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CONTENTS

IFIMES looks at things differently. Its contributors and their works are selected for the breadth of their vision as well as their intimate knowledge of a specific country. IFIMES contributors work to enlighten developments across regions – the Middle East and Southeast Europe – as well as between countries. To those who believe that Iraq represents unique challenges or that Bosnia-Herzegovina is a one-off exception to global developments, IFIMES responds that informed observers must identify both the shared and unique characteristics of each situation to gain a full understanding of viable policy options. The reader will find in the following pages the best thinking of the most informed and creative specialists on these areas, along with an unfailing resolve to analyze critically and comparatively the most pressing issues of our time. In the following pages, these contributors inform, analyze, and provoke. Whenever possible and appropriate, they prescribe policy options. The essays contribute knowledge, insight, and original ideas of value both to general readers and to specialists in the region.

Dr. Robert J. Donia
President of the Council of the International Institute
for Middle East and Balkan Studies (IFIMES) and
Associate Professor at the University of Michigan

ABOUT THE IFIMES INSTITUTE

IFIMES – International Institute for Middle-East and Balkan studies, based in Ljubljana - Slovenia, gathers and selects various information and sources on key conflict areas in the world. Based on the selected information, the Institute analyses mutual relations among parties with an aim to promote the importance of global conflict resolution of the existing conflicts and the role of preventive actions against new global disputes.

Idea to establish IFIMES Institute is a reflection of our common reality and the needs of the world to reach for common solutions – now more than ever in the past. Common interests and bonds among different policies, nations, religions, world regions and diverse interest parties in the unipolar world are essential. Constant search for differences and rejections is like searching for a needle in a pack of hay, while insisting on cooperation and respect for diversity provides a chance to create a better world.

The area of research and work of IFIMES Institute is the Middle East (Gulf states) and the Balkans (South-Eastern Europe), where relations among different entities are based on religious, ethnic, national and racial grounds. Associates of the Institute are respected experts, scientists, managers, journalists and researchers, who are introducing younger colleagues from all over the world to work, with a purpose of additional education, promotion of knowledge and scientific achievements with an emphasis on the political and economic connections within the region, among the regions and on the global level.
The IFIMES Institute is through organizing seminars, symposiums, conferences, round tables, (with participants from various interest groups: scientists, politicians, managers, representatives of religious institutions, journalists, artists and others), performing analyses, studies and projects, as well as through its own publications presenting the results of its work and achievements, also targeting leading international media.

The IFIMES Institute regularly issues its Miscellany for the previous year in the English language and distributes it mainly abroad (foreign diplomatic missions, presidents of states and prime ministers, governments, EU, USA, international organizations, media, and companies).

IFIMES Institute cooperates with relevant institutions from the USA, EU, Gulf states and countries from South-Eastern Europe on projects, studies and analyses prepared individually or based on specific demands from a known party. The activities of IFIMES are especially directed towards the areas of international (foreign) politics and economy, international relations, counselling the state institutions, companies and individuals and more.

IFIMES Institute is searching for and recommending political solutions to the governments of the world, especially and foremost for the regions of the Balkans and the Middle East.

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Directors of IFIMES are Bakhtyar Aljaf and Zijad Bećirović.

Ljubljana, December, 2005

FOUNDERS OF ICTAC - INTERNATIONAL COUNTER-TERRORISM ACADEMIC COMMUNITY

The International Counter-Terrosim Academic Community (ICTAC), was established at ICT's third international conference in September 2003. The ICTAC's members include leading counter-terrorism researchers and research institutes from countries around the globe. Among ICTAC's goals: developing and expanding academic cooperation in counter-terrorism; conducting research that will lead to more efficient decision-making in counter-terrorism; promoting new policies and initiatives to fight terrorism:

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Center of Security & Terrorism Research, Institute of Political Studies, SCG
Center for Globalization Studies, SCG

BOSNIA AND HERZEGOVINA

THE END OF PADDY ASHDOWN'S POLITICAL CAREER?

The International Institute for Middle-East and Balkan Studies (IFIMES) from Ljubljana, Slovenia has been regularly analyzing the events in the Middle East and the Balkans. IFIMES has prepared a current political situation analysis of Bosnia and Herzegovina (BIH) with a special emphasis on the role of the High Representative in BIH Lord Paddy Ashdown and the Office of High Representative (OHR) in general. The most important and interesting sections of the comprehensive analysis are given bellow.

Is Bosnia and Herzegovina after Lord Paddy Ashdown has been in the function of the High Representative for almost three years, closer to the success of becoming a modernized country according to European standards or is it closer to the »Balkan Inn«, in which it is waited for Lord Paddy Ashdown to put the light out at the time of his departure and start all over again all that has already been seen once in the spaces of Bosnia and Herzegovina in the beginning of the 1990's?

All those that are less familiar with or have a limited understanding of the state of mind of the people of Bosnia and Herzegovina, could conclude that a remarkably great progress has been achieved in implementing numerous and different reforms. Numerous reforms had a goal of establishing a normal community in BIH and a great number of supporters for such projects can be found in these areas. But the question rises, whether the approach and the manner of performance of the present High Representative of the international community in BIH, Lord Paddy Ashdown are correct and can therefore bring progress to BIH, since it is based on the cooperation with the national/nationalist parties as his main allies in reforms and »subject« media, which have more

than ten years ago led this country to the most tragic conflict in its history? Is it possible that the nationalist/nationalistic parties, from which come almost all of the suspects at The Hague Tribunal for War Crimes, will be the carriers of new progress in BIH? In addition to that, from the lines of national parties in BIH are also coming the most important crime carriers that are being processed now with the organs of justice in BIH (the current case of Dr. Dragan Čović, the Member of The Presidium of BIH).

The international institute IFIMES believes that the national parties are not a part of the reform structure of BIH and the representatives of the international community should not offer them a hand of partnership and support. The current High Representative Lord Ashdown is from the onset of his term providing support to the destructive political forces in BIH whether by self-initiative or not. In case this is, after all, the position of EU and USA, than this is a worrying fact upon which the reasonable civilized world should be seriously apprehensive?! It is a fact that the citizens of BIH on the elections voted for the national parties, but we should not neglect the fact that only 50% of the citizens went to vote on the recent parliamentary and local elections (2002, 2004). With this we should bear in mind the fact that most of the voting body, and especially in the Republika Srpska, on the last local elections showed greater support to the non-national parties (parties of the political left ˜ SNSD – The Union of Independent Social-Democrats and SP – The Socialist Party) which brings into question the legitimacy of the mentioned political approach and manner of performance of the High Representative Lord Ashdown, which is being implemented in BIH.

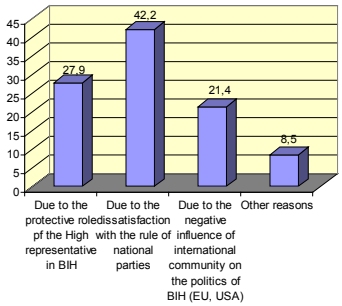
The international institute IFIMES has after the local elections on the 2nd of October 2004 performed a research in BIH in November 2004 on the sample of the citizens that did not vote at the local elections.

Data on the sample:
- Sample: random three-stage
- Sample size: 1.466 respondents (adult citizens of both genders)

- Methodology: telephone survey
- Period: from the 8th till the 12th of November 2004
- Level of reliability: 95%
- Control: on 10% of the sample
- Standard deviation: +/-3%
- Territory: BIH

Why didn't you go to vote on the recent local elections of October 2nd 2004?

A) Due to the protective role pf the High representative in BIH ~ 27.90%
B) Due to the dissatisfaction with the rule of national parties ~ 42.20%
C) Due to the negative influence of international community on the politics of BIH (EU, USA) ~ 21.40%
D) Other reasons ~ 8.50%



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- Level of reliability: 95%
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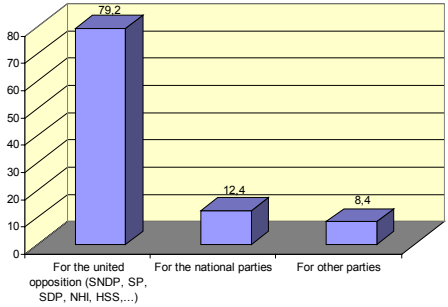
- Standard deviation: +/-3%
- Territory: BIH

In case you did go to the recent local elections on October 2nd 2004, who would you vode for?

A) For the united opposition



(SNDP, SP, SDP, NHI, HSS,...) ~ 79.20%
B) For the national parties ~ 12.40%
C) For other parties ~ 8.40%

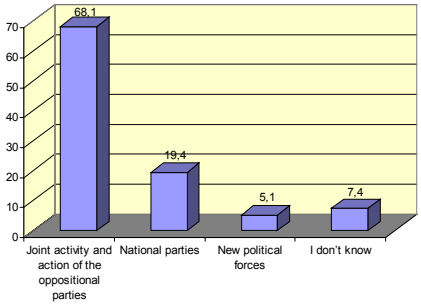
The international institute IFIMES believes that the main reason for dissatisfaction in BIH is the extremely difficult socio-economic situation, which is characterized by a large percentage of unemployment and little prospect of the employment rate being increased in the near future. The national parties and the High Representative Lord Ashdown are because of the lack of readiness and their own incapability running away from solving essential and vital questions of people such as: employment, social standard, more just social redistribution, fighting the organized crime and corruption. These are being directed only to the question of insufficiently consistent constitutional solutions in BIH in comparison to the European standards. By this is the High Representative leaving to the nationalists and their partners one very interesting subject, in which all three national parties are making real the theses of their own sense of being threatened in case of constitutional and political reforms and are by this creating a sense of fear among the citizens and thus helping their own political durability. This is representing a great barrier to a true change in the political conscience of the citizens, which remains at the level of the dominant conscience form the beginning of the 1990's in BIH.

The international institute IFIMES believes that on the basis of the conducted research the only hope for BIH is to neutralize all forms of political organizing on the national basis. By this Europe and the international community in general would have to answer whether they wish for the future of BIH as an integrated community after the model of European and global value or expressively nationally divided BIH, whose nearness to the EU is representing a constant threat and a source of instability, which is surely burdening Europe but also holding a position of a country ripe for different appearing forms of crime, which is most directly hitting EU and is including a transit of international crime through BIH.

Data on the sample:
- Sample: random three-stage
- Sample size: 1.466 respondents (adult citizens of both genders)
- Methodology: telephone survey
- Period: from the 8th till the 12th of November 2004
- Level of reliability: 95%
- Control: on 10% of the sample
- Standard deviation: +/-3%
- Territory: BIH

In which political options do you see the perspective for BIH?

A) Joint activity and action of the oppositional parties ~ 68.10%
B) National parties ~ 19.40%
C) New political forces ~ 5.10%
D) I don't know ~ 7.40%



The international institute IFIMES believes that the largest part of responsibility for the overall situation in BIH in the past two years is carrying the High Representative Lord Ashdown, who has exceptionally complicated the political scene in BIH by accepting the national parties in BIH as their own partners, with which the strongest blow was given to the development of democratic alternative in BIH in which the international community at the time was interested.
The international institute IFIMES believes on the basis of the published two-year regular analyses and research of the situation in BIH that the international community needs to make a political turn in BIH and in general start to cooperate with the progressive political parties in BIH such as: SDP – The Social-Democratic Party, SNSD, The Socialist Party, political parties of the Croats in BIH from political left and center such as HSS – Croatian Farmers' Party, NHI – New Croatian Initiative, 'Through work for better life' and new political parties, which will appear at the BIH political scene.

The international institute IFIMES believes that we should not neglect the fact that the High Representative has not explained yet where and how much money of the tax payers is being spent, most of all from EU and USA, and is by such directly influencing the hampering of efforts the international community has spent trying to help BIH through different projects insisting on transparency and purposeful spending.

The international institute IFIMES believes that the High Representative Lord Ashdown has with his activity supported the development of autocratic conscience, which has on the territory of BIH always carried a mark of a totalitarian regime, a fact that disqualifies Lord Ashdown as a democrat and with this cancels the possibility of performing after the termination of the mandate in BIH any responsible function in Great Britain or European institutions and international community in general.

The international institute IFIMES believes that the mandate of the High Representative Lord Ashdown needs to be terminated before the end of the mandate and bring to this position a moderate politician (not a professional soldier or a policeman) possibly from countries that are more gravitating towards BIH, while not excluding also the possibility politicians from the countries that were formed with the disintegration of Yugoslavia. In the current German-French competition over the choice of the new High Representative in BIH, a compromise solution could be the choice of new High Representative in BIH from Slovenia or Macedonia, since these countries are not neighbors of BIH, an idea about which there are already some discussions in certain circles in Brussels.

IS SERBIA THREATENED BY THE »ARGENTINEAN SYNDROME« AND A NEW WAVE OF ANTISEMITISM?

The International Institute for Middle-East and Balkan Studies (IFIMES) from Ljubljana, Slovenia has been regularly analyzing the events in the Middle East and the Balkans. IFIMES is analyzing the situation in Serbia with a special emphasis on the possibility of prohibiting the entry of individuals and leaderships of certain political parties in Serbia to the EU states and the U.S.A. The most important and interesting sections of the comprehensive analysis are given bellow.

The international institute IFIMES is analyzing the political situation in Serbia and is evaluating the contribution of particular parties to the progress and rapprochement of this country to the Euro-Atlantic integrations with a special emphasis on the G17 Plus party of the current Vice-President of the Government of Serbia, who is also presiding the government negotiation team for the negotiations with EU, Miroljub Labus.

The professional team of experts from the field of economy G17 Plus registered itself as a political party after the presidential elections in 2002, when Miroljub Labus, then a member of Democratic Party (DS) left the party of Zoran Đinđić under a pretense that the party did not offer him enough support in the election campaign. But the reasons for breakup between Miroljub Labus and Zoran Đinđić have to be sought for outside of daily media quarreling. The international institute IFIMES has already in September 2003 warned in its detailed analysis of the negative activity of G17 Plus in the daily life of Serbia, the negative effects of which are still felt today.

G17 Plus has from the founding assembly entered the governing structure of Serbia and into the organs of state union of Ser-

bia and Montenegro, which implies that we are talking about a group that has formed a political party for the personal needs of G17 Plus functionaries, who are lead by Miroljub Labus, Mlađan Dinkić. The so-called economy experts, who present themselves as such, were in the time when G17 Plus was still acting as a non-governmental organization composed of prestigious economy professors from the university of Belgrade and other Serbian universities and economists, who amounted their greatest wealth in the period when Slobodan Milošević was on power. This grouping showed that they have no abilities to offer quality solutions for the destroyed economy of Serbia and that their observations are of theoretical nature only. When we take into the consideration the economy practice in Serbia, their observations remain at the level of theoretical models, while the existing practice shows that Serbia has no real economic growth.

In the government of the Prime Minister Zoran Đinđić and Zoran Živković, G17 Plus had its own representatives, whom Zoran Đinđić, before he died, succeeded to bring to his side, except two of them, Tomica Milosavljević, the Minister of Health and Mlađan Dinkić, the Governor of the National Bank of Serbia (NBS). After Dinkić was replaced and Kori Udovički became the Governor of NBS, the G17 Plus Party started with publicizing scandals in which ministers and high functionaries of the former government were involved. Scandals were at that time, in addition to G17 Plus, being brought to the public also by the party of the current Prime Minister Vojislav Koštunica (DSS – The Democratic Party of Serbia), which was exclusively dealing with the abuses of the police action »Sword«. At that time the worst accusations were brought to public against the Minister of Police Dušan Mihajlović, the Minister of Transport and Telecommunications Marija Rašeta Vukosavljević, as well as against two other closest colleagues of Zoran Đinđić, Nemanja Kolesar and Zoran Janjušević. Even after more than a year none of the accusations have been proven.

By publicizing the scandals in Serbia, began the fight between the two opposite sides, by two opposite truths. Until the courts in

Serbia won't begin responsibly solving all the cases of criminalization of the government, such a division in Serbia will continue. The murder of the Prime Minister Zoran Đinđić, abuse of the state of emergency, death of several soldiers in the garrisons of Serbia, the sale of Knjaz Miloš and other big and small companies in Serbia, are representing two irreconcilable sides of political parties that are exercising the power and the Democratic Party that is in the opposition, but is still controlling, together with G17, the largest part of the money flow in Serbia.

Without considering the threats of many months that due to the lack of cooperation with The Hague Tribunal they will leave the government of Serbia, the Chief Committee of G17 Plus has decided differently, i.e. to stay in the government. For this they gave several reasons: solving of the Kosovo question, relations with Montenegro, adopting a new Constitution for Serbia and receiving a positive evaluation of »The Feasibility Study for the Joining of Serbia and Montenegro to the European Union«. G17 Plus travelled in one year, since they are in the government, from a partner of the anti-reformist Koštunica to a fellow traveller of DSS without any serious conflicts. The fact that not a single accusation against the former government ministers and functionaries has been solved is not a lonely case when we are talking of the Serbian parting with their past. That there is no such a political initiative witnesses the fact that Branko Pavlović has been replaced from position of the Privatization Agency Director. Pavlović has seriously accused the NBS governor Dinkić that with his replacement he wishes for the return of »Vlahović model of criminal and corrupt privatization«, which has brought to a wholesale of Serbian economy, low investments and fall of production. This shows that to the experts of G17 Plus reforming the Serbian economy is not important, as is not important the export and production growth, but rather as quickly as possible and at any price to sell what is left and by this »to buy the social peace«. Thus, Serbia is instead of joining the EU threatened by Argentinean or rather Russian scenario, and all for the sake of »peace in the house«. The Prime Minister Koštunica is silent on these issues and prefers to put af-

front the question of (non)cooperation with The Hague Tribunal, since to a Serbian this is much less painful than loosing a job or life in poverty.

The G17 Plus Party has dominantly directed itself into trying to lead the economic policy, while social policy is on the theoretical level being handled by the Social-Democratic Party of Slobodan Orlić. The two parties entered into a coalition after the syndicates threatened with general strikes in almost all of the Serbian factories. The Center for the Research of Alternative has diagnosed that a total of 43% of citizens are ready to go to demonstrations again, even if these demonstrations become violent. Throughout 2004 in Serbia occurred organized and spontaneous strikes, road blockades and even physical conflicts. Strikes occurred mostly as consequences of unreal promises given by the parties in power before the parliamentary elections. Inclusion of different political actors into organizing protests can bring to direct or indirect confrontation on the political front. In Serbia, the interested political options are supporting and channeling protests of different unsatisfied groups against the government with a desire to destabilize it. From the other side the protests also mean, as a multilayered phenomenon, that the government is not operating well and that it is not able to control the situation, which for example was not the case in the period of Zoran Đinđić, who, as much as the protests of the workers are concerned, held the strings tightly in his hands.

IS SERBIA THREATENED BY THE »ARGENTINEAN SYNDROME«?

As long as the opposition and »the opposing Serbia« are searching their political chance in protests, it should be noted that the confrontations on the relation state vs. syndicates are very dangerous, due to the fact that not a single serious economist can say that it is not possible in Serbia to come to a catastrophe similar to Argentinean, when the people in rage toppled a whole system. »The Argentinean syndrome« will overflow Serbia, when the gov-

ernment decided to go to economic reforms without institutional ones, without which it is impossible to create an ambient for supportable growth. Payments for credits will at the end of 2006 and at the beginning of 2007 amount up to 1.6 billion American dollars. If the reforms are by rule painful and are implemented without reforms in limiting the power of the government, decentralization of the administration, reforms of courts and the police, then it is clear that Serbia entered a process of constant theft by former socialist directors and the private companies that are close to them. On auctions, it is understood, always the same buyers appear – those that were at the time of Milošević plundering the national economy.

It can be said without any doubt that neither present nor previous government is guilty of the economic problems, but it is guilty of not apprehending the ones that are guilty. In this way the whole burden of reforms is falling upon the poorest segments of population, which is one of the reasons for taking the Serbian political scene into the right. There even is a possibility of new Nazism that is socially motivated.

CRIME IN THE TOP OF THE GOVERNMENT

If the elections on all of the levels were held after the famous sale of the »Knjaz Miloš« factory from Aranđelovac, only Radicals of Šešelj and Socialist of Milošević would remain in the parliament. The government has in this case clearly shown that they want this sale to be framed for a specific buyer. In brief, »Knjaz Miloš« – anatomy of myth and corruption was developing in the following manner: The Commission for Government Stocks at first disqualified »Apurna«, the joint company of Vlado Divac and French company »Danone« because of breaking the law, when the basketball player Predrag Danilović subsequently offered the owners 3.500 dinars per stock. This decision was changed after great pressures from the Government of Serbia on the members of the Commission: the President Milko Štimac (G17 Plus) entered a pre-cardiac attack state and ended in house medical treatment, Vice-Pres-

ident of the Commission Đorđe Jovanović finished in hospital, while Dušan Bajec (DS) resigned the Commission membership. According to the government order, The Agency for Fighting the Organized Crime interrogated all of the members of the Commission and the investigation continues. Criminal accusations were issued against the wife of a well-known basketball player Vlado Divac and Predrag Danilović.

Vice-President of the Government Miroljub Labus (G17 Plus) and the Minister of Economy Predrag Bubalo (DSS) were named as the main actors of the scandal and it was these two that exercised most pressure on the Commission to annul the solution of disqualifying »Apurna« of Divac. From the other side, the Radicals of Šešelj repeated several times in the media that Labus in his apartment received the vice-president of the company »Danone«. The vice-president of the government explained that he was ill at the time and that the visit does not have any connection to the sale of stocks of »Knjaz Miloš« to the »Danone« company.

As much as G17 is favouring certain own financiers, the same is done by the Democratic Party through their influence on the cadres in the Commission for the Government Stocks. Four years after the fall of Milošević are marked by struggle with the remnants of his regime, which is through its present political elite still having power in Serbia.

Serbia and her government have so many problems and none of them has priority. It is fortunate that Carla del Ponte and Haag are not interested in economic issues and social politics. The president of the European Commission Chris Patten assessed that the government of Vojislav Koštunica is »shaky« and can as such not survive for long. Except the fact that the representatives of G17 Plus increased their information activities in the government, the government is not known to do anything on repairing its own bad image. The revolutionary phase through which went the newly established government in Serbia in the last year is over. The chaotic phase isn't.

THE FASCISTS AND THE ANTISEMITISM

The political party G17 Plus has been recognized by the citizens of Serbia as an incapable grouping and they stopped believing that this party can perform any meaningful switch in the political life of Serbia. For Serbia it would be much more meaningful to search for the support among those people that posses a real knowledge confirmed in practice without any consideration as to what party they belong to.

About what kind of group of people and a political party we are talking about shows the fact that G17 Plus was one of the carriers of the proposal to pass a law with which the rights of pro-fascist oriented formations during the World War II (the Chetnik movement of general Draža Mihajlović and others, who openly collaborated with the fascist occupier) and their followers would be equalized with those of true anti-fascists (the Partisan movement).

Taking the side of protecting the members of the fascist movement in Serbia during the Second World War, the G17 Plus has clearly shown that its orientation isn't civilized (European), a fact that was in Serbia manifested through the appearance of Anti-Semitic actions in form of writings through open Anti-Semitism, for the appearance of which the responsibility has to be taken by G17 Plus.

All of this leads us to think that the organs of EU have to thoroughly consider, whether Miroljub Labus can competently and with all the named hypothecs lead the negotiations of Serbia with the EU on the joining of Serbia to Euro-Atlantic integrations.

The international institute IFIMES believes that the EU and the U.S.A. have to seriously think about whether it is necessary to selectively limit to Labus, Dinkić and other functionaries the movement on the territory of EU and U.S.A. and through the boycott against them as a first step emphasize a new process of profiling people and politics in Serbia that is in a realistic and practically realizable manner trying to establish cooperation with the EU and the U.S.A. This clearly signifies that EU and U.S.A. have to determine whether they a partner in Serbia that is supporting the

fascists of the WWII and their heirs or they desire for a cooperation with the political parties of Serbia that were founded on a antifascist tradition.

RESPONSIBILITY OF RASIM LJAJIĆ

The international institute IFIMES thinks that the present Minister for Minorities and Human Rights in the State Union of Serbia and Montenegro Rasim Ljajić needs to resign or be replaced, since he did not take responsible action to solve open questions of minorities and human rights, which relate to prevention and struggle against anti-Semitism as well. Minister Ljajić is mostly concerned with the question of cooperating with The Hague Tribunal, which by nature of this Ministry isn't within his competence. By this Rasim Ljajić committed a double damage to Serbia: the principal two people accused of war criminals Radovan Karadžić and Ratko Mladić were not arrested yet, while with the appearance of anti-Semitism great damage was done to the reputation of Serbia abroad.

The international institute IFIMES believes that it is necessary to quickly pass laws in Serbia that will solve the open question of participation of minorities in the social and political life of Serbia. The recent parliamentary elections showed that due to the high threshold of 5% there are no minority representatives in the Parliament of Serbia. Serbia has to begin an all-encompassing social action to prevent the appearances of anti-Semitism and intolerance towards the minority groups, based on the antifascist tradition. In the opposite case, shall we expect a new wave of anti-Semitism in Serbia?

PUBLIC DIPLOMACY: BASIC CONCEPTS AND TRENDS

__Kristina Plavšak Krajnc__, M.I.A, (Master of International Relations, Columbia University) a member of the International Institute for Middle-East and Balkan Studies (IFIMES) from Ljubljana, published her article »Public Diplomacy: basic Concepts and Trends« in a Slovene scholarly journal "Teorija in praksa" – Theory and Practice in March 2004 - 2004 (41), 3-4: 643-658. Hereby the article is brought to you in full, with an updated introduction (2005).

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Abstract: While opening current debates on public diplomacy in Slovenia - like in many countries around the world - focusing in particular on its relevance, aims and functioning modes, one should initially find a basic definition or rather a common denominator on the concept. Fundamental understanding about what public diplomacy stands for, should further lead to answering questions on public diplomacy's potentials and expectations. Such answers can build firm grounds for relevant recommendations and strategies for contemporary functioning of public diplomacy, nationally and internationally. Therefore, the article first defines the concept of public diplomacy in its diverse, often contradictory conceptions, then it brings together different approaches to public diplomacy's understanding and finally, points to contemporary trends of r/evolution in public diplomacy.

Key words: public diplomacy, secret diplomacy, persuasion, propaganda, public relations, media, branding states, foreign cultural policy.

1. INTRODUCTION

In the period just before entering the European Union it has been also the Slovenian professional and political space that has been recognizing the need for the so-called public diplomacy. Thus respectable participants of the first set of discussions about the future of Slovenia with the President of the Republic on the subject of »Globally Active and Recognizable Slovenia« (2003) recommended that »now more than ever the economic and public diplomacy should become integral parts of foreign policy implementation«. In their recommendations for the future Slovenian foreign policy they emphasized: »It is of utmost importance to thoughtfully plan and lead the foreign policy of relations with foreign publics with a goal of strengthening the reputation and recognisability of Slovenia, Slovenian companies, our values and possibilities of specific state or civil initiatives in the international environment.« Similar were the thoughts of former Slovenian Prime Minister Anton Rop and the Foreign Minister Dimitrij Rupel at the Consultations of the Slovenian diplomacy by saying that with the membership in the European Union it was necessary to pay more attention to public and parliamentary diplomacy, foreign politics, economic diplomacy and scientific cooperation (STA, 2004). Public diplomacy was also a central theme of the professional debate in the Slovenian Association for International Relations (2004), where joint conclusions and recommendations about the future activities of Slovenia in this area were presented.

Furthermore, the new Slovene government, formed in December 2004, stated in its Coalition agreement under special title on public diplomacy (Chapter 9, Paragraph 16) that »informing of publics on international questions and Slovene foreign policy tasks would improve« and that »the Ministry of Foreign Affairs would strengthen its »public diplomacy«. In this sense Foreign Minister Dimitrij Rupel pointed to the responsibility of ambassadors to show how the image of Slovenia improved around the world. In his opinion Slovene diplomats should be active, proving their efficiency also on the basis of numerous published articles in foreign media and diverse mentioning of Slovenia by foreign publics (2005).

These debates and various statements have brought certain confusion about the meaning of public diplomacy, its goals and ways of activity. Therefore, it is first of all necessary to establish a minimal definition or joint denominator on the concept of public diplomacy. Understanding what public diplomacy basically is or isn't can bring to answers on the questions what it in the existing conditions can do and what can we reasonably expect from it. Only answers of such kind can represent an appropriate foundation for suitable recommendations and strategies for modern operation of Slovenian public diplomacy. The purpose of this article is to define the concept of public diplomacy in their diverse, often paradoxical comprehensions, to at least slightly introduce approaches to understanding of public diplomacy, while at the same time indicating modern trends in the r/evolution of public diplomacy. With this we would like to draw a fundamental framework for the analysis and recognition of the potentials of Slovenian public diplomacy and its future directions.

2. WHAT IS A PUBLIC DIPLOMACY?

»Public diplomacy is a public face of a traditional diplomacy.« (Ross, 2002 in Leonard, 2002: 1).

Diplomacy in its multilayered meaning represents a formulation and implementation of foreign politics, technique of foreign politics, international negotiations and professional activity, which is being performed by the diplomats (Benk, 1997: 255-262; Nicolson, 1988/1939: 3-5). Diplomacy can be simply defined as a primary method with which foreign politics is realized and as normal means of communication in international relations (Vukadinović, 1994: 109). In representation of one of the authors »the (foreign) politics is a formulation and a direction; and the diplomacy a communication and realization. It is a lubricant for the machinery of foreign politics« (Olson, 1991: 60). Diplomacy is responsible for managing the relations between countries and countries and other actors through the assistance of advice, design and realization of foreign politics, coordinating and ensur-

ing specific and wide interests (Barston, 1988: 1). A diplomatic activity is meant for advancement of national interests with practices of persuasion (Smith, 1999).

Within such understanding we can locate also the concept of public diplomacy. In the two most commonly used definitions Signitzer and Coombs (1992: 138) understand the public diplomacy as: »... a way, with which the government and the private individuals and groups can directly or indirectly influence those public opinions and positions, which directly influence the foreign politics decisions of another government.« In their understanding the public diplomacy is widening its field of traditional diplomatic activities: from the sphere of »high politics« on the diverse issues and aspects of daily life and from the »closed« sphere of governments and diplomats on new actors and target groups, i.e. different individuals, groups and institutions, which are joining international and intercultural communication activities and have influence on the political relations between countries (Signitzer and Coombs 1992: 139). Similarly Manheim (1994: 4) comes to the conclusion that the purpose of public diplomacy is explanation and speaking in favour of governmental policy and representing a nation to foreign publics. He defines the strategic public diplomacy as »government to people« (government – public) diplomatic activity, which includes government efforts to influence the public and elite opinion in another country and through this also the foreign policy activities of a target country.

Public diplomacy should distinguish itself from the traditional diplomacy in the fact that it includes interaction not only with the governments, but especially with nongovernmental individuals and organizations (Murrow, 1963 in Leonard, 2002: 1). As said by Tuch (1990: 3), public diplomacy presupposes an open communication process, which is based on the principle of publicity and is trying to speak to the public, as opposed to the traditional diplomacy, the characteristics of which are secrecy and exclusivity. Gilboa (2001: 1) describes the public diplomacy in the sense of content as activities in the field of informing, education and culture, which are directed to foreign countries with a purpose of influencing foreign governments through influencing their

citizens. Most of the authors in this field (in Leonard, 2002) agree upon the desired effects of diverse activities of public diplomacy: to make the transmitted messages being »heard«, accepted and understood, to create and strengthen within the target public a positive relation towards the communicated policies and with this to consolidate recognizability, positive image, reputation and the international position of the home country.
To summarize, public policy can be simply defined as a form of convincing communication with foreign publics in the context of fulfilling the goals of the foreign politics. Basically, we are talking about convincing communication, with which governments are trying through information and persuasion to influence the opinions and positions of the public abroad or rather in foreign countries, in order to create a proper pressure on the policy makers and with this influencing the decisions and activities of their governments in accordance with their goals and interests (Gruban, 2002: 10).

3. THE FOUNDATIONS FOR THE UNDERSTANDING OF PUBLIC DIPLOMACY

»Call it public diplomacy or public relations or psychological warfare or – if you really want to be frank – propaganda.« (Holbrooke, 2001 in Brown, 2002: 3).

In professional debates and publicist texts we can often find laic or even wrong understanding of the concept of public diplomacy. It is true that the concept in its different forms of appearance, i.e. activities, is conditioned with historical and international circumstances, but it has despite different approaches consolidated in its basic pre-assumptions. A special focus shall be given to them in continuation with an assistance of the most commonly asked general, as well as paradoxical claims, around which nowadays the understandings of modern public diplomacy are »moving freely«.

