

EU-25 Watch 2005 – Report Slovenia

1. What are the interpretations of and reactions to the constitutional crisis of the EU? Which lessons and strategies for a way out of the crisis are discussed in your country?

1. 1. Nature of the current crisis

A couple of weeks before the French referendum, the Slovenian Foreign Minister, Dr. Dimitrij Rupel, expressed his optimism in the “oui” vote. Furthermore he assessed that the referendum on the constitution was also the referendum on the French government. The most interesting of his observations was that the French Foreign Minister was most worried upon a certain belief in the French public opinion that had gotten spread, namely, that in the case of “non” the ‘exam’ could be taken again and even that the Constitutional Treaty can (easily) be rewritten. Slovenian Foreign Minister also stressed that, despite his optimism, the developments in France are nevertheless of the vital importance for the entire European project, France is the central EU member state and a lot depends on it (and its vote on the ratification).¹

An immediate response of the Slovenian political elite to a French and Dutch rejection on the referenda share two common characteristics: (i) the ratification process across the EU member states must continue,² and (ii) though a “non” and “nee” caused a crisis, we can not talk about a catastrophe. Quite opposite, a widely shared optimism on the capacity of the EU to make the best out of the crisis and come out even stronger can be noted, though this optimism does not necessarily include the Constitution into this scenario of a stronger Europe, either in the present or in any other form.³

In this sense the Prime Minister Janez Janša stressed that this crisis is not without precedence and that the European integration always came out stronger in cases of previous crises. He warned, however, that the constitutional crisis should not lead to abandoning of other priorities the EU has set to itself in the recent past: the Lisbon goals and the adoption of the financial perspective. The foreign and security challenges should also not suffer. The Foreign Minister in his first response in connection to the French “non” also touched on the issue of enlargement.⁴ The pessimistic view on further enlargement can be traced in

¹ Pogovor s slovenskim zunanjim ministrom dr. Dimitrijem Ruplom [A conversation with the Slovenian Foreign Minister Dr. Dimitrij Rupel] (MAG, 11 May 2005), available at http://www.gov.si/mzz/novinarsko_sred/szj/05051102.html (13 August 2005).

² Radiotelevision Slovenia - RTV Slovenija/Slovenian Press Agency - STA (30 May 2005) Odziv slovenskega političnega vrha [Reactions of the Slovenian political elite], available at http://www.rtv slo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=77822 (10 August 2005). Though the Slovenian president, Dr. Janez Drnovšek said that continuing with ratification only makes sense if there is a possibility of a second French vote (STA, 30 May 2005) Drnovšek: Francozi "zadržali priložnost za velik korak naprej"[Drnovšek: The French held back a chance for a big step forward]). Thereon, Radiotelevision Slovenia - RTV Slovenija as RTV Slovenija and Slovenian Press Agency – STA as STA.

³ Foreign Minister Dr. Dimitrij Rupel, in RTV Slovenija/STA (30 May 2005) Odziv slovenskega političnega vrha [Reactions of the Slovenian political elite], available at http://www.rtv slo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=77822 (10 August 2005).

⁴ RTV Slovenija/STA (30 May 2005) Odziv slovenskega političnega vrha [Reactions of the Slovenian political elite], available at http://www.rtv slo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=77822 (10 August 2005).

interviews and press releases among the Slovenian liberal and left-to-centre politicians.⁵ The president of the biggest Slovenian oppositional party, Tone Rop, added that the more and more distant European perspective for the Balkans may also have negative consequences for security, cooperation and development (of the countries of the Western Balkans).⁶ Whereas the defence minister and president of the Democratic Party of Pensioners (*Demokratična stranka upokojencev Slovenije* - DeSUS), Karl Erjavec, expressed his fear of a stall in the development of the CFSP and ESDP.⁷

The first direct implications of the French (and Dutch) referenda observed are the slowing down of the enlargement process in general, or EU- wide consequence and the new conditions of the Slovenian Presidency in the first half of the 2008.⁸ In case of non-adoption of the Constitution, Slovenia will be presiding the EU alone and not together with two other member states (according to the plan made in line with the Constitution, Slovenia would preside over the EU together with Germany and Portugal in the first half of 2008).

On a more optimistic note, the commentator Boris Jež claimed that the EU is not in crisis, exactly the opposite. It got a new *élan*. Using the famous Serbian expression '*dogodio se narod*,'⁹ he makes an argument that Europe is not about Brussels' bureaucracy (a theme repeated often in the press, see below pt. 1. 2.), Europe is still composed of nation states and though there is no doubt in the common European fate, its design will need a major re-thinking.¹⁰

1. 2. Priority reasons for the problem and failures

There is more variety in the Slovenian political elite opinion concerning the priority reasons for failures. The immediate responses differ between the wider and deeper problems concerning the question of values and goals of the European integration (though mentioning the cultural and spiritual dimensions of the crisis was rather rare),¹¹ to a narrower conclusions

⁵ STA (29 May 2005) Kacin in Drčar Murko: Francoze čaka težak popravni izpit [Kacin and Drčar Murko: the French awaits a tough re-examination]. Also the foreign minister Dr. Dimitrij Rupel repeated on several occasions that besides a halt or slower progress in deepening the Union (RTV Slovenija (2005) Odzivi v Sloveniji, Druga jutranja kronika [Reactions in Slovenia, Second morning chronicle], 30 May 2005, available at <http://ava.rtv slo.si/ava/media?action=play&mediaId=2114500> [10 August 2005]), further enlargement is at stake. In this view he stressed that Slovenia will continue its support for »the European perspective« for the South Eastern Europe (RTV Slovenija (2005) Izjava Dimitrija Rupla, TV Porocila [Statement of Dimitrij Rupel, TV News], 30 May 2005, available at <http://ava.rtv slo.si/ava/media?action=play&mediaId=2114900> (10 August 2005). The commentator Saša Vidmajer went further and claimed that "Balkan is the victim of the crisis" (Saša Vidmajer (2005) Kriza, ne [Crisis, no], Delo – Saturday supplement, p. 1, 4 June 2005).

⁶ STA (30 May 2005) Rop: Francoska zavrnitev ustave bo upočasnila proces širitve EU [Rop: The French rejection of the Constitution will slow down the enlargement process in the EU].

⁷ STA (30 May 2005) Erjavec: S francoskim "ne" EU izgublja na dinamiki [With the French "no" the EU is loosing its momentum].

⁸ Kocijančič, Maja (STA, 30 May 2005) Kriza z ustavo EU bo za Slovenijo imela tudi praktične posledice (ozadje) [The Constitution crisis in the EU will have practical consequences for Slovenia].

⁹ 'The nation has happened' is a literal translation from Serbian '*dogodio se narod*' and means in original that the people have gone out in the streets and protested against the existing authority.

¹⁰ Boris Jež (2005) Desant na Bruselj [Drop on Brussels], Delo – Saturday supplement, p. 7, 4 June 2005.

