio T500 was admired by 160 thousand spectators, and tested by a seasoned journalist of the British motorsport show Top Gear, Peter Hall. Everybody was enthusiastic about the Renovatio T500 and it was ranked alongside Bugatti, Ferrari, Koenigsegg and Lamborghini cars.

With the Renovatio T 500 (the name means 'rebirth'), Aljoša Tušek, once a race driver now an entrepreneur, realised his childhood dream. In 2004 he started, in cooperation with the Slovak company K1, to upgrade the K1 Attack sports car; in 2005, he and his team had developed a more advanced, technologically improved pro-

TOTYPE. Tušek and his team then devoted their efforts to the development of their own sports car, and in 2011 the first Renovatio T500 prototype was ready. In order to facilitate promotion, the Tushek Supercars trademark was designed.

The Renovatio T500 boasts a stronger, 4.2-litre Audi engine V8 FSI with 450 horsepower; it has ceramic brakes and is built from extremely light materials, such as aluminium, carbon and polyester. Owing to this, it is ranked among the lightest sports cars and in its design is very close to the race cars of the GT series. It is distinguished from other race cars by being comfortable for the driver, as well as the passenger, as only high quality materials and state-of-the-art electronics were used for its interior. Tushek Supercars will only build 30 Renovatio T500 cars and market them at the price of EUR 300 000 each. At the same time, enterprising Aljoša Tušek is already developing a new model with the help of his excellent team.

The third economic stimulus package

In September, the government adopted its third economic stimulus package. The package consists of fifty measures in four sets of legislation covering the labour market and pension system, the banking system, the wider business environment, as well as agriculture and the environment. The first set, the labour legislation, brings amendments to the acts governing employment relationships, pension and disability insurance schemes, the labour market and the prevention of undeclared work and employment.

The second legislation set in the package is related to the rehabilitation of Slovenian banks. It includes, among others, an act aiming to strengthen the stability of banks, which provides for a new fund for addressing the bad investments of banks, and will be accompanied by a banking act.

The third set is intended to improve the business environment and consists mostly of acts governing the financial sector. With regard to tax measures, the government intends, through

income tax relief, to encourage invoicing and the payment of services by non-cash means, and plans to publish the names of tax debtors.

The last set of measures regards agriculture and the environment, and brings amendments to some acts and implementing regulations that will accelerate and simplify administrative procedures.

Other incentives planned by the government include two public tenders for the co-financing of university incubators and the services of the network of VEM entry points; a microloans instrument for small and micro-sized enterprises; an energy contracting instrument for the inclusion of private investors in the implementation of measures for efficient energy use; and the possibility of insuring loans for export preparation.

The government plans to implement the measures by the end of the year, although it is aware that important changes in legislation are related to negotiations between social partners.



LOANS TO COMPANIES

Slovenian Export and Development Bank finances 500 companies in the first half of the year

In the first half of 2012, the Slovenian Export and Development Bank (hereinafter: the SID Bank) financed about 500 Slovenian companies with EUR 433 million. The priority was given to business projects bringing higher added value, creating new jobs and contributing to the sustainable development of the Slovenian economy.

There were 412 (84 %) small and medium-size enterprises among the companies that received loans from the SID Bank.

One half of these enterprises obtained loans for the purpose of entrepreneurship promotion, and the other half for development, export, environmental, energy and other purposes.

The new programme for the direct financing of technology and development projects has proved to be very successful. There was a great increase in financing in this area, as the SID Bank approved 18 development loans amounting to EUR 95 million.



Anunciada Fernández de Córdova, Ambassador of Spain to Slovenia

Spain: combating the crisis with determination



Photo: personal archive

Since the Economic and Monetary Union (EMU) was established, Spain – the fourth-largest economy in the euro zone and fifth-largest in Europe – has systematically met all the economic commitments it assumed under the Stability and Growth Pact. Nevertheless, the first symptoms of an international financial crisis began to appear in Spain in 2008 due to a significant financial exposure to the real estate sector.

From 2009 to the present, the increased need for finance in the Spanish economy has led to difficulties in the debt market, following an increase in the risk premium associated with Spanish sovereign debt. Moreover, the shortcomings of EMU and the doubts cast about the future of the euro have highlighted two main issues: first, the urgent need to implement an intensive agenda of reforms at the Member State level; second, the imperative necessity to gradually deepen the EMU. In this respect, the ‘decisive deal’ presented by Commission’s President Barroso at his latest State of the Union address can be considered a milestone in the right direction.

The efforts made so far by the government of Prime Minister Mariano Rajoy have followed the principles of austerity, rigour in economic management, and transparency set by the EU. Thus, the objectives being accomplished, through a large list of laws and initiatives, affecting every sector of the economy, taken since the government took office only a few months ago, are twofold: reducing public spending and stimulating growth by improving competitiveness. The scopes of the reforms include budgetary adjustments and fiscal consolidation measures, structural reforms to boost competitiveness, and the endeavour of providing financial stability. In the first place, the measures adopted seek to meet the public deficit target of 6.3% set for the end of this year, according

to the latest revision authorized by the European Commission. To this end, Spain has committed itself to budget cuts worth more than 90 bn euro between 2012 and 2014 to bring the public deficit down to 4.5% in 2013 and 2.8% by 2014.

Secondly, the current economic situation has established a need to undertake structural reforms that will combat the unemployment rate (now at 24.6%) and turn the Spanish economy into an even more competitive market. The labour reform implemented by the government is laying the groundwork for a new model of labour relations. In a nutshell, the reform seeks to increase the employability of workers, to foster more hiring and to encourage internal flexibility.

Finally, Spain has promoted a financial sector restructuring process whose main actions have consisted of cleaning up and protecting the balance sheets of financial entities, conducting a transparency exercise by external assessment reports, which revealed that, in the best case scenario, the banking recapitalization requirements in Spain would be up to 26 bn euro, while in the worst case it would be up to 62 bn euro. Consequently, the Memorandum of Understanding signed by Spain with the support of the Eurogroup established a credit line of up to 100 bn euro as an additional safety margin to cover capital needs in the Spanish financial sector.

Financing the Spanish economy at stable and acceptable interest rates within a framework of a coherent EMU is inexorably linked to the stability of the euro. Spain is combating the economic crisis with strong determination and will continue to adopt those internal decisions deemed necessary to tackle the situation. Spain wishes to play a leading role in promoting fiscal and banking integration. However, it calls for the same level of commitment in the adoption of measures within the European

Union so as to progress towards greater integration capable of restoring the principles of stability, growth, solidarity and cohesion that inspired its creation in the first place.

Spain is a reliable economic actor, which is reflected in the global leadership of Spanish companies in several key sectors. Who could have predicted 15 years ago that Spanish companies today would own, in the UK, for example, the largest mobile telephone company (O2), or an important power company (Scottish Power)? Or that Spanish companies would operate several lines of the London underground and some of the country’s largest airports, including Heathrow, the busiest airport in the world? Or that they would control 12% of the British banking system, or that a third of the world’s air traffic would be managed through systems developed and installed by a Spanish company?

In renewable energy, Spain is the first country in Europe in the production of wind power, and the fourth worldwide in terms of installed capacity; the Spanish high speed railway has become the European standard, and Spanish companies set the standards in building and managing railway infrastructure, participating in the world’s most important projects in more than 90 countries. In biotechnology, Spain ranks first in Europe, third in the world in the field of agro-biotechnology, and fifth in biochemistry and molecular biology.

And I could go on and on. There is so much Slovenia could gain from Spanish know-how, at comparatively very advantageous costs, including in such priority sectors as infrastructure (airports and railways), renewable energy or tourism. I will continue to dedicate all my efforts towards intensifying our economic and commercial relations, which are excellent and very rich in every other domain.

Pierre-François Mourier, Ambassador of France to Slovenia

France: in response to the crisis, a balanced public finance policy enabling a balanced budget by 2017 and preserving growth



Photo: personal archive

Together with Italy, Hungary and Slovenia, France is considered by the European Commission as a State Member experiencing “microeconomic imbalances, which are not excessive but need to be addressed”. Of course, the reasons behind this common assessment are not the same for each of the above countries. As far as France is concerned, they refer primarily to concerns linked, externally, to losses in export world market shares and, internally, to the increase in public debt. The making good of the first imbalance will result in increased competitiveness of the overall French economy, the strengths and weaknesses of which are not the subject of this article. Presently the first concern of the French Government is to harness public debt in order to be able to keep its commitments towards the EU while maintaining economic growth and mitigating social sufferings caused by the crisis, in particular youth unemployment.

