



REPUBLIC OF SLOVENIA

CABINET OF THE PRIME MINISTER

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## ADDRESS

**BY THE PRIME MINISTER OF THE REPUBLIC OF SLOVENIA BORUT PAHOR  
AT THE »LONDON SCHOOL OF ECONOMICS & POLITICAL SCIENCE«  
AT THE OCCASION OF THE VISIT TO THE UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND**

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*»Slovenia – From Nation to Sovereign Nation that held EU presidency«*

It is a great honour for me to have the opportunity to address you. I would like to tell you a story how Slovenia became a sovereign nation. A state that has recently been at the helm of the European Union. I would like to share with you a success story.

I may be biased in my description. I hope that you will understand. I have been involved in this story for 20 years. Ever since democracy began to take shape at the end of the 1980s, until the moment I took office as Slovenia's Prime Minister.

Although I shall delve further into the past at the beginning, my focus will be centred on the recent twenty years. And for a reason. I think it is rare for a nation – and a small one at that – to fulfil its ambitions in such a short time. This was possible because this nation not only understood the political change underway in the world – and especially in Europe – but has indeed helped create it. We Slovenians did not merely embrace historic change and let ourselves drift along in its wake. On the contrary, we were actively involved in its creation. Not to miss the train of history was crucial in this success story. We understood the situation and turned it to the advantage of our ambitions. Such achievements called for the clarity of objectives, for political unity and courage.

Before focusing on the past two decades, let me recall, in passing, some elements in the history of our nation that have enabled this success. We can see that great cultural figures have played a decisive role in the strengthening of our national identity and political awareness. Last year Slovenia celebrated the 500<sup>th</sup> anniversary of the birth of Primož Trubar. Trubar was a protestant reformer, the founder and consolidator of the Slovene literary language. In the time of French Revolution in 1789, Anton Tomaž Linhart wrote a book on Slovenian history. The Slovenian cultural heritage abounds in important achievements that have strengthened our cultural identity. They have also strengthened the awareness of a common political agenda.

Thus the first political programme entitled "the United Slovenia" was developed in 1848. The political situation in the nineteenth century was not favourably inclined towards a programme whose goal was for the cultural and political borders of Slovenians to be identical. The situation remained the same also after the Treaty of Versailles, when the Kingdom of Serbs, Croats and

Slovenians was formed. The majority of Slovenians previously in the Austro-Hungarian Empire now lived in the Kingdom of Yugoslavia.

A significant part of the Slovenian population remained under Italy after World War One. Their national rights were being increasingly denied by the fascist regime. The Slovenians resorted to resistance. We should not forget that this was one of the first uprisings against Fascism in Europe. Then World War Two followed. This was a painful war for Slovenians, for two reasons. Firstly, because it was the objective of Nazism and Fascism to eradicate the Slovenians from the political and national map of Europe. And secondly, because there was no unity in the resistance against Nazism and Fascism. Since the communist party was one of the principal initiators of the resistance against the occupying enemy, a part of the bourgeois political forces refused to take part in the resistance at its side. Because the communist party seized power already during the liberation war, many bourgeois politicians allied, regrettably, with the occupying forces in their fight against communism. This led to the fight against the occupying forces obtaining the elements of civil war.

After the victory of the liberation forces under the leadership of the communist party and forming part of the Allied Forces, a non-democratic political system was established. The principal role was played by the communist party. The Slovenians became one of the republics of the federal state. The Paris Peace Treaty returned the majority of the Slovenian population – annexed to Italy before the war – to the mother country. This was very important for the coherence of the Slovenians within the political borders. Owing to the nature of the communist regime, we lived in peace but, unfortunately, not in freedom.

At this point in history, our success story began. In the middle of the 1980s, the progressive intelligentsia again spurred the ambitions of living in an independent state, at first with a strong cultural dimension. This met with initial resistance from the communist authorities. But the more liberal Slovenian communists were quick to realise that they must embrace these ambitions and help create them. A kind of minimum cooperation was established between the democratic opposition and the liberal part of the Slovenian communist party. The Slovenian communist party had no other choice if it did not want to shed blood to crush democratic ambitions. In Belgrade, Slobodan Milošević began his political rise to power, which was dangerous for the future of Slovenia for two reasons. Firstly, Milošević was opposed to democratic change, and secondly, he was riding the wave of Serbian nationalism. At the end of the nineties, Slovenians realised that democracy was the only possibility for a successful future.

This was an exceptionally important historical circumstance providing a foundation for all subsequent achievements. We Slovenians did not, in any aspect, lag behind the democratic tumult in some other countries of Eastern Europe at that time. Democratic elections were called and held in April 1990. The goal of the new, democratically elected government was an independent Slovenia. At first, this idea seemed almost utopian. But the deeper was the economic, social and political crisis in the then Yugoslavia, the wider became the support in favour of the formation of our own state.

I must stress a very important aspect here, Ladies and Gentlemen. The idea of an independent state was not driven by nationalism directed against other nations. It was inspired by the European idea. We Slovenians wanted to be part of the united Europe, as an independent state. This was the decisive moral distinction that gave us courage. Let us recall that the international community was not in favour of the emergence of a new Slovenian state. I therefore ask you, for a moment, to try and put yourselves in our place, and think of dilemmas and risks coming our way at that time.