Public diplomacy is the opposite of secret diplomacy

The secret diplomacy was actually overgrown by the so-called open, democratic diplomacy, which was introduced by the American president Woodrow Wilson into the international system after the World War I: »Open peace negotiations with open participation, after which there will be no more secret international agreements and the diplomacy will always operate sincerely and in front of the eyes of the general public.« (Morgenthau, 1995: 669). The foundation of such a concept represented a basic model of a democratic diplomacy, which was deriving from a fact that a diplomat (as a public servant) was subordinated to the foreign minister, foreign minister (as a member of the government) is responsible to and depends on the parliamentary majority, while the parliament represents the will of the sovereign people (Nicolson, 1963: 42). In fact, the demand for an open diplomacy first meant a demand for letting the public know that the negotiations are being held (except in rare cases) and that the international agreements as a result of those are publicized (Rangajaran, 1998: 21).
With this, we have on one side the allowed secrecy or discretion in negotiations, needed for their functionality, while on the other side we receive the openness of diplomatic activity or rather availability of information about the diplomatic activity (publishing the results of negotiations, following the negotiations, press conferences, etc.) as a condition for democratic supervision of the public over the foreign policy and its verification in sense of parliamentary debate and ratification of the international treaties. Therefore, in principle, the basic framework for the diverse diplomatic activities, including the public one, is nowadays represented by parliamentary-democratic political systems and therefore we can talk neither of secret nor of »transparent« diplomacy, but rather of diplomacy, which balances the discretion and the publicity of its activities with a proper measure.

Public diplomacy is essentially propaganda

It is a fact that public diplomacy does not consist only of informing in the sense of transmitting objective, »neutral« information, but is rather fundamentally defined exactly by its »intentionality«,

or its intent to persuade. Therefore we shall compare the most basic definitions of persuasion and propaganda. Persuasion is »a complex continuing interactive process, in which the communicator is trying to influence the communication partner, to accept the proposed positions and behavioural patterns (the persuaded one has to expand or change his/her perceptions of the events in the world).« (Vreg, 2000: 92) As opposed to that propaganda »uses and abuses the model of persuasive communication of interdependent dependency and reciprocity to create an appearance of equal, bilateral communication and satisfaction of the needs and interests of the public.« (Vreg, 2000: 116) Propaganda can be understood also as »single-meaning, usually half-true communication, designed to convince the public opinion.« (Grunig, 1993: 147). Despite this many authors warn of the interconnectedness of the actual processes. Kunczik (2003: 400) speaks of a semantic game between the terms of public diplomacy, propaganda, public relations and advertising. Tuch (1990: 9) is arguing that propaganda would be a most satisfactory term if it would be used in its original meaning and not burdened with numerous historically conditioned negative connotations. Similarly Vreg (2000: 103) concludes that each communicative persuasion contains elements of political propaganda, which has a pejorative meaning, therefore a connotation of manipulation and false argumentation.

Therefore in our opinion we can talk of public diplomacy also within the context of the so-called international propaganda, as is understood by Vreg (2000: 109): »... is a communication of national states to influence the politically relevant behaviour of people of other nations and countries.« In our understanding of this persuasion-propaganda model, though, hard power is in principle excluded, while the public diplomacy is using predominately the so-called soft power, i.e. the ability to achieve desired foreign policy goals through creation o the attractiveness of the politics, persuasion, determining media-public agenda with an intent of trans-forming the preferences of other countries, their following and agreeing with the desired activity (Nye and Owens, 1996: 9).

Public diplomacy contains relations with domestic as well as with international publics

In principle, the pubic diplomacy remains a (diplomatic) means of (implementing) the foreign politics, with which the state is in accordance with its goals trying to effect or influence the international environment and is therefore by definition directed primarily towards the foreign publics. Therefore in its basic concept the pubic diplomacy cannot be an alternative term for classical government relations with the public (such as for example »public diplomacy within the government«) or communication of the foreign ministry within the mother state, where it is more or less in a function of internal political persuasion and democratic legitimization of the representatives of the people. In USA for example, the Smith-Mundt act from 1948, which prohibits the activities of public diplomacy on domestic soil, is still in force. In the modern times of communication-information interconnectedness and interdependency, which is also expressed through trends of converging of domestic and foreign politics and internationalization of modern life, such strict distinction between the communication activities for domestic and foreign publics is factually almost not any more possible.
Crossroads between the public diplomacy and public relations represents an area of the so-called international (global, transnational) public relations, which mark »the efforts to improve the reputation of one country in another one (or more countries) with an assistance of spreading interesting information, where building of a hostile image of a third country can serve as nourishing of their own reputation.« (Kunczik, 1997: 165). With this it is often hard to distinguish between activities of this kind that are being performed by countries, international political and economic organizations or transnational corporations, and can be therefore talked about a general definition of international relations with publics as any »planned and organized efforts of a company, institution or government, to establish mutually useful relations with publics of other countries and nations.« (Wilcox, Ault and Agee, 1992: 409-410) Different authors (Signitzer

and Coombs, 1992; Grunig, 1993) are finding parallels between both concepts: in similar goals, i.e. to influence foreign publics in favour of the own organization/government, in similar target (foreign) publics, in similar strategies and use of tools.
In our opinion the most important common point of the public diplomacy and international public relations concepts is in the fact that we are talking about long-term, complex processes of interaction, in which versatile, but symmetrical relations with foreign publics are constructed. Public relations are understood as holistic management of relations of a certain organization with its publics, where communicating presents itself as one of possible, but not only way of acting, while in the process of interaction organization and its publics are acting and influencing together (Verčič, 2000).

Public diplomacy is public lobbying

The basic tasks of diplomacy, as they are defined by the international law are representation, negotiation and observation (Benko, 1997: 258). The third article of the Vienna Convention (1961) on the Diplomatic relations, defines the functions of diplomatic missions as such: representing the sender state within the host state; protection of the interests of the sender state and its citizens within the receptive state; negotiations with the government of the host state, getting acquainted through all legitimate means with the conditions and course of events within the host state and reporting on it to the government of the sender state; advancement and development of friendly relations. Public diplomacy is also in modern times remaining within the defined tasks and functions, taking into the consideration the specific dimension of the public domain: so for instance a modern diplomat is publicly representing and interpreting the positions of his/her own country (media and public appearances), is reporting and commenting the atmosphere of the public opinion and the media in the host state, is cooperating with the media and opinion leaders, is making contact with important representatives of the economy, interest groups, sciences, academic institutions and more.

We think that some of these (usual) diplomatic activities could be characterized as lobbying activities. Lobbying in the proper sense of the word, i.e. as a separate set of professional tasks and activities, with the assistance of which they should in the informal institutional networks influence the decision-making process in the name of special general benefits or benefits of specific groups of people (Mack, 1989 in Kovač, 2000), cannot become the central and the determining segment of public diplomacy. In this context it would be more sensible to undertake a special treatment of the role of the so-called economic diplomacy, which works in the function of promoting the economic interests and actors of the mother state abroad.

Public diplomacy is enactment of events for the media

We can claim that the media have finally entered the traditionally exclusive sphere of diplomacy: not only that they are responding to the international political events, but are actively entering the processes of communication between the governments and the publics about the international politics and have even themselves become means of foreign politics through calming and mediating but also straining the relations and conflicts (Kunczik, 2003: 409). With the expansion of global communication the world politics has become in great measure transmitted through media and is especially through the international television networks, with the so-called CNN effect, as if real-time happening in front of the eyes of the »global« public (Gilboa, 2002; Robinson 2001). The dynamics and the way of work are irreversibly changing in the modern diplomacy, which often enough operates in conditions, when »valuable information, observations and recommendations from far-away diplomatic and intelligence sources stopped arriving at the right time to influence the decisions and even when such information arrive on time they cannot compete with the dramatic television footage and live reports of crises and foreign affairs.« (Gilboa, 2002: 737).
To the »media reality« and its laws are up to a certain measure adapting also global politicians and foreign policy actors with for-

mulation and implementation of their policies, where they are trying with different techniques and skills of public relations to improve not only the contents, but rather to create events, worth of media coverage, to strengthen the convincability of public image and the likeability of their foreign policies. So, also those that are involved into this process admit that »it is too often important how well certain policy will be 'played out', how the images will appear, if the right signals will be sent and if the public will be impressed over the flexibility of the government's response – and not if the policy advances the long-term national interests.« (Gergen, 1991: 48-49). Therefore some authors (Ammon, 2001; Gilboa, 2001) speak of diplomacy, which in its instrumentalization systematically and meticulously follows the media laws and formats and is transforming into the forms of so-called media diplomacy, tele(di)plomacy, photoplomacy, soundbite-, instant- and real-time diplomacy. Even more radical are those claims that in the are of media wars, »the western diplomacies have become so sophisticated in turning the public information on a visually cunning manner and television networks, that operate in symbiotic relation with the government and strive towards the conformation of geo-political agendas, determined by the strong governments.« (Thussu, 2000: 5)

Despite these trends media activity cannot completely substitute the activities of public diplomacy: even though they are coming together on the field of communication and media representation, diplomatic and journalist professions remain distinguishable in preserving their own special and separate functions. Daily news and media reports cannot satisfy the needs of decision making processes in foreign policy and international issues in such a measure as more profound diplomatic reports, rich with information, sources, analyses and recommendations (Vukadinović, 1994: 248-249). Also we cannot underestimate the role of traditional diplomatic channels and the meaning of inter-personal (diplomatic) communication. Nonetheless, there is a general rule, which is approved by rich experience, that the media with a lack of clear policy and convincing governmental strategy usually cause devastating results (Robinson, 2001: 532; Hoge, 1994: 138).

Public diplomacy is promotion and branding states abroad

We agree with the finding that states in the process of globalization loose control, but can also gain in influence (Brown and Studemeister, 2001: 3). Ham (2002) even speaks of a move from geopolitics and power in times of postmodern, for which influence and image are typical. Since also in the global politics are »today the shows/imagination the staging space for action, not only for flight« (Appadurai, 1996 in Rosenau 1999: 7). Therefore in the modern world the states, and the international organizations as well, are striving for the best possible holistic presentation, the so-called promotion, in order to increase their reputation/image, which we understand as a sum of all cognitive, affective and value perceptions and positions about a particular state and nation, which is up to a certain measure founded on trust (Kunczik, 2003: 412).

In this context Kline and Berginc (2004: 1045) argue that the traditional diplomacy is disappearing and that the politicians in the future will have to find a niche for their own country, i.e. its market brand. According to his words, it means »entering into competitive marketing of the country, ensuring the loyalty and satisfaction of its and foreign citizens and especially creating an added value of its own market brand in the eyes of different groups of its receivers» (Ibid.). The same is argued also by other authors (Ham, 2001; Kunczik, 1997), that countries in this case are representing themselves according to the advertising of commercial products and are competing for the affection of the public like market brands (so-called »brand state«). »States as brands are still 'warring' (and were created - i.e. formed and constituted - in 'war') even though this time through a non-violent race for market shares and recognisability.« (Ham, 2002: 265). At the same time they emphasize that the state as trade brand can not be artificially designed, and it must first of all be based on the identity of the country, which is on its self-perception, vision and national culture. For greater recognisability of the state, consequential strengthening of its image/reputation and finally, for the establishment of a trade mark it is necessary to invest greatly into the

planned communication and state as a brand must be confirmed also by its citizens (Kline, 2004).
In the area of state branding undoubtedly the national tourist organizations are leading, that are effectively performing concrete strategic and creative international public relations, which in a synergetic manner contribute to the all of the effects of the public diplomacy of a particular state (Kunczik, 2003: 415-416). But such advertising and PR campaigns cannot be equalized with the public diplomacy, since we are often talking about different dimensions of a product, i.e. state, which is being marketed in such a manner for different target publics. It is important to note that public diplomacy is not merely a collection of techniques of state promotion (advertising, public relations, publicity), but is fundamentally determined by content and quality of formulizing and implementing the foreign policy – in the sense of »deeds are stronger than words«. With this according to our opinion also two maxims are valid: »If the image is bad and our deeds good, it is our fault for not knowing to communicate. If the image is a realistic picture of our shortcomings, the fault is still ours for not knowing to manage well.« (Bernstein, 1986 in Jančič, 1998: 1039).

Public diplomacy is in function of foreign cultural policy

Already the »fathers« of public diplomacy Signitzer and Coombs (1992) recognize in addition to the so-called tough-minded line, which is using propaganda and persuasion also the so-called tender-minded line of public diplomacy. This one is standing on a principle that information and cultural programs must circumvent the momentary goals of foreign politics and focus on highest, long-term national goals. In this light comes the thinking that public diplomacy does not only stand in the function of foreign policy, but rather as the so-called cultural diplomacy takes over the role of performing the so-called foreign cultural policy, developing international cultural relations, intercultural dialogue, understanding and cooperation.
Complications arrive already in the content vantage point of such understanding of public diplomacy: the basic navigation for the

activity of public diplomacy is national interests and foreign policy goals, which are in principle founded on internal consensus on the national identity and values. How can therefore public diplomacy in its communication adjust »the diversity inwards and the universality outwards«, without entering cultural imperialism and with actual encouragement of the patterns of intercultural tolerance? There also rises a question of who are the actors of cultural diplomacy: are these the national ministries of culture or rather independent, public institutions, known in Europe (for instance British Council, Goethe Institute, cultural centers abroad) or independent cultural institutions and artists themselves, international organizations, professional associations etc.
Our understanding of the international cultural streams goes more in the direction of breaking institutional and state frameworks, where foreign politics and diplomacy are mostly standing at its side and taking care of not being an obstacle. In this sense for instance can young artists become the best cultural ambassadors, since it is their creativity and specific life-style that represent a recognizable element of modern-day identity, it breaks stereotypical patterns and as such operates outwards effectively, if not even contagiously.

4. WHAT KIND OF MODERN PUBLIC DIPLOMACY?

»A modern diplomat can be anyone that identifies himself/herself with the values of a certain country within the international community and the humanitarian models of solving the open dilemmas of globalization.« (Guček, 2003: 3)

Treating the basic assumption can assist also in understanding of public diplomacy in modern times and the directions of its future development. With conceptualization of the so-called modern public diplomacy it is essential to take into account that the environment from which today the functional need for public diplomacy is deriving, is irreversibly changing, especially with the revolutionary development of communication channels and information technologies and as such dictates modern (conven-

tional and alternative) methods of public diplomacy activities.
The international community of the 21st century is defined by many paradoxes and oppositions, such as processes of fragmentation and integration (so-called fragmegration). The international relations and diplomacy, while at the same time present-day wars, are occurring today in interdependent global networks of actors, information and ideas, where media, information-technology and ideal spaces are overgrowing the state territory and with this also the traditional concepts of sovereignty and power (Rosenau, 1999). The present-day international community is »a bowl for whisking eggs, which contains shells of sovereignty, while the omelet of the global community is being made.« (Booth, 1991 in Rosenau, 1999: 6). In post-Newton metaphor, which is representing the present-day global politics, on the (global) pool table count not only the additional balls (new actors), but also and foremost game dynamics and interaction between the balls, a new key factor being goods/basis, on which the game is played (Ronfeldt and Arquilla, 1999: 8). Important issue here is of course communication or even imagination, where things that are presented through media, especially through global television networks, such as CNN, as real and is also perceived as real, which is today factually represented in the so-called 'wag-the-dog' foreign policy or rather in mediatisation or even virtualization of the present-day armed conflicts.
According to our opinion the concept of public diplomacy is in such an environment becoming a dominant concept of present-day diplomacy for the 21st century. Despite numerous predictions of the end of diplomacy the new context of international relations is dictating even more diplomacy, which is in its basic communication function remaining central. The present-day (public) diplomacy as such already in its core contains communication activities, where communication is not a purpose in itself, but is joined with concrete foreign policy content, effects, values and norms and is despite this strategically planned as silence (Plavšak, 2004). With this new conceptual questions are being raised on different levels, that are showing the trends of a future r/evolution of public diplomacy and its activity.

On the level of actors (so-called communicators and addressees): in the field of public diplomacy there in addition to traditional diplomatic agents (governments, authorized representatives) others are also active – media, nongovernmental organizations, economic subjects, individuals, etc.

On the level of channels and work methods: the traditional diplomatic channels and work methods are importantly complemented by the use of modern media.

On the level of content and »mission«: public diplomacy is not only acting out its national foreign politics, but is in the modern international relations dealing also with the actual global questions, while partially also in a function of advancing the economy, encouraging cultural understanding, development of cooperation with the civil society, etc.

The present-day operation methods of the public diplomacy can be understood as complementary and to some measure convergent: on one side the role of the traditional diplomacy is preserved as defined by the Vienna Convention on Diplomatic relations (1961), while on the other side it is complemented and enlarged (in the sense of an added value) by network, communication and market ways of operating. Modern diplomats are coping with new challenges and tasks: on one side with their professional activity they are more and more depending on the mass media and the contents transmitted by these, while on the other side they have to preserve the support of different publics for their foreign policy and to nurture its pleasant image, with which they are becoming a sort of public relations and media representatives, communication managers and coordinators (Plavšak, 2002: 116-117). At the same time they have to remain in their primary role pro-active and profound: timely and holistically recognizing and responding to the development of international relations, determining agendas, opening questions, forming coalitions, international regimes or order, catalyzing collective action etc. (Sharp, 1999: 41). We can speak of modern public diplomacy as network, moderator

and catalyst diplomacy (Hocking, 2002; Livingston, 2002), which communicates in the networks of actors, including media, translations, mediations, filtering, analysis and interpretation of international and foreign policy matters with an added value. Therefore in the field of foreign politics and international relations a public partnership will have to gain importance, where the state will redirect itself into the moderating role on the basis of cooperation and coordination with the interested, relevant actors, while public diplomacy will be representing the intermediate part between the regulation and self-regulation (Guček, 2003: 2).

5. CONCLUSION

In this article we defined the concept of public diplomacy in its basic pre-assumptions. We have warned of the most commonly stated, generalized, paradoxical and even wrong statements, which are showing a »free« understanding of public diplomacy. We have also treated the present-day public diplomacy in the dynamical context of international relations and showed further directions of its development. In this way, we showed that the present-day public diplomacy is understood as integral, network concept that is fundamentally operating mostly in cross-section with other dimensions of foreign policy and international processes (economical, cultural, communication-media, scientific, educational, etc.).

By treating the basic concept and trends of public diplomacy we desired to draw a framework for the analysis and recognition of the potential of Slovenian public diplomacy and its future directions. The main key for founded and concrete recommendations on needed reforms in the existing structures and practices can, according to our opinion, present only an exact overview of the momentary situation in Slovenia and a comparative analysis with other comparable diplomacies. On this spot can be located our most fundamental and concluding recommendation that the Slovenian public diplomacy has to adopt a perspective to become a true European diplomacy, to strive for the non-statism and non-conventional, open, integrative and synergetic, transparent,

communicative and creative way of operation. »It is possible and probable that Slovenia will have a famous future. The mission of the diplomacy, the state representation – the work of the ambassadors or representatives – is the effort for such a famous future,« as was said by the Slovenian foreign minister (Rupel, 2004).

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7. COMMENTS

Nicolson (1963: 46-53) has already at the beginning of a discussion about democratic diplomacy also warned of its traps: »sovereign people« are irresponsible or are not aware of their responsibilities, do not possess sufficient knowledge about the foreign affairs and specific questions: they are mostly interested in internal affairs. Therefore according to the opinion of the author the democratic diplomacy can be limited by superficiality in formulations and delays in their implementation, in addition to constant coping with the traps of publicity and propaganda.

Thus Gilboa (1998) in its primary analytical framework distinguishes between secret diplomacy, which is totally isolated from the media and the public; diplomacy of the closed doors, where media and the public are given a limited access, only through information of technical nature; and open diplomacy, which is exposed to wide and direct media reporting.

We can often encounter criticism that the term public diplomacy is just a beautifying term for the American propaganda. The term was first used in 1965 by the dean of Fletcher School of Diplomacy Edmond Gullion. Otherwise the term received negative and propagandist meanings especially with the activity of the so-called United States Information Agency – USIA) in the times of Cold War and in the present-day American struggle against

international terrorism, for example with unsuccessful preposition to form the so-called Office for Disinformation. With this it is important to emphasize that public diplomacy is in theory as well as in practice equally and successfully established term in other models as well – for instance among the German authors as »offentliche Diplomatie« (Signitzer and Coombs, 1993; Kunczik, 1997; Zeller and Bernet, 2003; Defago, 2003).

Grunig (1993) concluded that modern governments and other international actors use strategies of public relations, when running public diplomacy. Thus he transplanted his conceptualization of public relations into the international area and has the so-called international public relations classified into four models – model of press representation, model of public informing, two-way asymmetric model and two-way symmetric model. This concept was further developed by L'Etang (1996) with an assistance of Wight theoretical thinking of diplomacy, with which she argues that all the three positions (Machiavelli's, Grotius' and Kant's), which are often passing one into the other, can be found also in the literature on public relations.

Economic diplomacy is not a subject of our research and of this paper on public diplomacy, but the issue was thoroughly argued by Prof. Dr. Franjo Štiblar. According to his words in normal developed countries the economic interest represents the basic guiding principle of the foreign policy and diplomatic activities; therefore the diplomatic support to the economy is intermediary. »Even the most liberal countries (USA) in greatest measure through lobbying in international relations actively interfere with the international economic relations.« (Štiblar, 2004) The fact that a discussion on economic diplomacy was organized at the Slovenian Chamber of Commerce at the last conference of the Slovenian diplomacy in February 2004 also witnesses to the importance of the issue.

Gilboa (2001) is developing three conceptual models of diplomacy in the era of media: the model of public diplomacy, the model

of media diplomacy and the model, in which the media take over the role of diplomatic mediator, i.e. media-broker diplomacy. In the model of public diplomacy state and non-state actors use media and other channels of communication to favourably influence the public opinion in foreign societies or to improve the reputation of a country abroad. Media diplomacy means that the clerks are using media in order to communicate through them with other actors to solve conflicts. In the last model of media-broker diplomacy the journalists are temporarily taking the role of diplomats and are becoming mediators in international negotiations.

The fact that the statecraft – the ability to rule - is measured by stagecraft – the proficiency of staging – is not an invention of modern time, and the most famous example from the history being the rule of the French king Louis XIV, the so-called Sun King, who ruled from 1661-1715 (Kunczik, 2003: 400-403). In the recent time the most noticeable are definitely cases of »staging« by the American president George Bush Jr. (for instance the thanksgiving dinner among the American troops in Baghdad in November 2003), with which he is assisted among others by a trained team of television producers and cameramen.

Jančič (1998: 1029) alternatively uses the terms reputation and image, with a nuance where image is more neutral. Reputation is defined as a good name and respect ascribed to or earned by people, places, activities, events, books, newspapers, etc., while image (»brand image«, »corporate image«) is most of all connected to business organizations and their products, which are for the enlargement and increase of their respectability using mass communications, especially services from the area of public relations. The term image should also be used in case, where people, places, states, etc., are expanding their image in an »artificial and media« manner See also Kline (2004).

With the so-called branding we ascribe to the products an emotional value, with which the people can identify. How this is trans-

ferred also to the sphere of politics and international relations is shown for instance by the moves of the American administration after 9/11 2001. For the leading position of the communication campaign for the struggle against the international terrorism they hired top expert from the advertisement world Charlotte Beers, who has beforehand successfully led the advertisement campaign for rice of Uncle Ben's. The foreign secretary Collin Powell has with that described the American diplomacy: »We are selling products. And this product that we are selling is democracy.« (cf. Ham, 2002: 250).

This is probably confirmed also by the Slovenian Tourist Organization with promotions and slogans such as – Slovenia. Next Exit. Slovenia, Eden of Europe and with the newest Slovenia invigorates, with which Slovenia should be marketed with foreign publics as the youngest member of the European Union.

As ironically presented by the two following quotations: »Oh, my god, this is the end of diplomacy«, as exclaimed by the British foreign minister Palmerston in 1840's when he received his first telegram (cf. Catto, 2002) and through the words of present-day American diplomat: »If the diplomacy is setting down, why am I so busy then?« (cf. Sharp, 1999: 42). Neumann (2001: 616) is thinking for instance that in the post-diplomatic era of »Star trek« , the diplomacy is no longer necessary. Other authors (Burt and Olin, 1998; Ronfeldt and Arquilla, 1999; Peterson et al., 2002) are mostly dealing with the question whether we need a »Revolution« in modern diplomatic practice.

BOSNIA AND HERZEGOVINA

»CONCLAVE« ON THE VLASIC MOUNTAIN – STRENGTHENING THE REFORMS OR GETTING READY TO BOYCOTT THE INTERNATIONAL COMMUNITY IN BIH?

The International Institute for Middle-East and Balkan Studies (IFIMES) from Ljubljana, Slovenia, has been regularly analyzing the events in the Middle East and the Balkans. IFIMES is on the basis of the newest events analyzing the political situation in Bosnia and Herzegovina (BiH) with a special emphasis on evaluating the role of activities of the international community in BiH. The most important and interesting sections of the comprehensive analysis are given bellow.

The international institute IFIMES is on the basis of the announced events in BiH emphasizing that the previously given evaluations on the role of the High Representative in BiH Lord Paddy Ashdown were correct, especially in the part, where he self-initially and without wider European consensus promoted the national parties in BiH (SDS – The Serbian Democratic Party, SDA – The Party of Democratic Action, HDZ – The Croatian Democratic Community) and their satellites (PDP – The party of the Democratic Progress and SzBiH – The Party for BiH) to become reformist powers, founded on crime, corruption and stealing from the citizens and the state of BiH, which is confirmed by the newest series of accusation on crime and corruption against high functionaries from the national parties. The proof of this is that those that are at the Hague courts and Hague prisons at the moment and were there in the past are mostly members of the national parties. From the national parties also come those that are prohibited from entering the EU or USA and also the people against which the BiH Prosecutor and the Prosecutors from the entities started the criminal investigations or raised accusations. Also, all of the functionaries that were replaced by the High Representative Lord Paddy Ashdown come from these parties. Even

though the High Representative Lord Ashdown was in the last three years warned several times that it will be fatal for him and for BiH to accept the cooperation and assistance to the nationalists and nationally extreme parties and individuals that consider themselves as a modern European right but have actually very few values that are common with the European right. Lord Ashdown made himself deaf to this remark by claiming that these are legal and legitimate, since the citizens on the elections are voting for them. But this is also not responding to the true situation in BiH, since not even 50% of the citizens went to the previous parliamentary and local elections and the performed researches showed that these citizens do not support the national parties. Lord Ashdown missed the historical opportunity to help BiH and the region in the name of the international community with his authority and the very good starting position that was left to him by previous High Representatives for BiH and the region to free themselves of the destructive political elements, which not only damage BiH but also expand the negative influence on the whole of the European region.

The international institute IFIMES believes that the European People's Party (EPP/ED) should seriously consider closing the door to the national parties from BiH, which are responsible for the war and war sufferings in BiH and which represent themselves as a modern European right. We expect from EPP/ED to think about the present status of the associated members of EPP/ED (SDA, HDZ and PDP), since they are not sharing the common values with EPP/ED.

The international institute IFIMES expects that the EU institutions in as short time as possible limit the influence of the High Representative in BiH Lord Ashdown on the political processes or to temporarily dismiss him since he with his helping the extreme national parties in BiH enabled and affirmed most of the negative phenomena, which are not only destabilizing BiH but the whole of the western Balkans, on which huge sums of tax-payer's money are spent, mostly from the EU and USA.

The support of the High Representative Lord Ashdown to the SDS in the Republika Srpska (RS) is obvious an is given to Dragan Ćavić, the present President of RS and SDS, who around himself

on the last Conference of SDS (31st of March 2005) gathered in practice confirmed anti-Dayton individuals, such as the newly chosen vice-president of SDS Mladen Bosić from Brčko. He was in the war period an active member of SDS in Brčko, in which numerous war crimes were committed and was the greatest opponent of the arbitrary decision for Brčko and opponent of the restoration of the multi-ethnic rule in the Brčko District in BiH and as the President of the Community Committee of SDS in Brčko led the most aggressive demonstrations in the post-war Bosnia and Herzegovina in mid-1997.
The international institute IFIMES believes that the High Representative Lord Ashdown should react on time and should replace the present vice-president of SDS Mladen Bosić.

THE UNNATURAL UNION OF PDP AND SZBIH WITH THE NATIONALISTS

Besides the momentarily very negative role the High Representative Lord Ashdown has in BiH and the national parties (SDA, SDS, HDZ) that are destructive for BiH, the International Institute IFIMES is pointing to the behaviour of PDP and SzBiH, which are enabling the survival of the power of the coalitions of national parties on all the power levels in BiH. It is obvious that all these parties are found in an unnatural alliance with national parties and that these are mostly abusing them for the realization of their own political goals. The voters in BiH recognized that and on the last local elections (2004) these suffered significant losses. Even though these parties were formed in the post-war period when the anti-war ambient, from which the new democratic processes should begin, was being created, they would by nature have to be the allies of the present oppositional parties of the democratic block (SDP – The Social Democratic Party, SNSD – The Union of Independent Social-Democrats, The Socialists, NHI-HSS,...).
The international institute IFIMES believes that the only way for PDP and SzBiH to survive is their public distancing from the national parties and their politics and creating cooperation with the present oppositional democratic block.

NATIONALISTS ARE CREATING A SUITABLE AMBIENT BEFORE THE COMING ELECTIONS

The newest replacements of the high representatives of HDZ are considered to be a »revenge« of SDA, which under the leadership of Sulejman Tihić wishes to neutralize any kind of constitutional autonomy of Croatian politics in BiH. SDA is doing this obviously to create as suitable environment as possible for themselves before the general elections in 2006. Thus the High Representative Lord Ashdown replaced the Croatian member of the Presidium of BiH Dr. Dragan Čović only on the 29th of March 2005, since he was under the hypothec of the organized crime and corruption from the period when he was still Vice-Premier and Minister of Finance in the Government of the Federation of BiH.

The international institute IFIMES believes that the numerous new indictments against the Croatian cadres are trying to open a new phase between the national parties in BiH, which should again to start processes of homogenization around national parties, as it was always done before the elections in BiH.

The work of the investigation commission of the Parliament of BiH on using the donations is still blocked since the means for the work of the commission were not authorized and the High Representative Lord Ashdown has by now not intervened and secured the means for the work of the commission.

The commission for investigating the donations was formed three months ago with a goal to establish where the donations to the country of BiH were used since signing the Dayton Peace Accord up to this day. By the silence of the OHR an impression is created that the OHR is blocking the work of the commission. The commission was named but the national parties in the Parliament of BiH don't want to separate the money for its work. This blockade in the Parliament can be stopped by Lord Ashdown, who by now intervened in many less important questions. The results of the work of the commission would show the crime of the national parties, which is not desired, nor by national parties nor by Lord Ashdown?

THE REHABILITATION OF THE REPLACED POLITICIANS – ASHDOWN'S NEW TRICK?

The decisions of the High Representative Lord Ashdown, which are connected to the replacement of BiH politicians and his announced decision on rehabilitating a certain number of replaced politicians proclaim that there is no transparent and proper procedure for the replacement of individual politicians in BiH. With the replacement in rehabilitation of the politicians the High Representative is more using his own discretion rights, a fact that is automatically creating suspicion about his decisions. The procedure of rehabilitating the politicians is also not legally prescribed in detail so that Lord Ashdown will have to use his discretion right again. The rehabilitation needs to be performed through a specific legal procedure based on the rule of law, which wasn't the case here. With such activities Lord Ashdown is basically negating the construction and existence of a country based on law, which he is publicly supporting in declaring.

It is obvious that Lord Ashdown needs new subordinated and not partners. With rehabilitation he will get a new group of politicians, with which he will try to strengthen the position of the High Representative. Meanwhile, the return to politics of previously replaced politicians will open processes of intra-party struggles most of all in the national parties into which the replaced politicians are returning and whose places were undeservingly taken by their party colleagues, who where at the moment of replacement only second rate or even third rate politicians in these parties.

So, Lord Ashdown is bringing BiH again into the situation in which there is no transparency, legal basis and legal procedure for bringing his decisions without consideration whether we are talking about replacement or rehabilitation of the politicians.

In this moment it is much more important that Lord Ashdown focuses on the struggle against the organized crime and corruption and before all to as quickly as possible bring a decision, with which means will be ensured for the work of the investigative Parliamentary Commission on the Abuse of Donations – which

is clearly blocked by Lord Ashdown. With this, a »magic circle« is created in which BiH is always at the beginning and what is the most tragic for the citizens, far from the EU and the NATO. Unfortunately, through the activities of Lord Ashdown the credibility of the international community in BiH is being daily reduced.