In the last five years French public debt has increased by €600 billion, due mainly to the cumulated structural deficits but also, in the recent period, to the fight against the consequences of the crisis (including providing support to financial system viability and contribution to European solidarity). Today, French public debt has reached €1,800 billion, which is 90%

of the GDP and well over the threshold of 60% required by the EU. As far as employment is concerned, the situation is exacerbated by the slowing down of economic activity, in particular among young people without qualifications, a group too numerous and often living in the same areas of urban peripheries or coming from overseas territories, with potentially dangerous social consequences.

To counter this situation, the French Government has opted for a policy of balanced public finances: after the deficit is reduced to 3% in 2013, the weight of the debt will gradually decrease from 2014 on and in 2017 the deficit will be balanced, without, for all that, slowing down growth. Within this process of balancing public finances, yearly public spending will rise by about 0.8% until 2017, which means a stabilisation of the value of Government spending, apart from debt and pensions. On the other side, the overall tax burden (contributions and charges) will be increased in 2012 and 2013 on a fair basis, which means that all economic actors will have to contribute (State, households, local authorities and companies), and those which have a significant saving ability will have to contribute more. From 2014 on these contributions and charges will not grow any more. The programme of as-

sistance to youth employment, designed to meet the challenge of unemployment of young people without qualification, is based on two schemes, the “jobs of the future” and the “generation contracts”. The total cost is estimated at €3.8 billion (less than 1% of the state budget) and is part the above policy of public finances.

From a legislative standpoint, all these provisions will be included in a set of papers proposed to the Parliament by the end of the year. As far as budgetary aspects are concerned, the Government should present its draft finance act for 2013 and a draft programme of public finances from 2013 to 2017 by the end of September. These papers will be based on a series of conservative assumptions of growth, in line with the consensus of economists (0.5% in 2012, 1.2% in 2013, 2% over the period 2014–2017) and strengthening the credibility of the adopted strategy: the idea is to combine public finance austerity and maintenance of growth, particularly of household consumption, which, in France, is traditionally the main element of growth. Thus both the distribution of the tax effort required by all taxpayers and the Government assistance programme for employment are expected to preserve the income of disadvantaged households and in this way keep up consumption.



Polona Prešeren, photo: STA

Award for Shanghai Gypsy

Shanghai Gypsy, a romantic drama by film director Marko Naberšnik, based on a novel by Feri Lainšček, has received the Best Screenplay Award at the Montreal World Film Festival.

After the success of Rooster's Breakfast (original: Petelinji zajtrk), which captivated the audience in Slovenia, Shanghai Gypsy is Naberšnik's second feature film. In Montreal it was nominated for eight awards. However, it was the screenplay that most convinced the jury. The film tells the story of four generations of a Roma family and is narrated by its protagonist, a gypsy king who decided to establish his own gypsy village and name it Shanghai. The film is a story about eternal longing for happiness, a story about love and family ties.

The winners among the selected films were chosen by an international jury composed of British actress Greta Scacchi (President), French producer and director Vera Blemont, Canadian actor Michel Côté, South Korean actor Kim Dong Ho, Russian film critic and writer Andrei Plakhov, Spanish actress Goya Toledo and Chinese actor Wang Xueqi.

After receiving the award for best screenplay for Shanghai Gypsy at the Montreal Film Festival, director Marko Naberšnik told STA that the award meant a lot to him: "It is an award received at the biggest competitive film festival in North America. The award ensures the distribution of the film abroad and gives the opportunity to develop new projects," Naberšnik emphasised. He added that the jury had commended the picturesque

qualities of the film, its overall concept, idea, screenplay, cast and music. In Slovenia, the film premiere will take place on 4 October 2012.

Story outline:

Shanghai Gypsy is a love story. The main protagonists are members of the gypsy family Mirga. A story about four generations is narrated by Lutvija Belmondo Mirga. Lutvija is also the central character of the film, a gypsy king who decided to establish his own gypsy village, which he names Shanghai. Belmondo makes a living from smuggling and his power and influence grow large. He even gets local police and politics on his side and that helps him to become untouchable by the law. But with the downfall of Yugoslavia, smuggling of goods is being replaced by smuggling of arms. Though lucrative, the business starts to threaten Belmondo's personal life and he finds himself at a crossroads. Will he protect his own family or is he going to sacrifice his personal happiness for business ambitions?

Shanghai Gypsy is a story about eternal longing for happiness; it is a story about love and family ties, in which tears are intertwined with laughs. The story is set in the period of the downfall of Yugoslavia, in times when many people had forgotten that beauty of life actually lies in small things.

The film was shot in the original Romani language.



Poet Primož Čučnik

Polona Prešeren, photo: STA

The Veronika Award goes to poet Primož Čučnik

Slovenians like to take pride in being a nation of poets. If we only look at the statistics, it is collections of poetry that lead the literary publishing tables. This goes to show how Slovenians like to open their hearts and get their feelings out on paper. And it is right that the best poetry does not remain on the shelves or, even worse, go unnoticed, but that it is granted awards.

As the summer was drawing to an end, in the beautiful setting of Stari Grad in Celje, at the traditional poetry evening, the Veronika Award was conferred on the best poetry collection of 2012. The expert panel conferred the award on Primož Čučnik for his poetry collection Mikado, published by Beletrina.

In its statement of reasons for choosing Mikado, the expert panel noted that Čučnik's seventh poetry collection was a programme work, as is implied by the title itself. The book was inspired by the game of Mikado, where players pick up sticks from a pile without disturbing the others. In the game there are 1, 5, 5, 15 and 15 sticks, and the same number of poems appears in the book. In the introduction to his book, Čučnik emphasises, in accordance with the rules of the game, that certain sticks or poems are more valuable than others.

"The author discloses, at the very beginning, the structure of the book and its setting up, and, in a more disguised form, underlines the ludistic quality of the poetry. And this quality is taken very seriously, since the game in this poetry is not understood as experiment, playing or overplaying, but as the aspiration for telling something and expressing it in words," wrote the panel in the statement.

The poetry collections short-listed for the award were From the Edge of a Cliff by Taja Kramberger, Hands in the Rain by Miklavž Komelj, One Starry Night by Peter Semolič, Mikado by Primož Čučnik and My name is Veronica by Tomislav Vrečar.

The organisers also confer the gold coin of poetry award for lifetime achievement. This year, it has been awarded to prominent Slovenian literary creator Svetlana Makarovič for her contribution to Slovenian culture and cultivation of the Slovenian language. In her speech of thanks, Makarovič was brief and clear in her characteristic style: "Thank you for the award. This says everything. Some are precious metal, others are bland sheet metal; this is a verse taken from one of my wicked chansons, Hammer and Anvil."

Veronika Award winners to date: Iztok Osojnik, Aleš Šteger, Josip Osti, Ciril Zlobec and Marjan Strojjan, Milan Jesih, Miklavž Komelj, Milan Dekleva (twice), Erika Vouk, Ivo Svetina, Ervin Fritz, Taja Kramberger and Tone Pavček, Jože Snoj, Andrej Medved and Barbara Korun, who received the award last year.

Gold coin award winners, award for lifetime achievement: Ciril Zlobec, Tone Pavček, Kajetan Kovič, Ivan Minatti, Miroslav Košuta, Neža Maurer and Venko Taufer.



Polona Prešeren, photo: Branko Cvetkovič

Cankarjev Dom Cultural and Congress Centre before the start of the new season

This year's season at the Cankarjev Dom Cultural and Congress Centre opens with a programme devoted to the celebration of the 30th anniversary of the pipe organ in the large concert hall – the Gallus Hall. The pipe organ is still in excellent condition thanks to the efforts of Mišo Frelih, its caretaker for many years, and voicers Jože Kočar and Simon Kolar.

All attention at the start of the season will be thus focused on the pipe organ jubilee. The first in a series of pipe organ concerts will be held in mid-October by Jaroslav Tuma and will be followed by other concerts until the end of the season.

The pipe organ of the Gallus Hall has 73 registers, 8000 pipes and is 30 years of age. It weighs a few tens of tons and was manufactured by the Karl Schuke organ company in Berlin. The installation and the toning and tuning of the pipe organ took six months each to complete. The pipe organ sounded for the first time on 23 September 1982 at the concert held by the Slovenian Philharmonic Orchestra to inaugurate the Gallus Hall. It has four manuals and a pedalboard. According to the technical details, there are nearly 8000 pipes and 73 registers with German, French, Spanish and Italian resonance frequencies. The volume of the largest pipe is more than one hundred litres. The wind turbine connected to an electric motor pushes 53 cubic metres of air into the wind chest per minute. The pipe organ should be played for at least two hours an average of three times a week in order to maintain its capacity. The pipe organ at Cankarjev Dom is the largest single investment in a musical instrument in Slovenia's history; its current price would be EUR 1,100,000.

