

Home Thoughts, From Abroad - A Kiwi in Slovenia

Contributed by Jesse Reid
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A New Zealand comrade's experiences and lessons learned living in Ljubljana, Slovenia.

I came to Slovenia in September, 2007 as part of a three month University exchange programme. It was not at all what I had been expecting, and I was immediately surprised by the modernness and the infrastructure of the capital city Ljubljana where I would be staying. Parts of London had reminded me much of Buenos Aires, and Paris had seemed a scary place to me at night, yet in Ljubljana, the streets looked safe, there are no run down areas to be seen. Throughout my thorough explorations of the city over the past months, I have not yet come across any suburb where I would be too afraid to be on a dark night. The streets, parks and city transport system are well developed and maintained, and every intersection is well designed in respect to pedestrians and cyclists. It appears that citizens of Slovenia have been doing surprisingly well for themselves compared to many of their European neighbors, enjoying many benefits which I have rarely or never seen elsewhere.

The first two weeks of my stay was spent in one of the non-profit apartment blocks which the state maintains for students in higher education, which cost students less than a quarter of the price of private accommodation, complete with free access to gym and Internet. This was the first of the many eye opening benefits for students which I have encountered. I would find more: Student ID gets you half price in just about any movie theatre or museum, and even allows you food vouchers which can be used at many cafes and restaurants around the city for a heavily state subsidised meal, often half price. You can also apply for free use of the city buses to eliminate commuting costs. But most impressive of all is that Slovenians students do not pay any tuition fees for full time study [1].

Students in higher education represent no less than a fifth of the Ljubljana's total population, while they are supported in a way most Kiwi students could never imagine. Back home in New Zealand, I am used to students cramming in to run-down houses, offered little financial assistance by the state other than hideous loans which take several decades to pay off. This begs the question -- why can't a well developed nation like New Zealand offer anything more than an inkling of support to students, while this Balkan country is churning out scientists by the thousand.

It is not just students which have been faring well either. Workers in Slovenia have also been enjoying rights unheard of in most countries. Firing workers is virtually impossible. It costs bosses 43 weeks worth of a worker's salary to dismiss them -- almost an entire year! This compares to New Zealand, which is one of many countries where there is little to no cost at all for firing a worker [2].

The IMF ranks Slovenia as the "worst" on a scale of working hour rigidity, scoring 80/100 (lower is "better"), basically meaning that employers cannot coerce workers into doing long hours or working over time, which the IMF finds intolerable, claiming that this makes it difficult for firms to respond to demand [2]. Thus they clearly use "better" in the sense of more exploitable, and according to this same scale, New Zealand comes in with the United States with a top ranking score of 0, ahead of the U.K. at 20.

The leftovers from even a deformed workers state with a bureaucratically run planned economy are simply inspiring to the ordinary worker or the student like myself, and I have been given an unforgettable glimpse of how it worked what the benefits were, and a hint at what could be accomplished under a true democratically controlled workers' state.

I am soon told that my stay at the student apartment will not be extended for the full period of the exchange programme. Several weeks later I will find out why -- they are closing it down along with much of the student accommodation. The non-profit accommodation is not going down well with the country's new embrace of the free market. I have now had to move into a shared privately rented flat. My personal living costs rose 400% literally over night, but it is not just me, but hundreds or even thousands of Slovenian students who have just suffered a similar fate. As it turns out, Slovenia is not some undiscovered oasis in a capitalist desert, but one which is currently being ravaged and torn down before my eyes as foreign capital moves takes part in a wave of privatisations and cuts which essentially amount to simple looting and plundering of the state.

The locals give a crystal clear impression of what is happening. "We were better under Yugoslavia, there is no doubt about that" explains Bojana, a 35 year old worker just old enough to remember what life was like for her parent's generation and has since witnessed one market-driven counter-reform after another. She goes into detail -- "Under socialism you went straight into work after University. You never had any problems with finding a job like you do now. You didn't have to worry about finding a decent apartment either, as accommodation was taken care of for you by the state". She continues: "In my parent's generation pensions were the same as a working wage, but now they cannot even be sure about getting a pension."

This is true. In December of last year, the European Commission outlined its concern about people not being worked until death, calling on Slovenia to enact stronger reforms, harshly criticising the "very gradual increase in the pension age" (61 for women in 2013 and 63 for men in 2008), complaining that financial incentives to work longer are "weak" [3]. They urged for more efforts to reach the target of 35% employment of the elderly. Economist Mico Mrkaic also complains that government reforms (counter-reforms) have not been sufficiently radical, saying "the proposed privatisation lacks resolve" [11].