»CONCLAVE« ON THE VLASIC MOUNTAIN

The international institute IFIMES believes that the announcements of individual political parties in BiH to start boycotting the contact and cooperation with the Office of High Representative as long as it is lead by Lord Ashdown are worrying. The international community has to as quickly as possible solve this opened question and on time remove from the function of the High Representative in BiH Lord Ashdown and to reform the role of the High Representative due to the new circumstances. The international institute IFIMES believes that the High Representative is still needed for BiH, while it is his role that has to be redefined and his title renamed into a special representative for BiH.
By sending the »used and compromised« politicians to the top of the international community in BiH the credibility of the international community in BiH is daily reduced. Thus the highest representatives of the international community at the time of their mandate tried to build partnership relations with criminal and corrupted political parties and individuals instead of building partnership relations with the citizens of Bosnia and Herzegovina.
The international institute IFIMES believes that if the international community will not undertake the required steps and will not remove the present High Representative Lord Ashdown and bring to his place some affirmed and respected politician from Europe, without excluding the possibility of bringing a politician from Slovenia or even Macedonia, it will experience an unavoidable and definitive defeat in BiH.
From the 24th to the 28th of April 2005 a sort of »Conclave« of the party leaders will be held on the Vlasic mountain behind the closed doors: SDA, SDS, HDZ, PDP, SDP, SNSD, DNS, The Socialists

and The Club Center, where they will be deciding on the demand of the European Commission to sign an agreement on confirming three key principles of the European Commission – that the legislative and budget authorities are transferred to the governmental level, that the police is being organized into functional regions and that the political influences on the police are eliminated.
The international institute IFIMES has at its disposal data that at the mentioned meeting on the mountain of Vlasic in the couloirs a part of the representatives of political parties will talk about an eventual joint boycotting the cooperation with the High Representative Lord Ashdown as long as he is on the top of OHR. This is opening a question whether the international community has a ready answer to such a scenario that is preparing a boycott against cooperation of the BiH political subjects with Lord Ashdown and OHR?

THE SPEECH OF THE DP CHAIRMAN, PROF. DR. SALI BERISHA, HELD IN THE 8TH NATIONAL CONVENTION AT THE PALACE OF CONGRESSES; TIRANA

ALBANIA BEFORE NEW CHALLENGES!

The International Institute for Middle-East and Balkan Studies (IFIMES) from Ljubljana, Slovenia has been regularly analyzing the events in the Middle East and the Balkans. IFIMES has been also regularly following the current political events in Albania. About the current events in Albania and its future before the approaching parliamentary elections in July this year has on the National Conference of the Democratic Party in Tirana on the 23rd of April 2005 spoken ***Dr. Sali Berisha****, the President of the Democratic Party and the former first democratically elected President of the Republic of Albania. We are hereby publishing with his approval his speech in full.*

Dr. Sali Berisha
President of the Democratic Party and
the former President of the Republic of Albania

Ladies and Gentlemen, my first words in this Convention, I would like as the tradition asks for, to address to the representatives of the diplomatic corps accredited in Tirana, and extend to them my deepest gratitude for the help that their governments and their nations have given and continue to give to our country. I would like to express my deepest and particular gratitude to our most distinguished friends, who have honored us with their presence, Mr. Antonio Lopez Isutriz, Secretary General of the European Popular Parties and Kostas Sasmatzoglou, Supreme Political Counselor to the Chairman of the EPP, Mr. Martens, Ives Coussain, deputy,

Chairman of the Friendship-with-Albania Group in the French Parliament, Pascal Drouhaud Secretary for the International Relations of UMP- France, Erik Kroiher, Secretary for the International Relations, Ë Gorssruck, Deputy and Christian Passin Representative of the Political Academy of the Austrian Popular Party, Mr. Caligiuri, deputy in the Italian Parliament standing for »Forca Italia« and Stavros Papastavrou, Secretary for the International Relations and EU of »Nea Demokratia« – Greece. I would like to assure Mr. Isturiz and all our friends present in our Convention that we are proud of their friendship, very grateful for their support and determined to place at the foundation of the reforms and the change that Albania expects the principles and values of liberal democracy upon which rest the foundations of the free societies in their countries.
Furthermore, I would like to express my deepest gratitude to you, dear delegates, the whole DP membership, activists, militants, central and local leaders of the DP and our devotees all over the country, for their great support, challenge, commitment, help, energy and sacrifices in defense of liberty in this country, as well as for your real opening towards the gorgeous values of the civil society, academic, university, medias' and business world, towards the founders of the DP. You did change DP into a party of change, of the project of hope and great victory in the coming elections.

I would wish to express my cordial thanks today, to my closest colleagues, the Vice-Chairmen of the DP Ms. Topalli and Mr. Topi, the Secretary General Mr. Bode and Secretaries Executive, the members of the Presidency and the whole membership of the National Council, for their commitment, precious help in the leadership of the DP all over these years. I extend my thanks to our deputies in the Parliament, who with their intensive vocation, transformed the Parliament into a central pillar of the political life and the opposition into a »de facto« leader of this life; to our local government representatives, our mayors and local counselors, who with their alternative governance, quite transparent and efficient, became forerunners of the great change in Albania.

Additionally, allow me in your name, to extend a special acknowl-

edgment to the members of the Policy-Orienting Committee, who with their high scale of professional expertise and intellectual commitment drafted the most solemn platform of great reforms and change, so much desired by the Albanians. A special gratitude goes directly to those who at December of '90, founded jointly with us the Democratic Party, Gentlemen Pashko, Imami, Ruli, Zogaj, Uka, and who after a withdrawal, rejoined with us to lead to the end the peaceful revolution launched in '90.

Finally, I invite all of you to give a unanimous thank to the personnel passionately engaged in the perfect arrangement of this Convention of the Victory.

Ladies and Gentlemen, Our Convention is summoned at a moment when all over the country, from the depth of soul of millions of Albanians, men and women, boys and girls, elderly people, employed and unemployed, intellectuals and laborers, comes out a strong echo, an SOS, a national clarion-call: Now it's the time for change.
Today is the right time for a change, and we are opening our Convention when Albania is eagerly looking for a change; when Albanians, at a wide-ranged national social consensus, have signed it as a new national white dawn for their own self and the children. The DP comes in this Convention as an opened party, which changed itself to bring a change to Albania; it comes as a powerful locomotive to the change so much desired by the Albanians.
For this purpose, it proclaimed as a major political direction, the opening and close partnership with the civil society, academic, university, Medias' and reliable business world. An outcome of this partnership was the national victory in the local elections, the establishment of the Policy-Orienting Committee comprised of distinguished personalities from prominent institutions of this society, leaders of chairs and faculties in our universities. In a few months' time, they reached to present to the Albanians the core of radical reforms, the most reliable alternatives to combat corruption, the fiscal reform, the one in the domain of education, environment, health, agriculture, tourism, energy, order, security, integration.

Today is the time for change, and the DP shows up in front of the Albanians, with the best project to lead Albania to a change; the project of great reforms, where there is room for each citizen. The change to run should be a pretty start, coming out of the pure inside of the Albanians' hearts, to bring back the smile and content to all the citizens. Let us join all of us around the big values we share; let us sweep away intolerance, revenge, greediness, abuse, nepotism, brutality, polarity and exclusion, from our homes. To us, none will be overlooked; none would remain half the way or alongside it.

Join with us in the road towards a change. Together, we are going to lead Albania to a change!

Ladies and Gentlemen, Today is the time for change. Our project of change is the project of the supremacy of values, and liberty is its Northern Star; family, work, peace, tolerance, comprehension, strong confidence in one another and in Albania, integration in the EU, make up the fundamental provisions, its constellation. The transformational power of freedom will be the main potential of our project of change.
We, once again confirm our promise and commitment to guarantee the fundamental human freedoms and rights, their expansion, the consolidation of the democracy infrastructure, free press, political parties, civil society, autonomous universities, and independent trade-unions. Today, 16 years after the collapse of the Berlin Wall, there are under-way many penal and civil cases claimed by the government men against journalists and Medias.
I would like to assure the fourth power and the parliamentarians of the free speech, that after the elections, the new governing majority will withdraw from any right on civil or penal prosecution against the media, and will fully respect their autonomy and non-discrimination principle.
Albania is the country of the most remarkable religious tolerance. On behalf of the DP, I would like to assure the supreme representatives of the religious wings, that in conformity with secularism as fundamental principle of our state, we highly appreciate their

role in the building up of the spiritual infrastructure of our nation and; we will fully respect the freedom of belief.
We assume as a top priority of ours, the promise to restore and compensate the properties to the religious communities, whilst the Albanian society should guarantee them of the financial support. We are proud of and pray to God for our beliefs. In the context of our project of change, I would like to guarantee on behalf of the new government, the Greek, Armenian, Roma, Egyptian and Slavic minorities, of their rights, origin and beliefs to be rigorously respected, in conformity with the International Conventions on the Minorities. In particular, allow me to assure the Egyptian and Roma communities that they will no longer be treated as the orphans of mother-in-law, but instead, they will feel proud of their inherited origin, culture and civilization. Within the first six months of its mandate, the government is going to pass a special programme for their schooling, housing and employment.

It's time for a change, Join with us for your freedoms and rights. Vote for a change!

Ladies and Gentlemen, »Time for a change«, to us, implies new responsibilities towards the Albanian emigrants all over the world. We undertake to:

Guarantee the right of vote for the Albanian emigrants wherever they are, in Italy, Greece, Alaska, New Zealand or elsewhere.

We are going to set up a supportive legal framework, to enable their return in Albania and stimulate the mobilization of their savings in various investments.

Furthermore, we are going to establish cultural centers for them and in compliance with the legislative framework in the countries where they are residents, we will facilitate with teachers and books their learning of the Albanian language, whilst we will open in Albania Summer Schools for their children.

Our Consulates and Embassies abroad, will keep their doors open every weekend to deal with their demands.

Following the requirements in the international conventions, we will defend their freedoms and rights, and will keep on working strongly for their legalization and the re-unification of their family members, as well as for the creation of a friendly atmosphere and stand towards them in the countries they live and work.

I would like to take advantage of the occasion to extend my thanks to the government of Mr. Karamanlis, for the passed law on the legalization of emigrants and for the attitude towards the Albanian emigrants in Greece. Emigrants are our everlasting reminiscence. We love them so much. May God bless them wherever they are!
Ladies and Gentlemen, to you and me, time for change would mean the consolidation of the family as the core of the man's life, the foundation of the society, the major condition for a child to access security, affection, education and parental love. Nowadays, the phenomena of emigration and divorce have caused thousands of children to grow up fatherless or otherwise living under the mercy of the fate. Drug-addiction, illiteracy and their treatment as slaves often become their fate.

In our Project for Change, we undertake the following commitments:

No child will be abandoned; every child will reach the care he/she deserves.

Special care to be offered to the disabled children or the disabled parents, who have children in their custody.

Aid to the households of children lacking one of the parents and to those with many children; training courses, grants and loans for the just created families and those with many children.

A strong family - a strong society. This is our slogan.

The vote for the Change is the vote for your family. We are going to win!

Ladies and Gentlemen, today is the time to bring a change and Albanians have already made their decision. All of us are fully aware that they haven't taken that decision for the sake of changing something. The response is a strong »No«. They have taken the decision, first of all, because they are in quest of well-being and work; because they want for themselves and their families to live a European life. Despite the substantial natural assets, Albania keeps itself isolated inside the rich Europe, into an island of poverty and misery. This hopeless situation forces each year, some 100 thousands of Albanians, which make up the most active part of the society, to migrate abroad taking away with themselves the energies, the future and their youth.

The DP Project of the Change stands on the following major pillars:

Upgrade the welfare of the Albanian citizens and eradicate misery in Albania.

Fast creation of new jobs, decrease of unemployment rate to the average level of the developed countries, reconsideration of the work and the man of work.

To the understanding of the DP, the free market economy is the gate that leads to the prosperity of the individual, family and the entire society. Therefore, to raise the welfare and employment rate, we rely on the free initiative dynamic machinery and the guarantee of the free market and competition, equal chances for the individual-entrepreneur to meet a success and the whole country to move on through a fast economic growth.

We are going to turn on the fast economic growth engine by means of:

Full and fast privatization of the big enterprises, making use of

the stocks' market, thus making Albanians owners of their national assets.

Transformation of Albania into the most attractive country to the local and foreign investments in the region and beyond, not simply to double but instead, to multiply the foreign investments bulk along the four next years.

To reach this goal, we guarantee as follows:

The rigorous observation of the anti-monopoly competition laws, the law on concessions and procurements, their amendment for proximity to the international standards. The fair and free competition will be our commitment.

Definitive solution to the land ownership disputes, amendment to the current law to sweep out the social restrictions, restitution whenever possible, full compensation in all the other cases, in cash or kind (tourist sites), after the prices available in the market. The Nation - with the face to the sea; this will be our motto.

Significant decrease of taxes and the simplification of the fiscal system; the unification of the customs' authorities with the tax ones. During our governance, no one will pay taxes over 1/3 of his overall income. We have already warned the reduction of the VAT for foodstuff, energy to the extent of 70% and around 25% for the other categories, the lowering of the social insurance contributions to the extent of 25%, and finally, a reduction at 15% of the over-profit tax.

Simplification of the whole legal, administrative procedures and the establishment of the practice: one-stop shop for the registration of the businesses.

Creation of free zones and industrial parks, as a vigorous generator of employment, production and assimilation of the new technologies.

Upgrade the actual low level of crediting and put in function the stock-exchange.

Create a motivating ground for export; orientation of the foreign and local capitals towards production and export; application of micro-economic incentives; the diversification of the duty-free practices for the exports, favourable crediting lines for the guarantied exports; supporting services to the small and medium export.

Building of the road infrastructure in Durrës, Morinë, Lushnje, Vlorë; guaranteeing the supply with water, electricity, extend the internet and telecommunication network all over the country; full liberalization of their market.

The creation of the database on national information.

Reduction of the administrative expenditures and the upgrading of public investments' scale.

Development of human resources, intellectual potential, as the most powerful source of all kinds of developments. We promise to approach our schools to the requirements and standards of the market. In this context, we are going to set up the National Committees of Human Resources and will draft special programmes to maintain, take in and bring back the brain in Albania.

To us, Change means well-being. Therefore, we invite all the Albanians to vote for their prosperity.
We are going to win!

Ladies and gentlemen, In our Project for Change, apart from the economic growth, facilitation and stimulation of the new jobs, we also rely on the following measures:

Establish favourite treatment for the private employers that create new jobs.

Set out a fee payable to the entrepreneur for every newly employed individual, based on the demand in the market and; release the charges weighting directly on the labour price, by assuming the coverage of the training and social insurance costs for the newly employed individuals. A top priority in the employment scheme will be young men and women, the families with no employment at all as well as long-term unemployed.

Cut off to the extent of 50% the small business tax, which means twice more money in the pockets of the common citizens and businessmen accounts and creation of new jobs.

Provide loans at favourable terms and additional fiscal facilities for the production enterprises, depending on the number of the newly employed individuals.

Decentralization of the budget by increasing four times, i.e. from 6 to 25%, the local communities' revenues through the implementation of the fiscal reform.

Fast growth of tourism as main priority of our government, with focus on the doubling of the number of tourists in the course of three years.

Opening of the markets for the Albanian producers.

Lastly, to open up the gate of prosperity and to create new jobs for Albanians, we'll get rid of the private monopolies of the government officials, which as stated by the World Bank, have cut short 196 thousands of jobs. Only the bribes which the businessmen pay to the administration clerks and the government men reach to 1.4 milliard of dollars annually. I am here to swear in front of you that the clean hands and the power of law will be the lever of Archimedes to pull down the walls and monopolies and open up the gate of prosperity and employed to all the Albanians.

Join with us for clean hands. We will win.

Ladies and Gentlemen, In our project of change, we undertake to re-evaluate the work and the working man. In this context, we:

Can not accept wages evidently below the subsistence minimum.

Are not in support of egalitarianism, still we can not agree with the cynical ratio of wages 1:20 in the public sector and.

In no case can we agree with the ridiculous level of pensions, which hardly cover the costs of a single week. A strong no. We express our commitment to:

Increase the average wage and in parallel double the low salaries, until the difference among the wages in the public sector declines to the 1:5 ratios.

Double the pensions and raise them over the subsistence minimum.

Remunerate the personal chances and success, the career of the individual beyond the boundaries of his status. Meritocracy will be the key stone of the remuneration to the public functions.

Change for us, means jobs available for Albanians and reverence for their work.

Ladies and Gentlemen, in our project for the improvement of the prosperity, an important focus belongs to the sustainable rural and agricultural development. Nowadays, the village population constitutes 55% of the total population. The average incomes per capita in the Albanian farms are actually 50 lek daily. The DP considers the sustainable rural development, the transformation of our self-consumption farms into business units, as quite critical for the development of the overall country, the escape from poverty, and the creation of new jobs. Our project provides:

The building up of the infrastructure in the villages and rural zones, their supply with water, electricity, the asphalting of four thousand km of rural roads.

Favourable crediting system all over the country, for the farmers and agro-business, the oil price to go down to 40 lek/litre.

The promotion to the cultivation of the most profitable crops according to the regions, giving priority to the vegetables, olives and vineyards.

The establishment of the centres for the collection and marketing of the agricultural produce, the collection of field crops at international prices.

The complete re-structuring of the drainage and irrigation system.

The set up of the network of agricultural schools all over the country; subsidies to be granted for seeds and veterinary services.

Observance of the free trade agreements, as well as their re-negotiation based on their legal instruments.

Level the village pensions with those of the cities.

The protection of the land against the erosion, concrete casting, and massive forestation will be our major priorities.

The vote for the change is the vote for your farms. We will win!

Ladies and Gentlemen, the battle for knowledge is the battle for development. Today is the time for change, because only a radical reform would turn our school into a cradle of knowledge, career, the civic democratic culture and national identity. Actually, the percentage of the illiterate children is growing rapidly as fast as the number of schools failing to teach the pupils. The average of

the schooling years for the Albanians has declined from 11.6 to 9.2%; 85% of the middle schools in the rural zones are shut down; the share for the education of their children from 4.2% in 1996 has declined to 2.8% of the GDP. About 30-70% of the academic staff has left the universities; their autonomy exists only on paper.

In our project of change, we take on the following assignments that could speed up the reformation of the education system and the modernization of our school at all the cycles:

Double the budget for the public education, with the view to prioritize it as the top item of the budget.

Provide incentives and facilities for the private education at all the levels.

The outreach of pre-school education at 80% of the children of the respective group-ages.

Attendance of the compulsory education from 100% of the children of the respective group-ages; zero tolerance against illiteracy.

Internet and English-teaching in each class, so as the children might click in their age of imagination and get prepared as future EU citizens.

Double the pupils' number in the middle schools, to approach to the EU objective, which provide that until year 2010, 88% of the 22-years' old youngsters should finish the secondary education.

Modernization of the teaching process, school texts, reduction to 25-30 pupils per classroom; schools equipped with all the furniture and didactic means;

The increase at 50% of the teachers' salaries in the first two years

of governance and their doubling on the fourth year of their mandate;

Reformation of the higher education, following a master plan to be drafted from the National Council of Higher Education and to be passed in the parliament.

Open the doors of the universities by next October, to all those willing to attend the higher education. Our objective will be the doubling of the students' number, the costs per student and the investments for the higher education.

Levelling of the diplomas and the implementation of the Bologna Chart.

Full observance of the autonomy of the higher schools, the opening of the new branches in our universities, depending on the demand in the market.

Special programmes for the universities' staff just like the one of 1000 young talented scientists and the programme of excellence groups with the distinguished students, graduated either in Albania or abroad, and for the researchers gone in for a post-university qualification abroad. We are going to make use of the long-term crediting for the renovation of our higher education system.

The vote for the change is the vote for modern schools to our children.

Ladies and Gentlemen, Improvement of employment and well-being make up the core of the social pact between the DP and the Albanians. The social state is the state established by the DP and the state which we wish to further consolidate. The upgrading of the quality of services is our objective. We consider an emergency the solution to the problem of nonstop supply with electricity and potable water.
In the context of the supply with electricity, we are going to focus

on a better management of the produced energy and the minimization of the losses. Make use of the temporary depositing and its import, not upon corruptive contracting at the price of 45 cent kV, while in the stock-exchange it is being sold at 21 cent kV; the creation of new alternative sources south and north of the country, fully utilizing the tourist potential of our cities. Within 9 months time, we will abolish the a-forfeit system of fines; we'll make zero the VAT on the electricity and will reduce its price.
Albania is a country rich in water sources, yet it is suffering more than any other country for water. We pledge ourselves to bring a radical change in the supply with water to the population, first of all by disciplining through legal instruments the abuses with the potable water, giving solution to the efficient management and construct new water supply pipes.
Within the first year of governance, all the tourist cities, from Saranda up to Velipoja, will receive nonstop water supply and in the years to come, all the municipalities of the country will access to the regular supply with water, whilst a notable improvement will occur in all the communes throughout the country.

Change in our concept means light and water for Albanians.

Today is the time for change. In the context of our project, change means sustainable policy to provide housing for the citizens, currently accessible only by the government officials. The DP pledges itself to follow an active central and local housing policy, which should guarantee at least, five thousand flats each year for the citizens. The accomplishment of this objective will be focused on the following actions:

The re-structuring of the Entity of Houses.

The instalment of the soft loans' crediting system based on the mortgage collateral.

The construction of flats on open tender, by the private sector on the public sites and the share belonging to the local authorities,

as the owner of the site, to get sold at soft loan or otherwise to be given on symbolic rent to the citizens.

Change, in our concept means housing.

Additionally, I would like to assure the former politically persecuted of the future government's commitment to assume the responsibility of their indemnity in compliance with the laws of the country, the penal code of Albania and besides, a special programme in support of this strata, in order that their lives level with those of the other Albanians.
Time for change, in the context of our project means the Albanian youth, the energy as well as the supremacy of our project of change. Today, thousands of young girls and boys want Albania to become the home of their best juvenile dreams; every day they leave their country with great pain and nostalgia, because their fatigued mother cannot provide shelter to them. We assure the Albanian youngsters that the coming government will draft a programme, an active policy; will provide schooling, employment, entertainment and sport facilities for them.
A particular focus will be given to the problems of drug-addiction and its treatment, the precaution measures against AIDS and other pathologies. With the strongest discipline and the power of law, we are going to combat the trafficking of children and young girls, categorizing it as a penal act equivalent with the severe crimes against the mankind.

Change in our understanding, means protecting our children.
Today is the time for change. A better quality health service for each citizen will be our slogan.

The improvement of the quality of the free-of-charge service, the increase of expenditures and investments bulk, the fight against corruption, the prevention of diseases, the protection of the public health, the rigorous control over the drugs, the maturity of the health and diseases' insurance market, the reduction of the infantile mortality rate to the average of the developed countries,

actually 45%, the care for the elderly people, all the medical treatments to be given free of charge for the pensioners, cooperation with the private sector; all of these will be our targets in the domain of health.
Today is the time for change, because the pollution of environment is quite alarming. The pollution at the Scanderbeg square is many times higher than in the other metropolis all over the Europe. Moreover, Albania is actually the country with the richest biodiversity in Europe and with the highest scale of degradation. In the frame of our project, the environment is the life, its protection and sustainable development conform the international standards, will be our objective.
New laws to defend the right of the author, the freedom of the creators in the conditions of the free market, subsidies to the national cultural institutions, national and international activity of our writers and artists, will be some of our commitment in the field of Albanian culture.
Today is the time for change, and in our concept, change implies that sport as a vital cradle for the formation of the youngsters and the development of health, will make up a priority of our government. We encourage the sport as an activity for all the citizens as well as the professional sportsmen. We are going to embark on investments to build up sport centers and facilities, sport grounds in the schools all over the country.
Ladies and Gentlemen, The time for change requires that public order and security, the fight against the organized crime and terrorism become our major priority.
Nowadays, international terrorism is the number one threat and enemy to the peace, security and mankind. The struggle against it, in the view of the new majority, will make up a top priority. Albania-the most safe country in the region, will be our objective.

We are going to guarantee the public order through the following measures:

Zero tolerance against the organized crime, criminal smuggling, and their punishment with the whole power of the law.

Reformation of the Public Order Corps and the institutions in charge with the enforcement of the law, with the view to upgrade the skills, professionalism, courage, and the remuneration of their members, their absolute depoliticizing and the exclusion of all the incriminated segments.

The establishment of a close regional and international cooperation with all the specialized agencies in the efforts against the organized crime and the enforcement of the law.

The enforcement of an anti-crime legal package on the protagonists of the organized crime, in which context, the penal acts will incur a precise measure of punishment.

The establishment of a gendarmerie as a powerful weapon to dominate the crime.

The installation of the police corps in the blocks and quarters with the highest rate of criminality, of course not for personal intentions of the Ministry.

The integration of the border-police into the public order police, guaranteeing to it the essential autonomy and regional integrated defence and; security of the land, marine and space frontiers, as a pre-requisite in the fight against smuggling, criminal traffic and international terrorism.
Presently, international terrorism is the number one threat and enemy for the peace, security, people's lives and the national security of the free countries. Albania is going to give a real contribution in the fight against terrorism. But, if the port of Durresi and others well turn into private ports of the mafia governmental clans, as they really are today, due to the potential links of the organized crime with terrorism, they become a major threat for the security of the country and even beyond.

Change in our concept, means public order, peace, security.
We invite the Albanians to vote for their security.

Ladies and Gentlemen, Today is the time for a change. In Albania, the law enforcement index is only 0.17, which means to the limits of a failed state; three times lower than the index of '96 and four times smaller than the one of Mongolia. All this is an outcome of the laws being overlooked by the government officials and employees.

In our project of change, we will embark on:

The commitment for absolute equality to all the citizens, to begin with the Prime Minister, the members of the parliament and the leaders of all the other institutions, as far as the guard of a school in Vermosh or a farmer in Vurg.

The consolidation and observance of the constitutional institutions, the compliance with the constitutional obligations and the sharing of the powers.

Autonomous judiciary system, self-controls of the judiciary, rigorous execution of the court decisions, radical reforms on the prosecution institution.

The rule of law, in my understanding and yours as well, should mean the crucial condition to secure the fundamental rights and freedoms of the citizens, the replacement of the corruption system with democracy values' system, the guaranteeing of the free competition and equal chances, the attraction of the local and foreign investments, the escape from poverty, the fight against the organized crime and terrorism, the integration of the country in the EU and NATO, the guaranteeing of our children's' future and ours as well in Albania.

Time for change, in our concept, means the rule of law,
absolute equality of citizens in front of the law.

In our project of change, we pledge ourselves to set up a small and efficient government, on absolute diet. The history has proved that when the government gets broader, the freedom for the citi-

zens is more limited.
Today, the expenditures of the ministries are six times higher that those recorded in 96. To cut off the expenditures to the extent of 50%; this will be our commitment. In this context, I declare that I have had full respect for those hundreds and thousands civil servants in the current public administration, who have made serious efforts to keep strict to the law and the reforms. Our attitude towards the present officials, as well as those to come, will be determined absolutely from: Their behaviour and commitment to the law and the reforms.
Time for change, in my understanding as well as yours means that the time of halted, procrastinated or »a la carte« reforms soon will come to an end. Alfa and Omega of our project of change will be the all-sided reforms, which to the Albanians count as much as the air for the birds to fly.

Join with us to the road of reforms; this is our slogan. We'll win!

The decentralization of the powers in compliance with the existing legal framework and the relevant improvements, is another crucial condition for the government to approach to the citizens, to reach the sustainable rural growth, to combat poverty and corruption, promote employment, the enforcement of the reforms in the domain of education, health, services to the citizens, the placement under control and administration conform the territory laws.

Time for change, demands the legalization of the houses, the administration and placement under control of the territory with emergency. We are determined that within six months, we complete the process of the legalization of the houses based on the project:

The state assumes upon itself the compensation of the owners for the land in use by the displaced people all over the country.

The displaced citizens shall pay a fee a 100-400 thousand lek to get his house legalized and to be entitled to the ownership over the occupied land.

Legalization of all the appendages to the existing blocks of flats in the cities, by fixing a tariff of 4% over their price.

Change for us, means legalization. The vote for change is the vote for the legalization. We'll win!

Ladies and gentlemen, Today is the time for a rapid change, because the integration process of the country in the EU and NATO, the best dream of all the Albanians, is de facto frozen up. This dream is frozen up not because the EU and the NATO have closed their door for Albania. Instead, they are open, but the way to them is blocked from the wall of the government corruption, its private monopolies, the frequent violation of the political will of the citizens, criminal smuggling, the held back reforms that have remained on paper.
Therefore, we promise that by approaching to the fulfilment of the relevant criteria, we reach to sign right after the elections, the Agreement of Association and Stabilization and speed up the membership of Albania in the EU and the NATO.
We, democrats, represent the western vocation of the nation, since we pulled down the iron curtain in Albania, guided Albania towards membership in the European Council, Partnership for Peace and by the consensus of the elections of 2001; we opened the way to the start-up of the negotiations for the Agreement of Association. Today, we announce in public that the major interest of Albanians is their integration in the EU and the NATO.

Our project of making the European dream of the Albanians come true sets out several tasks, like the rigorous approach to the criteria and standards of integration in the EU and the NATO through radical political, social and institutional reforms. Our commitment in the up coming mandate will be:

The Albanians should vote like all the other European citizens, in free and fair elections.

New space for the role of the future opposition in the parliament

and wherever it has its representatives.

Real decentralization of the government in compliance with the European Convention of Regional Authorities.

Put an end to the discrimination of the municipalities and communes based on the political colors of the elected officials.

Real freedom and autonomy for the Medias, through a legislation of the best European standards.

Guarantee the human freedoms and rights and those for the minorities, conform the European Chart of Human Rights and the International Convention on Minorities.

Full support and respect to the autonomy of the human rights' organizations and the Ombudsman, which monitor the behaviour of the public order corps.

Fast change of the dramatic situation in the pre-penitentiary system.

Fair interpretation of the immunity and its collective invalidation in cases of corruption acts and ordinary crime.

Guarantee the enforcement of the state of the law, autonomy and transparency in the judiciary, the efficient fight against corruption, monopolies and the escape from poverty.

Zero tolerance against the organized crime.

Guarantee the safety of the country borders.

Reformation of the prosecution institution and other institutions responsible for the enforcement of the law.

Approach our legislation to that of the EU countries.

Albania has already established a sustainable partnership with the NATO. We are resolute to rigorously meet with all the requirements of the North Atlantic Chart, the Adriatic Chart, in the political and military domain.
The reforms in the field of defence have so far acknowledged a real progress. Today, units of our armed forces are integrated with the NATO units and Euro-force on missions in Bosnia and Afghanistan. Our military units stand side by side the allies' troops in Iraqi. From this plateau, please allow me on your behalf, to extend a cordial greeting to our soldiers and in particular, to those who are abroad; to express my acknowledgement for their mission; to assure them of being so proud of their mission and of strongly backing up it; and that we'll take all the efforts so that Albania soon becomes a member of NATO.

Change, for us means integration. The vote for the change is the vote for integration.
Join with us on the road towards Europe - this is our call. We'll win!

Ladies and Gentlemen, Albania as factor of peace, cooperation, friendship and stability in the region, member of the EU and NATO; this will be the guiding principle of our external policy. In this context, we believe that the major contribution of ours in the region and worldwide, will be the compliance with the requirements and standards to reach the euro-Atlantic integration and make Albanian become the gate-to-west for the whole Balkans.
We are positive about the development of friendship and regional partnership with the neighbouring countries like Greece, Turkey, Macedonia, Croatia, Bulgaria, Rumania and Serbia. We hail the consolidation of the Ohrid Agreement, as an agreement of peace and stability in Macedonia. The DP considers the settlement of the Kosovo status as a vital condition for the consolidation of peace and stability in the region. We are of the opinion that this solution should be based on agreements of international warranties on freedoms and rights of Serbs and other minorities

in Kosovo; the acknowledgement of the actual international borders of Balkans and Kosovo, the determination of the Kosovo status in compliance with the will of its citizens for self-rule and in partnership with the international community, to establish a constructive dialogue and cooperation between the Belgrade and Pristina. Both Albanians and Serbs should follow the examples of other European countries, which have locked in their archives the long-lasted conflicts, and instead have developed friendship and cooperation for the sake of the euro-Atlantic integration.

The new majority to rise from the up coming elections will consider of particular importance the relationships with the big states of the EU like France, Germany, Great Britain, Italy and the supporter countries like Austria and all the other EU member countries. We will intensify an extensive cooperation with all of them.

The Democratic Party considers its priority the cooperation and relations of friendship with the USA, the champion country of freedom, the country which is guiding the triumph of conscience in the former communist countries and the liberation of Kosovo. For 25 years, Albania was the most oppressed people and as such, it has suffered more than any other country. That's why we have supported and will keep on supporting the doctrine of the President Bush, the outreach of freedom all over the world. We have been and still remain dedicated side by side the USA in the fight against international terrorism.

Ladies and Gentlemen, Today, we democrats are faced up with a noble mission – the mission of the renaissance of hope and trust, the clean-up of the prospects, the opening of a real vision for every Albanian. The accomplishment of this mission becomes high priority, because the fear of what will happen tomorrow, the threat of unemployment, the diseases and the ravaged hospitals, the threat of crime and the violence of the street to us and our children as well, the physical and spiritual weakness generated from poverty, have cut all the expectations and rooted the illusion and desperation among many citizens.

Despite this grey situation, the people have turned their eyes to us, as the main promoter of this change. For us to fulfil our mission, it's essential to stay amidst them, above all amidst those that

are most hopeless, in more need and lonelier. We should reign their mind, hearts, to unfreeze the frost of their timidity, our hope and trust.

Let us all assure the Albanians, of our project to be above all the project of the renaissance of hope and trust for every citizen, of the recovered hope for all those who have lost it, as well as the of return of hope for all. Employment, education, and success, access for each citizen to live a better life, a rather reliable support for his family, a rather deserved remuneration and respect for his career.