This autumn, Cankarjev Dom will also host the traditional Liffe film festival, which is deeply rooted in the hearts of the visitors of this the largest cultural institution in Slovenia. The film festival will be followed by the Slovenian Book Fair, another traditional cultural event. Cankarjev Dom is also the venue of the subscription concerts of the Slovenian Philharmonic Orchestra as well as of world-renowned orchestras and bands on tour in Slovenia.

Despite the current financial crisis, Cankarjev Dom is working hard to maintain the exceptional quality level of its programme. According to the Director of Cankarjev Dom, Mitja Rotovnik, staff believe that their institution provides a high quality, perhaps even optimum cultural and artistic programme with regard to the circumstances. "The conditions in which not only Cankarjev Dom but also its main business partners and co-producers operate leave no room for distributing free admission tickets to expensive events and require that the planned ticket sales for each event held in the Cankarjev Dom halls and Gallery be met."

Before the start of the new season, Mitja Rotovnik also provided the following information: "Throughout its existence, Cankarjev Dom has organised a total of 28,500 events attended by as many as 9,800,000 visitors. "By adding another 3,300,000 visitors of 16,000 conference and commercial events, the Centre has hosted so far 13,100,000 visitors at 44,500 events."

However, it is certainly not the statistics that are the most important thing; it is the programme that really counts. So we will keep you up to date on all major events, which may also be found on website www.cd-cc.si.



Polona Prešeren, photo: STA

27th Vilenica International Literary Festival

Vilenica is certainly a festival that, like the works of the authors who have participated in it for the past 27 years, remains high in the forefront of the literary circles. This year's Vilenica Festival focuses on the theme of the European Literature Crossroads.

During the more than 25 years of its existence, Vilenica has become a prominent European festival attracting authors, translators, literary agents, publishers and readers from all over the world. It is a meeting point of many creative channels, and encourages lively exchanges, new literary production, and simultaneously enriches the environment in which it is situated (the Karst and Primorska regions).

This year, the festival makers put in the forefront expatriate authors, i.e. the poets and writers who live and work abroad for a variety of reasons, and their creations are sometimes also written in languages other than their mother tongues. They also include the authors such as the Bosnian writer Bekim Sejranović, who lives in Oslo; the Bulgarian writer Dimitré Dinev, who lives in Vienna; the Moroccan Zineb El Rhazoui, who currently lives in Ljubljana; and Paul Muldoon from the USA. Their reasons for choosing to live and work abroad are different; their lives are nomadic, and, in the end, their national identity is not so important in this globalised world.

The focus of the events was on the literary readings of more than 30 authors from all over the world, including of the Slovenian author Boris A. Novak and this year's Vilenica laureate, David Albahari, A Serbian-born writer of Jewish origin residing in Canada. During the award ceremony in the Vilenica Cave, he said that a writer, particularly a post-modern one, should be extremely cunning. "To put it simply, this post-modernist writer should turn any situation to his own benefit" said Albahari. Even in the period in which post-modernism is regarded as outdated, Albahari remains convinced that post-modernism is a permanent condition, something that is granted and no coincidence.

The traditional award, the Vilenica Crystal, was awarded to the Bulgarian poet Rumén Leonidov, whose work had been presented together with the works of other candidates during the reading sessions and in the Vilenica Proceedings. Receiving the award, Leonidov said that Slovenia was a blessed (in Bulgarian: 'blagosloven') country and, therefore, 'Blagoslovenija'. In addition to writing poetry, Leonidov also works as an editor, journalist, publicist, publisher and translator from Russian and French. At the festival, he read seven of his poems.

This year, the Vilenica Festival also introduced some innovations: three writing and translation workshops in residence were organised for the first time in August and were attended by Irish and Italian authors and translators. "In this way, we are trying to further strengthen the Festival's role in the exchange of experience as the participants are accommodated in Ljubljana, Kranj and Bled, where they can avail themselves of the opportunity to work with concentration and also become acquainted with Slovenia and its literature", said the organisers of the festival.



Polona Prešeren, photo: Jože Suhadolnik

Silence opens the new season at Kino Šiška

The fourth season of the Kino Šiška Centre for Urban Culture opened with the unconventional music of the Slovenian duet, Silence. If anything Slovenian is eminent at the moment, it is Silence, the duet who opened the new season at the Centre for Urban Culture in Šiška by presenting their new album.

Silence, formed by Hladnik (music and arrangements) and Benko (music, lyrics and vocal), is certainly one of the most eminent Slovenian musical groups. At this concert, the duet presented their new album Musical Accompaniment for the End of the World for the first time to the Ljubljana audience. As they have described the album themselves: "This assorted collection of soothing and delightfully diverting songs is guaranteed to prevent upcoming disasters from ruining your day. Everything looks better with music; why should the end of the world be an exception?" And so the Kino Šiška hall echoed with Benko's voice and Hladnik's piano. Silence is an exceptional musical experience, and I can say without hesitation that it is one of the superior musical groups in Slovenia. And yes, it did make the day nicer; in fact not just the day, but the whole week.

SOMETHING FOR EVERYBODY

This season at Kino Šiška will again offer something for every urban taste. Some 320 events and 66 000 visitors during the previous season gave Kino Šiška a fresh impetus. A strong motivation was also provided by the lifestyle award by Stop magazine, which presented the Kino Šiška team with the Viktor for special achievements.

Kino Šiška has already offered an interesting dainty for the beginning of the new season – the Slovenian premiere of the documentary on performance art pioneer, Marina Abramović, The Artist is Present. Autumn in Šiška will be diverse and rich. Music will include some post-punk, mystic cabaret rock, gothic and heavy metal, while Pero Lovšin, the Slovenian rock legend and pioneer of Slovenian punk, will present his new album. Of course, there is no music programme without jazz and a little electronic music.

The non-music programme of the new season will also be fresh and current. At the start of the season, the photographic exhibition, Black and White World, was mounted on the facade of the neighbouring Administrative Unit building. It was followed by a multimedia portrait exhibition by Marta Lamovšek, while there are still two exhibitions in store for the future: Balkan False Idols, an exhibition of works by authors from the region of the former Yugoslavia, and Ce Coté En Haut: The Fragile World of Constellation by the Constellation Records record label. The Philips Fashion Week will be held again this year, while Slovenia Coworking will take place every Thursday. Kino Šiška will host the Liffe film festival in November, while the Artish art fair will be held there every last Saturday of the month. We will report on other events as they happen.



Polona Prešeren, photo: STA

Maribor's status as the European Capital of Culture expires at the end of this year

Maribor's status as the European Capital of Culture expires at the end of this year. So far, the results of this highly important cultural project in Slovenia have been more than positive. The city's status as the European Capital of Culture (ECC) has given a new impetus to development in many areas, including the economy, where the results are obvious, particularly in tourism, said Suzana Žilič Fišer, the Director General of MARIBOR 2012. The project has established close links between several cities in a number of areas, and these links should also be preserved in the future. In this context, the project's programme director, Mitja Čander, underlined that the ECC has exceeded many expectations. He added that the project is not yet over and that 'a rich programme still lies ahead until its completion at the end of the year; nevertheless, we are already looking to the future.'

The ECC has hosted more than three hundred thousand visitors and more than 3600 events so far. Events during the summer months included various festivals and other performances, among which the Lent Festival attracted the largest number of visitors. Since the beginning of the ECC programme until the end of August, exhibitions, concerts and other events have attracted an audience of more than 1 300 000.

The MARIBOR 2012 website will shortly introduce an Instagram application and will thus become the first ECC to introduce such an application. It should be noted that the first European culture capital website for use by people who are blind or partially sighted became operational a few months ago. Since the inauguration of Maribor as the European Capital of Culture, its website has recorded more than 600 000 visitors.

A number of programme highlights are planned until the end of the year, among them the Legacy of Socialism on the subject of

film and industrial heritage, prepared by the international institution The Forum of Slavic Cultures.

The Great Hall of the Slovene National Theatre in Maribor will host the Tobari show featuring the Japanese dance group Sankai Juku. It is a *butoh* dance show, a form of dance that originated in Japan after World War II. There will also be a survey of Slovenian documentary film, which will bring a new documentary film experience to Maribor and its broader surroundings. The first showing of the feature film *Shanghai* will also take place within the ECC programme.

The exhibition *Almost Spring, 100 Years of Art in Slovenia*, with selected works of Slovenian visual arts from the 1912–2012 period, borrowed from public and private art collections, will cover an area stretching from Piran, Novo Mesto, Ajdovščina to Slovenj Gradec, Maribor and Murska Sobota in a symbolic and realistic manner. It will be followed by an exhibition on Austrian design, which has been inspired by its new energy from the onset of the third millennium. This exhibition will present a wide range of modern Austrian design, including industrial, interior, furniture and even fashion design.

German artist Rebecca Horn will make her first debut in Slovenia and the broader region by exhibiting a selection of her best known works exclusively at the Maribor Art Gallery. The Lent Festival Hall will host the Rosenberg Trio.