¹¹ Minister of Justice, Dr. Lovro Šturm said in a speech presented at the Crans Montana Forum in Monaco that the present crisis does not only reflect the political, economic and social crisis, but also a cultural and spiritual crisis. RTV Slovenija/STA (25 June 2005) Unija lahko preseže krizo [The Union can overcome the crisis], available at

http://www.rtv slo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=16&c_id=80527 (10 August 2005).

that especially in the bigger countries there is a strong feeling of a big loss following enlargement in 2004.¹²

In line with the almost unanimous support the Slovenian political elites showed for the Constitution (best seen in the vote on the ratification in the National Assembly, see point 1. 4.), the reactions and opinions on the origins of the crisis or the reasons behind the French and the Dutch rejections, according to Slovenian politicians, have very little to do with the Constitutional Treaty. Among the priority reasons one can read about the internal affairs of France, primary reasons being unemployment and bad economic situation,¹³ also a protest against the governments in France and the Netherlands and so depicts the current state of political affairs and the necessity of changes in the two states.¹⁴ Nevertheless, the Foreign Minister Rupel also mentioned that the possible reasons for rejecting the Constitutional Treaty might also lie in the “overdose of Europeaneness.”¹⁵ He also added that after a long period of positive development of European integration, the enthusiasm for further co-operation and solidarity is beginning to fade.¹⁶ Prime Minister Janša metaphorically depicted the reasons for the crisis as being anchored in the big steps, which have been taken recently by the EU and have thrown it out of balance.¹⁷

Consistent with its attitude towards the constitution was the Slovenian National Party (*Slovenska nacionalna stranka* – SNS). In their response to the results of the French referendum they stressed that the result is a response to a big (and growing) democratic deficit within the EU.¹⁸ Along the similar lines, the liberal democrats (*Liberalna demokracija Slovenije* – LDS) see the negative votes as a serious warning for the European political elites; the results of the referendum show that people do not trust the alienated politics and that it is necessary to find more persuading answers to real as well as fictional fears growing among the citizens of Europe.¹⁹

More eloquent was the President of the Republic, Dr. Janez Drnovšek, in an interview at the end of June.²⁰ He listed numerous reasons for the failure to ratify the Constitutional Treaty in France and the Netherlands:

- Economic reasons: the referendum came in time when the unsatisfied people had an opportunity to speak out their fears about the competition of the new member states, and the competition coming from Asia; since a sentiment of an economic crisis is in formation for several years, people do not trust their leaders (politicians) any longer.
- Nature of referenda as a decision-making instrument: in connection with referenda decision-making, there is always a lot of space for populisms, left and right. The centre politics, which usually proposes rational decisions (and the Constitutional Treaty is

¹² Jožef Jerovšek, chair of the Foreign Policy Committee of the National Assembly, STA (30 May 2005) Jerovšek: "Francoska šola" izziv za boljši pristop h graditvi EU.

¹³ STA (30 May 2005) Ljudmila Novak: 'Ne' ustavi še ne pomeni tudi 'ne' EU [Ljudmila Novak: “No” to the Constitution does not mean “no” to the EU].

¹⁴ STA (2 June 2005) Kacin: Nizozemski "ne" pričakovan [Kacin: The Dutch “no” expected].

¹⁵ STA (2 June 2005) Rupel: Zavrnitev ustavne pogodbe ovira in alarm za ves sistem EU [Rupel: Rejection of the Constitutional Treaty a barrier and an alarm for the entire system].

¹⁶ STA (18 June 2005) Janša: Slovenija v pogajanja o delitvi na statistične regije (daljše) [Janša: Slovenia in negotiations on partition into statistical regions].

¹⁷ STA (18 June 2005) Janša: Slovenija v pogajanja o delitvi na statistične regije (daljše) [Janša: Slovenia in negotiations on partition into statistical regions].

¹⁸ STA (30 May 2005) SNS: Francoski "ne" za Slovenijo dober nauk [The French “no” is a good lecture for Slovenia].

¹⁹ STA (2 June 2005) LDS: "Ne" ustavi resno opozorilo političnim elitam [“No” to the Constitution as a serious warning for the elites].

²⁰ Janez Drnovšek (2005) - the interviewed, Saša Vidmajer - the interviewer; EU in LDS sta v krizi: Ne vemo, koliko bo trajalo [EU and LDS are in crisis: We do not know, how long it will last], Delo – Saturday supplement, p. 4-6, 24 June 2005.

rational) often turns out to be incapable to deal with populisms. The question is, whether the moderate politics, which still holds the power, is capable of encountering this kind of challenges.²¹

- A lack of cohesion: the sensation that up to now drove the EU forward – the memory of the both World Wars and the peace – got lost. The question is whether the Franco-German engine still works, and the answer is: obviously significantly less than it used to.
- Lost feeling of importance: the French had been unsatisfied with their new position in the EU since May 2004, when the enlargement gave them a sensation of starting to lose their weight in Europe.
- A lack of distinctive political authorities (like Jacques Delors), whom people would trust and follow.

The commentators also included a wide spectrum of views on »why« it had come to a negative vote. Among those not listed by President Drnovšek are the fear of future enlargements (more precisely, fear of accession of Turkey), (the strengthening of) Brussels bureaucracy-type of governance, resentfulness towards the growing neo-liberalism.²² One commentator pointed out the growing multiculturalism (especially in the Netherlands) that had gone out of hand. The situation in which 60 % of the first generation immigrants from Turkey and Morocco are unemployed, and the second generation being split between the world of their parents and the society they live in, is particularly tense in the countryside.²³

1. 3. State of ratification in Slovenia

Slovenia was the third member state of the EU to ratify the Constitution. After the Government submitted a proposal to ratify the Constitution to the national Assembly in January 2005, it was ratified by a vote in the National Assembly on the 1st February 2005 (79 in favour, 4 against – all members of the SNS, and 7 abstentions).

1. 4. Attitude of public opinion

In January 2005, after the acceptance of the EU Constitution in the European Parliament, the Slovenian public survey "Politbarometer" included a question on the acquaintance of the public with the Constitutional Treaty. Only 3 per cent claimed to be 'well acquainted' with it, 21 per cent of the interviewed said they were 'partly' acquainted with it and 'only a little' 43 per cent claimed they were 'only a little' acquainted with it. 30 per cent of the interviewed answered, they were 'not at all acquainted' with the EU Constitutional Treaty. Although the familiarity with the text was rather poor, the Slovenian public still supported the ratification of the document in the Slovenian Parliament (54 per cent), whereby the more acquainted supported the ratification more than the ones who were less familiar with the text of the

²¹ More critical towards the Centre was a prominent playwright and publicist Drago Jančar. He concluded that while the right succeeded in creating an atmosphere of fear from the loss of independence and immigration; and the left managed to persuade people "that freedom and free market are good only for the sharks," the Centre remained empty, a complete vacuum (of political ideas; in words of Daniel Cohn-Bendit) (Drago Jančar (2005) Samo suženj reče da [Only a slave says yes], Delo – Saturday supplement, p. 32, 4 June 2005.

²² Alenka Kuhelj (2005) Veliki demokratični eksperiment ni spodletel [The big democratic experiment did not fail], Delo – Saturday supplement, p. 10-11, 24 June 2005; Boštjan M. Turk (2005) Užaljena veličina [Offended grandiosity], Delo - Saturday supplement, p. 11, 4 June 2005.

²³ Manca Juvan (2005) Izstavljeni računi za državljane sveta [Accounts made out for the citizens of the world], Delo - Saturday supplement, p. 8-10, 4 June 2005.

document. Therefore the highest support for the ratification came from the higher educated and those between 45 and 60 years old.²⁴

After the constitutional crisis the public opinion polls showed that the majority (50 per cent) of the interviewed thought the crisis and a setback are 'of a temporal nature'. 31 per cent thought this was 'a deep crisis' and only a few (8 per cent) that 'it is not a problem for the EU at all'. 11 per cent of the interviewed were 'not acquainted' with the *problematique*. The fact that this is a deep crisis was more than on average pointed out by the pensioners (37 per cent), sympathisers of DeSUS (65 per cent), SNS (44 per cent) and SLS (*Slovenska ljudska stranka* – Slovenian People's party, 39 per cent). In the connection to the feeling of crisis the research has noted a drop of confidence in Euro and the EU.²⁵

1. 5. Ways out of the crisis

Commonly held attitudes among the Slovenian political elite on the way out of the crisis is that there is a need to continue with the process of ratification²⁶ and that it is of utmost necessity to seek a solution out of the crisis together, as a common European endeavour.²⁷

In the immediate responses to the both rejections, Foreign Minister Rupel mentioned that the future developments probably lie in the hands of the European Council, maybe a new Intergovernmental Conference.²⁸ The Prime Minister, however, stressed that the re-opening of negotiations on the content of the Constitutional Treaty is unacceptable for those member states who have already ratified the treaty, including Slovenia. He also stresses that any further talks shall only follow after at least twenty member states will have ratified the Constitutional Treaty and one or two states will (or have) be(en) facing difficulties ratifying it.²⁹

²⁴ Politbarometer 1/2005 (January 2005) (Javnomnenjske raziskave o odnosu javnosti do aktualnih razmer in dogajanj v Sloveniji [Public opinion surveys on the attitude of the public towards current affairs and developments in Slovenia]), p. 18, available at <http://www.uvi.si/slo/javno-mnenje/pdf/januar-2005.pdf> (17 August 2005).