In our concept, change means to bring back to Albanians the taste of success, to make this latter become a real, feasible, touchable and quite foreseeable objective. Change, means also a better distribution of the existing assets, the creation of new ones and the narrowing down of the tremendous gap which isolates the two Albania's: The Albania of the governmental minority and their clans, which bath all day long under the sun of prosperity and their wealth which increases even as they sleep; and the Albania of common, honest, patriotic citizens, who live in the Siberian cold of poverty.

For us, the change to come, should belong to all the citizens, regardless of their past, beliefs and their dwelling place. By means of this change, we intend to lay the strong basis of the national unity. Let us leave behind the past conflicts; if united we'll win, we'll change Albania. Let us work all of us, without prejudices, in order to build up our present and future, to make the change turn out into a great luck, real light and hope for ourselves, our children and all the Albanians. Thereby, I invite you towards the new horizon, to make our dream come true. Ladies and Gentlemen, Our project of hope-giving Albania has in its focus the Albanian citizen, with his problems, sufferings, his family and perspective.

First of all, it's the citizen the real focal point of our project of change.

I would like to assure my citizens that being a man who has passed a quarter of a century in service of sufferings, pains, their confrontation with the illness and the evil, my deepest instinct is to

be present whenever occur problems and concerns and to do my best for their solution. I introduced myself in the field of politics, as you all know, as the man of the compassion, and I will always remain such. The most important decision of my life is to live with problems, pains, sacrifices, joys of the Albanian citizens.
Therefore, I swear that I will visit the schools and universities, where their children are learning, the hospitals where their relatives get cured, the enterprises where you work; I am going to install the language of dialogue with the coming opposition, social partners, the men of culture, business, medias, the civil society, farmers, labours, learned men, pupils, students, young men and women, civil servants, in order to reveal new ideas, foresee new ways, launch new reforms, implement the project of change, which is going to bring together all the Albanians.

I invite every Albanian citizen to appraise me based on my sensitivity,
respect and affection for the citizens.

Sometime you have heard me raise my voice in the Parliament, become harsh and point at someone with my finger or otherwise call them nicknames. I swear that never have I done this for the sake of any personal vengeance, but instead because my sensitivity towards the undeserved poverty, which closes up every prospective for the Albanian citizens. I have done this because to me, wherever there is suffering, there is injury, wherever there is a difficulty, there is an obligation. I want to be quite sincere with you; I have raised my voice and I have pointed by finger, because out of all my clothes I use, the gloves are the only thing that whenever I bought, I never used.
Besides, I will never be the rapacious crow or the lonesome bird flying over you. Please, run away from me, if I show up as such in front of you. I am Sali Berisha, to stay always amongst you, thirsty of sharing the enthusiasm, energy, hope, devotion, honesty, affection, and respect for you, your families, and your work, for the nation and for the whole Albania.
I am not flying over you, but I am standing with my feet on the

ground; I take the power from your power, light from your mind, trust from your trust, vision from your ideas, inspiration from your character. You already know that throughout these 15 years of my engagement in politics, we together threw over the most severe dictatorship in Europe, pulled Albania out of the Orwellian bunker of isolation; with our radical reforms we laid the foundations of a democratic system; defended regardless of the cost of falling in opposition the values and principles in which we trust. Anyway, I would like to tell you that I have never, not for a moment or a day worked for history. My history is the freedoms, sufferings, pains and the truths of the common citizens and yours in general. In no case and in no circumstance, have I stayed away from you, have I flied and will fly over you, have I escaped to other countries; instead I have always stayed with you or amongst you.

That's why I invite you to appraise me above all, from my attitude towards your problems, the project I am presenting to bring them to a solution, my approach towards our national interest and, from my oath. Change for me means to turn the good words into good works. I take the opportunity to assure you that in the coming government, the statesmen who will not keep their promises will be sent home. I cannot accept that those who are trusted by your vote make use of it by cheating you. The responsibility of keeping the promise shall be the top issue, of which the new government will be kept accountable.

I believe that the supreme task of the Prime Minister and the next cabinet, will be to protect the Albanian citizens from corruption and by means of the sterile hands of the surgeon, the power of the law, the radiation of the sun of transparency, to pull out from the exhausted body of our society this cancer, which is ruining, wasting the health, the beauty, the imagination, the life of the children, youth, men and women, elderly people, as well as the Albanian family and society in its entirety.

From this plateau, I would like to assure the Albanians that the first battle we are going to win together will be the one against corruption. My oath is clean hands, and the power of law and full transparency in defence of your private and public assets.

The first law to get amended will be the law on the conflict of interests. I swear in front of you that no statesman or high official in the subsequent administration can use the power, the immunity for his own or his family unlawful enrichment, unless faced up with the strictness of the law. I assure you that no statesman or high official can hide, transfer the wealth misappropriated by means of the force of the power, to his relatives, and even less so to his spouse. They can cross the rainbow or go through lifting, but one day they will have to leave their jobs and to face up to the law.

Clean hands, equality in front of the law - this is our promise. We'll win!

Ladies and Gentlemen, The Albania of nowadays, resembles a woman on the edge of giving birth to her baby, full of shyness, of course not painless but with hope and joy, hardly waiting to bring her child to life, the change for all the Albanians.
For that reason, it needs more than ever, our support, affection, trust and dedication. Therefore, I invite the Albanians to love their country more, because by doing so we can come to love ourselves, our children and future. Let us join together in the election campaign of the great change, the great start. Change means good luck, hope, goodness, work, prosperity, modern schools, public order, security, integration, dignity, success for every Albanian and the whole country.
Our generation used to experience the most severe oppression. With our courage and bravery, we set ourselves free, making the dream of freedom come true. Now, with our courage, let us make the beautiful dream of democracy and integration a reality.
Our agenda will be the triumph of change, the triumph of our project ideas, the project of all those in need of welfare and employment, public order, security, dignity, education, the triumph of integration in the EU and NATO, the triumph of al those who remained loyal to these principles, the triumph of those who are willing to look ahead, the triumph of children, girls, boys, men and women who want to see Albania –as the most beautiful home

of all the Albanians.
All of us are ahead of a great appointment; the appointment with the change, hope, victory and future. Let us run towards them! The success, as Disraeli says, is the child of courage. We'll win! Let us walk more united than ever, with the spirit of modesty towards the triumph. Our triumph is the triumph of the party, the triumph of the Albanians and Albania.

MODERATE (POLITICAL) ISLAM – A NEW ALLY OF THE WEST

The International Institute for Middle-East and Balkan Studies (IFIMES) from Ljubljana, Slovenia has been regularly analyzing the events in the Middle East and the Balkans. IFIMES is currently analyzing a shift in the American policy in searching new allies within moderate Islam. The most important and interesting sections of the comprehensive analysis are given bellow.

The political events at the beginning of the 1990's were marked by quick changes in social and political life around the world. Within these changes we can also include the quick economic growth in Asia in which industrially powerful countries were born. The African continent has started to use the language of dialogue instead of the language of arms, which has caused new political and economic reforms. Also in Latin America the democracy and respect for the political diversities replaced civil wars, squadrons of death, totalitarianism and corruption.

The wind of change has engulfed the whole world except the Arab-Islamic world. The people were desperate and did not even believe a new day will come.

The first term of the American president George Bush marked the first changes in the Middle East. Iraq was liberated and has for the first time in 50 years received a democratically elected government. Libya surrendered her stocks of weapons for mass destruction and paid the reparations for the victims of the terrorist attacks in Berlin and above Lockerby. Syria is leaving Lebanon and the Lebanese people are freely deciding about their own destiny. The new Palestinian authority is opposed to militarization or Intifada (the insurgence). The militant fractions replaced the car-bombs with political dialogue. Israel is about to leave Gaza. Several decades lasting war in The Southern Sudan has been end-

ed with the signing of the peace treaty between the rebellious South and the government in Khartum. Elections in Afghanistan. The historical elections in the most conservative kingdom in the world (Saudi Arabia). Women gained voting rights in Kuwait. The Turkish liberal and moderate Islam is proving the possibility of co-existence between the East and the West. Egypt has changed the 76th article of the constitution and allowed multi-party candidatures for the position of the president of the state. In brief, the first term of the American president George Bush is the beginning of profound changes in the Middle east due to the American military and political pressures.

The main characteristics of this politics is that the U.S.A. stopped their friendship and alliance with the Wahabite movement as the most orthodox and extreme branch (movement) within Islam. Wahabism, as the official religious doctrine of Saudi Arabia, is a British product from the end of the 19th century to fight the Turkish Empire. Wahabism later on became the ally of the West in fighting the communism and Soviet advance towards the Persian Gulf. In the middle of the 1990's after the Soviet retreat the Taliban take over the government in Afghanistan and establish a Wahabite state according to the Saudi model.

The opinions in the American politics were divided on the issue of (non)cooperating with the Taliban. The pragmatic neoconservatives were aware of the dangers involved in such cooperation for the region and the world, while the oil lobby wanted to cooperate with the Taliban since Afghanistan is important for the future Caspian oil pipeline. After the 11th of September 2001 all their doubts on the matter vanished. U.S.A. liberated Afghanistan from the Taliban and Al-Qaida. The Wahabite state was destroyed.

After the growth of anti-Islamic atmosphere in the West, the U.S.A. and Europe started to search for somebody new to talk to if not an ally within the Islamic world. The new ally should be the moderate Islam, which is a marking for less radical Islamic organizations over the Islamic world. The American public diplomacy has redirected all of its power towards more moderate Islamic organizations over the world – these organizations

are traditionally ideologically opposed to radical organizations such as: Al-Qaida, Taqfir, Hijra, etc.
The analysis of the influential »US News« from the end of April 2005 under the headline »Brain – Heart – Dollars« confirms that the USA set aside 1.3 billion dollars for the support of such public policy. The market niche of the Americans in this diplomacy is for certain the oldest and controversial Muslim organization »The Muslim Brothers«, which was established in Egypt at the beginning of the previous century and has spread since over the entire Islamic world. The Muslim Brothers hold initiative in most of the Islamic countries, especially in the countries, in which they were victims of political purges (Egypt, Syria, Libya, Tunisia, etc.). The organization is also present in Europe among the immigrants from the Middle East. The directly or indirectly control most of Islamic cultural and school centers in Europe. Their roof organization is the federation of Islamic Organizations in Europe (FIOE) and is located in Great Britain. Maybe the U.S.A. would like to relive the experience Great Britain had with such kind of organizations?
The dialogue between the American Administration and moderate Islam commenced at the beginning of the year 2002. The National Security Advisor of that time Condolizza Rice was informed of that. The Americans identified 17 moderate organizations in the Arab world with quite a significant political weight and they started a dialogue with them.
This politics represented a continuation of the American dialogue with some organizations in the middle of 1990's and were in good relations with some organizations like the Islamic movements in Algeria and in Tunisia. The French were very reserved about these contacts. The victory of Islamists at the Algerian elections pushed the country into the civil war and thus ended the dialogue.
The ideologue of this dialogue was a former employee of CIA and a colleague of the influential Rand Corporation Graham Foller, who published his views in a series of articles in 1991 under the name of »From the fridge to the oven«. The dialogue was later on continued also with some radical organizations such as

the Palestinian Hamas and the Shiite Hizballah and of course, as it is not needed to mention, the intensive talks with the Shiites under the leadership of ayatollah Al-Sistany in Iraq after the fall of the Saddam Hussein regime.
There are two groups in Washington with different opinions on the issue of dialogue with moderate organizations. The first group is under the leadership of Foller, who is uniting the renowned professors and diplomats, who believe that certain parts of the program of these organizations are useful and correctable in a continuous dialogue.
The other group is more pragmatic and believes that the radical organizations were born and grew up in the bosom of these moderate organizations. The example of Egypt speaks for himself, where Sadat offered cooperation to these organizations and was later on killed by the extreme part of exact same movements.
The dialogue with moderate Islamic organizations is not a unilateral act of the U.S.A., which is proved by joining of the EU. The foreign ministers of the EU have at the meeting in Luxemburg in the middle of April 2005 at the preposition of Denmark and Great Britain decided to establish a dialogue with these organizations. The first concrete steps were established by the ambassador of EU in Cairo Klaus Ebermann. The reasons, which were forcing the EU into such a diplomatic step, are deriving from several facts:

Moderate organizations are rooted into the society in such a measure that the democratization of the Middle East is not implementable without them.

Turkey under the government of AKP is an example of a moderate Islam and is representing a kind of preparation towards accepting one Muslim country into the European Union.

The EU is closely following the dialogue between the U.S.A. and the moderate organizations, one of which was an April conference (American-Islamic dialogue) in Doha-Qatar. EU does not

wish to miss the opportunity and stay behind the U.S.A.

The EU is aware that the political Islam is actually a part of the government in several countries such as: The Party of Justice in Morocco, The Muslim Brothers in Jordan, SCIRI and Al-Dawa in Iraq.

The west is convinced into cooperation with the political Islam and the greatest push of this dialogue can be noted after the publication of the study by the American Institute Rand Corporation under the headline: »The Civil Democratic Islam«. The study is dividing the Islamic organizations into three groups. The first are the leftists and the liberals, which are not rooted into the society. The second are the moderate Islamists and the third are the radical groups. The study is analyzing in detail the benefits from the dialogue with the moderate organizations, which do not oppose the dialogue with other religions and do not hate the West.
Here the Rand Corporation did not predict what will happen if some day some of these organizations take over the power. They were the oppressed and persecuted exactly on the demand of the West in the past half a century.
According to the opinion of the International Institute IFIMES it is necessary to undertake the following steps:

Saudi Arabia needs to seriously and quickly follow through the reforms of the religious system, the police, separate the religion from the state and abolish the religious courts. The religious branch of the government, which is the guardian of the Wahabite teachings, spends several billions of dollars every year on political missionary work among the millions of poor Muslims over the world. The Saudi dynasty has to separate itself from the other branch of the government (religious), as in the opposite case it is the government, which is co-responsible for the death of innocent civilians on the streets of New York, Kuwait, Baghdad, Tel Aviv, Madrid, Mombassa, Casablanca, Bali, etc.

The Saudi Arabia has to present clear answers to the questions, since the world no longer believes into some protocol conferences similar to those in Riyadh in February 2005. The world is in no smaller danger after this conference. The Saudi Arabia has to take over the moral responsibility for all the victims of terrorism in the U.S.A., Morocco, Algeria, Spain, Kenya, Iraq, etc. The sporadic incidents between the Saudi security forces and the followers of Al-Qaida are not a part of the global struggle against the terrorism, but rather a power struggle between the dynasty and the radical organizations.
The U.S.A. have to actualize the petition of Loren Muravich and 24 influential politicians and diplomats from the 10th of July 2002 in which they are calling upon the Congress to demand reparations from the Saudis and as an extreme measure to divide the country into two parts, the western and the oil-rich eastern part, which is populated by mostly oppressed Shiites.

There is no essential difference between the radical and the moderate Islam, since every religion and therefore Islam as well calls for peace and tolerance. Each (ab)use of religion for political purposes is dangerous and counterproductive.

The International Institute IFIMES does not support any direct dialogue with these organizations, since each dialogue is a legalization of political Islam, which will have dangerous and far-reaching consequences for the fate of the democracy and reforms in these countries. The dialogue can be indirect through student, syndicate, women's and all other organizations of the civil society.

The EU has before commencing any dialogue with the Middle Eastern Islamic organizations to establish a dialogue in its own house in Europe, where there are more than 10 million autochthonous Muslims (Bosniacs, Albanians, Bulgarian Turks, etc.).

The EU seriously has to undertake a mission of naming and choosing a pan-European mufti, who will be at the same time a

president of the association of Islamic mufti-lead structures in Europe, a sort of counselling and connecting body such as the British FIOE.

According to the opinion of the International Institute IFIMES a suitable candidate came come from the autochthonous Muslims such as the Bosniacs, since it is exactly the Supreme spiritual leader of the Bosnian Muslims (Bosniacs), who is the greatest moral and spiritual authority not only on Balkans and in Europe, but is also considered in all of the Islamic countries from Morocco, Egypt, the Gulf, Iran, Afghanistan, Indonesia, Malaysia and the Muslims on Taiwan as a suitable personality.

PEACEFUL AND STABLE BALKANS - DO WE EXPECT TOO MUCH?

The International Institute for Middle-East and Balkan Studies (IFIMES) from Ljubljana, Slovenia has been regularly analyzing the events in the Middle East and the Balkans. ***Dr. Jožef Kunič****, a member of the International Institute IFIMES and the president of the Slovenian Association for the International Relations (SDMO) is in his article »Peaceful and stable Balkans – do we expect too much?« analyzing peacefulness and stability in the Balkans. We are hereby publishing his article in full.*

Dr Jožef Kunič, Ambassador
President of the Slovenian Association for International Relations (SDMO)
and member of the IFIMES International Institute

The Balkans, especially the part, which has in the late past been referred to as the Western Balkans, has been for the last six centuries, after the army of the Great Sultan Murat I defeated the Serbian army on the Kosovo field, the region of upheavals, clashes and wars, some of them having global effect. The First World War started in this area, some important battles took place there during the Second World War and, in the last decade of the previous century, bloody clashes occurred again there.
Unfortunately, the wars led by great or regional powers, always inflamed the old rancours, reopened the wounds which are not quickly healed and enhanced hatred between different groups. Tensions, which were the result of fierce activities during each war period, were predominantly ethnic or religious and this fact should not be underestimated.
There were no atrocities in the Western Balkans, however inside ethnic or religious groups. Inside those groups, trust has never been destroyed. Ethnic or religious links became even much

stronger, more stable and consistent than any other links, for instance, allegiance to the region, the state or some political orientation.

It is easy to say, that the system of values will change, but it would take too much time. Changing the system of values, calming down the passions and forgetting the committed crimes is a very slow process which should in no case be interrupted with some other extreme political adventure. In such circumstances, the situation would become even worse than it was at the end of a previous adventure. After the Second World War, the wounds were deep. In the nineties of the previous century the wounds were reopened ad even deepened. The starting point at the beginning of this century was worse than it was sixty years ago.

Conditions for organized crime are flourishing. Trade with human beings, drugs and stolen cars is widespread. There are good conditions for other illegal activities. Nobody should be surprised if some international terrorist organizations find there a good place for their activities.

It was evident that the international community was surprised when Yugoslavia ceased to exist. The USA supported the unity of Yugoslavia, while some other states, for instance FRG, supported the recognition of the newly born states. France joined FRG, although reluctantly. After a period of uncertainty, the international community consolidated its strategies and activated itself to calm down the passions in the Balkans, to cease the clashes and to impose peace.

But stable and durable peace has not yet been achieved yet. The Balkans with its serious internal tensions can, in every moment, be embraced by new clashes. There is no fire, but smoke is smelt everywhere. Not much effort is needed to incite such clashes again. Just the withdrawal of the military control might be enough. Renewed conflicts would weaken all Europe. Neither war nor stability situation has direct consequences on the growth of popularity of the nationalistic parties and political groups.

International community needs a strong EU. In the EU recently became evident that there are significant cleavages, which were not well seen before. During the Iraq crisis the differences

emerged between those, who thought that the UN should have played a greater role in this conflict and those who thought it was not necessary. So called New Europe played a significant role. New divisions were evident when the European constitution was discussed. We are the witnesses of »the crisis of trust, crisis of governing and crisis of the European spirit«. We are witnessing of the ideas of two speed EU. Some countries are more pro-American, some are less. Some support the entry of Turkey into the EU, some are more reluctant. Whatever it means, it is far from the original European idea of trust, cooperation and mutual help, all based on consensual decisions. The program, by which the EU would become by the year 2010 the first world economic power, seems an unattainable dream.

Nobody wishes to see the instable Balkans as a trigger of eventual destabilization of the EU. The EU has already enough problems inside itself. To preserve a strong EU as it is needed by the world, a permanently stable and not momentarily peaceful Balkan area is needed.

To wait the Western Balkans to become a part of the EU, would take too much time. Geographically the Western Balkans are not far from the EU. In the long run, we can expect enhanced security to be achieved in the frame of the EU, but we need security as soon as possible, we need it now.

Security, however, can be guaranteed only in a stable democratic political system. There is no democracy, if the allegiance to an ethnic group of a candidate is more important than his program and the program of his party or political alliance. It is difficult to imagine the functioning of democracy without civil society, with strong ethnic connections and alliances. Real democracy is, unfortunately, at this moment in the West Balkans still impossible. Conditions for the democracy are not fulfilled.

Policy of small steps can be operational only in peace. It is absolutely necessary to maintain peace, even by force. Without peace forces the imbalances would be too great and many problems would arise. The important element of the strategy in Western Balkans should be insisting on peace. If violences occur, they should be stopped immediately.

The policy of the international community should have two components. Military – security and geopolitical. Military and security policy should be based on absolute maintaining of peace and preventing any illegal activities and should be oriented against terrorist activities. It should be effectuated by international forces, if necessary. People should, at first, feel safe and only then they would become aware of stability and get confidence in their state.

The political component should be based on three elements. The international community should convince the population that the door into Euro-Atlantic structures remains open. It would diminish the feeling of being somehow excluded from the international community and it would raise hopes for conditions of prosperity and harmony. To convince the Balkan population, it is necessary to allow the EU Turkey and Croatia to enter. The entry of these two countries would have the double effect. It would show to the other countries of the Western Balkans that there is a real probability to become the member of the EU in not too distant future. On the other hand it would diminish the area of non-member countries, the EU borders would be closer to these countries with a positive spill-over effect.

In the Western Balkans, the economic situation is relatively weak. The international community, especially the EU, should do more to improve the living conditions of the population. Conditions of unemployment and poverty have negative impact on security and give way to a number of illegal activities.

The eternal dilemma in the Western Balkans has always been into what extent concede the right to self-determination to ethnic communities living in that region. As a matter of fact, the right to self-determination was always understood in the past as the right to conquer those territories that would historically or culturally belong to that ethnic community, what lead to many wars and conflicts and ideas of Great Serbia, Great Albania or Great Croatia. This is why many world politicians claimed that the borders of newly established countries in the Western Balkans should remain unchanged. The same standpoint was also taken by the Arbitration Committee, known as Badinter Committee.

But tensions remain, and common life of all these ethnic communities remains illusory at present, which is also understandable. For instance, let us take the case of the French Revolution. Some historians claim that tensions among different groups smoothed down only after five generations. There are no reasons to believe that reconciliation among these ethnic groups, being involved in bitter fighting, would come sooner. »Standards before status« was the formula, which proved to be unrealistic. But we can not wait ages to establish truly democratic standards and equal respect for all individuals, and at the same time forget all traumas from the past.

Experiences from other countries and other regions with a different historical background and tradition can not be followed in the Western Balkans. This mistake has often been repeated by many countries with different political systems. But if a stable and durable peace is what should be attained, certain facts should be recognized even if these facts would, in some other circumstances, seem unacceptable.

It seems that the time has come when emphasis to the principles of self-determination should be given, under conditions of full respect of the rights of ethnic minorities and non- enlargement of the territories on the account of the other communities and, finally, under condition that all these changes should be attained in a regular and democratic way. Kiro Gligorov, the ex-president of Macedonia, recently stated that Macedonia would not oppose the independence of Kosovo under the condition that the present Macedonian borders remain unchanged. These are the words of one of the most prominent and experienced Balkan politicians. They should be listened to.

BOSNIA AND HERZEGOVINA

WHO IS FINANCING THE NETWORK OF THE HAGUE INDICTED RADOVAN KARADŽIĆ?

The International Institute for Middle-East and Balkan Studies (IFIMES) from Ljubljana, Slovenia has been regularly analyzing the events in the Middle East and the Balkans. IFIMES has prepared an analysis of a current political situation in Bosnia and Herzegovina (BiH) in lieu of the existing political crisis provoked by non-acceptance of the police reform in BiH. The most important and interesting sections of the comprehensive analysis are given bellow.

1. LOOKING FOR AN INDIVIDUAL AND NOT A COLLECTIVE RESPONSIBILITY

The newest events in BiH are connected to the police reform and are opening and actualizing the question and the role of the High Representative in BiH and his »reformers« – the national parties (SDS–The Serbian Democratic Party, SDA–The Party of the Democratic Action and HDZ–The Croatian Democratic Union), which he chose for his allies in the reforms that should have been implemented in BiH over the last few years.

Through the recent phase of negotiations on the police reform it has been shown how fragile the political stability and partnership of the national parties in BiH is, which are instead of turning towards the future returning to the unsolved political questions that were opened by these parties in the far away year of 1990, immediately after the first multi-party elections in BiH. From such extremely opposed conceptions the most tragic and most unhappy conflict in the newer history of the Balkans was born, which took away from BiH more human lives and caused other forms of suffering on a scale that hasn't occurred in this country in no other previous war that passed through. The national parties in BiH, which were only momentarily and seemingly representing their

reformist tendencies, remained exclusively tied to the program ideas from their start, which are based on the fact that none of them wishes in such a manner, nor the nation they represent, to see in their constituency members of other nations or to develop with them any form of common existence.

The International Institute IFIMES believes that the national parties are for who knows which time repeating the test that is called the establishment of a reformed police in BiH according to the model of European countries. With the national parties BiH is being represented as a unsustainable community threatening that the stability, which was achieved in the last 10 years becomes threatened in a most serious manner.

The International Institute IFIMES believes that the responsibility for such a situation lies primarily with the national parties and the international community as a whole and especially with the High Representative Lord Paddy Ashdown. He impatiently and with an unreal speed desires to at any cost fasten the process of the reforms in BiH by accepting that the support for realizing such planes would come from the national parties - the carriers of the most brutal destruction of BiH in the last decade of the previous century. It is needed to look for an individual and not a collective responsibility in the political processes in BiH.

The High Representative has with his activity caused an unbelievable fear among the lower local politicians and has especially among the national parties developed a spirit and a mentality of subordination, which is a dangerous threat to the development of a democratic conscience and culture. The International Institute IFIMES estimates that the High Representative, in case he continues with such a practice, is going instead of a role of an architect for a different and newer BiH to leave behind at the end of his mandate and after departing from BiH a situation, which in the heads of the people, Bosnians and Herzegovinians is incomparably worse than the situation that existed at the beginning of his mandate, when he inherited a relatively peaceful and stable BiH from his predecessor Wolfgang Petritsch.

2. WHO IS FINANCING THE NETWORK OF THOSE INDICTED IN HAAG AND HOW?

The newest police reform has additionally complicated the political scene in BiH, from which a serious political crisis developed. A particularly specific turn was made by SDS, which has after years-long cooperative role towards the international community decided to commence returning to their starting extreme positions.

It is obvious that the conference of SDS held in March 2005, which many expected to see as a victory of reform forces ready to accept reform values in BiH society, was only a false dawn. Into the leadership of SDS old, anti-Dayton cadres were returned, which were operating under the mentorship of the most wanted Haag indicted person Radovan Karadžić. Such is a case with the current vice-president of SDS Mladen Bosić from Brčko, who is known as a very close cadre to the top of Karadžić SDS from 1996 and 1997, when SDS under the leadership of Mladen Bosić in Brčko in the most brutal after-war demonstrations in BiH opposed the arbitrary decision concerning the Brčko District in BiH. His advance to the top of the party on the last conference of SDS Mladen Bosić and his supporters obviously had an important influence on the change of the general politics of SDS in relation to the reforms – in this case the police reform, when everything the president of Republika Srpska and SDS Dragan Čavić did in this direction was undermined.

Since by the decision of the High Representative all financing of the SDS party from budget was stopped on all the levels of the government, new understandings show that Mladen Bosić as the director of »Telecom Srpska« in Brčko District BiH is in a most direct manner included into the web of secret financing of the network of the Haag indicted Radovan Karadžić – the facts are showing that from »Telecom Srpska« and »Serbian Forests« through different transactions via private companies and in other ways means are set aside to finance SDS and according to the findings of the International Institute IFIMES also to finance the network of the hag indicted people? The announcements at the time to perform revision of the

business activities of public companies such as »Telecom Srpska«, »Serbian Forests« and »Electro Company of the Republika Srpska« are only confirming the similarities with the estimates to which IFIMES came through regularly following the situation in BiH. Now it is quite reasonable to expect an action from the High Representative and the Office of the Public Prosecutor, which by now in smaller cases intervened to replace the officials and investigations were started by the Office of the Public Prosecutor. To this network we should also add »money laundering« into which in addition to local subjects also companies and banks from neighbouring states and even some EU countries are included.

The International Institute IFIMES believes that the police reform is of utmost importance for the European future of EU and its outcome will primarily depend on the ability to come to an agreement between the national parties, most of all SDS and SDA on the issue of the character of the reforms and their outcome. For a possible failure of the reforms at this moment the responsibility has to be taken in addition to the national parties also their coalition partners PDP – The Party of Democratic progress and SzBiH – The Party for BiH, who jointly have to take responsibility for the isolation into which BiH and especially Republika Srpska are placed due to the lack of readiness to perform a police reform. The opposition parties in BiH are momentarily not playing an important role in the process of police reform, even though they have positively participated in an attempt to reach an agreement on the police reform.

The International Institute IFIMES believes that the question of police reform can be solved only within the framework of the institutions of the system, where at the moment the most important role is being played by the ruling national parties SDS, SDA and HDZ, but also their satellites PDP and SzBiH. The national parties and especially SDS in Republika Srpska are trying to put the blame for blocking the police reform on the opposition parties by including them into a parallel dialogue, which was being for over ten months secretly held between themselves and the representatives of the international community. Due to the fear of taking the responsibility for the police reform, SDS is trying through the association of citizens and NGO's, over which they have absolute control, such

as the war veteran's organization of Republika Srpska, to elude the responsibility for the necessary reform of the police. This is obviously a new perfidious way of abusing the citizens of RS, who bear no guilt due to the supposed feeling of being threatened and the supposed solidarity with SDS and each time after such a situation pay an extremely high price. This is happening this time as well through the isolation of SDS, which is going to hurt mostly the widest social classes, who live the hardest life in relation to the corrupted leadership of their national parties.

3. SDS IS BY RAISING CHARGES WISHING TO DESTROY THE OPPOSITION IN RS – DODIK, ĐOKIĆ AND PAVIC

The indictment against Milorad Dodik, the president of SNSD – The Union of Independent Social Democrats, one of the leaders of the opposition is representing a »school« case of trying to destroy the opposition. It is almost certain that the present opposition will form the government on the coming elections. SDS is trying by all means to discredit and destroy the opposition. First of all Milorad Dodik is in the indictment which includes more than 30 points accused for the period when he was performing the duty of the prime minister of RS. It is known that for most of the points of indictment political considerations existed, for which Milorad Dodik cannot bear any criminal responsibility. Later on an indictment was raised against Marko Pavic' leader of DNS – The Democratic National Union, which is being accused of performing the supposed criminal acts while serving as a minister in the Government of RS. As to fully form the indictments against the leaders of the oppositions in the recent period we can observe a media campaign against Petar Đokić, the President of the Socialist party. Through the media campaign against Petar Đokić there is a desire to create an ambient for his discreditation and by thus preparing the public for raising another unfounded indictment. The scenario of SDS is clear: discreditation and elimination of the opposition through raising the indictments and leading a media campaign against the leaders of the opposition. On such a behavior of SDS there is a need for the reaction of the High Representa-

tive and the Public Prosecutor of BiH, which should continue the investigation against SDS and their cadres connected to financing the network of those indicted in Haag and the performed crime. Through sophisticated methods SDS and their president Dragan Čavić succeeded completely to discredit and politically marginalize the party of PDP and Mladen Ivanić – who was until yesterday the most trusted coalition partner.

4. KIRO GLIGOROV MOST POPULAR

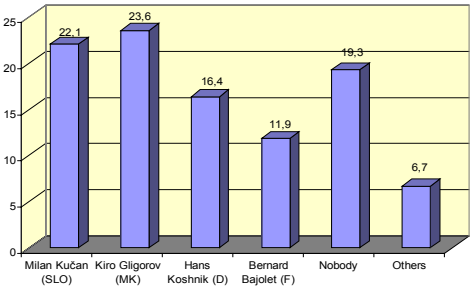
In the present day complex situation in BiH more and more often arises the question of choosing a new High Representative or rather the special envoy of EU for BiH, who is going to help to stabilize BiH and its closer rapprochement based on reality to the EU and NATO. Recent visit of the German Chancellor Gerhard Schroeder to BiH is a clear sign that Germany wishes to have its own diplomat for the new High Representative or rather special envoy to BiH. In the meanwhile, experts on the situation in BiH who take into consideration the historical circumstances believe that Germany due to its negative role in the Second World War in BiH, and especially among the Serbs in BiH, cannot be accepted as a neutral actor in the current social processes in BiH. The same holds true also for France, whose representative would be accepted by the Croats and Bosniacs with disbelief.

Data on the sample:
• sample: random in three stages
• size of the sample: 1.644 respondents (adult citizens of BiH of both sexes)
• methodology: telephone questioning
• period: 9th and 10th of June 2005
• level of reliability: 95%
• control: on 10% of the sample
• standard deviation: +/-3
• territory: Republika Srpska, Federation of BiH and Brčko District of BiH

Whom would you as a citizen of BiH wish to have as a new High

representative or rather special envoy to BiH?