An event not to be missed is the *Borštniko srečanje* drama festival, which is the largest and oldest Slovenian drama festival, whose Mostovi international section strengthens the relations between Slovenian theatres and modern theatre centres across Europe. Last but not least, Jančar's cult piece of drama *Veliki briljantni valček* (The Great Brilliant Waltz) is also an event well worth attending.





OUR EXCELLENCE

Vesna Žarkovič, photo: PoliMaT archives

PoliMaT Centre of Excellence

Foreign experts claim that Slovenia is among the global leaders in terms of the number of patents and new technical solutions per capita. With its breakthrough technological programmes, Slovenia is undoubtedly at the very top, and other countries consider us an example. Unfortunately, these programmes have also been affected by the current crisis, because funds from the private sector and municipalities, i.e. the state, have been heavily reduced. Thus, experts are left to the mercy of market forces or depend on profit thereby.



The PoliMaT Centre of Excellence conducts research in its own laboratory at the Technology Park Ljubljana. It employs 84 researchers, half of them women. In its first two years, the Centre developed 28 innovations, three international patent applications and the spin-off company MikroCaps.

Polymers are substances with a high molecular mass composed of several repeating units. Polymers occur natu-

rally, in the form of proteins, starches, cellulose and latex, and are also synthesised and produced in large quantities for various purposes. In recent decades, polymer production has been increasing. They are used as the simplest material for packaging and insulation, as well as for products with high added value in biomedicine, pharmacy, the aviation industry, sports equipment, the textile industry and others.

New office in the USA

In November, the PoliMaT Centre of Excellence is opening an office in the USA, in the city of Akron, at the Akron Global Business Accelerator. The purpose of the office is to enable intensive and close cooperation on new research and development programmes and technology transfer; it will also serve for testing the

American market for existing industrial partners and start-up companies.

Representatives of the Centre visited Akron in June. In cooperation with the Slovenian-American Business Association and with the support of Slovenian diplomacy, they designed a research and development cooperation project in the field of biopolymers and also support for PoliMaT's start-up companies together with the Centre's key stakeholders. Akron was chosen because it has a well-developed industrial environment and also

know-how concentrated at the Accelerator and the university, and along with its investors and supporting research institutions, Akron is strongly focused on the development of (bio)polymers, which is also the primary focus of the PoliMaT Centre for Excellence.

Furthermore, many leading Slovenian scientists live in Ohio, which will make it easier and simpler for PoliMaT to enter the American market through Akron, according to the representatives of the Centre of Excellence.

"Slovenia is the leader in this area, especially in applications of polymers in medicine and agriculture. Slovenia and South Africa have been cooperating in the area of medicine, and there are also opportunities for cooperation with agricultural countries in areas such as the renewal of agricultural land without chemicals and planting in arid regions," said former Executive Secretary of the UN Convention on Biological Diversity and Director of Agricultural Development at the Bill and Melinda Gates Foundation.



"President Türk also congratulated the Centre on its exceptional achievements".

The President of the Republic of Slovenia, Danilo Türk, stressed that development today is a global concept and that our discussions on future development are too often focused on macro-economic rather than technological issues. On 30 May, at the Second Annual PoliMaT Strategy Conference of the Centre of Excellence, the President commended the excellent relationships the Centre has formed with some of its key partners abroad, in Europe and in the USA, which is still the leading power in modern technologies.

"PoliMaT is the first scientific institution that has requested help from the embassy in Washington in establishing institutional relationships with American partners in five years, and so I sincerely congratulate them on their courage. Our experience shows that Slovenians really do have supreme knowledge and excellent

products, but there are not enough clear desires, business goals, ambitions and business enthusiasm," said Maša Šiftar de Arzu, the business adviser at the Slovenian Embassy in the USA.

President Türk also congratulated the Centre on its exceptional achievements, which were accomplished faster than expected. The President pointed out that the future does not belong to the biggest, but to the fastest, and thus the news that PoliMaT is ranked as a fast and high-quality institution is encouraging for Slovenia.

The President of the Republic of Slovenia noted that high-quality industry is now at the centre of development, and this is closely linked with science, research activity and any activity necessary for stable and long-term development. Those countries which have better foundations in research and advanced industries, and

as such are encouraged by the work of the PoliMaT Centre of Excellence, are more successful in their development.

President Türk praised the excellent relationships that the centre has formed with some of its key partners abroad, which is also important for the formation of a unified research and intellectual sphere, which is needed in Europe. But we must also be closely connected with American creativity, as the USA is still the most advanced part of the world in terms of modern technologies and many other advanced concepts and ideas, added the President.

The PoliMaT Centre of Excellence is involved in efforts to implement the green economy and sustainable development, which according to the President, is also important for Slovenia if we wish to accomplish a genuine breakthrough in development.

Polona Prešeren, photo: ECOCI archives

Eco civil initiative – more than just concern for the environment



The Eco Civil Initiative, or ECOCI, is becoming an increasingly prominent player in care for the environment. The Eco Civil Initiative believes that Slovenia is a wonderful natural environment, and that it depends on us to protect this Garden of Eden and preserve its features and potentials. Respect for nature and people, natural endowments and the upgrading of knowledge by taking into account the facts and current conditions are therefore the common goals of all who are involved in this initiative.

The purpose of ECOCI is to connect all interested parties and to spread awareness of the importance of caring for the environment in which we live. The participating members of the Eco Civil Initiative are committed to pursuing meaningful ends in accordance with ethical principles. They highlight the importance of self-sufficiency in food, and energy and economic independence. They respect nature, people and tradition. They contribute to the changing of values and mentalities, to strengthening awareness of the need to assume responsibility for the self-sustainability of individuals and local communities in terms of sustainable ways of producing food and the rational use of energy. In cooperation with others, they also encourage the integration of people, institutions, knowledge and other entities at all levels for the present and future generations.

How do they work?

In Slovenia, there are already many good practices in place among individuals, groups, institutions and other players in terms of personal and social life. Due to the flood of information and various topical themes, the Civil Initiative performs periodic checks and regularly exchanges information and opinions. It tries to find and use the best positive solutions and apply them in everyday life. It gathers examples of good practices and publishes useful links and information, encourages critical thinking and searches for good solutions that may be helpful to individuals.

Members and supporters of ECOCI meet regularly every other week-end, to jointly determine where and what might be improved. They believe that one should provide for one's own self-sufficiency in food, energy and health in order to preserve independence, freedom and happiness. Together with the most advanced experts, modern farmers and media support, they strive to promote activities aimed at increasing self-sufficiency in food by taking specific actions such as the 'Seed Relay', 'Ekofejst' and sustainable food production workshops.

Self-sustainability

According to ECOCI's Irena Rotar, the Civil Initiative believes that "Slovenia can produce enough food for its needs by employing advanced farming techniques, applying

new knowledge, low soil treatment and sustainable farming, which will include organically biodynamic and permacultural concepts of food production. The better exploitation of mountain farms, following the example of our parents, can ensure the self-sustainability of each farm."

The Civil Initiative has engaged in a campaign to raise awareness about the importance of self-sustainability and safe food for the future. Its workshops and lectures organised throughout Slovenia aroused the interest, not only of the population in general, but also of politicians. ECOCI's wish is to achieve 100% self-sufficiency in sustainably produced food. To that end, it invests heavily in activities aimed at educating and connecting, and in presentations of good practices in cooperation with experts. It also promotes food production among children, adults, cultivators of small garden plots, farmers, institutions, group food producers, etc.

Seed Relay

ECOCI has actively launched a Seed Relay – the exchange, planting and storage of indigenous and local seeds – as nearly 90% of local seed types have been lost.

The relay has attracted almost 8,000 individuals thus far. ECOCI also wishes to raise the awareness of farmers about the importance of seeds and their storage, as Slovenia's food safety hinges on agricultural production. "It is our wish that farmers start producing food for the market, stop trusting certain instructions and make decisions based on their own judgment", ECOCI's spokeswoman said.

What is ECOCI?

Members of the ECO Civil Initiative of Slovenia are committed to pursuing meaningful ends in everyday life. The activity of Eco Civil Initiative of Slovenia ("ECOCI") is not political; its members seek to participate on an individual basis and to pursue meaningful ends through their everyday work, with a positive attitude on their own behalf and on behalf of their families, and the local and wider community. They promote respect for tradition, the acquisition of new knowledge and integration for the benefit of nature, people and energies. Any interested individual may join the initiative to pursue meaningful ends, and leave at any time.