²⁵ Politbarometer 6/2005 (June 2005) (Javnomnenjske raziskave o odnosu javnosti do aktualnih razmer in dogajanj v Sloveniji [Public opinion surveys on the attitude of the public towards current affairs and developments in Slovenia]), p. 24, available at <http://www.uvi.si/slo/javno-mnenje/pdf/junij-2005.pdf> (17 August 2005).

²⁶ This idea appears already immediately after the French vote (e.g. stressed by the State Secretary for European Affairs on 30 May 2005): STA (30 May 2005) Kopro: Bistveno je, da se proces ratifikacije nadaljuje. [Kopro: It is crucial that the process of ratification continues]. Prime Minister Janša adopted the idea with more determination after the positive Luxembourg vote (STA [8 June 2005] Janša za nadaljevanje procesa ratifikacije ustave EU [Janša for the continuation of the ratification process of the EU constitution]).

²⁷ We found only one comment, immediately after the French referendum, in which the two Slovenian MEPs, members of the ALDE/LDS group, said that France awaits a serious reflection over its "non" and POPRAVNI IZPIT (STA [29 May 2005] Kacin in Drčar Murko: Francoze čaka težak popravni izpit [Kacin and Drčar Murko: the French awaits a tough re-examination]). On the other hand, the MEP Borut Pahor (PES/SD) clearly opposed the proposal of the German Chancellor Schröder on the special meeting of the founding six member states. Close cooperation and solidarity of all twenty five members is of vital importance, according to Pahor (RTV Slovenija (3 June 2005) Pahor: EU mora nastopati enotno [Pahor: EU must stand in one voice], available at http://www.rtvsllo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=16&c_id=78330 (10 August 2005).

²⁸ STA (2 June 2005) Rupel: Zavrnitev ustavne pogodbe ovira in je alarm za ves sistem EU [Rupel: Rejection of the Treaty imposes hurdles and is presents an alarm to the entire EU system].

²⁹ RTV Slovenija, Odmevi (8 June 2005) Pogovor z Janezom Janšo [Conversation with Janez Janša], available at <http://ava.rtvsllo.si/ava/media?action=play&mediaId=2141601> (10 August 2005).

The President of Social Democrats and MEP (PES/SD), Borut Pahor, warned that the halt will lead to the multi-tier Europe and that the choice of the speed will be crucial for Slovenia.³⁰

1. 6. Coverage and treatment in the academic circles and publications

The most prominent publication with expert opinions from the academia, politicians and journalists is the Saturday supplement of the daily *Delo*. The analysis of the contributions published in this supplement in the period from mid-April to mid-August shows that the authors have on one hand tried to identify the (economic, socio-cultural, internal/external/EU policy) reasons for non-ratifications, and on the other hand they tried also to foresee different scenarios of internal and EU-level possibilities of further action.

The most sober, detailed and forward-looking contribution seems to be the article by Gašper Dovžan, a counsellor on European Affairs to the Prime Minister. He listed five possible scenarios for the future of the integration following the French (and Dutch) rejection of the treaty.

1. Joint persistence on the current or slightly modified Constitutional Treaty:
 - a) adoption of corresponding protocols to the Treaty,
 - b) agreement of the EU member states on enforcement of the Treaty in all member states, despite cases of non-ratification (this could be done by an all-European referendum or by ratification of the Treaty by the European Parliament, which would be pointing into direction of EU statehood,
2. Persistence on putting into force of the Constitutional Treaty only in those member states, which have ratified it (although existence of two different Unions with a different membership would not function in practice),
3. Enforcement of only the most valuable achievements of the Constitutional Treaty, which relate to good solutions for the future; in connection to this EU could pursue three goals: better democratic governance, improvement of the efficiency and consolidation of the EU's role globally,
4. Continuation of the development within the framework of the Nice Treaty, which in contrast to widespread fears offers a few possibilities: flexible development (article 308 of the Treaty on establishing the European Communities), inter-institutional agreements, possibility of deeper cooperation,
5. A possibility of intergovernmental co-operation outside the framework of the treaties currently in force.

The Saturday supplement also published a translation of an article written by a Slovenian philosopher, ideologically closely connected to the liberal democrats of Slovenia, however, philosophically left-to-centre, Slavoj Žižek, which was published in *Le Monde*. He claimed in that article that the French vote is “a rejection of new age political elites’ extortion, which gave the people only a chance to confirm their expert opinion or express their irrational immaturity.” Therefore Žižek sees this development as positive since it opens up a political debate on what kind of Europe do we really want.³¹

³⁰ STA (30 May 2005) Pahor: Nedelja žalosten dan za vse, ki verjamejo v idejo Evrope [Pahor: Sunday was a sad day for all who believe in the idea of Europe].

³¹ Žižek, Slavoj (4 June 2005) Trenutki odločitve [Moments of decision]. *Delo* – Saturday supplement, p. 2.

2. On the future of EU Enlargement

Slovenia has repeatedly supported the EU enlargement under the condition that the applicant countries comply with the membership criteria.³² The official position of the Slovenian Government is that the principle “each European country that complies with the criteria may apply to become a member of the EU” should continue to hold and no European state may be denied a European perspective.³³

There is a strong support for the Croatian accession to the EU and a European perspective (including membership) for the countries of Western Balkans, and an indifferent to slightly positive attitude towards Turkey’s European perspective. The accession of Romania and Bulgaria was confirmed by a unanimous vote in the National Assembly on 22nd of April (59 (out of 90 MPs) votes in favour). The debate before the vote touched upon the undetermined financial consequences of the accession of the two countries (due to non-adoption of the financial perspective) and on the fear of an influx of cheaper labour. Foreign Minister Rupel stressed that Slovenia will be in a position to take a decision on the adoption of the transition period for the free movement of labour.³⁴

The Foreign Minister, in an interview given prior to the French referendum, said that he had hoped Croatia would be in the same enlargement round as Bulgaria and Romania, however, the latest developments regarding the Gotovina case before ICTY seemed to be strengthening an assumption among some EU member states that Serbia and Montenegro or even another country should also be included in the next enlargement round together with Croatia³⁵ Fears of a stall in the enlargement process that were brought up with the French rejection of the Treaty (see above pt. 1. 1.), seemed to have gained ground after the Dutch referendum. Luxemburg’s confirmation of the Constitutional Treaty, however, brought back hope for undisturbed continuation of the EU enlargement process.³⁶

In February 2005 the Slovenian public opinion was in majority supportive of Bulgarian, Romanian, Croatian and Turkish membership in the EU. On the other hand, the percentage of people who did not support the membership of the named countries, varied substantially in respect to each of the named countries; only 15, respectively 17, per cent of the interviewed opposed the accession of Bulgaria and Romania. The percentage was significantly higher in the case of Turkey and Croatia: 25 per cent of the interviewed opposed Turkish membership and 34 per cent of the interviewed opposed Croatian accession to the EU.³⁷ In March 2005 when the beginning of the accession negotiations with Croatia was

³² Deklaracija o usmeritvah za delovanje Republike Slovenije v institucijah EU v letu 2005, Prednostne naloge Slovenije za delo v Svetu Evropske unije v letu 2005, [Declaration on the directions for activities of the Republic of Slovenia in the EU institutions in 2005], adopted by the National Parliament of the Republic of Slovenia on 29 March 2005, Uradni list RS 39/2005 of 19 April 2005, available at <http://www.uradni-list.si/1/ulonline.jsp?urlid=200539&dhid=75421> (9 August 2005), hereafter Declaration on Slovenian activities in the EU in 2005. This principle is adopted widely; it is used by politicians from both, governmental and oppositional, parties, in respect to Turkey’s memberships as well as to Croatia.