Milan Kučan (SLO) ~ 22.10%
Kiro Gligorov
(MK) ~ 23.60%
Hans Koshnik (D) ~ 16.40%
Bernard Bajolet (F) ~ 11.90%
Nobody ~ 19.30%
Others ~ 6.70%



On the last congress of SDS (May 2005) Sulejman Tihić was again chosen for the president and has announced a transformation of SDA from a national party to a party of political center of national type in which there is going to be place for all the citizens of BiH regardless of nationality, religion, etc. But, to the most important organs in the party only Bosniacs were elected!?
On the last congress of HDZ BiH (June 2005) Dragan Čović was chosen as a president, who was a replaced member of the Presidency of BiH and was accused of several criminal deeds. By his choice HDZ BiH entered a deep crisis with great danger that through singular accusations against criminal functionaries of HDZ a »criminalization« of the Croat people in BiH would occur. In such a situation a positive role could be played through parties with Croatian identity in BiH, which would well organized and connected be able to represent a serious alternative to the present criminalized HDZ BiH.

5. PREMATURE ELECTIONS?

The International Institute IFIMES believes that due to the process of joining the EU and NATO in the present political situation in BiH it would not be good if premature elections would be called for and considers that it is necessary to commence a procedure of changing the election law, which would be changed before the start of regular parliamentary elections planned for autumn 2006.

TALKING POINTS

NANO GOVERNMENT PREPARES MANIPULATION OF ELECTIONS

The International Institute for Middle-East and Balkan Studies (IFIMES) from Ljubljana, Slovenia is regularly analyzing the events in the Middle East and the Balkans. IFIMES has been following the current political events in Albania with its approaching parliamentary elections on July 3, 2005. ***Dr. Sali Berisha****, the first democratically elected President (former) of the Republic of Albania, and current President of the Democratic Party authorizes the article »Nano Government prepares manipulation of Elections« warning of possibile electoral fraud by the current socialist government and their leader Fatos Nano. We hereby publish with Dr. Berisha's approval his article in full.*

Dr. Sali Berisha
President of the Democratic Party and
the former President of the Republic of Albania

The Nano Government is preparing to manipulate the elections of the general elections of July 3 through using dozens of thousands of fake birth certificates for its supporters, so that they could cast their vote several times in different polling stations.
The government has acted as follows: The Ministry of Local Government has ordered all Municipalities that all voters whose names were in the permanent register of the Civil Office but who were not found in the existing address during the verification process to be registered under the 999 or 888 code (generally these are emigrants living abroad). According to the preliminary report of ODIHR for the period 31 May – 16 June 2005, it is established that 528,000 voters were registered under these codes. This constitutes 18% of the voters.

In the final lists, dozens of thousands of names under the codes 999 or 888 were replaced by the names of the Socialist Party militants. Suddenly, only a week before the elections, the Chairman of the Central Election Commission, Mr. Celibashi, stated to the media that in different towns thousands of birth certificates (the birth certificate with photo is a personal identification document along with passport and I.D.) had been lost a few months prior to the elections.

The Media informed that in Tirana only, 14 thousand certificates were lost, while employees of the administration of several Municipalities headed by socialists have informed about the issuing of more than one hundred thousand certificates for the socialist militants in Tirana, Durres, Vlore, Fier, Berat, etc. The names of the socialist supporters have replaced those of emigrants' under the code 999, or 888.

In several meetings with the Democratic Party and other political parties, as well as in different public statements, which were reflected in the media on 25 June 2005, the Head of the Monitoring Mission of ODIHR, Ambassador Grunet has expressed his deep concern on the problem of certificates.

Following discussions with ODIHR, the Democratic Party submitted to the Central Election Commission the draft directive that the voters possessing a birth certificate, to vote in a separate ballot box and an SP-DP commission to be established at the voting centers, outside them, for a random verification of the voters with a birth certificate, in order to establish whether they live on the territory of the voting center and whether they reside in the address provided in the certificate.

The pro SP majority in the Central Election Commission rejected this proposal, paving thus the way for the manipulation of the electoral process and consequently of its result.

Today, it is learned that the company EDLOR Sh.p.k. which apparently is owned by a seventy-year-old woman, but in fact everybody knows that the real owner of this company is Shpetim Idrizi, the General Director of Customs and Taxation. This company has printed one hundred and forty thousand birth certificates and nobody knows where these certificates can be found.

The Mayor of Korca City has told me yesterday that, the last set of birth certificates which have been delivered to Korca, do contain only the District Code. On this point, the law requires that the birth certificates must contain also the specific code for the communes of the district. This is done to enable the supporters of the Socialist Party to vote in many communes of the district.
We would like to call on you to exert your influence and authority in order to make it possible that these two requests of the opposition aiming at preventing the massive manipulations by Fatos Nano and saving the electoral process are approved.

WHAT DIRECTION SHOULD UN REFORM TAKE?

The International Institute for Middle-East and Balkan Studies (IFIMES) from Ljubljana, Slovenia has been regularly analyzing the events in the Middle East and the Balkans. ***Dr. Jožef Kunič****, a member of the International Institute IFIMES and the president of the Slovenian Association for the International Relations (SDMO) is in his article 'WHAT DIRECTION SHOULD UN REFORM TAKE?' analyzing the direction into which the Organization of the United Nations should be reformed. The article is published in full.*

Dr Jožef Kunič, Ambassador
President of the Slovenian Association for International Relations (SDMO)
Member of the International Institute for Middle East and Balkan Studies (IFIMES)

INTRODUCTION

The debate on the UN reform, with particular emphasis on the Security Council reform, has been on the agenda of the international community for several years. The debate has intensified especially following the failure of reaching an agreement within the Security Council on the attack against Iraq. This led to a military intervention without an appropriate consent that may only be given to such a decision by this authorised body. This was not the only military intervention without prior approval of the Security Council. In the recent time, such was NATO's intervention in Yugoslavia, and there have been many more. The ignoring of resolutions adopted by this body, as well as the taking of military action without approval clearly show that this body needs a thorough reform. The greatest problem is the ignoring of decisions, which should be binding, without any sanctions, as well as military actions without the approval of the Security Council, the only body

authorised to give such an approval. There are no sanctions for failure to acquire an appropriate mandate and such de jure unlawful actions are de facto considered post festum as lawful. The "Coalition of the Willing" was formed which took part in the military action in Iraq. An important motive for cooperation was the promotion of certain common values. A coalition of states was formed, the security forces of which have been deployed in Afghanistan, where they are acting in the name of certain common values. There is another group of countries, the security forces of which have been deployed in the Balkans. Certain common values are involved here as well, and we could continue enumerating. If we waited for a formal legalisation required according to the procedure currently applicable within the UN, many of such actions would not take place at all. The world situation would certainly seem to be much worse. It is not a good practice that a formally authorised organisation is loosening the Gordian Knot, correctly from the legally formal aspect, yet so slowly that someone who has enough courage simply has to cut it.

There are other areas of activity which would also require reform. Many people on our planet are living below the poverty threshold, a growing number of people is suffering from AIDS, there is lack of respect for human rights in the countries with totalitarian regimes and gender inequality – all this shows the need to reform the system and make it more effective in facing numerous challenges. The decision-making system concerning the settlement of political crises and particularly military interventions requires change. The decision-making process is too slow, economically powerful states that contribute most funds to the UN system, Germany, Japan, Brazil, India, Italy feel themselves pushed away, while permanent members who have the possibility of veto insist on privileges gained in the past.

THE UN AND TODAY'S WORLD

In its 60-year history, the United Nations has accomplished a great deal. It has decisively contributed to the neutralisation of con-

flicts, prevention of armed conflicts and to a better life of thousands of people on our planet. The Organisation is still successful in the field of humanitarian activity and the world needs it.

It has however more difficulties in the field of political activity. In some crucial moments for the whole world, the Security Council was practically trapped in endless debates, in which ideas, counter-ideas, various arguments and counter-arguments were intertwined, gradually forming a singular Gordian Knot. It was cut – and not only once – by a unilateral resolute action of a state. Such an example is the intervention in Iraq. In the aftermath of this action, politicians' voices were heard from states, who did not agree with cutting the knot, people raised their voices as well, but in a year or two, practically everyone considered such an action – which had no legal support in the Security Council – just as if it had had the support. The international community did not legalise it de jure, but it did de facto. Legal experts maintain that such actions are still unlawful, but politicians with power over the execution of potential sanctions act in such a way as if such actions had been legalised by the UN Security Council. It proved that, apart from some turbulent diplomatic encounters and ill will voiced in public, it was practically irrelevant whether legalisation by the UN Security Council was correctly and justifiably made or not.

The world has changed considerably since the United Nations Organisation was founded. Moreover, it has not only changed; it is still changing relatively quickly. If the UN is reorganised now, at this moment, in such a way as to suit today's requirements, its organisation – at least as far as providing global security is concerned - will soon become outdated. Some states or communities of states will become more powerful and some economically powerful states may lag behind. It is difficult to say which, but we may affirm with certainty that the dynamics of change is intense. The organisational scheme or rules of action should not merely be changed, but set in such a way that the rules will follow the changes in today's world. A system of changing or adaptable rules should be worked out.

Many changes have occurred since the end of World War II that affect the UN's functioning and efficiency. The ratio of power of states, permanent members of the Security Council, has changed significantly in relation to other states. The Russian Federation is relatively weaker, the United Kingdom and France considerably weaker, while China's power is increasing. These changes, however, are not so crucial that they alone would require the UN reform. The United Kingdom continues to have great impact on the states of the Commonwealth, and France on the states of the Francophonia. Immense progress was made in the communications and transport sector, but this should facilitate the work of the UN and raise its significance due to the flow of information, quick access to information and to ensuring physical presence of everyone anywhere in the world more easily. Yet this is not so. Many other circumstances have of course changed as well, but two of them are crucial: unique power of only one superpower and a more pronounced advocacy of values.

The fact is that the USA as by far the most influential state in the domain of security issues dominates, which renders impossible dialogue between the five permanent Security Council members on an equal footing, confronting them occasionally with accomplished facts. "The first global capital has de facto emerged. That capital city, however, is not New York, the place where General Assembly of all nation-states periodically convenes. New York might have become the capital if the world's new order had emerged on the basis of comprehensive collaboration among nation-states, based on the legal friction of equal sovereignty. But such a world did not come to pass, and indeed the very notion has become an anachronism given the new realities of transnational globalization and of the historically unique scope of sovereign American power. And yet a global capital did emerge, not between the Hudson and east River but on the banks of the Potomac, Washington, D.C." (Brzezinski, 2004; p. 132). The relation of the USA to the UN's role is clearly evident from the interview given by M. Albright on the topic of the activity in Iraq and other foreign policy issues. In replying to the question of what she would propose to

the UN, she did not mention any political issues, but advised that the Organisation should above all help the victims of tsunami. She saw the role of the UN within the humanitarian rather than political framework. (Albright, 2005; p. 3).

Another important circumstance that has gained in importance following the fall of the Berlin Wall is the significance of values. "An international politics based on interests may not be perfect, but it has the advantage that conflicts can be kept limited, differences can be negotiated, and compromises may be found. In contrast, an international politics based on conflicts over social, economic, or religious matters means that conflicts become unlimited and non-negotiable as one society and its values must eventually triumph over the other." (Gilpin, 1990; p. 137). "Today the Westphalian order is in systemic crisis. Its principles are being challenged, though an agreed alternative has yet to emerge. Noninterference in the domestic affairs of other states has been abandoned in favour of a concept of universal humanitarian intervention or universal jurisdiction, not only by the United States but by many West European countries." (Kissinger 2001; p. 21.) "Once undesired, or even prohibited, interference in the domestic affairs of other states has today been accepted as the basis for the activity of many international institutions." (Jazbec, 2005; p. 4). The intensity of global interactions has been unprecedented in history. The result of global interactions is: considerably reduced significance of state borders; non-consideration of the so-called "domestic affairs" of individual states; and the emphasis on "generally applicable" values.

Some even believe that the world must return to the Westphalian system since there is no other system on the horizon. "Those who have argued for a "twighlight of sovereignty" -whether they are proponents of free markets on the right or committed multilateralists on the left - have to explain what will replace the power of sovereign nation-states in the contemporary world....In the absence of a clear answer, we have no choice but to turn back to the sovereign nation state and to try to understand once again how to

make it strong and effective." (Fukuyama, 2004; p. 163). It seems unfortunate that this is merely a piece of wishful thinking. The world will not return to the old tracks. It will follow the new ones and we have to accept this rather unpleasant fact, examine it in detail, and adapt to it as much as possible.

The contemporary politics has of course not removed the national interest from its agenda. Referring to values is not new either since the USA has continually intervened in the world in the name of the so-called values, e.g. following the Monroe Doctrine. The reason for activities or interventions has shifted from interests to values. "We should not simply regard, in other words, the humanitarian and universalistic rhetoric of U.S. diplomacy and military action as facades designed to mask the fundamental logic of national interests. Instead we should recognize them both as equally real: two competing logics that run through one single military-political apparatus. In some conflicts, such as Kosovo, the imperial humanitarian logic may be dominant, and in others, such as Afghanistan, the national, imperialist logic appears primary, while in still others, such as Iraq, the two are mixed almost indistinguishably. Both logics, in any case, in different doses and guises, run throughout all of these conflicts." (Hardt, Negri, 2004; p. 60). The contemporary politics does practically no longer refer to national interests which are of course present but, to a great extent, to values. These are not values in the narrow sense of the word, such as the good, the desired or the worthy. Neither are these values in the broader sense, such as goodness, beauty, justice, truth, virtue and sanctity. These are values in the broadest sense, such as morality, religion, art, science, economy, politics, law and customs. (Krašovec, 2003; p. 95). Politics most often refers to values such as democracy, non-terrorism, freedom, and universality of human rights. All these values which may have many different appearances are defined in a manner that suits it most. The resolute advocacy of these values in a way that suits best the leading powers in the world at a given moment has led some persons to a somewhat exaggerated assertion that the fundamentalism of values was at stake (Tariq, 2002; p. 285). It is cer-

tain that the global enforcement of these values which, however, are not shared by all environments in the form understood and defended by the leading powers, and which such environments are reluctant to accept, has caused a reaction.

The reason, however, for an ever more pronounced referring to values lies not only in politics. It is evident that following the period of technical innovations which were particularly intense in the 20th century, and the increased pursuit of material goods, most humanity needs value-support. Values played a major role in the Iranian revolution, they are an important factor in terrorist recruiting and operating. The fact that people in the developed Christian world attach great importance to values was massively confirmed by crowds of people gathered on the occasion of the largest funeral of all times, the funeral of Pope John Paul II.

"Many politicians, activists, and scholars invoke morality and values today as the basis of legitimate violence outside the question of legality or, rather, as the basis of a new legal structure: violence is legitimate if its basis is moral and just, but illegitimate if its basis is immoral and unjust." (Hardt, Negri, 2004; p. 27). This "new legal structure" is neither compatible with the logic of the UN functioning nor with its organisation.

The UN system cannot be defined on the basis of currently applicable values subjectively assessed by superpowers. It has clear rules suitable for negotiations on the basis of interests. In a body functioning according to the current concept, the basis for decisions made cannot be arguments, such as referring to a particular state as being "a rogue state" or "a member of the axis of evil", or that "it most certainly has weapons of mass destruction because it cannot persuade the others that it has no such weapons", or that "it most certainly hides terrorists, for it provides no proof that it does not". Yet such and similar arguments were of key importance in taking decisions that had a decisive impact on the whole world, which the majority understood and knew that they had to be taken although they were not legal from the formal as-

pect. This shifted the UN Security Council from the position of a central decision-making body to a marginal position where it can post festum legalise the action; if it does not, however, everything is right as well.

REORGANISATION: PROPOSED DIRECTION

Those responsible within the UN have long insisted on organisation that proved to be outdated. The principle of UN's organisation is that of a world government with a kind of "parliament" in which all member states are represented that were admitted to the organisation and the Security Council as a decision-making body (if we leave aside the humanitarian field of activity), which reminds us of a Central Committee in non-democratic and rigid communist systems, that had a final say (and still has it in some states). Certain UN members are so important that they have the honour to sit on the Security Council similarly as in a communist system where some important members had the honour to sit on the Central Committee. Some UN members are even so important that they sit on the Security Council on a permanent basis and, due to their past merits, have the right of veto. This again reminds us of a Central Committee on which members with a lifelong mandate sat and whose negative opinion had the weight of a veto. It is more than evident that such a scheme is not viable in the contemporary, postmodern era. The dynamics of the reform also reminds us of the outdated communist system. Similarly as in the rigid system directed by the Central Committee, it was impossible to agree upon key reforms within an acceptable period of time, a debate on the reform has years been underway in different UN bodies, although the reform should have been carried through at least ten years ago.

An attempt at reorganising the UN presented to the public by the High-level Panel (United Nations, 2004) and subsequently by the UN Secretary-General (United Nations, 2005) should (in addition to the proposal that the Commission on Human Rights be replaced by the Human Rights Council and some other, less signifi-

cant changes) change the Security Council's structure, enlarge it, add some new members, but the basic principle of organisation remains intact. It proposes that the number of Security Council members be increased to 24, whereby, according to one variant, there would be 6 new permanent members, while the number of non-permanent members should be increased to 13. According to another variant, there would be 8 new permanent members and 11 non-permanent members. Thus the aspirations of large and economically powerful states to gain more influence in this body would be satisfied; the system of veto remains with the same privileged states as to date. A parallel could again be drawn with the communist states before their collapse when new members were admitted to central committees, the composition of which was thus reinvigorated, yet major members with a life-long mandate remained, although they could no longer make a useful contribution to a new, very different world.

Multilateral diplomacy in the postmodern era, however, does not yield the desired results. Organisations resorting to terrorism as a method of action are organised neither as independent entities not as multilateral entities. The activities of both bilateral and multilateral diplomacy as mechanisms of defence against such organisations bring about little success. These organisations, as e.g. Al Qaida, operate on the principle of a network. This network includes any operating points having such tasks as they themselves choose and such an intensity of mutual links as they may deem necessary at a certain point. The network has a joint basic aim of operation, and values needed to attain this aim, while all other elements of its organisational structure are extremely flexible. "The necessity of the network form of power thus makes moot the debates over unilaterism and multilaterism, since the network cannot be controlled from any single, unitary point of command." (Hardt, Negri, 2004; p. 61). In the postmodern era, it would be reasonable to adapt the organisation of UN activity to such needs. Appropriate networks should be set up for each action. These may be referred to as "ad hoc coalitions", whereby the intensity of an individual member's activity is not determined in advance, and with mutual links that

easily adapt to the needs. Such a network set up on a case-by-case basis would operate rapidly, efficiently and would have no difficulties with members which have an unfavourable attitude towards the common goal. Those who are "in favour" participate in such a way and with such intensity as suits them best. No strictly formal preliminary criteria are required for participation in such a network and a candidate which considers that the values of such a network are incompatible with its own values ceases to be a candidate for joining such a network without any sanctions on the part of the UN. The underlying principle of UN organisation should no longer be one that resembles the organisation of a state according to the res publica principle; it should adapt to the new reality and approach the res communis principle.

If there were a body within the UN with a task and position of a coordinator, a position of a distinguished organiser of coalitions or appropriate networks, a coordinator of repute who has acquired authority based on such repute and the power of word, the UN could play a much more important role than it has played so far. The organisation method and the modalities of participation between the network or coalition members would be gradually adjusted by members themselves, while the operation of the network would be substantively supervised by a body which would propose appropriate change, if required. The UN activity would yet remain topical and necessary and would not find itself in a situation in which it would become so inflexible – due to its own rules and organisation – that it would need to be circumvented. In coordination activity, the body would respect internal rules taking into account relevant facts. It would have the role of a coordinator of flexible and voluntary coalitions and would assist in their formation, operation and dissolution. There would be no need for a formally correct world government that lacks sufficient authority in key moments and may be overlooked both by the large and powerful and by the small. This coordinating body would not need any members with the right of veto, since it would not make decisions "from above" (according to the res publica principle), but together with those interested (according

to the res communis principle). As it would not be a government but a coordinator, it would not have executive powers but would act on the basis of repute and authority acquired through serious and reasonable proposals to the network participants. A body in which no member has the right of veto functions as a coordinator and not as a ruler. The body should be composed of a roughly dozen eminent personalities who would at the same time represent states playing a key role in making decisions relevant for the world at large. It should also have a possibility – if the majority of members participating in the work of the body so decides – to invite other members (representatives of other states) to join them in addressing a particular issue on an equal footing. The body supplemented in such a way to address a particular issue would have a much better insight into the situation in problematic areas and would be – also thanks to the repute of provisionally invited members - much more reputable and effective. Non-respect for a formally authorised body is in most cultures excused if the majority of people think that its decision has not been wise or has even been harmful. Non-respect for a reputable and wise body is in most world cultures considered as a dishonourable act. The authority exercised by a reputable body is often much greater than that exercised by an authorised body.

The proposed solution may seem na ve and idealistic at first glance. The proposed reform of the UN demonstrates that such a body could function. Such a proposal could not be formulated within the formally existing bodies. It could, however, be formulated by a panel of eminent persons: without a system of veto, without formal authorisation, but with great repute.

The existing Security Council structure, or as it may be the numerically altered one, could remain in place. It would suffice to set up the proposed body, providing it with all assistance required for its functioning. It would become an important supplement to the Security Council and a powerful tool whenever the Security Council system might actually fail, either due to the possibility of veto or rigid procedures.

CONCLUSION

The UN reform is certainly necessary. The world has changed substantially since the organisation was founded. Mere cosmetic corrections without modifying the very foundation of the concept of coordination and operation, especially at the time of crisis will not yield results. Instead of a "quasi-global government" which has no power to make key decisions and no power to either prevent or encourage appropriate action, it would be useful to set up a body, a panel of eminent persons of great personal repute, representing states which de facto govern the world. These eminent persons should, without the right of veto and without the required consensus of all, give their opinions or proposals which will have great political weight due to their repute or substantial arguments. These proposals should not be directives to one or two states, but recommendations to a network, i.e. the coalition of the interested, that wish to attain a common objective and uphold common values. Such a method of work should be eventually underpinned by an appropriate regulatory framework, thus acquiring a new legal basis. This would be continually upgraded, according to the experience gained. Such a system would function much better than the one in place now, when a superpower finds no other solution than to trigger appropriate action for the sake of its own security and that of the world at large without obtaining consent of all those privileged, with a permanent seat on the UN Security Council, or without the required number of votes of those less privileged, with a non-permanent seat on the UN Security Council.

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Ljubljana, July 25, 2005

PRESS RELEASE

THE BAGHDAD ASSASSINATION OF MITHALA AL-ALUSI AND THE MURDER OF HIS TWO SONS

Today, on the 8th of February 2005, the terrorists in Baghdad killed the sons of Mithal Al-Alusi, the leader of the Democratic Party of the Iraqi nation (DPIN), the 30 years old Ayman and the 22 years old Jamal.

Al-Alusi was for almost 30 years one of the leaders of the Iraqi opposition in exile and a founder and a general secretary of the Democratic Party of the Iraqi Nation and a member of the International Institute IFIMES from Ljubljana, Slovenia. Mr. Al-Alusi was one of rare Iraqi politic, who has dedicated almost his entire life to fight for the democratic and free Iraq and Middle east. He has relinquished the life of a successfulness businessman in the FR Germany and has with his family moved to Iraq in order to share the destiny of the Iraqi people and participate in the process of building a free and democratic Iraq.

The world public is being notified on the series of events before the terrorist attack on Mithal Al-Alusi and the murder of his two sons:

It has started on the 12th September 2004, when Mithal Al-Alusi visited Israel as the first Iraqi official personality to do so since the state of Israel was established. He has participated withing the frameworks of the International Institute IFIMES delegation on the International conference on the antiterrorist struggle in Herzliya. After the return to Iraq the government of Ayad Alawi issued a warrant for his arrest due to his visit to Israel with which Iraq was still officially in was with. Under the pressures of Jewish circles and the media in the U.S.A. the warrant was revoked, but with this move the prime minister Alawi started a 'witch-hunt' and gave to the terrorists a clear sign to kill him.

In all these events the US embassy in Baghdad preserved a neutral stance and did not take any measures with which they would protect Mr. Al-Alusi as leader of a party and a member of the Iraqi parliament.
According to the opinion of the International Institute IFIMES the responsibility for the death of a great man Mithal Al-Alusi, which is not only a tragedy of one person, one family and the IFIMES Institute, but a tragedy of the Iraqi people, which want peace with all the neighbours and the whole world, needs to be looked for as follows:

The International Institute IFIMES demands that the Iraqi Prime Minister Alawi and the American ambassador in Iraq John Negroponte take responsibility for the assassination that occured today, due to the fact that they have been over the last few months repeatedly warned about the insufficient and inadequate protection and guarding of Mithal Al-Alusi and his family. The prime minister Alawi has after Al-Alusi's return from Israel cancelled his guarding and security services he enjoyed as an Iraqi official personality and as the general director of the Iraqi commission for de-baathication of the country, the position of which he was also relevaid.
The International Institute IFIMES calls upon the American president George W. Bush to revise the role of the largest American embassy in the world (in Baghdad), especially in the segment of anti-terrorist struggle, a claim that is valid also for other American missions over the world, whose work has been recently more and more oftenly criticized.
The International Institute IFIMES is demanding from the American President George W. Bush to make his mandate in the future in the sign of determined anti-terrorist struggle, while every call for more lenient policy of the American administration will be regarded as a sign of US weakness.
The International Institute IFIMES is demanding from the American Secretary of State C. Rice to preserve in her new position the same determinance as she has shown in the position of the National Security Advisor to the President of the U.S.A.

Ljubljana, 08 February, 2005

PRESS RELEASE

VICE-PRESIDENT OF SDS FILED A SUIT AGAINST THE IFIMES

Following increasingly opened threats, expressed through threatening the lives and personal security, pressures and extortions of the members and contributors of the IFIMES as well as lawsuits against the International Institute IFIMES, we are hereby, through the press release appealing to the Bosnian-Herzegovinian and global public.

The International Institute IFIMES from Ljubljana, Slovenia, has been for a longer period of time following and analyzing the situation in the regions of the Balkans and the Middle East. In its analyses it has been pointing to different appearance forms of organized crime, corruption, war crimes, violation of human rights, minority position and difficult economic situation and of an extremely destructive influence of particular political parties on the development of democratic processes, especially of the nationalist parties in BiH (SDS – The Serbian Democratic Party, SDA – The Party of Democratic Action and HDZ – The Croatian Democratic Union).

Dissatisfaction with the opinions of the International Institute IFIMES, which are brought up through our analyses and studies, has been manifested through different forms of physical threats and pressures on the prominent members of the Institute, which has culminated in a recent lawsuit against the International Institute IFIMES, which was brought up by the present vice-president of SDS, Mladen Bosić from Brčko.

The International Institute IFIMES is condemning all attempts of preventing the freedom of speech and is expressing an open concern for the personal safety of the members of the institute, their

families, contributors and the leadership of the IFIMES.

The International Institute IFIMES has with its up-to-date activities tried to, and will try in the future as well, to influence the public opinion with a critical approach towards the social reality with a goal of confronting the negative social phenomena and their eradication, especially in the Bosnian-Herzegovinian society. Obviously, this approach of IFIMES disturbed some of the politicians and political circles in BiH, in addition to the mentioned Bosić, who in their policies never paid much attention to the position of the public. They have mainly tried with different forms of pressure, including physical threats and by abusing the institutions of power in which they have been represented for years, to prevent the public from knowing the real condition of the events and the leading public figures of Bosnia and Herzegovina.

Simultaneously, IFIMES spoke openly of the biggest 'stoppers' of such processes, who in BiH are primarily located within the nationalist parties and who do not wish the comprehend the necessity and the advantages of the Euro-Atlantic integration processes that should, as soon as possible, bring BiH to a membership in EU and NATO.

The newest threats against the International Institute IFIMES, which include the present lawsuit, are understood as an attempt to attack the IFIMES, with which further activities of IFIMES are to be prevented, especially in BiH. The International Institute IFIMES has touched and will be touching in its analyses the social processes and the public personalities that participate in these processes and will continue to warn of their damaging activities and the negative influence of their politics on the citizens of BIH and the development of democracy in the society of BiH.

Thus the International Institute IFIMES pointed to the most-brutal anti-Dayton demonstrations on BiH, which were organized in the summer of 1997 in Brčko, whose goal was to oppose the arbitrary decision concerning Brčko about which there is a written expla-

nation on the final International arbitrary decision for the Brčko District BiH, in which the SDS was found as the main perpetrator of the demonstrations, with which the Republika Srpska lost the possibility to preserve the Brčko District as an integral part of the Republika Srpska. At that time the leader of SDS in Brčko was the mentioned Mladen Bosić.

At the International Institute IFIMES we would not be particularly concerned about the different forms of threats and pressures into which we include also the lawsuits, but due to the recent assassination attempt on the member of the International Institute IFIMES and of the Iraqi government Mithala Al-Alusi on the 8th of February 2005 in Baghdad in which both of his sons were killed and which occurred after his historical official visit to Israel in September 2004 that was organized by the International Institute IFIMES, our concern is becoming far greater.

Despite the physical attacks, threats, lawsuits and extortions the International Institute IFIMES will not cease to be an objective and a critical analyst of the present developments and situation in the region. We shall continues to inform in the Bosnian-Herzegovinian and the international public, including the most influential states in the world, in due time.

Ljubljana, the 4th of September 2005

PRESS RELEASE

DR HARIS SILAJDŽIĆ VISITS IFIMES

Dr Haris Silajdžić, former Foreign and Prime Minister of Bosnia and Herzegovina, is paying a visit to the International Institute for Middle-East and Balkan Studies (IFIMES) from Ljubljana.

During the visit which will last from 17 till 19 October 2005 Dr Silajdžić will have several bilateral meetings and give a lecture on the topic "SOUTHEAST EUROPE YESTERDAY AND TODAY AS A CHALLENGE FOR THE EU". The lecture is organised by the IFIMES International Institute together with the Slovenian Association for International Relations (SDMO) and will take place on 18 October 2005 at 19.00 hours.

The management and members of IFIMES will inform Dr. Silajdžić about the current projects carried out in the Balkan and Middle-East regions and present him the IFIMES position regarding the present and future events in Bosnia and Herzegovina and the region.

Ljubljana, October 16, 2005

PRESS RELEASE

EP RAPPORTEUR FOR SERBIA AND MONTENEGRO VISITS IFIMES

The IFIMES management presented MEP Kacin, who is also member of the EP Committee on Foreign Affairs and Rapporteur for Serbia and Montenegro, with the current projects undertaken mostly in the Balkan and Middle-East regions. Mr. Kacin expressed special interest in the Balkan projects which are significant for the integration processes and the accession to the EU and NATO.

At the end of the visit, Mr. Kacin expressed support for the efforts and actions of the IFIMES International Institute.

The trial in the lawsuit brought by SDS vice-president Mladen Bosić against IFIMES will continue on Friday, 21 October 2005 at the Brčko District Basic Court in Bosnia and Herzegovina.

Ljubljana, October 17, 2005

FACTORS WHICH SPEED UP THE DISINTEGRATION OF MULTIETHNIC STATES

The International Institute for Middle-East and Balkan Studies (IFIMES) in Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. President of the Democratic Party of Albanians (PDSh)) in Macedonia Mr ***Arbën Xhaferi*** *has presented his view of the current events in the region and in Macedonia stressing the factors which accelerate the disintegration of multiethnic societies. His complete text is published below.*

Arbën Xhaferi
President of the Democratic Party of Albanians (PDSh)) in Macedonia

Internal disintegration of a state is a very complex and enigmatic phenomenon. Despite economic problems and various collapses in the functioning of state administrations, many states which face strong internal and external antagonism still manage to survive. On the other hand, despite the positive signs of development some states experience implosion and eventually disintegrate and disappear as if they never existed. Albania for example suffered a collapse of state administration in 1997 but the society remained healthy from all aspects while Yugoslavia, which used to be regarded as an example to all eastern states, disintegrated as a state. Due to the general lack of rational analysis such paradoxes trigger imagination of many individuals and lead to various conspiracy theories. How come that Albania which was burdened with almost half a century of totalitarian communist regime and which had very small administrative effects and numerous enemies managed to go through the dangerous transition in contrast to Yugoslavia, which was characterised by professional administration, efficient economy and better prospects but with the support of great friends it tragically disintegrated. In order to answer

that question the structure and characteristics of Albania and Yugoslavia should be analysed.

Albania is a nationality based state with over 90% Albanian population while Yugoslavia was a federative state functioning similarly as other formations on the basis of a consensual decision. The difference laid in the ethnic compactness or social heterogeneity.

From the history we are familiar mainly with the disintegration of complex social formations such as empires which changed into federations or multiethnic confederations in the modern times. Those heterogeneous and segmented societies or states suffer from the imminent lack of flexibility and loyalty to the system and the state. According to this political theory modern states can only function provided they fulfil the basic three preconditions:

1. internal cohesion evident in civil loyalty to the state,

2. economic prosperity and

3. respecting the standards of liberal democracy.

