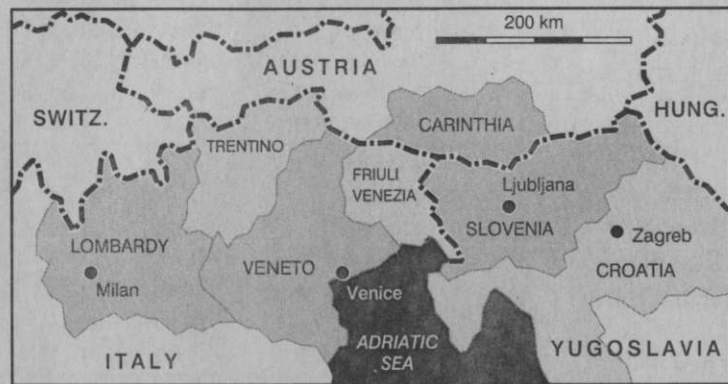


# Slovene future is in Habsburg past

**I**N ITS own wildest dreams, Slovenia is Switzerland: an affluent, Alpine market economy living on high-technology and tourism, and, politically, desperately dull. In contrast, Yugoslavia is its waking nightmare: a semi-centralised mish-mash of ill-matched industry and backward peasantry, riven by racial strife and spanning climatically incompatible zones.

But for 72 years, stuck in a federation that is currently little more than a currency union, Slovenes have grown used to being the rich relations, with their poorer cousins as a built-in captive market. As the new would-be mini-state struggles towards independence that it hopes will be recognised as real, the nagging question at the back of everyone's mind in Ljubljana is: can we really make it work on our own out there among the sharp-toothed sharks of the real world?

The simple answer is: not easily; but that is not the same as "no". Prior to the outbreak of the secession hostilities, the Slovenes had every reason to



**Slovenia: jostling with its neighbours in central Europe**

believe that they could at least make a stab at economic self-sufficiency. However, inflation remains preposterous despite the 1989 dinar reform – which struck four noughts off each note, so that one million dinar became 100 (worth about \$6) – though Slovenia maintains that this is a Yugoslav problem compounded by communist central government and a lack of political stability.

And in essence, Slovenia has already a legal framework for a proper, capitalist market econ-

omy, with no strings. The joint venture, that bugbear of east European trade where the state partner holds a controlling 51 per cent of the shares, has been relegated to irrelevance and operations of wholly-owned foreign companies are now restricted only in the fields of defence, communications, rail and air transport.

The latter is a particularly sore point, as the pride and joy of Slovenia's state-run economy was Adria Airways – with a modern fleet of Western-built air-

craft as opposed to the federal airline JAT's stock of Soviet Tupolevs – until, that is, Belgrade's MiGs shot up the airport destroying four planes.

Adria ran a few scheduled services out of Ljubljana – including to London, Vienna, Munich and Moscow – but its major contribution to the economy was as an earner of hard currency bringing in tourists on charter flights. The loss of the aircraft constitutes a major element in the \$2.7 billion that Slovenia is demanding in reparations.

On the basic commodity front, Slovenia, for a little country, satisfies most of its own market in fruit, vegetables and meat – mostly pork – as well as good beer from the Union and Lasko breweries and a small, but respectable wine trade. But its pride is its exports: with a population equal to only 8.5 per cent of the Yugoslav total, Slovenia is responsible for 29 per cent of its exports.

In the end, the government knows a critical factor will be tourism, which is why its international profile is so important and such efforts were taken to

evacuate safely all foreigners during the emergency – in the hope of fostering a favourable impression. But Slovenia has a major handicap in tourism: it has a minimal coastline. The Istrian peninsula with its resorts of Pula and Brioni – Tito's former holiday island where the EC ministers held their crisis talks – belongs to Croatia. Slovenia's access to the sea is squeezed between Croatia and the Trieste panhandle, created – unfairly, most Slovenes will say privately – to give their great port to Italy. But no one is talking about that now. The last thing the fledgling republic wants is to give Belgrade an excuse to promote fears of Slovene expansionism when they are not yet in control even of their own affairs. The neighbouring Italian provinces of Lombardy and Veneto are seen as chief allies in the campaign for recognition, along with Austria's southernmost province of Carinthia, which is known as Koruska to its substantial Slovenian minority. Slovenian Foreign Minister

Dimitrij Rupel is particularly keen on expanding the links with these neighbouring regions – historically all once part of the Habsburg empire – which are informally grouped into the Alp-Adriatic group, of which Slovenia was a founder member.

The Slovenes see this regional community as their secret weapons, a fifth column of regional support inside the European Community, although they are also aware that certain elements in Rome, Paris and Madrid are less than enthusiastic about encouraging regional autonomy movements to follow Ljubljana's example.

But the Slovenes do not see why they should suffer for the hang-ups of the nation-states. If a Europe of the regions is anathema to the big countries, then it has its proponents across the continent from Bavaria to Brittany and the Basque country. If they continue to be ignored by the powers that be, the Slovenes feel they cannot be blamed by looking for friends where they can find them.

**Peter Millar**