³³ Ministry for Foreign Affairs in an answer to a questionnaire sent to the Public Relations office of the Government. The questions were sent on the 12th September 2005 and the answers were received on the 23rd September 2005.

³⁴ STA (22 April 2005) DZ: DZ podprl vstop Romunije in Bolgarije v EU [National Assembly supported the accession of Romania and Bulgaria to the EU].

³⁵ Pogovor s slovenskim zunanjim ministrom dr. Dimitrijem Ruplom (MAG, 11 May 2005) [A conversation with the Slovenian Foreign Minister, Dr. Dimitrij Rupel], available at http://www.gov.si/mzz/novinarsko_sred/szj/05051102.html (13 August 2005).

³⁶ STA (11 June 2005) Slovenija in Evropa: Luksemburški "da" vliva upanje (zbirno) [Slovenia and Europe: The Luxembourg “yes” raises hopes].

³⁷ Politbarometer 2/2005 (February 2005) (Javnomnenjske raziskave o odnosu javnosti do aktualnih razmer in dogajanj v Sloveniji [Public opinion surveys on the attitude of the public towards current affairs and

postponed, the Slovenian public opinion generally supported EU's decision. In favour of the postponement were almost two thirds of the interviewed (64 per cent) and explicitly against it 23 per cent. The interviewed, who supported the EU decision more than on average, were those with a college³⁸ and university degree (71 per cent), self employed (75 per cent), students (70 per cent), urban dwellers from Ljubljana and Maribor (76 per cent), sympathisers of SNS (83 per cent), of Social Democrats (78 per cent) and of New Slovenia-Christian People's Party (*Nova Slovenija – Krščanska ljudska stranka - NSi*) (with 76 per cent).³⁹

After the postponement of the beginning of the accession negotiations with Croatia, Slovenian Foreign Minister Rupel continued to strive for the beginning of the Croatian accession negotiations. At the Foreign Ministers' meeting in Brussels, Foreign Minister Rupel, in line with his colleagues from Austria, Hungary and Slovakia, underlined the EU's commitment to the enlargement process, stressing that it is a factor of stability especially in the Western Balkans. Rupel asserted that Croatia is best prepared of all candidates.⁴⁰

The picture of a quite unanimous Slovenian support for the Croatian accession to the EU, which continues also after the postponement of the beginning of the negotiations with the European Commission is distorted by the attitude and action taken by the Slovenian National Union (*Slovenska narodna zveza – SNZ*), a fraction within the coalition Slovenian Popular Party. Shall Croatia continue with the territorial claims at the cost of Slovenia, the fraction threatens with a launch of a campaign for a referendum, on which Slovenian citizens would decide, whether Slovenia should enable the Croatian accession to the EU. Reactions to this proposal, launched in the beginning of June, differentiated along the left – right axis. Several politicians from the right-to-centre political parties expressed their support for the proposal (though the official attitudes of the parties did not endorse it), whereas the left-to-centre parties expressed their doubt in such action bringing a constructive progress in the Slovenian-Croatian border issue deadlock.⁴¹ The official Slovenian policy expressed opposition to the possibility of a realisation of the proposed referendum; the Foreign Minister said this was a party proposal, which is impossible and unnecessary.⁴²

developments in Slovenia)], p. 23; available at: <http://www.uvi.si/slo/javno-mnenje/pdf/februar-2005.pdf> (17 August 2005).

³⁸ In Slovenian post-secondary education system, there are two types of diplomas. The normal university degree and a degree obtained after two or three years of college (German: Hochschule).

³⁹ Politbarometer 3/2005 (March 2005) (Javnomnenjske raziskave o odnosu javnosti do aktualnih razmer in dogajanj v Sloveniji), p. 18; available at <http://www.uvi.si/slo/javno-mnenje/pdf/marec-2005.pdf> (17 August 2005).

⁴⁰ RTV Slovenija/STA/EPA (18 July 2005) EU ne kaže navdušenja nad širitvijo [EU does not show enthusiasm for enlargement], available at http://www.rtv slo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=16&c_id=82639 (10 August 2005).

⁴¹ RTV Slovenija/STA (8 June 2005) Referendum o vstopu Hrvaške v EU? [Referendum on the accession of Croatia to the EU?], available at http://www.rtv slo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=78807 (10 August 2005).

⁴² RTV Slovenija/STA (9 June 2005) Rupel proti referendumu o Hrvaški [Rupel against a referendum on Croatia], available at http://www.rtv slo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=78865 (10 August 2005).

First experiences with implementation of transition periods - labour-movement after accession in 2004

Labour-movement statistics⁴³ for the period after May 1st 2004 shows a slight increase in labour originating from the member-states of the EU, while labour from the states of the former Yugoslavia still prevails (traditional seasonal workers in construction and agriculture). The majority (see Table 1) of workers from the EU member states (new member states, Ireland, Sweden and Great Britain) are those who come as posted workers to do services. Less than a third of all workers from the EU member states registered as employed, and around 5 per cent registered in Slovenia on the basis of a civil contract.

TABLE 1: Labour movement statistics from May 1st 2004 to July 31st 2005

Citizenship	Permit type					SUM
	Personal work permit	Employment permit	Work permit	Without a work permit	EU permits	
States of the former Yugoslavia	23.085	11.258	5.390	2	6	39.741
Bosnia and Herzegovina	12.342	6.655	2.095		5	21.097
Croatia	5.339	1.048	738		1	7.126
Macedonia	1.446	1.417	886			3.749
Serbia and Montenegro	3.958	2.138	1671	2		7.769
EU member states	315	111	159		2058	2.643
Other	726	940	780	3	3	2.452
SUM	24.126	12.309	6.329	5	2.067	44.836

Slovenian Ministry of labour, family and social affairs estimates that Slovenian labour market is not endangered due to the influx of new foreign labour. It also deems current migration policy adequate. It allows employers to substitute work force missing in the domestic market, but at the same time it regulates the migration in such a way as to not endanger domestic labour market.

Effects of accession on the economy

The following data originate from the Chamber of Commerce and Industry:⁴⁴

Positive trends:

- Small and medium enterprises (SMEs): no significant consequences are observed following enlargement. However, those SMEs, which were closely integrated into the internal EU market prior to the accession, observe that the conduct of business is cheaper as well as simpler.

⁴³ The statistics as well as opinions expressed here were obtained from the Ministry of Labour, Family and Social Affairs, as part of their answer to the questions that were sent to them. The questions were sent on the 1st September 2005 and the answers received on the 20th September 2005.

⁴⁴ Data were obtained by the means of a Questionnaire, which was sent to the Sector for European Affairs of the Slovenian Chamber of Commerce and Industry. The questions were sent on the 1st September 2005 and the answers received on the 9th September 2005.