The latter condition is the product of the western type of civilisation which does not allow cohesion and economic prosperity to be achieved by dictatorship and despotism. During the regime of Saddam Hussein internal cohesion and basic welfare were provided in Iraq. However, the ethnic, religious and general social disparities appeared immediately after the despotic repressive regime was eliminated.

In modern societies those disparities can be resolved by respecting human rights and democratic procedures. Nations and societies which fail to regulate their relations in such way sink very fast into deep crisis and change into non-functional societies. All this points to the great scientific and political need to analyze the factors which cause the loss of internal cohesion and lead to the

dissolution of heterogeneous social formations.

The problems are of objective nature since they are tightly related to ethnical interests. The phenomenon of disloyalty to the state appears as soon as those interests are jeopardized which reduces the space for certain ethnic group. In order to understand the phenomenon of dissolution of a state we must define the reasons for disloyalty and loss of cohesion.

There are three factors:

- Ethnical, racial, sexual, religious, cultural, linguistic, regional and other segregation

- Constant tendency to disrespect the agreements achieved by people living together in order to establish social equality;

- Ethnic capacity; economic, political, cultural and national awareness of nations which entered into the relationships of common life.

Heterogeneous societies are more exposed to the influence of those factors. Yugoslavia's tragic destiny is not a historical "accident" but the verification of a complex "causality". This danger is concealed and threatens any multiethnic social formation.

Yugoslavia functioned as a federation on the basis of a contract which ensured certain degree of equality among the nations. This equality was preserved through the veto mechanisms. The regime of Slobodan Milošević arrogantly attacked the fetish of that community. His campaign begun and ended in Kosovo, where his team composed of degraded communists, clergymen eager for political power, nationalistic intellectuals, criminals and others carried out its activities and found out that the Serbian hegemonic project (the fourth after Garašanin, Andrić and Čubrilović) should be tested on a foreign body. In order to avoid the reactions of other Yugoslav nations, they applied it on the

Albanians living in former Yugoslavia. Since he appealed to Slavic solidarity, Milošević's tactics were successful for some time until they started to show real Serbian hegemonic tendencies which endangered also other Yugoslav nations. In order to conceal its real intentions the Serbian politics stressed the inequality of the Republic of Serbia in comparison with other republic in the federal state (as fragmented and disintegrated due to its two autonomous provinces). At that time there were not many who thought about the paradoxical truth that those autonomous provinces were bestowed on Serbia in order to satisfy Serbian nationalism. If Serbia had really wanted to be equal to other republics it should have renounced the two provinces.

I have used this example to illustrate the naive argumentation which does not resolve questions but triggers conflicts. Unaware of or unaccountable for the gravity and destructive effect of their words, although firmly convinced of being right, those politicians produced a crisis and at the same time wondered about its appearance. For lack of experience and ability to think critically and observe oneself from a distance, they blamed the crisis on the activity of the internal and external public enemies. The role of the internal enemy was assigned to the non-typical group within the society according to the ethnic, religious and ideological principle. When such group could not be destroyed so fast and it won international support and sympathy, the subjective accusations were extended creating a spectrum of external enemies. This mental structure which failed to analyse critically and rationally the way of thinking was guided by the principle of blaming everything on the internal and external enemies. Such modality used for creating conspiracy theories has already been profaned. Psychological elements of prejudices determine the historical process more than other economic, social and geostrategic factors. The imposed public opinion is that ethnic disparities are related with economic factors. However, that approach can not explain the phenomenon of ethnic and religious clashes in developed states such as Belgium, Spain, Ireland or Canada.

The Albanians who are the non-typical element in the state of southern Slaves have often felt the burden of being regarded as the public enemy who is always guilty of social deregulation and regarded as an element of foreign forces.

The Albanians in Macedonia are also often accused of causing crises, but those accusations are usually ruthless and biased. In order to understand the reasons leading to crises we should analyse the concept of social formation in the present Republic of Macedonia. Who causes the crises, the Albanians or the Macedonians?

The Albanians often cause crises because they possess the ethnic, economic and political capacity for asserting their interests. They are nationally minded and can not submit to the assimilation and marginalization processes. The Albanians show reactive nationalism, i.e. they react because they have an unequal status in the system.

On the other hand, the Macedonians are not aware of the fact that with their concept of the state, nation and sovereignty they cause distress not only to the Albanians but also to others.

In contrast to other Macedonian neighbors the Albanians have never contested anything that might be of relevance for the Macedonian interests and for the Macedonian state, identity, language and the autocephalousness of the Macedonian Orthodox church. They have never allied against Macedonia. On the other hand, the Macedonians have created a greater ethnic distance towards the Albanians than towards the Serbs, Greeks, Bulgarians, Turks or Romanies. The percentage of mixed marriages between the Macedonians and the Albanians is almost negligible at less than 1% while it reaches almost 65% in case of other nationalities. The Macedonians contest numerous values that are in the interest of the Albanians who were in certain periods of history an instrument of Serbian projects. The Serbs are continually and in the long-term trying to marginalize the ethnic Albanians. Moreover, they arrogantly and without any reservations create arguments in the public in order

to oppose Kosovars' attempts to gain independence, among other by claiming that independence of Kosovo would destabilize Macedonia and the Balkans. Kir Gligorov went even further with his idea of a corridor which would enable the exodus of Kosovars so that they would never return to their homes.

The Albanians in Macedonia are the autochthon inhabitants who have created their cultural values and at the same time acted synchronically with other Albanian peoples in the Balkans. They not only live in areas that are compactly related but also have the spiritual compactness regardless of the religious and other differences. They contributed to the independence of Albania, supported the political processes in Kosovo and had a significant cultural impact. The Albanian alphabet was adopted in the Manastir national congress in 1908, when the ethnic composition in Manastir was different, i.e. in favor of the Albanians. We should not forget also that both Albanian Nobel prize-winners, Mother Teresa and Ferid Murati (in the field of medicine), come from Macedonia, from Skopje and Gostivar respectively. I have mentioned all this in order to point out that the Albanians in Macedonia are an autochthon nation and eliminate the prejudices that they are the newcomers in this territory.

The Albanians in Macedonia contributed to the formation of the state during the key historical moments, from the rising against the Turkish Empire (the Krusev Republic) and establishment of the National Republic of Macedonia to the creation of the Republic of Macedonia after the dissolution of Yugoslavia. I have stated all these arguments so that it would be easier to understand the demands of the Albanians. The Albanians are not a belated element dickering over the disintegration of the former Yugoslav state. In Macedonia they are a nation with deep autochthon roots, a historical and cultural heritage, trying to win back the rights of succession and gain the human rights laid down in international agreements. They have the right of accession to constitutionality, official use of the Albanian language and their national symbols.

The Macedonians present the Albanians as a natural incidence, which has appeared unexpectedly and made unrealizable demands. In order to understand the origin of ethnic clashes and conflicts we have to return to the beginning of the historical process, to the idea to establish an independent state in the Balkans which is called Macedonia today. All the ideas to establish new states in the Balkans appeared during the dissolution of two heterogeneous formations: the Austro-Hungarian Empire and the Ottoman Empire. After the cancellation of the San Stefan Treaty with which Bulgaria gained the right to extend its territory to the present territory of Macedonia and after that territory was returned to the Ottoman Empire, political efforts were initiated to banish the Ottoman Empire for ever from the Balkans. An idea was developed in Bulgaria to establish a state on the model of Switzerland called Macedonia where the Bulgarians, Serbs and Albanians would have equal rights. This idea would indirectly realise the Bulgarian geostrategic plans in this part of the Balkans. The holders of those ideas were the illegal and semi-legal movements and organizations called VMRO which had their branches inside and outside of the state. The branches outside of the state, which were spreading the idea of immediate uprising against the Ottoman Empire, were concentrated mainly in Bulgaria while the branches inside the state were not that active for fear of reprisals. The idea of those supporting the uprising prevailed and in the 1902 insurrection Ilinden was completely demolished. Besides the Slavic nations, who did not identify themselves with the Macedonians, the Albanians also took part in the uprising.

During the First World War Bulgaria was at the wrong side, so the Serbs who were with the allies took control over Macedonia. The Serbs thus gained the right to control the territory from Macedonia to Slovenia. The state which was formed on the ruins of the two heterogeneous empires was not able to meet the demands of the nations such as the Slovenes, Croats, Bosniaks, Macedonians and Albanians and when it was attacked by the nazi Germany and its allies (April 1941) nobody helped or protected it. The state (which the communists referred to as artificial formation) capitu-

lated in 6 days. Disloyalty of the nations destroyed internal cohesion and nobody, not even the Serbs, were motivated in any way to preserve its integrity which was the reward for the alliance during the First World War.

After the Second World War the second Yugoslavia was established on the territory of the first Yugoslavia as an agreement between various Slavic nations concluded in Jajce, Bosnia and Herzegovina. Yugoslavia was formed on the basis of the agreement which defined the territories of the nations, like elsewhere in Europe. The Albanians did not take part in this ethnic division of the territory although they agreed with the Serbian and Montenegrin communists at another conference in Bujan that the territories with the majority Albanian population belonged to Albania. Under that condition the Albanians agreed to fight the enemy together with the Serbs, Montenegrins and Macedonians. At that time the Albanian-Macedonian (Kosovo-Macedonian) Brigade was formed and participated in the liberation of Macedonia, Kosovo, Bosnia and Herzegovina and Serbia, which ensured them the right to equality. On the basis of the global contract, Kosovo and other territories with majority Albanian population belonged to Yugoslavia, provided they have equal rights as other nations. However, those rights were not recognized and the ethnically non-typical Albanians were violently forced to depart to Turkey as were the religiously non-typical Bosniaks. It was only natural that the Albanians became disloyal to the state with which they were least identified. Numerous illegal organizations were formed in the Albanian population which spread the idea of independence. They organized several uprisings and demonstrations which were at their peak in 1981. However, those demonstrations unintentionally brought up a global problem. Just like the Polish "Solidarnost" raised the issue of the insolvability of the workers' problem in the socialist camp, the Albanian demonstrations in Kosovo and Macedonia during the 1980's brought up the question of the unjust solution to the ethnic problem in the state system. The two manifestations actually opposed the main premises of the so called eastern socialist formations which wanted to deal

with the workers' and ethnic problems once and for all. The Albanian demonstrations in turn activated the Serbian nationalists who were waiting for an excuse to overthrow the Titoism which they claimed to oppress the Serbs in Yugoslavia. However, the breaking down of Titoism actually meant the breaking down of Yugoslavia. The process culminated in 1989 when Belgrade abrogated the 1974 Kosovo constitution and changed the status of the province in order to subject it completely to its rule. With those changes in the core, the Yugoslav image of living jointly dissolved. Other nations in Yugoslavia became aware of the harmful effects of the Serbian nationalism. Their fear triggered disloyalty to the new system which was built by the Serbian leader Slobodan Milošević. The Macedonian nationalists followed the steps of the Serbian strategic nationalism and took the same measures in 1989. With 25 constitutional amendments they reduced the political and constitutional status of the Albanians who were unprotected and anathematized by the central government. This was the process of dissolution of Yugoslavia. The republics gained the right to independence as well as the right to capitalize on the results of nationalism against the Albanians during the 1980's. The constitution of independent Macedonia (17 November 1991) is based on repressive and reductionist policy from 1989. Instead of reflecting the values of open societies where human rights are ensured, the new constitution abolished all the Albanians' rights of accession from former times and legitimized the Serbian nationalistic policy from 1980's which was backed by Macedonian politicians. Instead of bringing peace, democracy and humanity to Macedonia, it became the generator of crisis. In the preamble it sanctioned the desire of Macedonians to identify the state as their ethnic ownership generously granting civil rights to the Albanians, Turks, Serbs and others. Such ethnocentric concept of the new state not only annulled the Albanians' rights of accession but contradicts the real situation in which the Albanians represent one third of the population. The new constitution immediately provoked reactions:

- Albanian delegates did not vote for the new constitution which

was imposed on them against their will. That phenomenon brought up a very delicate political question of the abuse of democratic procedure with the predominant position of ethnic majority which in democratic states becomes an active procedure for the elimination and marginalisation of national minorities. Milošević applied that practice brutally using weapons while Gligorov used malversation of the democratic procedure. In both cases the effects were the same. In the western democracy this practice was replaced by the concept of consensual or consocial democracy which are applied in the states with multiethnic and heterogeneous population. However, such malversation of democracy did not produce any positive results. It only activated the virus of ethnic disloyalty;

- the Albanians did not take part in the referendum on the independence of Macedonia because they were not consulted on the contents of the question. On the contrary, an idea was initiated among the Albanians of a parallel referendum on political and territorial autonomy of Albanians in Macedonia as well as in other parts of Yugoslavia;

- Dissatisfaction continually grew and gained military dimensions. The Albanians in Macedonia started to establish military structures. At the beginning Macedonian authorities tolerated them in order to balance the fear of the Yugoslav People's Army (JLA) However, when JLA left Macedonia, there was no need for those military structures any more, and the Macedonian authorities initiated a cycle of repressions in order to finally bring the Albanians under control. In 1993 they prosecuted the holders of those structures, who did not manage to dismiss the military organisations, in the judicial process called "the weapons affair". In order to intimidate the Albanians, the Macedonian repressive structure started to carry out violent expeditions by attacking the village of Ladorisht near Struga to close down the "illegal" school where the Albanian language was spoken;

- in 1994 the Albanians represented by councillors of three mu-

nicipalities (Tetovo, Gostivar and Debar) established the University in Tetovo on the basis of the existing procedures. The Macedonian authorities reacted brutally by pulling down university buildings whereby one Albanian was killed;

- in 1997 the Macedonian police attacked two municipalities with majority Albanian population because they raised the Albanian flag, whereby three Albanians were killed and the presidents of the two municipalities and chairs of municipal councils were imprisoned;

- in 1998 the Macedonian police intervened in the village of Zajaz near Krčova, killing one Albanian.

All those brutal interventions were co-ordinated in co-operation with the Serbian police in Kosovo. With NATO's presence in Kosovo the situation changed strategically. Macedonian strategists did not pay attention to the new situation. Instead of changing the policy following the relaxation of relationships, as the VMRO DPMNE-PDSH coalition did, they spread defeatism and panic among the Macedonian public which again demanded rigorous measures to control the Albanians in Macedonia. The prejudices, xenophobia and conflicts lead to the uprising in 2001 which reflected the elements of blind emotiveness and explosion of frustrations which had been accumulating for decades. The Albanian political centres and their legitimate representatives – in contrast to the Serbian strategy of directing Serbian uprisings in Croatia and Bosnia and Herzegovina from the Serbian centre (Belgrade) – did not support the Albanian uprising in Macedonia despite the will expressed by the citizens who joined the UÇK, although the Albanians had a real chance to win that fight. Priština and Tirana clearly distanced themselves from that uprising and demanded that the legitimate Albanian representatives in Macedonia actively endeavour to stop the conflicts. The Albanian side opted for the democratisation rather than for further militarisation which was the aim of the Macedonian political centre. The Albanians decided to calm down the situation while the Macedonians fur-

ther aggravated the crisis although they were aware of the defeat. While the Albanian politicians were persuading their people to renounce the idea of the disintegration of Macedonia, the Macedonians were importing vast amounts of weapons, helicopters, tanks and military aircraft from Ukraine, Bulgaria and Serbia.

The Albanian representatives strove to draft the peace plan in cooperation with the external factor, primarily Ambassador Frowick from OSCE. However, the Macedonians brutally "anathematised" those attempts. They repeatedly demanded what was unfeasible. They wanted a glamorous victory on the model of the "Storm" operation in Croatia. Thus they created an unbearable atmosphere based on paranoia and conspiracy which resulted in the recall of Ambassador Frowick who was marked as persona non grata. Frowick's plan contained only technical modalities without the political requirements for the disarmament. The repudiation of Frowick's plan opened new possibilities for a more serious dialogue including the political demands, which resulted in the signing of the Ohrid Agreement.

Frowick left, but the Albanian political representatives constantly pressed by Tirana and Priština as well as by the international community achieved an agreement with the representatives of UČK in Prizren which confirmed the idea that ethnic issues do not necessitate territorial demands. Thus the territorial integrity of Macedonia was protected . Paradoxically, Macedonia's territorial integrity and sovereignty was preserved by the Albanians, while the Macedonians would find more excuses and arguments for disintegration of the state. Anyhow, the Albanians showed sufficient political and intellectual capacity to deal democratically with the conflict which would have probably ended in the disintegration of Macedonia. They thus opened the way to political negotiations and talks which were initiated in Ohrid. In those negotiations, rather than territorial demands, the Albanians made political demands which are usual for any heterogeneous state. On the basis of rights of accession, political theories for ending the conflicts in multiethnic societies and practical applications in Europe, the

Albanians have made three demands that are only natural for anybody:

-official use of the Albanian language,

-adequate representation in administration and state institutions and

-application of the model of consensual democracy which would prevent the predominant position of ethnic majority.

Unlike the Albanians who never contested any Macedonian rights, the Macedonians responded negatively to all Albanian demands.

Not observing the state as a neutral service but as the ownership of the citizens, the logical continuation of perceiving the Albanians as a foreign and dangerous element and as a natural catastrophe is that the Macedonian side did not show even slight respect of the Albanian demands. Monotonously and with provincial stubbornness the Macedonians rejected the idea suggested by the political theory and modern practice of alleviating tensions. If faced with international pressure they would never meet the Albanian demands. Because they perceive the state as ethnic ownership and treat the Albanians as a foreign element, the Macedonians assumed a negative position towards the Albanian political demands in the Ohrid agreement although they were modernised and reflected the Albanian anti-war position as well as the efforts of the international community aimed at achieving abstract harmonisation of viewpoints.

This attitude of the Macedonians towards the Albanians resulted in discrimination of the Albanian language, which was five times less respected than the Macedonian language, and reduction of the right to use veto merely to cultural issues and not to the questions which are of vital importance for multiethnic states, such as equal use of the budget and reduction of rights at all levels.

The restrictions which contributed to the reduction of space

where the Albanian language can be used officially caused confusion and illogical legal incoherence:

- the 20% level must be achieved for official use of the Albanian language

- the Albanian language may not be used in the whole territory of Macedonia

- the Albanian language may not be used in the Government

- the Albanian language may not be used in international relations

- the Albanian language may be used in the Parliament only orally (the Albanian delegates can therefore only give oral proposals)

- the Albanian delegate may only use the Albanian language when acting as a delegate and not as the president of the Parliament or in various parliamentary commissions.

However, the Macedonian side was still not satisfied with the above restrictions to the Ohrid agreement so it went even further. Their project aimed at eliminating automatic use of the Albanian language, which can thus be only used hypothetically if the citizen explicitly requires so. Therefore, the objective use of the Albanian language has changed into the subjective use. However, one can use his language in this way anywhere in the world. For example, if an Albanian, Serb or Slovene finds himself in a court in Japan, he has the right to use his mother tongue if he does not know the language of that state, and the court is obliged to provide the interpreter. Although the Ohrid agreement clearly states that any document must be issued also in the Albanian language, again the subjective demand was applied that the person to whom the document is issued must explicitly require the use of the Albanian language. Consequently, the citizen would be afraid of special treatment at the border if he showed a document in the Albanian language. There are also other inconsistencies regard-

ing the Ohrid agreement violating the constitutional principle of the right to use the Albanian language. The practice of offering unexploited rights inherited from the communist regime is systematically returning to Macedonia. According to the Macedonians, in comparison with the previous times, the Albanians gained the right to use the Albanian language verbally at the parliamentary sessions after the recent war, although that right has been reduced because the Albanian language is translated into Macedonian. Other uses of the Albanian language existed before as well.

Generally, official use of the Albanian language has been degenerated. It is regarded as a capricious demand of the Albanians, and in revenge the Macedonians underestimate Albanian demands for equality. Namely, the Macedonians are generally convinced that the 2001 war was an international conspiracy in which the Albanians were used as an instrument. Therefore they believe that the Ohrid agreement was imposed from the outside and that they have a legitimate right to obstruct it.

There are also many other aspects of the agreement which have not been implemented, including among other decentralisation, adequate representation, disrespect for the time-limits and amnesty.

For example, as regards decentralisation, there were efforts to eliminate the idea of cantonisation or federalisation of Macedonia. The idea of decentralisation transformed into a surrogate called deconcentration of finances and competencies from the centre to the level of municipalities.

Macedonia is an example of objective problems in functioning of a multiethnic state. The Ohrid agreement aimed to open the way to a more modern approach which would ease ethnic tensions and comply with the principle of reflecting the multiethnic character of the society in the concept of the state. The crisis in Macedonia has been caused due to the following objective circumstances:

1. Disproportion between the multiethnic structure of the population and the binational structure, i.e., ethnocentric tendencies of the majority population. The concept of a unitary state prevails over the multiethnic concept of state and society;

2. Perception of the state as ethnic ownership of the majority nation;

3. Misrelated concepts regarding the limitation of identity. Ethnic origin is used as the transcendental substance, as Plato's identity essence which does not submit to changes. The present concepts are thus projected into the past;

4. Identifying the history of space with the national history. This mistake leads to various disputes with the neighbouring states. The Macedonians manifestly affirm the idea of "macedonisation as their historical licence". This syllogism produces the idea of aggressive nationalism as shown in the following example:

-Mother Teresa was born in Skopje,

-Skopje is the capital of Macedonia

-conclusion: Mother Teresa is Macedonian.

Such syllogism is applied not only to historical personalities but also to historical events;

5. application of particularist concepts of Orthodoxy: one state, one nation, one religion. Currently this approach has additionally aggravated church relations between Serbia and Macedonia as well as other actors who are concerned about the arrestation of the Serbian episcope Vranišovski who was appointed by the Serbian Orthodox church.

To avoid misunderstandings and misinterpretations I would like to point to a historical thesis which is theoretically wrong as re-

gards the European heritage. There is a wrong belief that Europe is an example of multiethnicism. However, the facts point to the opposite. In Europe the internal stability was achieved through the creation of harmony and congruence between the ethnic element and political borders. Even Switzerland can not be characterised as a multiethnic state since the cantons and their borders are determined on the basis of the ethnic, linguistic, religious and cultural distinctions. Similarly, the history of Belgium developed on the basis of separation rather than strengthening of the unity. Typically European and other states face serious problems if that problem is not resolved (e.g. Spain, Ireland; Canada).

The difference between the concepts of multiethnic society and multiethnic state can often not be seen. The problems appear when the mechanisms must be established for transferring the multiethnic society into the state concept. The problem therefore lies in the functioning of the multiethnic state. Macedonia is as a state not ready to function so as to reflect the multiethnic society. In order to resolve those problems the state of Macedonia has not changed the reality and the concept of ethnocentrism but only the rhetoric.

Ljubljana, December 19, 2005

EUROPEAN UNION AND THE WORLD TODAY

The International Institute for Middle-East and Balkan Studies (IFIMES) in Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. Ambassador ***Dr. Jožef Kunič****, member of the IFIMES International Institute and President of the Slovenian Association for International Relations (SDMO), in his article "European Union and the World Today" analyses the relationship between the EU and the modern world. His article is published in full.*

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THE WORLD TODAY

The Peace of Westphalia which ended the Thirty Years' War in 1648 introduced the so called Westphalian system. The notion of sovereignty meant that the state decides alone on all the matters of importance for its citizens including the religious issues which had had until then an extremely important role in regulating all social and personal questions and even then functioned globally, i.e. beyond the established political borders. The principle of non-interference in the internal affairs of another country prevailed. The period of long-standing and exhausting religious wars was thus ended and the era of relative peace began. In the previous century the principle of non-interference in the internal affairs of another country started to diminish and practically completely disappeared at the end of the twentieth century. We are now in the times of globalisation. "Interference in the internal

affairs of individual states which used to be undesired or even prohibited has today become the basis for functioning of numerous international institutions." (Jazbec, 2005, p. 4). The world today, which some call the "post-modern period", is characterised by two features: the American global power and the intensity of global interactions, both of unprecedented extensions. Global interactions significantly reduced the importance of state borders and consequently resulted in disrespect of the "internal affairs" of individual states and in stressing the "generally applied" values.

Of course, the national interest has not been erased from the agenda of today's politics, it is simply not a dominant reason for foreign political activities. Instead, the values became the focus of those activities and interventions. Rather than national interests, which are still very much present, the politics of today invoke values. However, those are not the values in the narrow sense of meaning such as the good, desired and valuable. Neither are they values in the broader sense of meaning such as the good, beauty, justice, truth, virtue and holiness. They are the values in the broadest sense such as morality, religion, art, science, economy, politics, law and custom (Krašovec, 2003, p. 95). Politics operate with the values of democracy, non-terrorism and freedom. Although all these values can have numerous meanings, the politicians define them in the manner that suits them most. Determined advocating of those values in the manner suiting the world leading powers has led some to perhaps somewhat exaggeratively describing it as the fundamentalism of values. (Tariq, 2002, p. 285). Nevertheless, global enforcing of those values has caused a reaction. Some environments have not identified themselves with – and find it hard to accept – the values as they are understood and promoted by the leading powers. "Numerous politicians, activists and scientists today use morality and values as the basis for the legitimate use of force and do not need legality to do that. This has led to the new structure of legality: the use of force is legitimate if it is based on morality and justice but illegitimate if it is based on immorality and injustice." (Hardt, Negri, 2004, p. 27).

Until recently, most of the politologists and analysts referred to one global capital (Washington) and one global super force (the USA). However, after the funeral of Pope John Paul II, one of the most massive funerals of all times, they realised that there was another global capital in the ideological sense with extreme moral power: Vatican. Its power and influence are not limited by state borders. In the modern world we speak about two global and extremely powerful centres: the military and political centre in the USA and the ideological and moral centre in the Holy Seat. Both global centres of power have some common features: They both have a clear vision of how to strengthen their influence. They both have a well defined and transparent ideology or belief in the world which they consider to be a good one. They both are aware of their extreme power and feel no need to compromise on the basic principles although a lot of people in the world disagree with their positions.

At the global level we can notice increasing tensions between the civilisations. We should not forget the fact that it is possible to negotiate and reach an agreement on the interests. That is why the former system of sovereign states enabled relative peace. However, it is not possible to negotiate on the values promoted by religions and extreme traditionalisms. "The international politics based on interests is not necessarily perfect but its advantage is that it can limit the conflicts, negotiate on the differences and find compromises, unlike the politics based on social, economic and religious values. Conflicts can no longer be limited since the values can no longer be negotiated – the values of one society have to prevail over the values of another society." (Gilpin, 1990, p. 137). Therefore there is a relatively large threat of conflicts based on enforcing certain values and destroying other values. Since the regions with different values differ very much in terms of military power there are many who believe that this leads to asymmetrical wars and terrorist activities and there is, a priory, no territory or state that can be excluded from the potential danger.

Terrorism is an important phenomenon of the world today. Nevertheless, it should be noted that it is not a new phenomenon. It reached great dimensions several times in history. Our forefathers already faced that problem at the end of the nineteenth century. As Pirjevec comments on the actions of the authorities at that time: "Unable to change the established social and ethnic situation they dully insisted in defending them and proclaimed terrorists as criminals that should be isolated and liquidated. The consequences of such short-sighted political strategy were terrible: the First World War, the October Revolution, post-war totalitarian regimes, the Second World War. Having in mind the modern political situation which is so similar - mutatis mutandis - to the situation a good century ago I can not avoid thinking that the short-sightedness of the present masters of the world is leading us into a similar precipice." (Pirjevec, 2005). However, we can prevent terrorism by taking actions in three directions: Firstly, we should protect ourselves as much as possible against terrorist actions at home. Secondly, the reasons which encourage terrorists into their actions should be eliminated there where terrorism is generated. And thirdly, we should suppress terrorists who are often people who found in terrorism their sense of living and the way to assert themselves. Special attention should be paid to the conflict of values. Strengthening intolerance and disrespecting other values merely increase the probability of terrorism.

DILEMMAS OF THE MODERN WORLD

In the world today the public is faced with the question of what the world would be like in ten, twenty or fifty years. Although at first sight this might seem far in the future, we are already turning this "big and hardly manoeuvrable ship" into the direction which will mark our future. It depends very much on which direction the EU will take. Although the EU is undoubtedly an economic super power at the moment it does not play any serious role in the defence field nor in the field of values. Actually, in the military field it is under Nato's, i.e., America's protection and in the ideological field it is under the influence of Vatican. There are many of those in the EU who would like to liberate themselves from both

influences but there is not enough political unity for an efficient European policy supported by military and moral power. Thus, for the time being, Europe only possesses the economic power, though in the monetary field (a reserve world currency) it has not even come close to the USA power.

The desires and partly also the real possibilities for the world of tomorrow point to three scenarios. According to the first one, the world will be dominated by several competing poles (in the military, economic and cultural terms as well as in terms of determining values) such as the USA, Europe, China, Russia and perhaps other. A system of balancing power between the poles or a kind of a New Westphalia would be established where the poles would have a great degree of sovereignty and their relations would be guided mainly by interests.

The second scenario is the scenario of greater co-operation in which the idea of United Nations and stable mutual collaboration would prevail. There would be a kind of a new "World Concert of Nations" or a kind of a modern "Global Alliance".

According to the third scenario there would be a two-pole system in the world. One pole would be formed of the countries which are not fighting the Islamic fundamentalism and their allies and the other would comprise countries of the developed West which are increasingly jeopardised by that ideology. Both poles would advocate their values which would lead to the imminent conflict of values.

If the EU develops in the direction of a strong pole of values with the political, economic and military influence, ambitious to dominate the near and far environment, other poles will surely join this competition. They will organise in a way that would enable competition and in that case the world will transform into a completely new system which will, nevertheless, be reminiscent of the old systems of balancing power.

If the EU develops in the direction of a conciliatory and co-operative union of Member States in which the large Member States would not have the exclusive power over the small ones nor would they tend to dominate other non-European areas especially the former colonies of major European states, such "non-pole" EU would not encourage the generation of other powerful and isolated poles and would not contribute to strengthening competition between the poles.

If such EU encouraged and strengthened the United Nations system and co-operated on the constructive rather than competitive basis with the already powerful and influential states, it would make a great contribution to turning this "big and hardly manoeuvrable ship" into the direction of a co-operative world oriented towards common prosperity.

However, such "non-pole" EU can only protect itself against terrorism efficiently if it unites with those who are also endangered. If the ideology of Islamic fundamentalism keeps growing - as seems to be the case - the third scenario will probably take place according to which the jeopardised western world would unite in the fight against that ideology – which can be compared to the former system comprising the "free" block and the antagonistic "totalitarian" block. The "free" block will defend the values of liberalism, democracy and the freedom of individuals which are incompatible with the values of the religious fundamentalism or totalitarianism.

PROBLEMS IN THE EU

Before the European summit in Nice each state was entitled to veto in the EU Council. That meant that a decision could only be adopted if none of the states was dissatisfied with it. It was a Union of generally satisfied states. However, the large EU states were not satisfied. The system adopted in Nice has therefore already enabled the adopting of a decision even if one Member State or a small group of Member States disagrees. Thus, the powerful states have

gained even greater power and the small states have been pushed in a somewhat inferior position. Still, that can be regarded as acceptable since in the EU of the twenty-five it is probably not always possible for every state to be satisfied on every issue. However, a silent tendency can be observed to transform the EU from a "concert" of satisfied states into one of the world poles in which the largest states would have the main say. First there were talks of a two-speed Europe. However, the Treaty establishing the Constitution for Europe went even a step further from the Nice idea.

During the invasion of Iraq we spoke of the "New" and the "Old" Europe. The EU Member States showed a great discrepancy when they were expressing their position on the invasion. Nevertheless, that discrepancy was not between the "New" and the "Old" European Union. Italy and France for example, although both funding members, suddenly found themselves on opposite sides. The discrepancy was neither between Europe of the first and Europe of the second speed: it would be illogical to claim that Great Britain belongs to the second speed states and Germany to the first speed group. The discrepancy actually showed between those which are less and those which are more pro-American oriented. As Ash says, some of them advocate "Euro-Gaulism" while others favour "Euro-Atlanticism". (Ash, 2004, p. 136). In other words: EU can be divided into those large Member States which want to transform EU into the second pole able to compete with the USA and those which would rather see EU strengthen its cooperation with the USA in order to achieve joint development in technology, knowledge and other fields important for humanity, especially in the field of common security as well as culture, and which support EU's enlargement also to the states which do not agree with all the traditional European Christian values.

The EU showed the second discrepancy during the adoption of the Constitutional Treaty. In this case the discrepancy occurred between the European elite and the "ordinary" citizens. The rejection of the Treaty establishing the Constitution for Europe by the French and Dutch voters provoked numerous discussions

throughout Europe. Most commentators agreed that the Europe of the twenty-five relatively well-developed states thus lost a great chance to become the leading union not only in economic but also in political terms. Many were of the opinion that this will give a chance to China and other Asian states to take over the leading position in the world. The reasons given for the rejection of the Treaty included internal political problems, recent poor economic growth and high unemployment.