Valerija Obu, photo: STA

BORIS PAHOR TURNS 99

This summer, Boris Pahor's *Knjiga o Radi* ('Book about Rada') was one of the best-selling book in Slovenia. The book was published shortly before the author's 99th birthday. Boris Pahor spent about two years (between 2009 and 2011) writing *Knjiga o Radi*, in which he pays literary tribute to his life companion, Radislava Premrl. He narrates the story of his wife, Rada, in the form of diaries following her death, and in the form of memoirs about her since their first meeting, about their falling in love, their marriage, the birth of their two children and their life together until her death.

'After my wife fell ill, I visited her in hospital every morning and afternoon, while after lunch I had free time: I was sitting in front of my typewriter and was writing,' said Boris Pahor. 'I was also writing when she died and later, when I was reading her and my letters. This is how this book was written, and Rada's story is the common thread running through it: it is an overview of my life with Rada, with whom I spent more than fifty years. Like my other diaries, this book includes many other themes and documents: I tend to describe events happening around me, the current ones and those from the past. I consider the book to be substantively rich; however, I leave the style to the judgement of others. I like writing diaries in the way I speak.'

The story of one of the greatest living Slovenians started on 26 August 1913. The writer, born in Trieste (today in Italy, but at that time it was part of the Austro-Hungarian Empire), experienced Italian Fascism, German Nazism and Yugoslav Communism. As a child (on 20 July 1920), he witnessed how the Fascists burnt down the Slovenian cultural centre *Narodni dom* in Trieste, the central institution of the Slovenians in Trieste at that time; later, he also faced the Fascist persecution of Slovenians from the Primorska region. During the Second World War, he therefore joined the National Liberation Movement. In 1944, he was arrested and sent to the Nazi concentration camps Dachau, Natzweiler-Struthof and Bergen-Belsen. He survived and, after his recovery at a French sanatorium, he returned to Trieste; he graduated from the University of Padua in Italy and then worked as professor in Slovenian schools in Trieste.

Boris Pahor was also engaged in Slovenian cultural and political life as a writer and editor of magazines, such as the magazine *Zaliv* ('The Bay'). He was known for his critical view on Slovenian reality and independence of thought, which soon put him at odds with the leftist circles prevailing in the Slovenian minority at that time, as well as with the new Communist regime in Slovenia and Yugoslavia. Although he takes a left-wing stance in his political views, he has never agreed with the engagement of Slovenians in Italian left-wing parties; as a Slovenian nationalist, he has, instead, strived for independent political engagement.

The then regime in Yugoslavia was very critical of Pahor, mainly after the publication of the book entitled *Edvard Kocbek: pričevalec našega časa* ('Edvard Kocbek –

the Witness of Our Epoch') in 1975, which he wrote with Alojz Rebula on the occasion of Kocbek's 70th birthday. In the interview contained in the book, Kocbek spoke for the first time about the post-war killing of 11 000 Slovenian Home Guards who were returned to Yugoslavia by the British military administration; the Yugoslav authorities considered this as a reason to ban Pahor from entering Yugoslavia for several years.

Today, Pahor's books are among the most recognised Slovenian literary works in the world. They have been translated into many European and world languages. Europe discovered his enviable literary opus several decades after the first publications of his books. Also in Slovenia, the reading public has only been reading Boris Pahor for the last two decades. His works *Grmada v pristanu*, *Parnik trobi nji*, *Zatemnitev* ('Obscuration'), *Nekropola* ('Pilgrim among the Shadows'), *Spopad s pomladjo* ('A Difficult Spring') and other works had long been overlooked after their publication in the second half of the last century; one reason being that the Communist regime systematically rejected them.

'And today, when the passers-by walk up to me to shake my hand, I don't know what to do, because I have been living and working as a writer for many decades, while only in the past few years have the media and other countries made me recognisable,' said Boris Pahor on the occasion of the celebration of his 98th birthday.

When Slovenia became independent, Boris Pahor was finally awarded for his outstanding work and moral stand. In 1992, he received the Prešeren Award, the highest decoration in the field of artistic creation in Slovenia. He was also awarded the Order of Freedom of the Republic of Slovenia. In 2010, the readers of the main Slovenian daily newspaper, *Delo*, selected him as its Personality of the Year. On that occasion, Pahor said in his statement to the press that (among other things) he considers such awards as an opportunity to present to the public his thoughts and positions.

Pahor, who also wrote in foreign languages, has received awards and accolades from various European countries. In 2007, he received the French Legion of Honour award as a sign of gratitude for having enriched the French language, while last year he was honoured with the title of Commander of the Order of Arts and Letters of the French Republic. Conferring the Order, the former French Ambassador to Slovenia, Nicole Michelangeli expressed her be-

lief that Pahor's book *Nekropola* ('Pilgrim among the Shadows') will remain the most important literary account of exile and the atrocities of the Nazis.

Perhaps the most important recognition that Boris Pahor has received so far was the prestigious Premio Napoli awarded to him by the Italians for *Nekropola*. In his early work, Pahor mainly focused on the description of Mussolini's Fascist terror, which also resulted in the burning down of *Narodni dom*. Pahor's sharpest arrows hit the Italian Fascist authorities in Trieste who also imprisoned him for the first time. He further criticised forced assimilation, the oppression of everything that was connected to Slovenia and the Slovenians, the denial of the right to use the Slovenian language, and the right to a decent life. For Pahor, the award received in Italy is one of the greatest victories and meant a symbolic recognition of crimes committed against the Slovenian population under the Italian occupation.

Pahor's literary style is defined as national- and humanistic-engaged realism with the ideal values of eros and ethos. The author stresses that love is the only value through which a man can be relieved from evil in the personal sense, while humanity can be relieved from it in the social sense. He, however, always highlights national awareness considering it necessary for the survival of the Slovenians in Italy, as well as for the survival of man and humanity in the world. Boris Pahor is without doubt a phenomenon of global importance and reputation. Is it not time that one of our most translated authors receives the Nobel Prize for Literature?

'Yet behind the gifted writer hides a man whose spirit is always on the alert, always ready for debate, attentive and sharp, a man whom neither history nor the present and future can contradict.' Former French Ambassador to Slovenia, Nicole Michelangeli, 2011

On the occasion of his 99th birthday, Boris Pahor also received congratulations from the Slovenian Minister for Education, Science, Culture and Sport, Žiga Turk. The minister wished him the best of health and further creativity as a writer. In his statement, the minister also emphasised the moral authority of a man who stood up to three dictatorships that had persecuted him only because of his commitment to the Slovenian nation, freedom and democracy.

REMARKABLE SLOVENIAN SUCCESS AT THE OLYMPIC GAMES IN LONDON

Slovenia ranks sixth in terms of medals won per capita

This year's Olympic Games in London will certainly remain strong in the memory of those who respect the achievements and efforts of Slovenian athletes, as the country achieved a respectable sixth place in the per capita medals table. This is a great achievement that has put Slovenia on the front pages of the world's press and ranked it high among its peer countries, i.e. countries with small populations and exceptional sporting achievements: it was bettered only by Grenada, an island country in the Caribbean Sea with a population of slightly more than 100,000 that won one medal, Jamaica, Trinidad and Tobago, New Zealand and the Bahamas. Although Slovenia has slipped one place since the last Summer Olympics, in which Slovenian athletes won five medals, this year's achievement is still good: Slovenia ranked high among the 85 medal-winning countries at the London Olympics. The fact that one medal was won per 514,385 Slovenians is certainly encouraging and demonstrates that, in sport, Slovenians adhere to the "sound mind in sound body principle" and put sport high on their list of values.

It is the number of medals won per capita that makes us aware of the achievement of our athletes as the countries with the highest medal counts at the London Olympics ranked rather low on the per capita medals table: the

USA, for example, ranked only 49th, with a total of 104 medals, i.e. one medal per more than three million people. China, which ranked second on the medals table, was towards the bottom of the per capita list in 74th place, with one medal per 15 million people; the United Kingdom, which ranked third in terms of the number of gold medals won, was placed 23rd, with one medal per 957.87 people; and Russia ranked only 34th, with one medal per 1,744,590 people. The last country in terms of medals won per capita was India, the second most populous country in the world. It won only six medals, or one medal per more than 200 million people, at the London Olympics.

Slovenia also ranked high in the gold medals won per capita table: the gold medal won by Urška Žolnir put it in ninth place, immediately after Lithuania and Croatia. The champion in this category was again Grenada, for which the only (gold) medal was won by Kirani James in the 400 metres dash. This year, our medals were won by relative athletic veterans; however, some Slovenian athletes could make their way to the top in the next four years. There have been some promising performances in athletics, swimming, combat sports, shooting and mountain biking. The motto of the Olympics was "Inspire a Generation", and we hope that the achievements of our athletic veterans

will inspire a new generation in Slovenia as well. Slovenia's medal-winning athletes at the London Olympics were: Urška Žolnir, who won gold in the women's 63 kg category judo, Primož Kozmus, who won silver in the hammer, Rajmond Debevec, who won bronze in the men's 50m rifle prone (selected) shooting, and rowers Iztok Čop and Luka Špiš (double sculls). Slovenia can thus count itself as one of the most successful countries at the Olympics; the achievement of its athletes was similar to that at the Olympic Games in Beijing and Athens, the current achievement being 1-1-2 as compared to 1-2-2 in Beijing and 0-1-3 in Athens. Before that, Slovenia's athletes had won no more than two medals. Slovenia ranked 42nd – the same as four years ago – on the table of medal-winning countries, ninth on the alternative medals-won-per-capita table, and 27th in terms of medals by GDP, and thus took its rightful place amongst the family of sporting nations.