- Services: Chamber of Commerce and Industry observes positive developments in the field of services following accession. Despite greater competition following accession, financial services, insurance, catering and especially tourism stick out in positive trends.
- Commerce: positive trends in the development of the field.
- In capital services the influx of new mutual funds, banks and new forms of financial services is being felt.

More negative effects

In line with prognosis and expectations the situation worsened in labour intensive sectors with low added value. These sectors were not only affected by the new conditions of the internal market, but also by the changing conditions in the world economy. Textile industry was the most affected in the negative respect. Challenges are similar in the food manufacturing industry. Re-structuring of the industry does not yet give results as the added value annotated in the sector only reaches 52 per cent of the average added value in the EU-15, similarly productivity is at 70 per cent of the EU-15 average. Low productivity and added value, combined with the lack of strategy.

3. Which future for the financial framework?

3. 1. Basis for negotiation

Slovenia was an active supporter of the Commission's proposal from the beginning of the negotiations on the financial perspective for 2007-2013. The main reason for the Slovenian support was that the proposal favourably addressed Slovenian goal to retain the position of a net recipient from the EU cohesion funds and Slovenian particular financial position after 2006 - referred to as 'statistical effect'. Slovenia supported the Lisbon strategy goals, cohesion policy and also strong financial package for further enlargement (relations with wider Europe), and was prepared to support cuts in the agriculture item.⁴⁵

The first proposal of the Luxemburg presidency was supported by Slovenia in principle, but not in its entirety, since the Slovenian net financial position was - in words of the State Secretary for European affairs Marcel Koprol - aggravated.⁴⁶ Slovenia wanted to achieve two corrections: it expressed concern regarding decrease of financial resources for further enlargement (due to its strategic goals in the Western Balkans) and wanted to achieve corrections in favour of Slovenia regarding the cohesion policy.⁴⁷ Slovenia was against the continuation of the UK rebate; its standpoint was to abolish it gradually.

Although Slovenia was not pleased with the substantial decrease of funds for all the items in the second Luxemburg presidency proposal (especially for the Lisbon strategy on one hand and the lower decrease in agriculture on the other),⁴⁸ the latter was for Slovenia better than the first. Therefore the Government supported the second compromise, since it took into consideration agreements with the new member states from the accession negotiations, it

⁴⁵ Declaration on Slovenian activities in the EU in 2005.

⁴⁶ RTV Slovenija (23 May 2005) Koprol zadržan do predloga [Koprol reserved regarding the proposition], available at http://www.rtv slo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=16&c_id=77241 (10 August 2005).

⁴⁷ Statement of Janez Potočnik, European Commissioner for research and development in *Druga jutranja kronika*, 3 June 2005, available at <http://ava.rtv slo.si/ava/media?action=play&mediald=2125903> (9 August 2005).

⁴⁸ Služba vlade RS za evropske zadeve [Government's office on European Affairs] (2005) *Naslednja finančna perspektiva* [The next financial perspective], available at <http://www2.gov.si/svez/svez.nsf/o/CBBE42DF8FD71E32C1256FCD0053A617> (10 August 2005).

included new jobs for EU institutions and its scope and structure allowed implementation of all EU policies.⁴⁹

Slovenia was in the group of states, who supported the Luxembourg compromise, but did not join the group of new member states, offering decrease of their funds from the EU as a gesture to assure the agreement so that the negotiations would not have failed. Slovenian Government's standpoint was that such gesture would worsen its negotiating position in the future.⁵⁰

Slovenia also supported the second Luxemburg presidency proposal because it was of an opinion, that postponing a political agreement in the context of the referenda debacles on the Constitutional Treaty could on one hand lead into political crisis in Europe and on the other hand would mean less time to prepare the necessary implementation documents for drawing from the Community funds – the latter would go to the detriment of mainly new member states. The fact that the compromise enabled Slovenia to gain a better net financial position than the one it has up to 2006, was another reason to support it.⁵¹

3. 2. Priorities and red lines in the negotiation strategy of Slovenian government

The negotiations on the next financial perspective have been one of the priority tasks for Slovenia from their beginning. Slovenian standpoints and priorities have remained the same during the negotiations, claiming that the scope and structure of the financial perspective have to enable the EU to face the challenges of the internal cohesion, competition and further development, and at the same time make possible to remain net-recipient. Furthermore, it was of a crucial importance to Slovenia that the negotiations ended as soon as possible, since the state needs the time to prepare new programmes in the field of cohesion policy in order to start drawing in 2007 and actually realise the foreseen financial flows. Moreover, Slovenia wished for an agreement which would take into consideration the specific problems of some of the states, like Slovenian 'statistical effect' problem in the field of cohesion policy.⁵²

It was in Slovenia's best interest to endorse the financial perspective in the time of the Luxemburg presidency. In this case it would still get more money from the European budget than pay in it. Failure of the financial perspective's non-adoption is a big disappointment for Slovenia, since now the state's position for further negotiations is much more difficult. At this time, on the level of NUTS-2 classification one region, Slovenia is entitled to funds from the Objective 1 – being at disposal for states under 75 per cent of the average of EU's GDP. But in the negotiations for the next financial perspective the calculation on the states' development will be made using data for the period 2001-2003, according to which Slovenia would be rated at 76 per cent of the average of EU's GDP. This would consequently mean that the state – if it stayed one region – would fall through the entitlement for Objective 1 due to the statistical effect of being more developed in regard to the new member states, setting much lower average EU GDP rate. Therefore Slovenian government endeavours to partition

⁴⁹ RTV Slovenija (15 July 2005) Ministri oklestili proračun [Ministers have lopped the budget], available at http://www.rtv slo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=16&c_id=82390 (9 August 2005).

⁵⁰ Golob, Saša (2005) Janša: Slovenija v pogajanja o delitvi na statistične regije (zbirno) [Janša: Slovenia entering negotiations on partition on statistical regions], STA, 18 June 2005.

⁵¹ Služba vlade RS za evropske zadeve [Government's office on European Affairs] (2005) Naslednja finančna perspektiva [The next financial perspective], available at <http://www2.gov.si/svez/svez.nsf/o/CBBE42DF8FD71E32C1256FCD0053A617> (10 August 2005).

⁵² Declaration on Slovenian activities in the EU in 2005.

the state in more regions in order to still be able to draw some of the funds available in Objective 1 (further see under pt. 6. 1.).⁵³

For this end, Slovenia acted upon a special declaration, prepared for the accession conference during the pre-accession negotiations, which states that it wants to continue talks with the European Commission as a member state on the issue of regionalisation of the state. Therefore Slovenia is continuing these talks and trying to achieve a territorial partition on the NUTS-2 level into more cohesion regions (for further see under pt. 6. 1.).⁵⁴

3. 3. The political debate; key figures and arguments presented to the public

The main Slovenian goals regarding the next financial perspective, presented to the public in the media, were concentrated on two issues: gaining the position of a net-recipient from the EU structural and cohesion funds and to adopt the financial perspective as soon as possible due to the statistical effect, which was expressed already prior to the Summit on 17/18 June. In the immediate responses to the Constitution debacle in France doubts on the future of the financial framework were expressed.⁵⁵ The Prime Minister Janša said it was unreal to expect that United Kingdom would give up on its rebate and enable an agreement on the financial perspective, since this would show London being unprincipled.⁵⁶

As a result, a lively debate between the parliamentary parties developed in the end of June and the first half of July, regarding the further planning of the regionalisation of the country on the NUTS-2 level. Debates among politicians and expert public on proposing two or three regions were present in the printed media and on TV (see under pt. 6. 1.).

4. How are initiatives for a revitalisation of the Lisbon Agenda received and which actions taken in your country?

Slovenia supports the revitalisation of the Lisbon strategy.