Only the rare would admit that the Constitutional Treaty might itself be partly the reason for the rejection. It is a priory regarded as a good treaty enabling economic prosperity, strengthening of democracy etc. A surprising though at the same time symptomatic statement was given by Dominique Mo si, deputy director of the leading French foreign affairs institute, who thinks that due to the rejection EU would probably become a big Switzerland or a museum of high and old culture and the good life. But why should old culture and the good life not be good for the European citizens? They are not only good but also very much desired, but only by the citizens and not by the elites. European political elites are obviously pursuing another goal: to enlarge the EU and to increase its political as well as, perhaps a bit later, military influence. Old culture and the good life are the secondary goal or some kind of collateral benefit.

Is the Constitutional Treaty democratic? It should introduce a stronger EU which would be able to face the challenges stemming from the USA, Asia and perhaps Latin America. But does it introduce also greater democracy and enable citizens to increase their participation in important decision making? It does not seem so. In a democracy, the citizens should have a chance to demand a referendum. However, the Constitutional Treaty does not provide for that right. Pursuant to Article I-47(4) citizens may propose a referendum, but the Commission may adopt or reject the proposal. In democratic systems each individual member of the government is responsible to elected deputies. The EU governing elite does not have that responsibility. According to Arti-

cle I-26(8) the Parliament can recall the whole Commission while individual Commissioners are responsible only to the president of the Commission, which is far from being a democratic control over the executive branch of authority. Article I-26(2) states that, except in special cases, only the Commission may propose legislative acts. Although pursuant to Article I-34(1 and 2) the Parliament may participate in decision-making, it can not adopt an act, except for specially determined cases.

In a democracy the citizens who adopted the constitution can amend it directly with a referendum or through elected deputies. But in the EU the citizens did not vote for a constitution but for an international treaty. However, international treaties are subject to the rule of pacta sunt servanda and can thus only be amended – even concerning a single comma – through the ratification procedures in which all the signatories take part, which is practically never. According to Etienne Chouard, a French lawyer (Chouard, 2005, p. 13), this is a typical dictatorship constitution.

The third discrepancy was caused by the debates on EUs' future enlargement, mainly concerning the announced beginning of negotiations for Turkey's membership. Those who opposed Turkish accession invoked the geographic, historical, religious and economic factors. Some states will decide on Turkey's membership on referendums. However, Turkey's accession would enrich the European cultures, traditions and values. It would contribute to the conciliatory EU which would not encourage the division of the world into poles. Small Member States have no reason to oppose Turkey's accession. They would even benefit from it significantly. With Turkey's membership the centre of gravity would shift from the old Member States to the new ones. Although Turkey is economically lagging behind the powerful European states, on the basis of a large number of inhabitants it would be entitled to a greater number of votes in the EU Council and to more seats in the Parliament which would bring some fresh wind in the EU and contribute to further democratisation. Turkey would have a great influence on EU's international role and on the security of

its Member States. Although with Turkey's accession EU's borders would move to the borders with Armenia, Iran, Iraq and Syria, that would not affect the safety of EU which relies mostly on NATO. EU's security borders are already Turkey's borders since Turkey it member of NATO. Turkey's accession would moreover open the door to the Balkan states where Islam is also present. Namely, the Balkans with its multicultural and multi-value tradition also forms a part of Europe.

The fourth problem in the EU which became extremely serious after the events in Madrid and London is terrorism and its constant threat which is present everywhere. Although in this case we can not talk about the discrepancy, the EU still lacks common policy on this issue and a single approach towards the radical Islam. The panic caused by the shooting at innocent civilians (London) points to the fact that measures were taken after instead of before the attack despite the great possibility of such terrorist attacks. It also revealed unclear policy on the freedom of religious belief and a lack of uniform and clear immigrant policy. Terrorist organisations and their followers cling fast to their values which not only have nothing in common with the values of the free world but are even in total opposition. And the values are, as stated above, not subject to negotiation.

PROBABLE SCENARIO

It would be nice to live in a system of a modern "global alliance" in which the nations would submit to the decisions of the United Nations and resolve their conflicts on the basis of the international law. But that scenario is not realistic. The world of today is full of tensions. A large proportion of the inhabitants of our planet do not have enough food, medicines and drinking water. They have no prospects for living a dignified life and often their human rights are violated. They have no opportunity for obtaining education nor for participating in democratic decision-making. Their peaceful coexistence with the developed parts of the world where the inhabitants are ensured all those rights would

be a utopia. In a globalised world of today, in which the means of information and telecommunication are accessible practically to everyone, the poor people know how the people in the developed parts of the world live and they perceive it as injustice. And the nations have always been ready to use any means to fight injustice, although the latter was often imaginary.

There are two realistic scenarios left for the EU. It will either become yet another world pole competing with the USA (and other eventual poles) in the political, cultural and military fields, or form a sort of alliance together with the developed western world in which it will fight unitedly against totalitarianism and the ideologies stemming from it including terrorism.

The possibilities for the EU to develop into an independent world pole seemed quite realistic until the terrorism of Islamic fundamentalists proved to be an efficient threat to Europe which can overcome any barrier and strike anytime anywhere. By the number of inhabitants and by the economic power the EU is strong enough to form a world pole. Its cultural and historical roots are deep enough to enable it to enter the world scene unitedly. However, in terms of defence it is unable to cope with the global security challenges. Even if all of its forces acted coherently, it would be at this moment as well as in the foreseeable future too weak to become a serious world pole. Those who contrived such a pole obviously expected that it would not need great military power and that a co-ordinated and efficient defence policy would not present an essential condition. However, the growth of terrorism with European targets has shown that those plans were miscalculated.

Not long ago the EU was standing at the crossroads between two options. However, serious terrorist threats with precisely planned and obviously well co-ordinated actions made it clear that the option oriented towards a new military and political pole which would compete with the USA as the main super force would not be a realistic and logical one. It is de facto now left with only one option.

It is not the first time for Europe to be uniting. The Roman empire, Napoleon and Hitler all had such ambitions. However, there was always the predominance of one nation, one core or one group which was developing in the first gear while the others were driving in the second or even third gear. Can such Europe become the leading world pole? The answer is clear. Future success of the European Union does not lie in a centrally-lead strong pole growing to the level at which it would compete on equal terms with the USA, but in the union where one nation would not prevail over another and where there would be no strengthening of autonomous military power to rule over the disobedient elements and no enforcing of certain values over other values. Such EU can remain a union of satisfied nations for a long time. But not by enforcing a constitution nor through dominance of one element over another but as a result of successful development based on long-lasting peace and respect of all the nations and their traditions fighting together with the free, democratic and liberal world against the totalitarian fundamentalism which uses terrorism as one of its weapons. Only such Europe will be accepted and perceived in the world as a successful and globally-friendly project.

Ljubljana, December 2005

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REFORM OF THE LAW OF OBLIGATIONS IN KOSOVO

__Dr. Nerxhivane Dauti__, professor at the Faculty of Law of the University of Priština analyzes the reform of Obligatory Law in Kosovo. Her article, entitled 'Reform of the Law of Obligations in Kosovo' is here published in its entirety.

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INTRODUCTION

Kosovo's current Law of Obligations is derived from the Law on Obligatory Relations of 1978 from former Yugoslavia.
Provisions of this law do not correspond to the changes and the new reality of post-war Kosovo.

There are strong reasons and a great need for reform regarding the Law of Obligations. For example, the applicable Law of Obligations in Kosovo is socialist in nature, but the law in Kosovo must not express ideological viewpoints and concepts.

I. GENERAL REVIEW OF OBLIGATORY LAW RELATIONS

A. The Structure of the Law in Obligatory Relations

The law is divided into two main parts: the general part and the specific part.

1. The general part regulates the basic fundamental principles of the law (Chapter I), along with the goals and content of the Law. Chapter II regulates issues regarding contracts as the main source of obligation, and in detailed form discusses content; offer and

acceptance, the subject and base of the contract, default of will, forms of the contract; conditions; deadlines; representation; and proxy.
Chapter III and IV of the Law regulates interpretation of the contract and the validity of the contract. Chapter V includes responsibility regarding legal and physical absence of things; objection for non-performance of the contract; impossibility of accomplishment; damage without measure; contracts with benefit; and genera! conditions of the contract. In Chapter VI, the Law is dedicated to contracts in favor of third parties. The general part of the Law also includes legal rules dedicated to other obligatory resources, such as: infliction of damages (articles 154219); unfounded enrichment (article 210-219); performance of others/work without order (article 220-228); unilateral expression of will (article 229-261); obligations effects (article 262-294); extinction of obligations (296-393)

2. The specific part of the Law regulates special obligatory contracts which, due to their importance, have become common and have been included in some special categories as nominated contracts (articles 454-965). This includes "classical" contracts: selling, exchange, rent, employment contracts, mortgage, guarantee and some other common contracts, such as contract for inter-mediation; commission; trade advocacy representation; freight forwarding; transport of people and goods; assignation, compensation; bank deposit in cash (article 1035-1042); contract on safe (article 1061-1064); contract on credit (article 1065-1071), accreditation (article 1072-1082), bank guarantee (article 1083-1087), and compensation (article 1089-1098).

II. THE NECESSITY TO REFORM THE LAW OF OBLIGATIONS

There is an indispensable need to reform the Law of Obligations.

The Law of Obligations has to contain, and be in compliance with, European Concepts and international instruments of the

UNCITRAL (United Nations Commission for International Trade Law) and UNIDROIT (United Nations International Institute for Unification of Private Law).

The Law of Obligations is of particular importance for businesses, consumers, and the economy in general; and in particular for proper functioning of the courts.
Kosovo can learn from the experience of European integration. Our internal trade is a cornerstone of European integration. All four freedoms – namely, of people, of goods, capital and services – are instruments that generate progress by forming a competitive and stable economic community. Based on these essential principles, people, services, capital and goods can freely move. That is the true meaning of integration.
In order to establish such essential principles, we need strong public institutions, and full comprehension of the principles by those who implement them.

A. Repeal of Provisions that Manifest Socialist Ideology

The applicable Law of Obligations has to disengage those provisions that are socialist in background and are, therefore, not appropriate for the advancement of trade. The distinction between "social legal entities" on one side and "civil legal entities" on the other has to be replaced by a unified concept of "a legal person". Since the idea of social property has been abandoned, there is no need to deal with "socialist means", nor "social property on means of production". The concept on the right of disposal of social legal entities (article 540), that is based on "social property" is no longer sustainable. References to "planned economies" and "self-governing agreements" that were typical for former Yugoslavia (article 4) have to be eliminated.

The same is true for the concept of "public order" (article 49) that has its genesis in socialism.
Other legal provisions that have to be eliminated from the Law of Obligations are articles 1 through 25 in regard to the essential

principles of the law that are based on "social property", "social planning", and the "Yugoslav unique market"; in article 49 the object of obligation is prohibited; in article 51, p. 2 the base is prohibited; article 55 regarding consent for conclusion of a contract; article 75 refers to inadmissible conditions; article 84 regarding representation; article 95 regarding the business proxy; article 97 on commercial agents of OPB (Organization of Joint Work); article 98 regarding authorized persons practicing specified works; article 103 refers to contracts contradictory to constitutional principles; in articles 118, 119 and 120 when contracts are contradictory to self-governing agreements; article 144 related to general conditions and particular contracts, article 155 comprehension of damage; article 170 regarding OPB responsibility; article 171 responsibility of other persons; article 174, paragraph 2. regarding liability for dangerous things; article 180 damage caused from death or injury from violent acts or terror; article 210 the rules of responsibility on ungrounded profit; article 319, paragraph 3 place of performance; article 395 currency obligations; article 452, paragraph 2 on debt adhesion; article 540, paragraph 4 reserving the right of disposal; article 690, paragraph 1 the right on use of the object of license; article 897 dealing with insurance contract; article 967 leaving of social property as a mortgage; and in Article 1088 in application of provisions on bank activity.

B. New Provisions that Need to be Introduced to the Law of Obligations

It is necessary to introduce and incorporate some new legal provisions into Kosovo's Law of Obligations, such as the following.

1. The Law of Obligations has to contain completely new provisions on contracting requests that are implemented in the circulation of real estate; the contract regarding sale is regulated by Article 455 of the Law on Obligatory Relations of 1978, but only in a fragmented manner. The article deals only with the sale of real estate that has been sold by authorized persons during the course of business; the law required a written form. The sale of other

real estate in Kosovo was governed by the Serbian law of 1981 on real estate (F.Z. No. 43/81; 24/85; 28/87; 6/89). The Law contains different rules on selling real estate depending on whether the seller is a social legal person, civil legal person or natural person and it also determined if the real estate was social property (article 4 of the Law). Contracts on selling real estate that have not been contracted by social legal persons require the authenticity of signatures (article 4 paragraph 2). Serbian law on real estate is based on social property and the means of productions – concepts that no longer exist. Therefore, there is an urgent need for a revision of the rules related to selling contracts of real estate. One possibility would be to include this within the revised version of Article 455 in the Law of Obligations.

2. UNMIK provisions that contain purchasing and sale of real estate must be integrated into the law of Obligations. UNMIK regulation no. 2000/68 approves regulation no. 2000/68, which approves the provisions of UN Conventions regarding selling goods internationally, known as the Vienna Convention on Sale, although the aim of the regulation differs from the actual aim of the Convention; for example, legal provisions of the Convention are applied to domestic sales. According to this regulation, "goods" are considered objects (specially produced) that are movable at the time of their caution in sales contracts, except the money used to pay for the goods, investment stocks etc. The implementation of the Vienna Convention has been expanded to include the sale of goods for personal and household use (article 2, paragraph 2, item a), which were not previously regulated by the convention. Other provisions of the convention were dismissed, and these include manufactured goods, especially those movable at the time of identification of the contract (such as unborn animals and crops that are still growing), as well as other goods identified but separated from the property (article 2, paragraph 1 of the regulation).

3. New provisions for leasing or renting residences have to be drafted and incorporated into the Law of Obligations. Leasing

contracts are not regulated according to the former Law of Obligations. This is a contract stipulating that the supplier of leasing is obliged to give to the recipient of leasing the appropriate item(s) determined between the parties and to stipulate certain actions for its use, and finally, that the user is obliged to pay the appropriate rent. The leasing contract is regulated by a special law, for example in France (Ordinance No. 67-387, LOI 66-455). On an international level there has been partial unification for regulation of this institution, promulgating the International Financial Leasing Convention from UNIDRO in Ottawa in 1988. This convention regulates leasing transactions and is the most common in business transactions (financial leasing or indirect leasing), but does not regulate direct-operating leasing.

4. New leasing provisions, franchising and factoring should be drafted and integrated into the Law of Obligations.

5. In the long-term, the provisions on service contracts, gifts and loans without remuneration have to be drafted and placed within the context of Obligatory Law. Regarding loan contracts, the applicable Law of Obligations contains articles 557 through 566, but there are none concerning loans without redemption (when the creditor is not obliged to pay fixed redemption for delivered amount of replaceable goods). The loan contract can be concluded as a contract with remuneration when the debtor will pay interest. The interest can be demanded only if it has been specifically contracted, while in business contracts the debtor is automatically in debt for legal interest. If the debt is not paid on time, the interest is treated as a sanction. The contracted interest is not presented as a sanction for a delay by the debtor, but as redemption for gaining ownership or the right of availability of replacing property when the debtor owes contracting interest and does not pay. It continues to accrue after the debtor's delay even in cases where the contracting interest is higher than the legal interest. The previous law on obligations does not contain rules on gifts or credit. The reason is that the federal legislature did not have legislative authority in this field. Given that this con-

tract has particular importance for Obligatory Law in Europe, in the future, specific rules should be included in the new Law of Obligations in Kosovo.

6. Provisions for the implementation of European standards in consumer protection have to be integrated into the Law of Obligations, or have to be passed by a separate, special law.

The protection of consumers should be based on the following rights:

Protection of consumers from dangerous objects;

Protection of consumers from immoral conditions of business;

Protection of consumers from disgraceful advertisement;

Protection of consumers from too high prices.
Responsibility for products is briefly established in article 179 of the Law of Obligations. Due to the effective support of consumers in Kosovo, it would be important to establish some kind of consumer organization and official agencies for consumers protection.

The protection of consumers has to be expanded as much as possible by using the appropriate directives of the European Union. The following directives have direct relevance:

directive for contracts for business premises (85/577/EEC);

directive for consumer credits (87/102/EEC);

directive for unjust conditions in consumer contracts (93/13/EEC);

directives on designated aspects of selling of goods of consumption and leased guarantees (1999/44/EEC);

directive in joint frames for electronic signatures (1999/93/EEC).

III. Harmonization of the Law of Obligations with International Standards

The Law of Obligations has to contain European concepts and embody international instruments. Using the provisions and directives of the European Union is imperative for the stimulation and integration of Kosovo into the European economy. In order to strengthen economic cooperation beyond our borders, it is necessary to harmonize Kosovo's legal order with developments and legislative achievements in the region.

As part of the process of stabilization and association, all countries in the region are trying to integrate international rules and European Union standards into their legal framework. A functional legal system and legal harmonization inside the region or in relation to the European Union are essential for the process of stabilization and association. Law and order present an instrument for establishing respect for human rights, democratic standards and economic reforms. This is an essential precondition for Kosovo, as any other country in the region, in order to be begin integration with Europe. Revival of economic activity and the creation of conditions for an open, modern trade economy must be developed in agreement with European standards and rules.

Concerning the Law of Obligations, it is important to pass legal regulations based on the principle of a market economy. There are two important aspects of this principle.

The first includes recognition of the right of contracting parties to freely participate in economic transactions, and freedom in dealing with negotiations regarding the content and conditions of such transactions.

The second is the idea that all participants in obligatory relations

should have fundamental rights in order to serve, sell, and to ship different forms of exchange with their property and wealth.

CONCLUSION

The existing Law of Obligations in Kosovo must be reformed by considering the conditions in post-war Kosovo. There is a strong need for reform of this Law. The applicable Law of Obligations has to disengage itself from solutions that express ideological viewpoints. The Law of Obligations has to contain European UNICITRAL and UNIDROIT concepts.
Having the stimulation and integration of Kosovo in the European economy as an objective, it is important to harmonize Kosovo's legal order with the provisions and directives of the European Union. Obligatory Law is of particular importance for businesses, consumers and the economy in general, and especially for proper functioning of the court. Economic activity must be revived, and the conditions needed for a modern, open economy must be established.

Ljubljana, December 2005

REGIONALISATION AND DECENTRALISATION OF SLOVENIA

The International Institute for Middle-East and Balkan Studies (IFIMES) in Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. ***Dr. Stane Vlaj****, assistant professor at the Faculty of Public Administration in Ljubljana, Director of the Institute of Local Self-Government and member of the IFIMES International Institute, presents his views of the local self-government in Slovenia in the light of the establishment of regions and decentralisation of Slovenia.*

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The fundamental goal of the establishment of regions is efficient management with the aim to ensure quality services for the local and regional population. It involves the inclusion of the new unit of territorial self-government (democracy) in the substantive issues, especially that of sound management, which will benefit the local population.

INTRODUCTION

In the modern era, local self-government has gained special importance, notably for assessing the level of democracy in a society, its decentralisation and the implementation of the subsidiarity principle. Today, the term local self-government refers to the right and the competence of the local community to lay down and regulate, within the limits of the constitution and laws, an important part of public issues of local nature, on its own responsibility and

in the interest of the local population. The focus is on the human being, the satisfaction of his/her modern needs and the quality of life for him/her and his/her family in the place of his/her residence. Local communities (municipalities) are not inward looking communities. They are open to the outside, to the wider local communities (regions), the state, Europe and the global society. Cross-border integration and co-operation of local communities is also gaining more and more importance.

In recent years, the Council of Europe has been actively dealing with the issue of regional self-government, especially through the following bodies: The Congress of Local and Regional Authorities, the Parliamentary Assembly of the Council of Europe, the Committee of Ministers and the Steering Committee on Local and Regional Democracy. In 1985 the European Charter of Local Self-Government (MELLS) was adopted as the fundamental legal document in this field, although it did not lay down in detail the special features of regional self-government. The implementation of the principles of subsidiarity and decentralisation, which are characteristic of the modern era, demanded the drawing up of a special legal document also for this field. The preparation of such a document has been undertaken by the experts from the Council of Europe's member states and, most intensively, by the CDLR. The main dilemma is how concrete and binding this document should be and whether the Council of Europe should adopt a convention (European Charter of Regional Self-Government) or merely a recommendation.

There are six models of state regionalisation in Europe. They differ in terms of the historical, institutional and legal architecture, the consequences of social and economic changes for the structure and the functioning of the authority, and also in terms of the geography and the demands of the civil society. The concepts of regionalisation, regionalism and regional self-government include the economic, sociologic, political and cultural elements to various degrees.

The key principle for understanding the role of local self-government in modern democracies is subsidiarity. It is the fundamental philosophical principle of modern local self-government, the manner of thinking and the basic criterion for a critical assessment of local self-government in a state. This principle is not related only to the vertical division of power or public matters between the local, regional and state authorities but also to the issues of protecting the autonomy and freedom of individuals, the size of local communities, their financing, organisation and the functioning of local administration, regionalisation etc.

In Slovenia, local self-government has been practically functioning since January 1995. The municipalities with the new territories, contents and bodies started to operate on 1 January 1995. The reform of local self-government in the Republic of Slovenia covering the functional, territorial, financial, material, organisational, administrative and legal issues still has not been concluded in any of those issues. Many changes have been made during the past eleven years, especially in the field of legislation: the European Charter of Local Self-Government (MELLS) was ratified, in 2003 the European Outline Convention on Transfrontier Cooperation between Territorial Communities or Authorities was also ratified, initial problems in the functioning of municipal bodies were resolved, the network of new municipalities was improved, the bases for the establishment of regions were prepared by the profession, new documents and guidelines for local and regional self-government were formulated in the Council of Europe, CLRAE Recommendations on local and regional democracy in Slovenia were adopted, on 1 May 2004 Slovenia became a full member of the European Union, the Local Self-Government Act has been amended ten times, the Capital City of the Republic of Slovenia Act was adopted, new acts in the field of public administration have been passed affecting also the position of municipalities, their bodies and administration, etc.

The constitutional amendments enabling the regionalisation of Slovenia were adopted In June 2006. From the system point of

view the regions as a new administrative and territorial structure will bring about numerous changes in other parts of the social system: the legal system (i.e. legislation), public finance, state administration, position of municipalities, competencies of individual ministries, cross-border co-operation between local communities, international relationships and connections (Council of Europe, EU and others) and the position of citizens.

According to the estimations, the legislation necessary for the introduction and functioning of regions will be adopted in early 2007, the regions will be established in 2008 and the regional elections will take place at the same time as the parliamentary elections, i.e. in 2008. The regional bodies are to start functioning on 1 January 2009.

CONSTITUTIONAL AMENDMENTS IN 2006

Fifteen years after the Constitution of the Republic of Slovenia was adopted (1991), the political situation has come to the point when the constitutional amendments are necessary in order to enable the establishment of regions as self-governing local communities at the second level of local self-government in Slovenia. On 27 June 2006 the National Assembly of the Republic of Slovenia passed the Constitutional Act on Amending Articles 121, 140 and 143 of the Constitution.

The adopted constitutional amendments in the field of local self-government will enable Slovenia – after long years of professional and political debates – to achieve the two-level self government which prevails in most European states. At the moment Slovenia is one of the most centralised states in Europe. In terms of contents and finance, local self-government is under a strong influence of the state. For example, municipalities acquire over 80% of the necessary funds for financing the mandatory local tasks from the compensation funds and only about 20 municipalities are financially self-sustaining. Municipalities are regarded merely as the executors of state politics and not as independent entities with an ensured position of equal parties in relation to the state.

The new draft Financing of Municipalities Act which was submitted to the legislative procedure will, in the opinion of its proposer, change those relations in favour of the municipalities and harmonise them with the European Charter of Local Self-Government. However, some critical comments on the Act have been submitted by the municipalities, their associations and the profession.

The new Article 143 reads:

Article 143
"(Region)"

"The region is a self-governing local community which deals with local issues of wider importance and issues of regional importance laid down by law.

Regions are established with an act which shall also lay down their territory, seat and name. The act shall be adopted by the National Assembly with a two-thirds majority of votes of the present deputies. The co-operation of municipalities shall be ensured in the procedure of adopting the act.

The state shall vest in regions specific duties from the state competence by law and provide the necessary financial resources for carrying out those duties."

The clash between the two opinions has been present since the adoption of the 1991 Constitution of the Republic of Slovenia. On one hand the regions – as one of the forms of wider self-governing communities – should be a form of voluntary integration of municipalities. On the other hand the regions, just like a municipalities, may only be established by the state, while municipalities may establish various forms of integration and co-operation, such as associations of municipalities. Due to those opposing views the solution contained in the former Article 143 of the Constitution was inappropriate since it did not provide for the establishment of regions.

Eventually the position of the profession won. In its opinion it is only the state which can ensure the functioning of the established regions. This means that their territory is determined, the tasks which they carry out independently are laid down, the funds necessary for carrying out those tasks are provided and that they their organisation enables them to carry out those tasks.

Moreover, the new Article 143 is related to the amendments to Articles 121 and 140. The former lays down that local communities (municipalities and regions) and, on the basis of public authority, natural and legal entities beyond state administration may also carry out certain tasks of state administration, and the latter provides that prior consent of the municipalities is no longer necessary in order to transfer the performance of certain tasks from the state competence if the necessary funds are provided for carrying out those tasks. Thus the barrier preventing the vesting of state tasks in municipalities has been removed.

With the above mentioned constitutional amendments Slovenia will gain the kind of internal organisational division known to the majority of European states. This will open the door to the decentralisation of public administration. Regions will become the vehicle of development in the field where there is no institutional vehicle at the moment, and they will become the executor of the indispensable public services which are at the moment not provided at all or are provided by municipalities with numerous – mainly financial – difficulties.

The establishment of regions is also one of the key steps in implementing a balanced regional development. It will facilitate Slovenia's integration in the EU, especially in terms of winning more successfully the EU structural and cohesion funds for promoting sustainable regional development, and it will strengthen cross-border co-operation between local and regional communities.

The adopted constitutional provisions are the basis for drawing up the laws which will enable the decentralisation of powers and

the transfer of an important part of public matters from the state to the regional level. The legislation should define the regions as an intermediate level of local self-government between the state and municipalities, as territorial communities with the status of a legal entity, their own property and financial resources, original competences and directly elected representative body, and as territorial units responsible for carrying out the first level of state administration. The Act on Regions, the Act on the Procedure for the Establishment of Regions, the Act on the Establishment of Regions, the Regional Elections Act and the Financing of Regions Act will show how stable is the political consensus achieved upon the adoption of the constitutional amendments.

HOW MANY REGIONS?

An appropriate division of the state territory into regions is the basis for the optimal territorial organisation of material activities as well as for the settlement of population and decentralisation of state functions. Numerous economic, administrative, geographic and other reasons justify the need to divide Slovenia into regions despite the small size of its territory. The selection of diverse possibilities for the division of Slovenia into regions presented by various authors in The Regions in Slovenia ("Pokrajine v Sloveniji", 1999) points to the possibility of applying various professional principles and criteria for regionalisation, leading to very different numbers of regions.

Studies have shown that the optimal selection contains eight regions. The project expert group most often mentioned the division of Slovenia into eight regions as the most appropriate solution in several aspects. This solution also won the highest support in wider professional circles. The proposed regions and their centres are (working names for regions):
1. the Pomurje region – Murska Sobota;
2. the Podravje region – Maribor;
3. the Savinjska region – Celje;
4. the Dolenjska (or south-east) region – Novo mesto;

5. the central region – Ljubljana;
6. the Gorenjska region – Kranj;
7. the north coastal (or Goriška) region – Nova Gorica;
8. the south coastal (or coastal-karst) region – Koper.

In view of Slovenia's geographic, settlement and economic structure, present European regionalisation tendencies and the envisaged scope of tasks to be performed by regions, the division into eight regions would, in the opinion of the majority of experts, enable a more cost-efficient and optimal realisation of the demanding autonomous tasks and duties. The national development programmes define the proposed centres of regions (Murska Sobota, Maribor, Celje, Novo mesto, Ljubljana, Kranj, Nova Gorica and Koper) as the epicentres of regional development.

The proposed regions with regional centres of higher levels or/and integrated, strong development network of small regional centres (cities) are also an appropriate solution to the expected gravitation towards stronger centres in the neighbouring countries. They have the elementary regional bases and development potentials for the expected European and global challenges, notably those of economic nature.

However, there are also other models of possible division which have their advantages and disadvantages. The politics advocate fourteen regions. It should be noted that large regions have more competence and vice versa. In view of the envisaged wide scope of the competences and tasks of future regions, the division into fourteen regions (the concept of the so called development regions) raises justified doubts as to whether the administrative and other, notably development and service tasks could be performed in a quality manner.

The Act on the Procedure for the Establishment of Regions will lay down the criteria for the determination of the territories of regions, their names and seats and the procedure for the establishment of regions in which the participation of municipalities is ensured.

When deciding on the optimal division of Slovenia into regions, it would be worthwhile to use the experiences of other states as well as the documents and the material of the Council of Europe. However, this does not imply automatic copying since the regions will be based on our own historical, geographic, political and other specificities. Due to the lack of historical experiences we will have to rely on the criteria such as the geographical image of the state, its transport, economic, cultural and other connections and development capacities of individual areas which are to form regions.

The most decisive basis for the formation of regions will be the division of the state into the so called statistical regions which were formed for the needs of a statistical research under the Decree on Standard Classification of Territorial Units and which were later also used for the realisation of the tasks pursuant to the Promotion of Sustainable Regional Development Act. Those regions are marked as development regions. Fourteen such regions represent the territorial framework for the functioning of a special mechanism of bodies and procedures which should encourage sustainable regional development of Slovenia pending the establishment of regions. Those development regions are: Dolenjska, Gorenjska, Goriška, Koroška, Notranjska, coastal-karst, central, Pomurje, Posavje, Savinjska, Savinjska-Šaleška, lower Podravska, upper Podravska and Zasavje. After the establishment of regions the formed structures of development regions will be transformed into regional structures. The manner of their transformation will be laid down in the Act on Regions and in the transitional provisions.

All states strive to achieve the size of local and regional communities which will enable the necessary financial and human resources in order to provide quality public services and meet the modern needs of the citizens. The importance of the territory is obvious from the economic, social, political or administrative point of view.

In forming the new territorial communities the following parameters should be taken into account: size (of the territory, population), functions (tasks and competences), autonomy (relationships between the state authorities and local/regional self-government, fiscal and functional interdependence) and the manner of operating (the relationship between the public and private sphere). Those parameters are correlated. In the Scandinavian countries it is believed that the reforms which should improve the competences of local and regional communities are based not only on the financial but also on the democratic goals.

The tasks and financing of regions

Regions should carry out:
a) the tasks of wider local importance,
b) the tasks of regional importance and
c) the tasks of national importance.

The tasks of wider local importance are the original regions' tasks which the regions will carry out independently within the framework of their constitutional autonomy and as a rule with appropriate participation of the municipalities (e.g. promoting economic development; promoting marine fisheries; preventing drug abuse). The local matters of wider importance are common to the territory of several municipalities and surpass their financial capacity. The original competences of regional authorities represent the core principle of self-government. The scope of those competences is the indicator of the level of regional self-government.

The tasks of regional importance which will be vested in regions by law will also be the original tasks of regions. Those are the tasks of neither local nor national importance (e.g. promoting sustainable regional development, construction and maintenance of regional roads, spatial planning, regional traffic routes, establishment and maintenance of regional institutions such as regional hospitals, regional educational, cultural and social institutions etc.).

The third type of regions' tasks are the so called transferred tasks which the regions should carry out on behalf of the state (state administration tasks). The regions will carry out a certain part of state administration tasks which are currently performed by administrative units.

Within those three fields of work separate laws will lay down concrete tasks of regions – first in general terms (mainly the fields) with the fundamental Act on Regions and later on with sector-specific laws.
However, the latter will have to be radically amended with a view to the redistribution of competences between the state, regions and municipalities in accordance with the subsidiarity principle, i.e. the higher level of authority should not carry out the tasks which can be performed more efficiently, rationally and citizen-friendly by the lower level of authority. Already back in 2004 the ministries prepared – each for its field of work – a review of tasks which could be transferred into the original or transferred competence of regions. The list of those tasks was quite long and should not be overlooked.

With the status of a self-governing local community the regions will gain the legal status of the legal entity under public law as well as the ownership and financial autonomy. The system of the financing of regions will be laid down in the financing of regions act. In order to implement their mission, all the levels of authority should have ensured economic and financial sovereignty already in the fundamental legal act which defines their competences and the basic institutional framework for their functioning. The system of financing the lower levels of authority must be put in place, taking account of the principle of proportionality, of the resources for their implementation and of the autonomy in taking decisions on the use of those resources. One of those principles lays down that each level of authority should have its own property, appropriate financial resources and its own budget.
Regions will be financed in a similar way as municipalities with the potentially main source of funds being the appropriate share

of state taxes (personal income tax, value added tax) which will have to be divided between the state, municipalities and regions. The establishment of regions will increase Slovenia's capacity for winning the EU funds allocated for the realisation of concrete projects. It will also put in place the principle of partnership and the state will have to implement the democratisation and decentralisation of the decision-making on the EU co-financed projects. At the regional level the citizens and the municipalities will be able to unite in their efforts to prepare quality programmes which will be co-financed by the EU structural funds.