Bojana points out the street full of empty cafes and idle waiters to me -- "no-one can afford to go out anymore" -- she says. This also is a recent phenomenon. Living costs have been soaring. There have been huge price increases since the beginning of the year when Slovenia adopted the Euro, especially food prices, some of which have jumped by 10% in September alone [4,5], as well as similar increases in the prices of clothing and shoes. Bojana herself has already been forced to the outskirts of the city to escape soaring city rents. While retailers and suppliers publically accuse each other of the rises, the public suffers, as wages have been remained stagnant and this has meant a significant decrease in standard of living. With each jump in living costs entire layers of society are thrust into economic crisis. Homeless are beginning to appear in the city center as if coming out of the stonework.

Under pressure for a solution to the current inflation problem, the government has made it compulsory for retailers to display all prices in the obsolete Tolar currency as a measure of reference, and small warnings can be seen stuck to the shelves in front of certain products in the supermarkets -- "STOP INFLACIJI " -- warning of particularly inflated prices. These strategies undoubtedly amount to the equivalent of propping twigs up against an over-strained dam to prevent it bursting.

Slovenia, which has almost totally resisted privatisation until the last few years [6], is coming under increasingly intense external pressures to open up to foreign investment. The head of the European Bank for Reconstruction and Development's (EBRD) Francois Lecavalier called for labour market reforms, explaining bluntly: "If you cannot fire people, you will not hire people." He insisted on a "reduction in the role of the state in the economy" and praised the government's plans for the privatisation of telco Telekom Slovenije and the Slovenska industrija jekla steel group and added that the EBRD would be willing to take part in the privatisation of NKBM, Slovenia's second-largest bank. He is looking for more efforts to push on with implementing structural reforms, giving freer reign to private enterprise, and furthering the harsh measures taken by the tax department, all in order to attract investors.

This attitude is echoed by an IMF report about the transformation from countries with central planning to "normally functioning" market economies. Most frightening is that there is little effort made to deny the consequences for ordinary working people, and the report in question, ironically titled "Striving for Success" [2], admits that such transformations are "very difficult for ... countries [like Slovenia] and their citizens", but points out the apparently more important need to make things easier for investors. Investors like Kuwait Billionaire Hussein AlKharafi who visited Ljubljana recently looking for investment opportunities. The IMF, and the other sections of the ruling class are making it clear that his needs and those like him come well before the needs of everyday people trying to earn a living or receive an education.

Already there have been clear signs of unrest as Slovenians have leaped up to defend their rights. On the 6th of December 2005, despite the snow, 40,000 workers and students marched the streets of Ljubljana, protesting against counter-reforms and the intended dismantling of the welfare state [7,8], and again on "Black Wednesday", 19th of April 2006, students protested defiantly to defend their benefits which are continuously under attack [9]. It has only been popular opinion and the voice of the unions that are frustrating the unrelenting attempts to introduce a flat tax [10].

The reeactionary effect of modern capitalism and the free market is astounding. Instead of moving forward, instead of presenting reforms to the students and workers that provide new benefits and a higher quality of life, capitalism has degenerated into a phase of what could be well described as blatant grabbing. Counter reforms are forced upon the population and the benefits that they previously enjoyed for many years under a supposedly defunct system of government are pryed off them the excuse that they are unaffordable. Yes, these big organisations like the EU and the IMF refuse to afford anything which does not make the rich as rich as possible. They speak in a language full of words like "profit" and "investment" but void of phrases like "quality of life" or "universal education".

"Striving for success", indeed. For capitalism, success is measured by the dominance of the ruling class over the workers. Success is measured in terms of the extraction of profits by the big companies, and exploitation. This has been only too obvious to me here as I watch the transformations unfold. The attacks on workers and students alike will continue as capitalism works towards this "success". Privatisations, cuts, and devastating counter-reforms will continue to hound the people of Slovenia. Some benefits handed down from the former deformed worker's state can be defended, but not all of them, not every time. It is clear that the only way to guarantee the persistence of such benefits and the introduction of new ones is a complete socialist transformation of society where success is measured by the standard of living and the quality of life of all the people living within it.

Sources:

- [1] <http://www.euroeducation.net/prof/slnco.htm>
- [2] <http://www.imf.org/external/np/speeches/2006/032006.htm>
- [3] <http://www.ukom.gov.si/eng/slovenia/publications/slovenia-news/4086/4091/index.html>
- [4] <http://www.pengovsky.com/2007/09/06/the-enemy-within/>
- [5] http://www.stat.si/eng/novica_prikazi.aspx?ID=1170
- [6] <http://www.slonevs.sta.si/search.php?srchid=5779066&id=88>
- [7] <http://www.marxist.com/mass-protest-slovenia051205-7.htm>
- [8] <http://www.wsws.org/articles/2005/dec2005/slov-d15.shtml>
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