Slovenian Government adopted the Slovenia's development strategy (on the 23rd June 2005).⁵⁷ On the basis of this Strategy, the government's Office for Macroeconomic Analysis and Development prepared National Action Plans for Reform, which are being debated in the Parliament in October 2005. There is a special action plan for carrying out the Lisbon agenda still in preparation.

⁵³ Cizelj, Boris and Maja Ferlinc (2005) Kriza Evropske unije [Crisis of the European Union], Slovenian business and research association, available at <http://www.gzs.si/ArhivNovic.asp?ID=22611> (10 August 2005).

⁵⁴ Declaration on Slovenian activities in the EU in 2005.

⁵⁵ Kocijančič, Maja (STA, 30 May 2005) Kriza z ustavo EU bo za Slovenijo imela tudi praktične posledice (ozadje) [The Constitution crisis in the EU will have practical consequences for Slovenia].

⁵⁶ Golob, Saša (2005) Janša: Slovenija v pogajanja o delitvi na statistične regije (zbirno) [Janša: Slovenia entering negotiations on partition on statistical regions], STA, 18 June 2005.

⁵⁷ Institute of Macroeconomic Analysis and Development (2005) The Strategy of Slovenia's Development (Slovenia's Development Strategy).

English version available at <http://www.gov.si/umar/aprojekt/asrs/ssd.php>.

Slovenian version, including *travaux preparatoire* (with a Chapter on "Slovenia in International Community and in the European Union") available at <http://www.gov.si/umar/projekti/srs/srs.php>.

4. 1. Future of the services directive and working time directive

Slovenian Government⁵⁸ supports creation of internal market also in the field of services. It therefore supports the Directive on services and believes that the principle of „a country of origin” should remain a central element of the Directive, but should be further clarified and the exceptions to this rule should be clearly defined. Also, the Slovenian Government’s official standpoint, and this is a view shared by the Slovenian Chamber of Commerce and Industry,⁵⁹ is that health services, social services and lottery and gambling should be excluded from the Directive. The effect of the liberalisation of audiovisual services is still under scrutiny.⁶⁰ The Government as well as the Chamber of Commerce and Industry feel there is a special need to re-think principle of a declared exclusive responsibility of member states in the field of health services in relation to the four freedoms of internal market and acknowledge a special standard for health services. In the field of social services, Chamber of Commerce and Industry’s standpoint is that these are by definition non-profitable services and as such can not be included into the Directive. Lottery and gambling is closely related to social, cultural and economic specifics of member states. In Slovenia, a share of money in lottery and gambling, according to law, is spent for charity and sports. The Association for Construction at the Chamber of Commerce and Industry also expressed second thoughts concerning the principle of the „country of origin”. They believe the principle is not a suitable solution to the problems the Directive might cause in the field of construction. They advocate exclusion of services related to planning and construction from the principle of a „country of origin”.

Concerning the working time directive, the Slovenian Ministry of labour, family and social affairs issued a standpoint⁶¹ towards the amended Commissions’ proposal of 31st of May 2005 to amend the working time directive. The Ministry stressed that it supports the solution on definitions and the “on-call” time in relation to working time (“inactive part of the on-call time”), changes in relation to periods of compensatory rest, in relation to standard reference period and the greater compatibility between work and family life. As particularly important for Slovenia the Ministry deems the question of an opt-out. Slovenia advocates the opt-out, especially for its public sector (especially health) needs. Three year opt-out time period is too short and unacceptable for Slovenia. Slovenia also does not support the maximum of 55 working hours a week.

Media coverage on the new proposal is scarce and there seem to be no debate on the subject (yet).

4. 2. National reform activities, e.g. on

- labour market reform
- investment in Research and Development etc.
- employment and growth strategy

⁵⁸ Ministry of Economy in the answers to the Questionnaire that was sent to them. Questions were sent on the 1st September 2005 and the answers received on the 8th September 2005.

⁵⁹ Standpoints of the Chamber of Commerce and Industry are taken from their answers to the questions that were sent to them. Questions were sent on the 1st September 2005 and answers received on the 9th September 2005.

⁶⁰ Ministry of Economy in their answers to questions that were sent to them. Questions were sent on the 1st September 2005 and the answers received on the 8th September 2005.

⁶¹ Ministry of Labour, Family and Social Affairs (6 June 2005) Stališče do predloga direktive o nekaterih vidikih organizacije delovnega časa (gradivo za novinarsko konferenco) [Standpoint towards the proposal for a directive concerning certain aspects of the organisation of working time], available at [http://193.2.236.95/dato3.nsf/OC/0506061708500/\\$file/dato3_nk_stud_delo_direktiva_51a.pdf](http://193.2.236.95/dato3.nsf/OC/0506061708500/$file/dato3_nk_stud_delo_direktiva_51a.pdf).

- financial services, internal market, enterprise

Development strategy of Slovenia has set the following four priorities:

- greater competitiveness and economic growth,
- greater efficiency in creation and use of knowledge for economic development; and quality jobs,
- more efficient and cheaper state,
- more flexible labour market, higher employment and fair and motivating system of social transfers.

Governmental Committee on Reforms presented the measures to carry out the reforms on the 6th October 2005. A vivid public debate on reforms began. Most debated are reforms in fiscal field (establishment of a single tax rate, abolition of wage tax⁶²), higher education (introduction of tuition and student loans schemes, stricter regulations for student work) and social transfers (the latter would be recalculated in order to compensate for eventual deterioration of social conditions following single tax rate). The Governmental Committee's main intention is to introduce all the reforms simultaneously (in a package), in order to balance (compensate) possible negative effects of one reform with positive financial implication from the other.

One of the main criticisms from the release of the proposal has been centred around the single tax rate, claiming that abolition of a lower – 8,5 per cent value added tax (VAT) rate, replaced by a 20 per cent single one will result in higher food prices and in the end stricken the hardest the poorest population. The main argument the Governmental Committee repeats in response to this criticism is that current tax rates support the richest class, since the latter does not spend money immediately in stores, but 'spends' it more on savings or investment, which are not taxed with VAT. Therefore they claim that regression of the consumption tax aims for a lower taxation or even exemption of taxes for the goods mainly bought by the poorer. They also claim this new politics would be 3,5 per cent cheaper due to total abolition of negative reallocation effect.⁶³

The debate on the proposed reforms has been very much taken into consideration by all the political parties. The rare points, on which all of them agree on, are the abolition of wage tax, which will disburden employers and contribute to a more pleasant environment for enterprises and increase of funds for research and development. The coalition parties support the Government's propositions in whole, exposing that they will enable the realisation of goals set in the Development strategy, especially higher economic growth and preservation of the welfare state. On the other hand, the oppositional parties hold quite critical stand toward the propositions; Liberal Democrats are disappointed with tax and social transfer measures and with the curtailment of the welfare state. Similarly Social Democrats expose curtailment of social rights and also disregard of some European regulations, conventions of the International Labour Organisation and of the European Social Charter. Only the National Party supported the propositions. Some other institutions, especially The union of free trade

⁶² A tax on paid wages, paid by the employer.