Slovenia's fondness for sports was also demonstrated at the Paralympic Games in London, in which 22 Slovenian athletes took part in six events. The greatest success was achieved by Franček Gorazd Tiršek, who won silver in shooting. Slovenian athletes ranked high immediately after the top three positions and many of them ranked among the top ten. We extend our sincere congratulations to all the participants.



Vesna Žarkovič, photo: Pivovarna Laško archives

LONDON LAŠKO PUB

Meeting place of Slovenians during the Olympic Games



During this year's Olympic Games in London, Slovenia had no 'house' of its own, as it had at the Winter Olympic Games. This time, Pivovarna Laško, which has been sponsoring the Olympic Games for twenty years, hired a London pub and called it 'Team Slovenia London Laško Pub'.

It was used as a meeting place of Slovenians who stayed in London during the Games, athletes, representatives of the Olympic Committee of Slovenia and their sponsors, journalists, fans and visitors from Slovenia and other parts of the world, as well as other invited and occasional guests. During the Olympic Games, the visitors drank 150 fifty-litre barrels of beer. In the pub, throughout the Games, the Government Communication Office, the Slovenian Tourist Board, and the Olympic Committee of Slovenia, as Pivovarna Laško's partners, organised events for foreign journalists who reported not only on sport events but also on other accompanying activities, representatives of other Olympic Committees, the English people who play an important role in public life, economists, Slovenians living in London, and Slovenians staying in London at that time. The pub exterior and interior was furnished in the spirit of Slovenia's national brand (I feel Slovenia), Slovenian sport and tourism.

SLOVENIAN OLYMPIC CLOTHING COLLECTION LONDON 2012

The Olympic Games are a special event, at which athletes' outfits are of great importance. In creating the outfits, it is necessary to take into consideration different aspects such as colour, including recognisable national symbols, and other graphic elements, which result in eye-catching attraction, all while being simple in their communication. High-quality materials and good design that enable the athletes feel comfortable during the Games are also very important. These were the basic guidelines in designing the Slovenian Olympic London 2012 collection. Official attire and casual wear, national kits and fan articles were produced by Peak, a grand sponsor of Team Slovenia, while the competition clothes were created by Toper, another grand sponsor of Team Slovenia. In the collection designed by Sandi Murovec, Slovenia's national sports colours (green, blue

and white) were combined with two basic patterns – one, a dynamic combination of different forms of Mount Triglav as the Slovenian symbol, and the other, a simple pattern with repeating Team Slovenia inscriptions. Toper did not reflect their brand, but its technological and visual aspects; they were fully satisfied with the recognisable clothing that helped raise the profile of Slovenian Olympic athletes as a team, benefitting both Team Slovenia and Slovenia as a country.

In the collection, the colour combination of green, blue and white were used; according to the rules adopted in 2005 by the Olympic Committee of Slovenia, these are the recommended colours for creating national sports clothing. One advantage of this year's collection of clothing is that all clothes could be combined, so that whatever the chosen combination, the members of Team Slovenia always looked smart and distinct. Youthful design, simplicity and a 'sea-surfing' touch combined with quality materi-



als helped Slovenian athletes and other members of Team Slovenia feel good and were an excellent promotion for Slovenia.

THEY LIKED SIMPLE FOOD MOST

In the pub, in addition to events and various gatherings, Slovenian food prepared by Aleksander Albreht, a resident of London, was served. He came to London ten years ago and soon discovered that there was no restaurant with Slovenian food. He decided to fill this gap and got to work promoting Slovenian food. The initiative to take this step was a broadcast entitled 'Eat London' on BBC radio, which sought delicacies from the countries participating in a sports event. 'They did not find Slovenian delicacies; therefore, I thought I might start selling them. Since I had some experience in hospitality industry in Slovenia, I decided to take this step.'

At the local market, he began selling

typical Slovenian food: gibanica (multi-layered cake), potica (walnut roll), goulash, and štruklji (rolled dumplings). The first day was an absolute success. Today, he has seven stands selling Slovenian food at different locations all over in London. The Slovenian food is offered at the higher price bracket, where smaller food producers and food from different regions are promoted. The Londoners have responded positively to it, as something different than Italian or Spanish food. They are not familiar with Central European food; many of them have never heard of Slovenian food. Mostly they buy gibanica, pumpkin seed oil, kranjske klobase (Carniolan sausages), cheese, Laško beer, stews, goulash, jota (bean and pickled turnip soup), žlikrofi (potato filled pasta), blood sausages and old Slovenian dishes made of beans.

And what is Aleksander Albreht's vision? In a few years, he wishes to open a Slovenian house in London where he would like to offer works of art, technolo-

gy, textile, all originating from Slovenia – in short, a kind of Slovenian cultural centre. Furthermore, he intends to open several bars across Great Britain where British people, through Slovenian food, could become familiar with other Slovenian items. 'On the British market, Slovenian food products are considered high quality products; buyers are enthusiastic that these products are available in London.'

And during the Olympic Games, what was the food that people enjoyed most? 'Simple food, such as koroška skuta (Carinthian cottage cheese), prleške murke (cucumbers of Prlekija with yoghurt, sour cream and garlic), zaseka (minced lard), kranjske klobase (Carniolan sausages), potato dumplings, pumpkin seed oil, tünka of Prlekija (ham soaked in pork fat), fartalje (egg omelettes). The visitors assured him that food with such interesting and, yet the same time, simple tastes, almost of the farms that provided the food, cannot easily be obtained.'

You need to dedicate your soul, otherwise everything is in vain

If you do not put your heart and soul into a restaurant, into its interior design, into its food, if you do not dedicate yourself to your guests, well, it simply will not work out. If you do not give yourself away, if you do not have the right sense for the best and most refined tastes, it will not work out either. You must understand what people take pleasure in and what they want to experience when they visit the restaurant, when they indulge in different tastes, absorb the atmosphere, the service and the soft-sounding Primorska dialect.



In the village of Nova vas nad Dragonjo, there is a traditional Istrian house surrounded by a lush garden. It reflects the soul and habits of its inhabitants. When you enter the house, it feels like coming home; you're visiting people who welcome you with open arms and an open heart. The smell reminds you of the homeliness of our *nonnas*¹, and the interior is also designed in the spirit of their time. A spirit we long for in this alienated world. The heart of the house is the open fire, where food has been prepared in a copper kettle for centuries. And the kettle still today gives the minestrone and polenta the best possible taste. The Medoš family – father Moreno, mother Oriella and their son and daughter – speak in favour of simple, domestic food coming from the heart. They have built up a specific catering business. Apart from the good food and homely atmosphere, it also includes the regular guests – the local people who are most welcomed by the family. They reflect the village and the surrounding area. They are full of stories, living witnesses of the life in the region above Koper, Izola, Portorož, Piran and Dragonja. In places where the green Istria meets the blue Istria, where earth meets stone, olive trees meet *torkljas*², birds meet the salt pans and *refošk*³ meets joy. The locals are always welcome in the Medoš family. They live with the restaurant and enter it as if they were entering their own homes; they sing, sit down with you and exchange the events of the day, the stories... Their constant presence thus brings to the restaurant "Na burji" a certain spirit. The guests take it as part of the all-inclusive offer of the restaurant, as a supplement to the selected food. In this way, they can absorb the characteristics of the area, its stories and narratives, with all their senses and mind. And people just love visiting the restaurant. The guest book is full of commendations about the atmosphere, the interior design, the service and the food. "We want every single guest to be satisfied with our offer. This means a lot to us. There are plenty of restaurants around today, but we want to be different. Unusual, homely, genuine," explain Mr and Mrs Medoš. And Oriella and Moreno do not receive their guests just like that, appearing at their door. No, the guests must make a prior

¹ Grandmothers in Italian.

² An oil mill.

³ A type of local wine.

appointment and they help them choose the menu in advance. The Medoš family always wants to be prepared to receive its guests, and the family members welcome them as if they were just coming to visit them at home. There is also no fixed menu, which is quite a distinguishing feature of the restaurant. And the guests soon get used to this way of things; they get attached to the restaurant and the people running it and, in short, feel good about it. "We do not offer exquisiteness," says Oriella, warming to her theme, "we are also known for my loquacity and straightforwardness. I am as I am and I am not used to embellishing things." Obviously, people accept her as such, because they keep coming back! And in the restaurant business, this is the greatest recognition you can get.