REGION BODIES

Region bodies will be laid down by the Act on Regions while the elections to the region bodies will be regulated by the Regional Elections Act.The envisaged region bodies are the regional council (with committees) and the president of the regional council (with vice presidents and the regional committee as the consultative body of the president of the regional council). The regional administration will be composed of the regional administrative bodies. There would also be the council of municipalities as the consultative body of the regional council and its president and the bodies of public-private partnership. The forms of citizen participation in the decision-making at the regional level will be: regional referendum, popular initiative, conferences and other modern forms of participation.

The president of the region will be the executive body of the regional council and at the same time the president of the regional council with the right to vote. Moreover, his/her function will be to represent the region. Elections of the president of the regional council will be indirect (from among the members of the regional council). The management of regional administration will be divided between the president of the region (guidance, control and execution of the tasks as the principal in accordance with the Civil Servants Act) and the director of the regional administration as the official who man-

ages and harmonises the work of the regional administration. In our opinion the authors of those proposals vest too much power in the president of the regional council. It seems appropriate to strengthen the role of the regional committee as was proposed in some previous working material for the preparation of the Act on Regions.

CONCLUSION

We believe that in discussing and elaborating the above draft acts a deliberate approach should be taken, paying attention to the opinion of the profession. In this way it will be possible to avoid some mistakes which were made when the basic level of local self-government was introduced in the Republic of Slovenia. Thus, special attention should be devoted to the criteria for the establishment of regions, the competences, financing and the number of regions, the relationship between the representative and executive regional bodies, citizen participation in regional self-government, relationships between regions and the state on one hand and between the region and municipalities on the other hand etc. And finally, efforts should be made to achieve real decentralisation of Slovenia, implement the principle of subsidiarity and introduce the European principles and good practices of local and regional self-government.

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2. According to CDLR the guiding principles for the preparation of (any) legal document on regional self-government are:

– no legal document on regional self-government may be based on the requirement for the member states to have or establish the regional territorial level: member states remain free to decide on their internal structure;

– in line with that decision the legal document shall lay down the foundations on the basis of which the states would establish regional authorities. That document must respect various circumstances pertaining to regionalisation. Accordingly, it shall contain the possibilities related to various models of regional self-government which each member state will adopt at its own discretion.

3. Congress of Local and Regional Authorities of Europe, Situation of local and regional democracy in Slovenia, Explanatory Memorandum, Recommendation 89 (2001) on the situation of local and regional democracy in Slovenia, Eighth Session, Strasbourg, 29-31 May 2001.

4. "The financial reference amount of cohesion funds which Slovenia gained in the negotiations for the next EU financial perspective is much higher than the one which was available for the programming period 2004-2006. In the framework of the new financial perspective EU 2007-2013 (NFP), Slovenia will have EUR 3.729 million for the cohesion policy, EUR 803 million for the rural development programme and EUR 18.5 million for the fisheries development programme. For all the programmes which fall within the 2007-2013 National Development Programme Slovenia should thus receive EUR 4.6 billion." (Igor Strmšnik, M. A., New Regional Policy and Structural Funds in the Light of the Formation of Regions, conference on the regionalisation of Slovenia, Faculty of Public Administration, Ljubljana, 22 June 2006).

5. It should be stressed that the criteria of geographic diversity and the inhabitants' feeling of belonging to certain region lead

to the division into a greater number of regions (more than 10) while the developmental, national, strategic and the anticipated globalisation challenges lead to the division into a smaller number of regions (less than 10).

6. The development region which should replace the present statistical region is defined as the basic functional unit for the implementation of regional policy in the transitional period pending the formation of regions. In the area of the development region, one or more development associations of municipalities may be formed (in accordance with the legislation on local self-government) which conclude the partnership agreement with the economic associations and other organised development partners at the level of the development region.

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Living a healthy life.

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Termoelektrarna Toplarna Ljubljana

Thermal power and heat plant Termoelektrarna Toplarna Ljubljana (TE-TOL) is the biggest energy facility for electricity and heat cogeneration in Slovenia - it has been in operation for more than 40 years. It covers over 90 percent of the heat demand of district system heating of Ljubljana, and around 50 percent of electricity demand of Ljubljana. Overall heat production presents 48 percent of heat consumption in Slovenia and overall electricity production presents 3 percent of total electric consumption in Slovenia. It also provides system services for electro-energetic system and produces process steam.

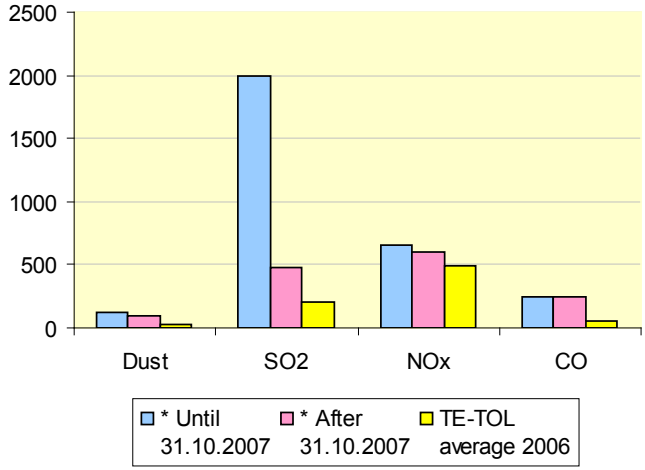
TE-TOL is a high-efficiency cogeneration facility – it produces electricity and heat in cogeneration or coproduction. Due to the constant improvements of its production process and adjustments to environmental requirements, electricity and heat production today is even safer, more reliable and more environmentally friendly than before. With existing coal technology it achieves more than 18-percent saving in primary energy, which is above the 10-percent limit value referred to in EU Directive 2004/8/EC. By investing in the modernization of production it increased utilization rates, reduced fuel consumption, and consequently curbed the emission of greenhouse gases into the environment.

TE-TOL has now entered into key investment cycle for the 2007-2012 period. The main focus is to increase the share of energy produced in cogeneration and the share of renewable energy sources (RES), thereby also reducing carbon dioxide emissions. The investments are designed to improve the facility's energy efficiency and reliability. Two of the largest investments are the construction of a 70-MW gas turbine and the co-firing of biomass in the boiler of Unit 3.

Average annual generation

Heat	1.090 GWh
Electricity	399 GWh
Process steam	135.970 t
Coal consumption	396.917 t

Emmission half-hour limit values of dust, SO2, NOx and CO compared with legally permited values



Sava Group

The companies of the **Sava Group** operate in five main divisions such as Rubber Manufacturing, Tourism, Real Estate, Other Operations and Investment Finance. In addition to the parent company Sava d.d., which acts as its administrative centre, the Sava Group includes 26 subsidiaries and 3 joint ventures.

In **Rubber Manufacturing** development is undertaken by the company Savatech d.o.o. Under its management operate the companies Sava-GTI d.o.o., Sava-Schäfer d.o.o., Sava Rol d.o.o., six foreign trade network companies and two representative offices in Russia and Italy. We develop high quality innovative industrial rubber products that are in demand in the building industry, the manufacture of motorcycles, automobiles, industrial and agricultural vehicles, the graphics and paper industry, and in the area of environmental protection.

Tourism is one of the strongest Sava divisions. It operates under the brand name of Sava Hotels&Resorts and includes two tourist destinations: Bled and north-east Slovenia. The umbrella brand name Sava Hoteli Bled connects all three tourism companies that operate in Bled. By directing investments we are endeavouring to revive the former image of a select European holiday resort that Bled once had. In northeast Slovenia we have formed the largest wellness destination called Pannonian Spas, which includes five spa resorts: Terme 3000 d.d, Moravske Toplice, Terme Lendava d.d., Terme Ptuj d.o.o., and Terme Radenci d.o.o. with Terme Banovci d.o.o.

Real Estate includes the company Sava IP d.o.o. and its six subsidiaries. We build for the market and lease our own real estate;

an important part of the operation involves providing services for Sava Group company requirements.
Other Operations include the companies Energetika Sava d.o.o., which manages energy, and Sava Medical in Storitve d.o.o., which employs and trains disabled workers.
Investment Finance operations are carried out by the holding company Sava d.d. Its key task is to invest in profitable financial investments and innovative plans that are expected to bring an above-average return.

Mission of the Sava Group

To ensure that the expectations of our customers, employees, shareholders, business partners and the environment are continually exceeded. To create attractive opportunities for employing the best personnel available.

Vision of the Sava Group

On account of excellence and innovation in products and services we will increase sales by more than 50 per cent until 2011. We will become the greatest value for customers and investors as well as the most attractive employment opportunity. By utilising synergies, continual optimising the portfolio of real and financial investments and transferring best practices we will actively contribute to strengthening the success and increasing the assets of the Sava Group.

CREA is a consulting firm focused comprehensively on business process management, secure e-business and related technologies.
Through the synergy of extensive experience and knowledge of highly qualified leading experts from various fields, CREA enables organizations to achieve greater efficiency of their business processes and easy transition to secure e-business.
CREA's business partners can achieve more ambitious business goals and improve their competitiveness through improvement of their ability to quickly adapt to new business situations and implement business innovation.
Many of leading organizations have turned to CREA for assistance. CREA's consulting services and solutions help organizations to address current business challenges in a variety of industries. CREA's client list includes numerous projects in telecommunications, financial services, manufacturing, energy and government.

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Founded: 2001
Privately held firm

The purpose of GEN-I d.o.o.'s establishment

The company GEN-I društvo s ograničenom odgovornošću za trgovino i prodaju električne energije (GEN-I d.o.o.) with headquarters in Zagreb, Croatia, was established for the purpose of trading electricity and cross-border transfer capacity products, as well as selling electricity to eligible customers. In order to be able to carry out these activities, the company obtained all the necessary licenses and permits that enable it to provide such services in the Croatian electricity market in Aautumn 2006. The company was established and is fully owned by the Slovene company GEN-I, trgovanje in prodaja električne energije, d.o.o.

Considering Croatia's strategic position and its strong influence on the wider electricity market, where Croatian interconnections with neighboring countries act as a bridge between the countries of Central, Eastern, and Southeastern Europe, investing in this market was prerequisite for the achievement of the set goals and is still part of the parent company's strategy to increase its market competitiveness.

The main purpose for which the company was established (trading electricity in the internal market, sale to eligible customers, cross-border trading activities, and the purchase of cross-border transfer capacities) required the company to obtain a license for tradinge, mediation and representation in the electricity market from the Croatian Energy Regulatory Agency (Hrvatska energetska regulatorna agencija-HERA.

In order to carry out its business activities, the company also established relationships with both the Croatian TSO (HEP – Operator prijenosnog sustava) and the Energy Market Operator (Hrvatski operator tržišta energije), enabling it to participate in transfer capacity auctions, register schedules, and participate in the balancing market.

Benefits and synergies from membership in the GEN-I group

In 2006, its third year of operations, the parent company GEN-I, trgovanje in prodaja električne energije, d.o.o. with headquarters in Krško, Slovenia, sold a total of 1.93 TWh of electricity. The company has experienced a steady rise in its sales volumes and has increased the sold quantities significantly compared to

2004, when sales reached a total of 396 GWh of electricity.
GEN-I, d.o.o.'s three main business activities are purchasing electricity from producers, electricity trading, and sale of electricity to eligible customers. The activities are carried out in separate portfolios and by various profit centers that are connected by transfer prices. This approach enables the company to easily evaluate the performance of individual units.

The Croatian company receives all the necessary support in the form of know-how from the founding company, including an appropriate information structure, knowledge in the field of risk management, and human resources. The company's business activity is organized in a way as to benefit from synergy effects with the GEN-I group, which consists of the parent company and its subsidiaries, nevertheless allowing the company full autonomy when it comes to making business decisions.

Being part of the GEN-I group, the company has access to a complete business infrastructure for trading activities on both the Slovene and international electricity markets, including access to:

- qualified staff and experience in trading activities in the physical and financial electricity markets of Slovenia, Central Europe, and South Eastern Europe;
- infrastructure for cross-border trading in physical and financial markets, ensuring an efficient way to access European whole sale markets;
- established bilateral correspondent relationships with at least 45 business partners (so far, contracts were signed in the areas or bordering on areas of SLO, D, A, I, HR, BIH, MAK, H, SRB, BG, MK, GR, AL, CG);
- know-how of balance group management, and the existing balance groups covering six internal markets (Slovenia, Austria, Germany, Italy, Croatia, and Serbia);
- several trading platforms - four energy exchanges/organized markets (EEX, EXAA, GME, and BORZEN), broker platforms (ICAP, TFS, and SPECTRON), as well as platforms for trading cross-border transfer capacities;
- trading derivative financial instruments of the German energy exchange – EEX futures;
- a unified trading information system that enables management of schedules and open positions, forecasting prices for liquid markets, monitoring of electricity trading risks, and createing trading reports;
- infrastructure for selling electricity to eligible customers, including successful short- and long-term forecasts of electricity consumption and ongoing control of realized consumption at metering points;
- infrastructure for dispatching production sources.

In 2007, the GEN-I group continued its business expansion and successfully participated in many international electricity tenders. As trading in the SE Eu-

ropean region increased significantly, the business infrastructure was further extended by the establishment of a subsidiary in Hungary, and the process of founding subsidiaries in other countries is also an ongoing process. The company managed to increase the quantities purchased in Slovenia, mainly as a result of a long-term agreement on the purchase of electricity produced within the GEN energija group, but also on the basis of a stronger relationship with Slovenian retail suppliers and a fast growth of our market share in the retail market. The quantities sold on the Slovenian market in the first eight months amounted to 785 GWh, and while the quantities purchased resulted inamounted to 962 GWh. Although the quantities that were sold and purchased on the Slovenian market increased significantly, the share of contracts concluded in this market represents only 25% of the total volume in the months before the end of August. This is because GEN-I, d.o.o.'s portfolio abroad has also growna significantly, – over 1 TWh of electricity was purchased and 1,2 TWh of electricity was sold, exceeding the quantities from 2006 in the first eight months of 2007.

NLB Leasing, d. o. o., Ljubljana
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Management Board: Borut Simonic, President of the Management Board Samo Turk, Member of the Management Board

Activity: universal leasing for all types of equipment (passenger and commercial vehicles, production and business equipment, computers and office equipment) and real estateEstablished in: 1990Employees in the NLB Leasing Group (30 June 2007): 110Total assets of NLB Leasing Group (31 March 2007): 462 mio EURDependent member of NLB Group, NLB has 38.75 % share, together with other members of NLB Group 100 % share (31 May 2007).

NLB Leasing Group is one of the leading leasing companies in Slovenia. We are present in Slovenia in all major cities. Our group is also becoming one of the major players abroad, mainly in the territory of the former Yugoslavia. NLB Leasing has several offices in Serbia, Bosnia & Herzegovina, Montenegro, Macedonia in Croatia we are present with Optima Leasing Zagreb. With the most recently established office NLB Leasing Group has already surpassed the territory of former Yugoslavia – the latest one is located in Bulgaria (NLB Leasing Sofia).

As a controlling company of NLB Leasing Group, NLB Leasing d.o.o. Ljubljana owns 100% of the above mentioned companies, with the exception of Optima Leasing d.o.o. Zagreb, of which it owns 75,1% interest. The remaining 24,9% share of Company is owned by two strategic partners, one from Slovenia and one from Croatia.

The majority owner of NLB Leasing Group is NLB Group, the leading Slovenian bank that has also expanded past the boarders of Slovenia into several countries of Central and Eastern Europe.

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Intereuropa is a leading logistics provider and a successful logistics group with large development possibilities. We implement our mission by meeting the requirements for logistic services to the optimum satisfaction of clients through reliability, speed, safety and competitive prices.
Intereuropa is an expert in the field of logistics services.

Among them are air freight, sea freight and land transport, organisation of direct lines of groupage services to all European countries, warehousing and distribution in internal markets of individual countries as well as door-to-door delivery. We have experience and optimal knowhow for providing services of delivery of express and courier parcels, customs brokering, border clearance, road transport of goods, shipping agency and all other services to the full satisfaction of our customers' logistics needs. In recent years, we have expanded our activities to more exacting logistics projects and the provision of comprehensive logistics services to manufacturers and trading companies on the basis of logistics outsourcing principles.

We have expanded our operations from Slovenia to Croatia, Bosnia and Herzegovina, Macedonia, Serbia, Russia, Austria, Germany, France and Ukraine. In these countries we have subsidiaries companies with a network of operational units and logistics terminals. In other European countries and worldwide we support our logistical solutions on a network of reliable business partners. Development is one of the most important segments of the Group's policy governing its long-term perations. Our performance and competitive position are assessed on the basis of market research and customer satisfaction surveys. The Group's development plan envisages comprehensive development of services and processes, thus generating value added for buyers of logistic services through innovative solutions.

The Istrabenz Gorenje Group

The parent company is Istrabenz Gorenje. Its base is located in Nova Gorica. The subsidiary companies have registered offices in Austria, Bosnia and Herzegovina, and Slovenia. These companies are: Intrade Energija, Sarajevo; Vitales,Nova Bila, APC, Vienna; GEN-I, Krško and Biotoplota, Nova Gorica.

The Group is mainly engaged in the production, distribution and trading in electricity as well as in innovative solutions in the fields of sustainable energy, efficient use of energy and the consumption of renewable energy sources.

ABBREVIATED NAME OF THE COMPANY	REGISTERED OFFICE	LEGAL STATUS	COUNTRY	BASIC ACTIVITY	MANAGEMENT
Istrabenz Gorenje d.o.o.	Tumova ulica 5, 5000 Nova Gorica	Ltd.	Slovenia	other engineering design services and technical consultancy	Dr. Robert Golob, Aleksander Mervar

The Company ISTRABENZ GORENJE –as such represents the backbone within the framework of Istrabenz Group. The Company's business include permanent energy supply in accordance with the innovation stimulating values based upon the social responsibility and environmental awareness. The continuously improved and upgraded expertise constitutes a Company priority, and the complete energy supplying services are performed with the purpose of meeting the needs for efficient heating, cooling, lighting and motive force for target groups of customers.

In addition, our services include consulting services, provide complete power supply services, financing, investments designed for efficient energy use as well as the use of renewable energy sources represented by the respective investments into other resources such as biomass, water power plants including field research studying possibilities of wind propelled electric plants, using solar and other kinds of renewable energy. By further promoting the trade mark Forest, it is our wish to offer the market high quality and environment friendly biomass products.

Company profile

- Abbreviated name of the company : Istrabenz Gorenje energetski sistemi – shortened Istrabenz Gorenje, d.o.o.
- Legal status: Ltd
- Registered office: Tumova 5, 5000 Nova Gorica, Slovenia

- Year of establishment: 2002
- Basic Capital: 8.433.484 EUR
- IGES is the parent company. The subsidiary companies have registered offices in Slovenia, Austria and Bosnia and Herzegovina (six companies).
- Predictable turnover after consolidation for 2006: 245 mio EUR

Mission

- Development and implementation the whole energetic service in the field of distribution and trading the electricity, including consulting services for customers (efficient use of energy) and suppliers (lower cost risk)
- Development an implementation models for efficient market use of renewable energy sources which means promotion, production and trading for the ultimate customer
- To invest (Joint venture) and to produce electrical energy in the territory of SE Europe

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QWEST INVESTMENTS LIMITED

QWEST INVESTMENTS LIMITED with its headquarters in Cyprus, is a joint stock company with its primary activity investing in securities. Their distinctive investment strategy results in the balanced portfolio mix of strategic, portfolio value, and portfolio growth investments, regionally positioned mainly throughout South-Eastern Europe. They pursue goal of maximizing returns to our stock holders while minimizing risks. quest

Twenty professionals, based in both Ljubljana and Belgrade, bring their experience, knowledge and broad business network together with investment potential of developing South-eastern European capital markets into unique and prosperous investment opportunity.

Their distinctive investment strategy results in the balanced portfolio mix of strategic, portfolio value, and portfolio growth investments regionally positioned mainly throughout South-Eastern Europe (SEE).
By following geographical and investment type portfolio mix achieving yearly above 15 percent return on invested capital.

PRIMORJE, construction company,

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Company profile:

Primorje is a universal construction company, able to execute any kind of works, related to construction and building. Its quality of construction ranks it among the best construction companies in Central Europe.

Main activities of company:

Construction and execution I:
highways, fast roads, bridging structures, railways, airports, dams and reservoirs, drainage and irrigation systems, power plants, open cast, mining works, pipelines.
Construction and execution II:
commercial and industrial buildings, residential buildings, sports structures, plants.

Production:

Stone aggregates, concrete, asphalt mixes, prefabricated elements, concrete pipes, poles...
Designing: construction engineering design, building construction design, complete technical support, design of prefabricated buildings.

Strategy and success of Primorje is based on four elements; skilled workers and experts, new technologies, contemporary machinery and own resources.
3000 highly trained and skilled workers as well as experts for most different fields of construction engineering and building constructions present staff.
Primorje owns several technologically demanding systems for launching bridge construction, for making pile walls, under ground drilling and up to date technologies for prefabricated elements.

ISO 9001 and 14001 certificates:
Quality of buildings and building products shows, that Primorje is able to fulfill all international quality standards. Primorje has the certificate ISO 9001 from year 1998 and ISO 14001 from year 2005. Permanent activities of improving quality are executed in company.

Foreign markets:
It is a high level of expertise and quality which set a door wide open to the foreign markets once again for Primorje. Thus at the moment company is present in Italy, Germany, Croatia, Serbia, Montenegro, Bosnia, Bulgary. Apart from building on foreign markets Primorje also develops other forms of business cooperation with highly specialized partners from abroad like Austrian company Jager for the construction of tunnels or the world famous French firm Freyssinet for the construction of more demanding bridges.

RIKO d.o.o.

Bizjanova 2
SI-1000 Ljubljana
Slovenija

Riko is a strong group in the field of engineering, especially in the metalworking industry, wood-processing industry, recycling of waste materials and building industry. We have its own production of special machine tools for the metalworking industry, equipment for automation machines and for robotized production processes. An important part of our group are also projects in fields of energy and ecology, from basic projects to execution. In the field of logistics Riko is recognised as an interdisciplinary and competent partner for providing optimum solutions for transport and storage problems, starting from thorough and comprehensive planning to implementation on the site. Besides that we have the production of solid wood houses, which we sell on the demanding European market. Riko continues to develop through scientific research and technological solutions of new challenges arising from new everyday projects, and at the same time cooperates with the largest manufacturers on the world market in the area of technological equipment.

ROKUS KLETT PUBLISHING HOUSE LTD.

Rokus Klett Publishing House was founded in 1991. Our principal activity is educational publishing with emphasis on the publication of textbooks and supplementary materials for the nine-year primary school.

Rokus Klett Publishing House jumped at the opportunity that was brought about by the changes to the educational system in Slovenia and introduced a new type of school textbooks. They incorporate modern pedagogical, psychological and methodological knowledge, are written by the leading authors in the field of education and are also known for their wittiness and great design.

The textbooks immediately won great popularity and became bestsellers in Slovenian primary schools. We managed to attract the best Slovenian authors from various fields as well as the best illustrators and designers, and have become an important player in the national educational publishing.

In the last few years, our textbooks have won several international awards:

- Global Learning Initiative Award for Most Innovative Material in 2003 - The World of Words 7
- Different awards in the European Educational Publishers Group for:

- The World of Words 7
- Science and Craft 5
- Biology 9
- My first creative art book
- A game of Numbers and Shapes 4
- Researching the Past 9

In 2003, we also started publishing our first magazine, National Geographic Junior, which was followed by three other magazines in 2006 – National Geographic Slovenia, National Geographic Mini and Beo beo – and two in 2007 – National Geographic Popotnik (NG Traveler) and Umko.

"A book is more than just an everyday industrial product – it's an invaluable cultural good with strong influence on the society. We are well aware of this so we are doing our best to create the best and most up-to-date textbooks to suit both teachers and learners."

Rok Kvaternik

COMPANY'S DESCRIPTION

MFC.2 d.o.o. was established in 1999 from the company MFC s.p.. MFC.2 is a limited liability company and is owned by two owners, who are company members. The company employs 62 regular employees and more than 90 permanent contract workers. We specialize in providing services in the area of archiving documents, data and information. The company has a 30-year long tradition. Our narrow specialisation guarantees the leading position on the market as well as constant growth of the company. In our field of expertise we are distinguished by our theoretical contributions on professional consultations of archivists, documentalists and microfilm-makers.

Our goals are upgrading knowledge, establishing competition advantages, long-term company growth and high quality of services, all with one intention in particular: to satisfy demands of our users. Considering our duties and projects are becoming more and more demanding, we want to expand our activity and offer by means of e-office services and technical documentation processing.

ACTIVITY PRESENTATION

- The archives process done traditional way
- (archives arrangement, managing archives department - including a reception stage, labelling, classifying, and distributing the documentation to a relevant department; traditional archives system)
- Keeping archive data using microfilms
- (usage of microfilms, thin layer discs etc)
- E-archives
- (data recording and transforming the material that was originally published in a physical (printed)l, electronically-analogous or digital form)
- Extensive-format electronic-data processing
- (covering and recording extensive data material that was originally published in the physical (printed) form, extracts of extensive form documentation - e.g. plans, posters etc).
- Long-term preservation of documentation material in a digital form - on electronic discs i.e. in the EMC Central archive system.
- The possibility of renting offices that enable management and preservation of your data and providers - all inside our new, tightly-secured building in the Technological park Litostroj in Ljubljana.
- The possibility of renting an e-archives or »backup« space needed for ensuring regular operating activities even in the case of urgent measures .i.e. in the case of infrastructure demolition or data being erased - within the so called - »disaster recovery« centre.

We guarantee:

- Safety of your documents
- Professional handling with your documents
- Direct and quick access to archived documents
- Formal legal value of the archived documents.

www.adria-airways.com

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Adria Airways,
The Airline of Slovenia, d.d.

Adria Airways is the Slovenian national air carrier. The principal activities of the company are scheduled air transport, non-scheduled (charter) air transport, transport of cargo, maintenance of aircraft for third parties, and training of flight crew.

Adria's fleet comprises ten aircraft: three Airbus A320s and seven Canadair Regional Jet CRJ 200s. This is a modern fleet that is both environmentally friendly and economical.

The network of Adria Airways links Ljubljana with 19 cities throughout Europe and offers excellent connections to Southeastern Europe (Sarajevo, Priština, Podgorica, Skopje, Ohrid, Istanbul). In cooperation with our partner airlines, especially members of the Star Alliance network, of which Adria is a regional member, Adria offers its customers 15,000 scheduled flights each day and a network of 790 destinations in 139 countries throughout the world.

Adria Airways operates charter flights to Mediterranean destinations.

Adria's cargo service offers cargo shipment to airports throughout the world. Adria Airways operates a cargo route between Ljubljana and Sarajevo, and between Ljubljana and Frankfurt.

Adria has several European certificates and has been providing maintenance and service for its aircraft for decades. Aircraft manufacturer Bombardier Aerospace Canada selected Adria to be its only European Heavy Maintenance Facility for Canadair Regional Jet aircraft, and we also perform maintenance work on the Airbus A320 family.

Adria Airways was one of the first airlines to receive the IOSA (IATA Operational Safety Audit) safety certificate, which defines the level of organisation of the company and its operating procedures, as well as the flight safety and security of the company.

Our goal is to remain a respected European regional carrier. With a professional, caring staff and modern fleet, Adria is committed to providing a high level of service and satisfaction, and to winning our passengers' loyalty.

DEVELOPMENT AGENCY OF THE LJUBLJANA REGION
TEHNOLOŠKI PARK LJUBLJANA-BRDO

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CREATIVE PEOPLE AND SUCCESSFUL COMPANIES

Can you imagine a company with a thirteen per cent market share, twenty-six departments and half a million people? Now try to imagine the development department of such a company.

Yes, the Regional Development Agency is precisely that: the R&D department of a complex and promising company called the Ljubljana Urban Region. It encompasses 26 municipalities, covers 13% of the total surface area of Slovenia and has a population of 500,000. Hence the great ambitions and the great responsibility, hence our daring vision and serious mission.
Through the elaboration of development programmes the Agency generates and accelerates the development of the entire region, ranging from the coordination of regional structural policies to the elaboration of individual projects applying for EU funding.

The year 2007 was particularly important in terms of the management of long-term development in the region. In April the Council of the Ljubljana Urban Region was founded as the highest ranking governance body in the region. It is composed of mayors of all municipalities in the Central-Slovene statistical region and chaired by the Mayor of the City of Ljubljana, Mr Zoran Janković.

The Council defined its development objectives as well as the instruments and resources for their implementation through the adoption of the Regional Development Programme of the Ljubljana Urban Region for the period between 2007 and 2013.

The fundamental goal of **assuring creative people a better life in a successful environment**, as set out in an extensive strategic document (available at http://www.rralur.si/html/rrplur_2007_2013/docs/prevedeni_RRP_LUR_20_04_07_1_10_07.doc), is divided into several packages of measures which clearly outline the development priorities of the Ljubljana Urban Region:

- Accessibility for human well being,
- Preservation of natural and cultural heritage,
- Planning to ensure a good quality of the living space,
- Efficient public utility service,
- Equal opportunities – the contribution to regional competitiveness,
- Culture – competitive advantage of the region,
- E – government,
- Supporting environment for entrepreneurship.

VISION

»The Ljubljana Urban Region is a conurbation intertwined with nature. By encouraging creativity and cooperation, the region will become highly competitive on a global scale and offer a high quality of life. Ljubljana's status of a European capital will be reflected throughout the region.«

A further boost to the work of the ten-strong team at the Regional Development Agency came at the end of 2007 when everything was set for the Agency's relocation to its new premises in the Technology Park Ljubljana.

We are proud of having the opportunity of presenting our mission and vision in this IFIMES publication, in the company of highly interesting strategic studies of the broader region. That is namely precisely the way in which we envisage our future efforts: always working in a broader European context, taking account of local heritage and driven by global ambition.

It is through this vision that Ljubljana is truly becoming a European capital and the entire Ljubljana region an extremely interesting business opportunity for investors and an attractive proposition for its inhabitants.

Daring ideas combined with expert studies, qualified analysis and courageous forecasts offer the best foundation for successful new achievements.

Lilijana Madjar, MA
Director of the RDA LUR

DETEL - YOUR FIRST SUPPLIER OF IP TELEPHONY

Our company In.Life d.d is an alternative telephony operator. The company was founded in the year 2000. We were the first on the Slovenian market who acquired the license for international telephony and offered an alternative fixed telephony service. Our services are offered under the brand name DETEL, which was first introduced on the market in 2004.

We work internationally; besides the main office in Slovenia we also have subsidiaries in Bosnia and Herzegovina and in Serbia. As we are closely connected to SE European region, our services are extremely competitive and in certain segments probably even the cheapest.

SINGULARITY OR HOW EVERYTHING FLOWS INTO ONE POINT

Advantage is brought by those who can offer complete services and solutions for specific fields - all in one place. Under the brand name Detel we offer, at favorable prices, diversity of telecommunication services, which are needed for rapid and strong processing in companies in a highly competitive environment.

SERVICES OFFERED UNDER THE BRAND NAME DETEL

- **Detel CbC (Call by Call) or the selection and pre-selection of operators**
  This is our oldest service which we introduced as the first company in Slovenia when we got the international telephony license. It enables cheaper calls abroad and within Slovenia, through the line of the national operator and with the help of our code 1099.
  Getting Detel's "selection and pre-selection" is easy. You only need to sign the contract and you can phone as you did before - but extensively cheaper!

- **DetelFone**
  DetelFone is a free internet phone which enables:
  -free calls to other Detel-users - the users of DetelFone, UPC Telemach, Triere and Ljubljanski kabel
  -essentially cheaper calls to other fixed and mobile networks
  -acquiring of a free Slovene telephone number
  -mobility (a user can always be reachable on one telephone number no matter where in the world he/she is situated)
  -calling at a local price
  DetelFone can be downloaded from the following homepage: www.detelfone.eu- of course, for free!

- **Detel IP or fixed telephony**

Detel brings companies professional internet telephony which enables:
- keeping the existing telephone-system
- upgrading the existing telephone-system
- exchanging the existing telephone-system and
- professional support which assures lower telephony costs

- **Special numbers**

Detel enables customers the use of special numbers
-090(Detel 090)
-080 (Detel 080)

If our customers wish a business model or just a momentary service, which needs the possibility of the free (080) or of the charged (090) calls, we help them upgrade their services with the "special numbers". While doing that, we also share with them our previous experiences.

Over 10.000 users trust Detel. And more than 25.000 people use DetelFone.

Revealing the new taste!

For the ones who know what is good.

The large assortment of Argeta's pates was extra spiced. For the new taste »spicy« - a pinch of hot spices was added to the carefully selected pieces of meat. And that is the reason why the new taste is so delicious.

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Helping make your special moments even richer and happier
is at the very core of our mission as a pharmaceutical company.
The path we are taking is paved with scientific knowledge,
high technology, and products that offer you a healthy life.

And our future is as a leading
pharmaceutical generics producer.

KRKA

Living a healthy life.

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