⁶³ STA (25 October 2005) Odbor za reforme objavil drugi del gradiva o reformah [Committee on Reforms published the second part of the reform material].

unions of Slovenia (*Zveza svobodnih sindikatov Slovenije*) have also been very critical toward the possible negative effects on the social security of workers and their families.⁶⁴

4. 3. The future of the stability pact

The Government is of an opinion that the eventual modifications of the Stability Pact can only be minor. A larger stand has to be assured for the middle term goals. The latter should better reflect the situation in a particular member state and assure sustainability of the public finance debt. In accordance with that, common consolidation of the structural deficit for 0,5 percent of GDP per year is not necessarily the best solution for each member state. In addition, Slovenia believes that at this point it is impossible to commonly assess the extent of potential liabilities in an individual member state; therefore in this regard a lot of methodological work will have to be done.⁶⁵

5. On the EU's role in the world: CFSP/ESDP

- upcoming security challenges for EU/ESDP
- further development of European Security Strategy

The views of the Slovenian Government on the ESS, as well as coverage of coming about of the ESS in the media, are absent from the 2005 documents of the Government. However, in 2004 the Slovenian Government expressed its full support for the ESS. It sees it as an important step towards construction of a coherent ESDP and as one of the preconditions for the efficient CFSP/ESDP.⁶⁶ The implementation of the strategy, however, it is seen as of crucial importance. The Slovenian Government (and the Parliament) supported its implementation in the following aspects: fight against terrorism, non-proliferation of weapons of mass destruction, effective multilateralism, coherent policy towards Bosnia and Herzegovina and strategic partnership with the Mediterranean and the Middle East.

Foreign Minister Rupel, speaking at a conference in Helsinki,⁶⁷ laid utmost importance on the principle of effective multilateralism and the close relationship between the principle of an effective multilateralism and co-operation and close partnership with NATO and the Russian Federation as well as with other forums, such as the United Nations, the Organisation for Security and Co-operation in Europe and the World Trade Organisation.⁶⁸ Close co-

⁶⁴ STA (6 October 2005) Predloge reform predstavili ministrom in parlamentarnim strankam (zbirno) [Reform propositions presented to the Ministers and parliamentary parties].

⁶⁵ Declaration on Slovenian activities in the EU in 2005, p. 8-9.

⁶⁶ STA (5 March 2004) Skupen nastop Slovenije in Avstrije v operaciji SFOR v BiH [Co-operation of Slovenia and Austria in the operation SFOR in Bosnia and Herzegovina].

⁶⁷ A speech by Foreign Minister Rupel, delivered at a conference "European Security Strategy - Next Steps" in Helsinki, 25 February 2004, available at <http://www.gov.si/mzz/govori/04022502.html>. The Foreign Minister stressed that "above all, the strategy can only be efficient and successful if it is coordinated and formulated in close cooperation with other international players in the region, particularly our transatlantic allies (worth mentioning is the idea of German Minister of Foreign Affairs Fischer expressed at the security conference in Munich)."

⁶⁸ This view is shared by Slovenian Parliament (the National Assembly) as expressed in a Declaration, which the Parliament adopted at its plenary session on 12th May 2004 called "Deklaracija o stališčih za začetek delovanja Republike Slovenije v institucijah EU v letu 2004" ["Declaration on positions on the beginning of work of the Republic of Slovenia in the institutions of the EU in 2004"].

operation with strategic partners is seen necessary for a solution of the Middle East crisis. Accession of the new EU member states to the Agreement on partnership and co-operation with the Russian Federation is highly prioritised and so is the support for a common European position towards reforming the United Nations.

- the way ahead for CFSP/ESDP on the basis of the Nice treaty – in particular as far as the European External Service, “Solana plus”/Foreign minister of the Union and the European Defence Agency are concerned

The official position of the Slovenian Government towards the solution to the crisis after the negative results of the referenda in France and the Netherlands is that the process of ratification of the Constitutional Treaty must continue and that any premature debate on institutional arrangements as set in the Constitutional Treaty would affect results of ratification process in those member states, which still plan referenda on the Constitutional Treaty.

Slovenian Government supports further development of European External Service and the post of European Foreign Minister; however, these developments should take place on principle of equal opportunities to take part for all the member states.⁶⁹

- how to proceed with the Iran problem and under which leadership (EU-3 or other formats preferable)?

Slovenian Government believes the EU – 3 to be efficient and that there is no need to change this format. It also believes that in order to assure credibility of the IAEA and the integrity of the system of non-proliferation, the Iranian abuses of the Paris Treaty and of the relevant IAEA resolutions, should be reported to the Security Council of the United Nations.⁷⁰

6. Upcoming issues and events in your country

6. 1. Regionalisation of the state

Since the financial perspective was not adopted, Slovenia will have to start negotiations on the regionalisation of the country at the NUTS-2 level in order to assure itself the best possible position in further negotiations which are due to be completed by the end of the year 2005 (see pt. 3).⁷¹ Since the outcome of these negotiations is uncertain, the consensus among the political actors on whether to propose partition of Slovenia into two or into three regions has not yet been reached.

Until now, the entire Slovenia is one statistical region. If it remains as such, the calculations, made by Dr. Mojmir Mrak, the main negotiator regarding the financial aspects of Slovenian accession and membership in the EU, show that it would be eligible for up to 40 per cent less funding from the EU cohesion funds, compared to a situation where the state

⁶⁹ Ministry of Foreign Affairs in their answers to the survey. The questions were sent on the 12th September 2005 and the answers received on the 23rd September 2005.

⁷⁰ Ministry for Foreign Affairs in their answers to the survey. The questions were sent on the 12th September 2005 and the answers received on the 23rd September 2005.

⁷¹ Golob, Saša (2005) Janša: Slovenija v pogajanja o delitvi na statistične regije (zbirno), STA, 18 June 2005.

would manage to get partitioned into more regions.⁷² Dr. Mrak also points out that after the failed Luxembourg compromise Slovenia has two options: the state can continue the regionalisation as it goes, which is financially predictable, or it can stay one region as it is at the moment until the very end of the financial perspective negotiations; the latter would be financially unpredictable and very risky, since Slovenia would have to reject the whole financial perspective in case it would not agree with the cohesion policy item.⁷³

The regionalisation of Slovenia seems at a glance a far-reaching mission impossible, since the EU rules for NUTS-2 classification are clear; minimum 800.000 inhabitants per region and Slovenia has a few less than 2 million. But its position is a bit alleviated, since in March 2005 the state obtained by great effort a declaration, that in the light of doubts Slovenia had expressed, the European Commission is - if necessary in an appropriate moment - prepared to re-investigate regional classification of the state on the basis of the regulation on NUTS. This declaration passes for a step forward in the EU's stand, since the institution has up to then persistently been rejecting any new classification of the state on the NUTS-2 level.⁷⁴

Therefore in mid June the Government has quickly passed a motion on sustainable regional development, proposing to partition Slovenia in two cohesion regions.⁷⁵ Immediately after that the left-to-centre oppositional parties (Liberal and Social democrats) responded with indignation and discontent, demanding that Slovenia should nevertheless strive for partition into three regions.^{76,77} Since there was no consensus on the issue, the Prime Minister organised a 'consultation on regionalisation of the state', where it was decided that since the data on which the eligibility for cohesion funds in the new financial perspective will be taken into account only from next year on, Slovenia will up to then stay one region.⁷⁸ In late

⁷² Dr. Mrak, has come to these conclusions on the basis of three models he calculated according to three possible scenarios; one, two or three statistical regions. There is a possibility of either two or three regions to be founded, where the higher eligibility goes in favour of three regions; 10 per cent more people would be eligible for EU cohesion funds compared to a partition into two cohesion regions. Though the partition into three statistical regions would be most profitable for Slovenia in terms of eligibility for funding from the EU cohesion funds, Dr. Mrak sees the partition into two regions as the only realistic option, shall the negotiations on the next financial perspective end by the end of this year. Furthermore, the concentration of EU funds in two regions would also be much better attained than in case of only one or three regions. If the state gained more drawing from EU funds, this would on the other hand mean more efforts for domestic economic policy to assure co-financing, claims Dr. Mrak (Pogovor z Mojmirom Mrakom [Conversation with Mojmir Mrak], Odmevi, 11 July 2005, available at <http://ava.rtv slo.si/ava/media?action=play&mediaId=2232102> (10 August 2005)).