Oriella and Moreno Medoš started their catering business 12 years ago with a refreshment bar which they ran for seven years. Their wishes and skills, and their drive to achieve more and better, led them to the creation of a restaurant in a traditional Istrian style. They have always prepared all the dishes themselves; they adjust the food and tastes to the time of year and to the ingredients available at the market. Thus the dishes on the plates change with the seasons. Their food is always freshly prepared and they never try to convince you to order something they might just warm up. Therefore they insist that their guests make advance appointments. And what is currently on the menu? The current seasonal offer includes grilled fresh porcini mushrooms with pancetta and Gorgonzola cheese, garlic and parsley. In the summer you can get summer minestrone with corn (*bobiči*), while in winter the menu includes jota (bean and pickled turnip or sauerkraut soup) and pumpkin soup – which is praised even by the guests from Prekmurje, where this soup comes from – as well as wild asparagus. Florentine-style steak is on the menu throughout the year. The Medoš family members pick the mushrooms and asparagus and purchase all the foodstuffs themselves. They know exactly where to find best-quality meat, fish and shellfish and have regular suppliers who provide them with high-quality food. Most guests are food connoisseurs, so nothing can be left to chance. The tourist workers in the area are convinced that if there were 10 such restaurants, there wouldn't be a single one too



many. The dishes the restaurant is most famous for are lamb baked in hay, various fish specialities and home-made Istrian prosciutto, not industrially produced, they emphasise. They are continually returning to their roots, to their mothers and grandmothers. After all, it was they who taught them to appreciate and to cook traditional local dishes. And Moreno and Oriella have also successfully transferred this knowledge to the restaurant and to their children. They are constantly trying to create the same taste of the minestrone they remember from their childhood, the taste of kroštule – a type of *flancati*⁴ – the very same their grandmothers and mothers used to prepare. They also grow certain herbs themselves, as herbs from one's own garden simply smell better.

People obviously know how to appreciate such a culinary experience in a cosy atmosphere and are more and more interested in seeking out such places. This kind of dining also allows the guests to return to their roots. High quality and original food, homeliness and originality of environment, and the cuisine of our forebears are the main advantages of the "Na burji" restaurant. Moreno acquired his cooking skills from his family, particularly from his mother and grandmother. When he is preparing certain food, he does not know exactly how the recipe goes, so then he experiments with the food, adds and takes away new ingredients and tries new tastes. And he goes on experimenting until he himself, as well as his guests, are fully satisfied. He is self-critical and admits that sometimes he is not successful – but this does not take away his courage. On the contrary, the next time he just tackles the task with even greater enthusiasm. As a cook, he always returns to the roots, to those dishes

⁴ Fried sweet waffles.

which the former generations had already perfected, giving them an eternal taste. One such dish is fennel soup. And fennel minestrone, made from fennel stems picked in spring, is his specialty.

Moreno asserts that those who have tried it cannot forget the taste, also because it cannot be ordered anywhere else. In the Istrian hinterland it is a rare dish. However, Moreno comments that not everybody is fond of the minestrone: some like it, others don't.

And who are the guests of the Medoš family? Politicians, businessmen – Moreno and Oriella do not preoccupy themselves with the names of their more august guests. They are only interested in whether their guests are satisfied when they leave the restaurant. Most of them are foreigners – Austrians, Germans, Russians and others – and they feel good here. Many guests hear about the restaurant's good reputation at the Hotel Kempinski in Portorož or from the Savoy in Trieste. However, more and more of their guests are those who themselves make direct reservations. Many of them also come with the Mayor of Piran.

Oriella self-critically admits that at the beginning of her catering career she had no idea how to prepare fish. The present time urges us to be excellent, different and original, and to fully master our jobs. After 25 years of living with Moreno, she's certainly learned how to distinguish between a high-quality and low-quality fish, and she now also pays attention to the colour of its flesh and skin. If you want to satisfy the guest and be satisfied yourself, you must know how to choose the right type of fish, how to find tasty, fresh fish. And if you succeed, your guests reward you and respect you. But you must put your soul into every step. If you don't, everything is in vain.



PORCINI MUSHROOMS WITH PANCETTA: The mushrooms are cut into slices, put on the barbecue and roasted. Then the roasted mushrooms are put on a tray, coated with Tržaška sauce and covered with grated Gorgonzola cheese. Meanwhile, the pancetta is grilled and placed on top of the mushrooms.



JOTA: Sauerkraut, sliced carrots, some beans, *taca* (a kind of pesto, made with chopped bacon and garlic and some pork neck fat) and a piece of dried ribs are put in a pot. The ingredients are flavoured to taste with salt and chillies, covered with water and then cooked for approximately three to four hours.

FLORENTINE-STYLE STEAK: The steak is dropped onto a hot grill, sprinkled with salt and pepper and cooked for approximately 10 minutes on each side. The meat should have a dark brown surface and a hint of pink in the middle.



Polona Prešeren, photo: STA

Culturalisation of space

Science has a long tradition in Slovenia, and many Slovenian scientists have become internationally recognized. Slovenian science has contributed quite some invention to the global wealth of knowledge.



'This building, the Cultural Centre of European Space Technologies, demonstrates that there is no science that is more or less important, but only that which comes closer to the search for the meaning of our existence. When we, Slovenians look back in history, we tend to simplify it, by saying that only culture has inspired us with national pride. And yet, technical experts, entrepreneurs and scientists, such as Herman Potočnik, have also contributed their share,' were the words of the Minister of Education, Science, Culture and Sport, Žiga Turk, at the opening of the Cultural Centre of European Space Technologies (CCEST) in Vitanje at the beginning of September this year. CCEST has revived the memory of the pioneer of space flights, Herman Potočnik Noordung, to whom the first permanent exhibition at the centre is dedicated.

What is CCEST? It is the materialisation of the idea of culturalisation of space, the idea of connecting art and science, which has found its place in this institution. CCEST has been created under the conceptual leadership of the artists Dragan Živadinov, Miha Turšič and Dunja Zupančič. It is a building and a project that will combine art and science, and put on display the historical astronaut memory of Europe and the contemporary European astronautics and realise the idea of the culturalisation of space. CCEST is a very specific cultural

centre in Vitanje which is already the site of a small but widely visited exhibition on an international scale, dedicated to the work of and references to Herman Potočnik Noordung (extending from *Odyssey 2001* to *NASA* and *MIR*). Noordung is just one of the Slovenian scientists who have contributed many inventions to the global wealth of knowledge.

The creation of the Cultural Centre of European Space Technologies was driven by the idea, energy and concept of Dragan Živadinov, an artist who devoted much of his creative activity to Herman Potočnik, and Miha Turšič, the manager of CCEST. The centre, which is already referred to by many as 'the space museum', was opened at the beginning of September.

The participants in the opening ceremony were also addressed by the Russian astronaut Yury Malenchenko who particularly recalled Herman Potočnik Noordung, saying, 'He is remembered with a sense of deep appreciation. He facilitated a breakthrough in space research and brought the cosmic expanse closer to humanity.' He also pointed out that Potočnik's work had also been used by his successors, from the first rocket makers to the present day. 'We like to remember him with a sense of deep appreciation. He facilitated a breakthrough in space research and brought the cosmic expanse closer to the man', he added.

At the opening of the Centre, Minister Turk noted that 'Herman Potočnik Noordung is a proof that there is no such thing as small and large nations, but only minor and major issues. He dealt with and responded to major issues. He made calculations, plans and left behind a scientific work that is quoted by the entire first generation of rocket makers. He has inspired artists, such as Stanley Kubrick or Dragan Živadinov.'

In the minister's words, 'The very case of Herman Potočnik shows how much more important culture is than science, in terms of searching for the meaning of our existence. Herman Potočnik Noordung has not been brought back to the memory of Slovenians by a scientist, mechanical engineer or astronomer; he has been re-discovered by an artist.'

According to the CCEST Manager, Miha Turšič, the basic concept of CCEST is primarily the exhibition on Potočnik, which represents the humanisation of technological development. It is the sum of influences on Potočnik's biography and the influences of his work on the decades-long development of space technologies that made possible the launching of the first satellite into space, the first man into space, the flight to the Moon, and space stations in the Earth's orbit.

Who was Herman Potočnik Noordung?

Herman Potočnik was born on 22 December 1892 in Pula, which was then a town in the Austro-Hungarian Empire. It is said that he spent some of his childhood years in Vitanje, in which a Noordung memorial room has been set up; however, there is no sound evidence of his staying there nor is it so much important. Noordung is now commemorated by a permanent exhibition in CCEST, but there is also a quicker way to do so: a look into the starry night sky in which a satellite can be observed. Geostationary satellites and manned space stations are Potočnik's

two most prominent theoretical achievements. He was well ahead of his time and was considered a dreamer by the scientific circles of his era.