By yielding to warnings that Slovenia will never be recognised as a sovereign country, we would have deepened the internal political differences and submit Slovenia to the fate dictated from

Belgrade by Slobodan Milošević. The politics of Slobodan Milošević did not understand the changes in Europe and the implications of the fall of the Berlin Wall. Slovenian politicians, however, understood this very well. In their concern that in this crucial historical moment Slovenians would again be divided as was the case during World War Two, the political parties reached an agreement which enabled a plebiscite on Slovenia's independence in December 1990. Almost all citizens opted for independence. The independent Republic of Slovenia was established on 25 June 1991.

I should like to emphasise again that, at that time, no guarantees were given that Slovenia will be recognised internationally. Nevertheless, the tumult in Europe was increasingly more inclined towards recognising a nation's right to self-determination. The Yugoslav army failed in its attempts to force us to renounce independence thanks to the firm stance and uniform political will of the Slovenians, backed by armed resistance. This was soon followed by negotiations with the involvement of the European Community. Slovenia became a player in international politics although it was not yet an entity of international law. With the escalation of the Yugoslav crisis, the international community soon began recognising Slovenia as an entity of international law. The beginning of 1992 saw the recognition of Slovenia's independence by a great majority of countries. Before long Slovenia became a member of the United Nations and the Council of Europe. It became an independent state recognised by the international community.

Despite this huge political success, Slovenia was faced with the economic crisis which it inherited from Yugoslavia. When Slovenia decided for democracy, it also decided for market economy. To avoid looming inflation, the independent Slovenia soon introduced its own currency. Its sound monetary policy had a stabilising effect on public finance. The economic sector had to focus on western markets. The restructuring of the economy was painful, many companies closed their doors, many workers lost their jobs, yet new jobs were created and new companies established. Step by step and with sustained efforts Slovenia curbed inflation, and soon recorded economic growth.

The European idea again played a decisive role in Slovenia's political fortunes. Slovenian politicians agreed on a common objective to join the family of European nations. They also set themselves the goal of joining NATO. I would stress once more the great significance of political unity for the attainment of these goals. By signing two agreements, the political parties undertook to jointly pursue these objectives.

The decision to join the European Union and NATO as soon as possible was not important solely for foreign policy issues but especially for economic and social developments in our domestic politics. Harmonisation with the norms of these two groupings required radical structural changes. The general public would not have been so understanding in accepting these changes had they not known that these changes were a precondition for attaining our goals. This was extremely important. Let me reiterate that it was the European idea that inspired democratic changes and the changes required after gaining independence. This is the only explanation why Slovenians in such a short time transformed from a nation to a sovereign nation that in 2004 together with other central European countries joined the European Union and NATO.

After this huge success the Slovenian politicians had to define common objectives for the future. Soon after Slovenia's accession to the European Union, the then government adopted a strategy of economic development which anticipated major structural changes. The former government under Prime Minister Janša took on this task by placing reforms at the core of its political programme. Since the government's ambitions were similar to those of the opposition, an interesting result was achieved in 2006. The parties of the governing coalition and the majority of opposition parties signed an agreement on Partnership for Development. The purpose of this agreement was to engage the participating parties in the efforts to exceed the European Union average in the majority of development indicators. The economic activity also contributed to delivering enviable

results. This definitely prompted the European Union to invite Slovenia as the first of the newcomers to assume the EU Council Presidency. In the years before, Slovenia had done a good job of presiding the UN Security Council and, in particular, chairing the Organisation for Security and Co-operation in Europe.

When it handed over the EU Council Presidency to France last summer, Slovenia was commended for its work. Nobody expected us to solve all problems of the European Union, nevertheless, we did successfully resolve several topical issues. I am referring to Kosovo, and the process of bringing Serbia closer to the European Union.

I have been at the head of the Slovenian government for two months. Our key ambition is to find suitable solutions for tackling the economic and financial crisis. As in all other developed countries, we also cannot claim that Slovenia has overcome the crisis but measures adopted so far have proven to be successful. In addition to measures addressing the credit crunch, the government has concentrated its efforts on preserving jobs.

We attach great importance to our membership of the euro area. It provides the necessary monetary stability. Although recession has already been officially proclaimed in the euro area, positive economic growth is still recorded in Slovenia. The forecast real GDP growth for next year stands at around 1.0%. Slovenia, like other countries, is faced with a real drop in economic growth and a falling inflation rate. An increase in the unemployment rate is expected but with the expenditure in the budget supplement geared to strengthening Slovenia's development dimension. Slovenia cannot afford a sizeable increase in budget deficit, therefore we will implement numerous savings measures in the state sector in order to reduce the burden on the economy and to give it a new impetus.

Slovenia will adjust its activities to the joint European policy for tackling the crisis and at the same time it will have to rely on its own ingenuity. The Slovenian economy is fit and the Slovenian government will support its restructuring by facilitating an increase in the share of the employee added value. Today nobody can say with certainty that the crisis will be over quickly but I am convinced that Slovenia will in the coming years fulfil the tasks set by its new government. The task of joining the ranks of the most developed countries in the world.