⁷³ Pogovor z Mojmirom Mrakom [Conversation with Mojmir Mrak], Odmevi, 11 July 2005, available at <http://ava.rtv slo.si/ava/media?action=play&mediaId=2232102> (10 August 2005).

⁷⁴ STA/B.P./T.B. (19 July 2005) Opozicija za tri regije [Opposition for three regions], available at http://24ur.com/bin/article.php?article_id=2059243 (10 August 2005).

⁷⁵ RTV SLO (23 June 2005) Vlada podprla delitev na dve regiji [The Government has supported the division in two regions], available at http://www.rtv slo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=80308 (10 August 2005).

⁷⁶ The opposition was claiming that proposing two regions would deteriorate Slovene negotiation position and that the idea of three regions is not impossible to achieve and that Slovenia would be no exception in the EU, having less than 800.000 inhabitants per region, that it is the best solution for the widest possible eligibility for funds, saying that two regions would deteriorate Slovene negotiation position and furthermore arguing

⁷⁷ RTV Slovenija/STA (27 June 2005) LDS: Odločitev za dve regiji slaba [LDS: The decision for two regions is poor], available at http://www.rtv slo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=80720 (10 August 2005).

⁷⁸ STA/V.V./T.B. (20 July 2005) Zaenkrat ena regija [For now one region], available at http://24ur.com/bin/article.php?article_id=2059261 (10 August 2005).

September all the political parties agreed that the Slovenian standpoint on the number of statistical regions will be formulated by the Government in a regulation.⁷⁹

6. 2. Presidency to the Council of the European Union

According to the 2004 December European Council decision Slovenia was scheduled to preside over the Council of the EU in the first group of states, together with Germany and Portugal, with Germany starting the joined 18 months presidency and Slovenia taking the lead in the first half of 2008. Preparations for the presidency remain one of the priority projects of the state in 2005 and in the two following years.⁸⁰

Due to the changes in the schedule of ratifications/entering into the force of the European Constitutional Treaty, Slovenia will be the first new member state to preside over the EU in the beginning of 2008, but not in a group as foreseen by the Constitutional Treaty, but alone as it is the practice so far. Following the decision on taking part in the first group and thus presiding over the EU in the first half of 2008, did not seem such an immense burden, since Portugal and Germany declared their interest in doing the bulk of the work. The situation has changed, however, and Slovenia will have to do all the work alone.⁸¹

The unexpected solo-presidency has changed the timing of preparations and the scope of the work. The Foreign Ministry has already started with the necessary preparations: assuring financial resources, followed by purchasing of premises needed for the functioning in Brussels and the protocol promises at home, setting up a calendar of events, organising promotion and logistics programmes; and the most urgent – reinforcing the human capital.⁸²

The Government's office on European Affairs has already published a document on Slovenian presidency of the EU.⁸³

6. 3. Presidency to OSCE

Slovenia took over the OSCE Chairmanship in a time of political crisis, extended into the budgetary crisis, of the OSCE. In its programme of Chairmanship Slovenia declared its goals in the slogan of revival, reform and balance. Search for consensus, the smallest common denominator that still allows the OSCE to function, was recognised as a central focus in order for the OSCE to perform its functions as a coherent actor. The question of balancing the Russian ideas about the reform of the OSCE within the general tenure of the organisation was raised in the very beginning of the Chairmanship. Simultaneously doubts about the capacity

⁷⁹ RTV Slovenija (22 September 2005) Soglasno za vladno uredbo [Consensus for the government regulation], available at http://www.rtv slo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=88635 (23 September 2005).

⁸⁰ Declaration on Slovenian activities in the EU in 2005.

⁸¹ RTV Slovenija/STA (17 June 2005) Premier Janez Janša o pogajanjih v Bruslju [Premier Janša on the negotiations in Brussels], available at http://www.rtv slo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=16&c_id=79766 (10 August 2005).

⁸² RTV Slovenija/STA (1 June 2005) Priprave na predsedovanje EU-ju [Preparations for the EU Presidency], available at http://www.rtv slo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=16&c_id=78121 (10 August 2005).

⁸³ Služba vlade RS za evropske zadeve [Government's office on European Affairs] (29 July 2005) Priprave Slovenije na predsedovanje Evropski uniji [Preparations of Slovenia for the EU Presidency], available at [http://www2.gov.si/svez/svez.nsf/0/f3ed0219d95a0002c1256fcc00730772/\\$FILE/GRADIVO.pdf](http://www2.gov.si/svez/svez.nsf/0/f3ed0219d95a0002c1256fcc00730772/$FILE/GRADIVO.pdf) (17 August 2005).

of Slovenian diplomacy and its capability in terms of human and material resources to manage such project were expressed.⁸⁴

The very preliminary assessments of Slovenian Chairmanship to the OSCE, on the basis of the analysis of statements and coverage in the media (Slovenian and foreign; mostly Slovenian citing Russian, American and Austrian media) of relations with Russia during the first half of the term shows that the mediating role was diminishing, diplomacy was not able to be inclusive. According to sources within the Ministry of Foreign Affairs, consultations with the Council of Ministers and the Secretary-General Javier Solana were not envisaged. Nevertheless these assessments are still not inclusive and the final result of the Slovenian Chairmanship will in every aspect have to be assessed especially on the basis of the conclusions on the meeting in December.

7. Priorities and perspectives of the EU 2005-2009 (“lifetime of Consent”)

- constitutionalisation/institutional reform

As indicated under point 1.3. Slovenia has already ratified the Constitutional Treaty and has therefore taken a stand to support additional ratifications. The state’s position is to start further debates of possible scenarios after the 20th ratification is obtained.

- policies to cope with globalisation

The propositions of economic reforms which have been put on the table in October include measures for implementation of the Development strategy goals, which are in full consistence with the Lisbon strategy. These goals are based on achieving higher economic growth and competitiveness by creating a more friendly business environment for the development of enterprises (e.g. simplification of tax policies by abolishing the income tax rate, attracting new foreign investments). Other policies include reform of the higher education system and a higher budget for research and development.

- ‘delocalisation’ as a high salience issue

Delocalisation as the macro-economic perspective of re-allocation of economic activity is not used or much present in the media. The micro-level perspective, using the term ‘outsourcing’, is, however, much debated by the experts on international economic relations as well as by the financial and business specialised media. Slovene companies have been outsourcing mainly their low value added production (textiles, food industry) to South-Eastern European markets for quite a few years, partially also due to business links from the times of the former common Yugoslav state. At the time a much harsher challenge is coming on the table of Management Committees, namely a possibility of outsourcing a higher value added production to Eastern markets (Russia, India, China). Some bigger multinational companies (Kolektor, Gorenje, Krka, Iskra Avtoelektrika, Iskratel) are already taking concrete steps in that direction.

- re-inventing the European social model – what does it mean, what direction?

⁸⁴ Ivo Vajgl, former Slovene Foreign Minister in Delo (15 January 2005).

The state and all the political parties agree on the continuation of achieving a well functioning welfare state. In political arena, more debate is centred on the Slovenian social model; whereas general views on the shape of a European social model is not present. The state looks up to the northern European states in practical implementation measures; these are included in the described Propositions for the Economic and Social reforms currently in discussion. The Government proposes that the welfare state in Slovenia is in some respect too 'friendly', e. g. the welfare support for unemployed is so high that it is unprofitable for the low wage workers to have a job and work. Therefore the reform also has to take into consideration to find measures which will motivate people to be employed and further on produce more value added.

- strengthen EU as international actor

When speaking about the role of the EU as a global actor, it seems Slovenia still concentrates on EU's role in regional affairs. The state vigorously supports strengthening of the role of the EU in a sense of stabilizing the Balkans and implementing its Neighbourhood policy (relations with the Mediterranean and Eastern European states).