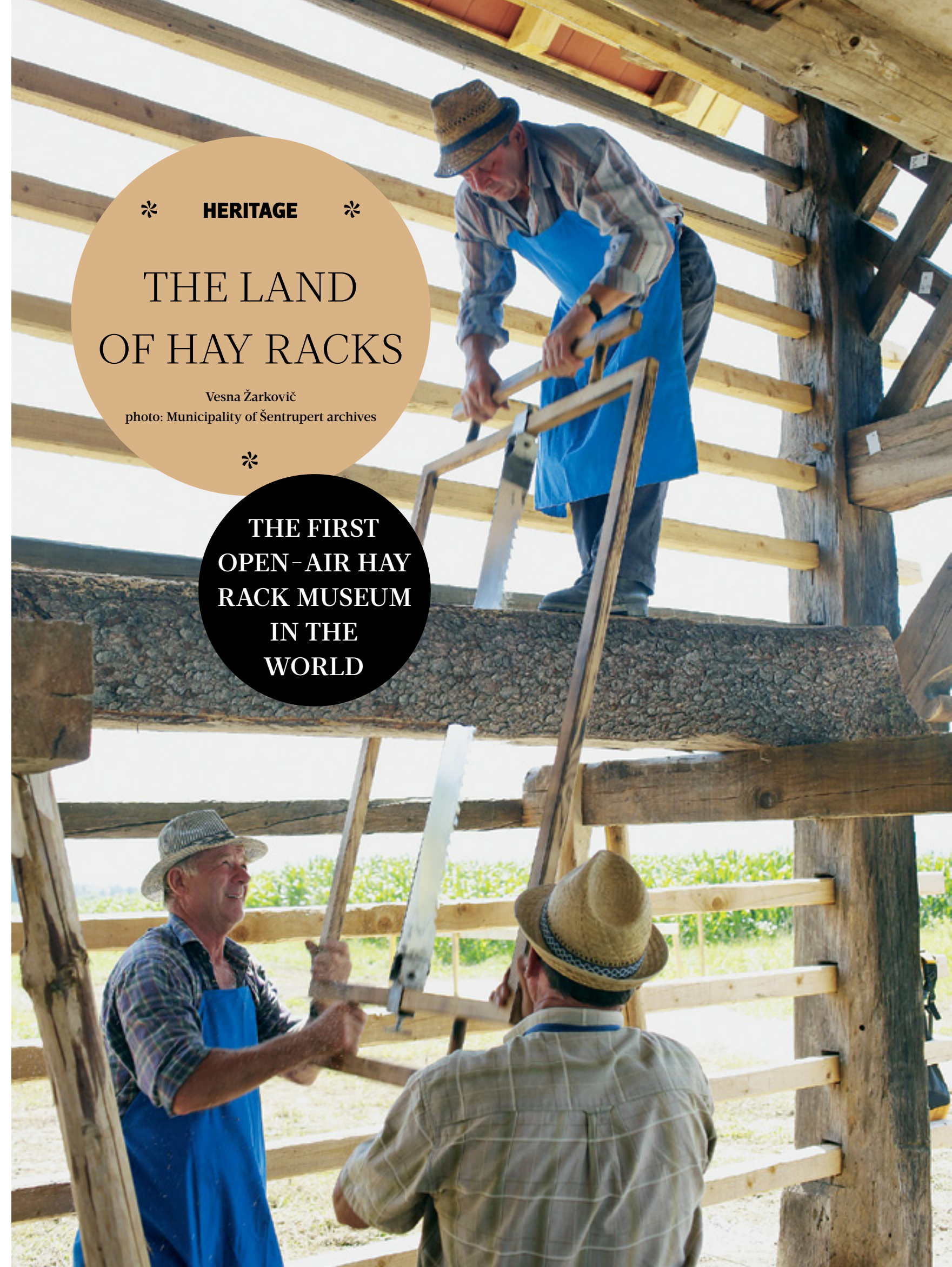
'[...] and there would be an observatory in the open space and far above the atmosphere, whose height would be 35 900 000 metres'. If this "space observatory" were positioned above the Berlin Meridian, for example, it could be permanently visible at the point reached by the Sun at noon in mid-August', he wrote. His ideas inspired the Arthur C. Clark, Stanley Kubrick and Dragan Živadinov.

'Man has always seen the fact that he is bound to the Earth and his inability to free himself from the mysterious bonds of gravity as an expression of his earthly

weakness and insufficiency. The concept of transcendentalism is not always associated without any reason with the idea of weightlessness, the power to "reach the sky". Even today, there is a prevalent belief that an earthly creature cannot even imagine ever leaving the Earth. Is this view really justified?' These bold thoughts were written by Herman Potočnik Noordung, the pioneer of rocket and space technologies, in his book *The Problem of Space Travel* which was published in the German language in 1928. In the following decades, it became compulsory reading for Russian, German and American space technology experts.



Dragan Živadinov



HERITAGE

THE LAND OF HAY RACKS

Vesna Žarković
photo: Municipality of Šentrupert archives

THE FIRST
OPEN-AIR HAY
RACK MUSEUM
IN THE
WORLD



Hay racks are a special feature of Slovenia, and the fact that they are so numerous in such a small area is also interesting.

Their presence lends additional interest to the fields and meadows. The hay racks of the Kranjska region were described already 300 years ago in 'The Glory of the Duchy of Carniola' by J. V. Valvasor. There are of various types - double, single, stretched. A double hay rack may reveal the owner's special attitude to it. Farmers are usually very proud of their hay racks, if not even personally attached to them. This special attachment can be observed in the inscriptions on the dormers or on beams, which usually record the year of their construction or the name of the owner. They tell the story of the people who commissioned, constructed or used them. They are used for drying grain sheaves, wheat, maize, clover, beans, hay, etc. Placed in fields, they are typical of the farm buildings in Slovenia. The hay rack is an important feature of the Slovenian ethnic area and an example of

folk architecture worth preserving.

Thus, the initiative by the Municipality of Šentrupert in the Dolenjska region to design a 'land of hay racks' is even more commendable. 'This is a unique open-air museum where we re-locate old hay racks and restore them. We have already re-located seventeen and are planning to build two drying structures, i.e. an arrangement of poles for drying fodder and a small hay rack, which was actually the first step in the development of the hay rack as it is known today. The latter two are not considered hay racks, so we refer to them as drying structures. In total, the museum will have seventeen hay racks or nineteen drying structures,' said Rupert Gole, the Mayor of the Municipality of Šentrupert, about the first open-air hay rack museum in the world.

All six types of hay rack will be presented at the museum: single, sin-

gle stretched, single parallel, and low, stretched and double, which are double variants. The area of the Land of Hay Racks covers 2.5 ha, with one kilometre of footpaths between the exhibits. The oldest example in the museum is a Lukatov double hay rack dating to 1795.

Depending on size and condition, the hay racks cost the Municipality of Šentrupert between 600 and 8,000 euros each. The total cost of the project is over 700,000 euros. Due to its extent, importance and uniqueness, the project was also supported by the European Union. The first stage, which included the physical layout, renovation and municipal infrastructure, received 306,000 euros from the European Regional Development Fund. The second stage, which included the museum content and programme, cost 90,000 euros, and was supported by the Leader+ initiative with somewhat



Rupert Gole, the Mayor of the Municipality of Šentrupert, introduces the Land of Hay Racks.





less than 70,000 euros. This stage is being implemented by the Dolenjska and Bela Krajina local action group and is managed by the Development Centre Novo Mesto. The Development Centre Litija, which connects twelve municipalities from three regions under the 'Heart of Slovenia' trademark, is also participating in the project. Aleksandra Gradišek, the director of the Development Centre Litija, expects the museum to contribute to greater recognition of the entire area in the 'Heart of Slovenia'.

The museum will be a tourist, educational and cultural centre which, in addition to the main feature, i.e. the hay racks, will also offer expert guided tours, educational workshops, games for children and adults, team-building courses for companies and organisations, international exhibitions, concerts, fashion shows, overnight stays and theme weddings. The fashion designer Maja Ferme has already been contacted to provide some ideas on these themes.

The official opening of the Land of Hay Racks is set for June 2013. In the meantime, the Municipality of Šentrupert will arrange the necessary landscape architecture and organise the entire centre.

Numerous awards have shown that Šentrupert is one of the most environmentally conscious and energy efficient municipalities. This year, it received the Gold Stone award as the second most advanced municipality in terms of its development in Slovenia, and last year, it received the award for the most innovative municipality.

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