



Weekly Briefing

Slovenia external relations briefing:

The Slovenian-German relations in the light of economic crisis and global political issues, and the current Slovenian perspective on the critical international challenges

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Summary

For over a thousand years, the territory of what is now Slovenia has been mostly under the control of German-speaking political entities including the Holy Roman Empire and Austrian Empire. As such, what is now Slovenia has been a part of a traditional Central European spectrum and many elements critical for its statehood are drawn from the historic ties to the German-speaking world.

While the relations between Slovenia and Germany have not always been great and easy - raging from the outright hostility during World War 2 or the indifference in the first years after the war to the excellent current state of relations – they have remained very positive ever since the Slovenian independence in 1991 after which Germany became a critical Slovenian economic partner and social and political role model.

The relations remain solid just before Slovenia takes its place as a member of the UN Security Council in 2024 despite slight differences in how Slovenia and Germany officially see the nature of the current geopolitical issues.

Background: the history of the relations between Slovenia, Germany, and the German-speaking world with an emphasis on economic and political partnership

Ever since gaining independence in 1991, Slovenia has been considered a story of economic success. Among the former socialist states of Central and Eastern Europe, the Slovenian economy has usually been considered either the strongest or second just after Czechia in terms of gross domestic product per capita or human development index.¹ In five years time, in 2028, Slovenia's GDP per capita is predicted to surpass the likes of Spain while still being ahead of other formerly socialist member states that joined the European Union in 2004 or later.² In addition, Slovenia traditionally nurtured a society without overly large wealth gaps

¹ In 2023, it is first in the mentioned group in both categories; in HDI, it is among the best in the world. Sources: "GDP per capita, current prices," International Monetary Fund, accessed November 29, 2023, <https://www.imf.org/external/datamapper/NGDPDPC@WEO/OEMDC/ADVEC/WEOWORLD?year=2023>; and "HDI by Country," Wisevoter, accessed November 29, 2023, <https://wisevoter.com/country-rankings/hdi-by-country/>.

² See e.g. "Slovenia: Gross domestic product (GDP) per capita in current prices from 1998 to 2028," Statista, accessed November 29, 2023, <https://www.statista.com/statistics/330265/gross-domestic-product-gdp-per->

among the citizens which may have been a residue of refined equalizing effects of socialism and has translated into one of the lowest Gini coefficient scores in the world.³

While per capita economic results are still promising despite the economic downturns of the previous years due to COVID-19 and high inflation crises and the natural disaster(s), Slovenia is a small state with only around 2 million of population and a comparatively small economy which is dependent upon its trading partners, most prominently neighboring, Central and Western European countries, and the European Union as such.

Among the Slovenian trading partners, the most prominent group contains neighboring Austria, Italy, and Croatia as well as Germany and Switzerland. Outside of the EU and North America, China is considered the strongest trading partner (especially regarding imports) and has recently risen to third place on a list of the most important import partners for Slovenia.⁴

As per a relatively long tradition, Germany has been a critical Slovenian trading partner that has been a crucial Slovenian economic and social ideal and guiding force since the final days of Yugoslavia and remains the most important export and second most important import partner after Switzerland according to the latest data.⁵

Germany was a key actor from the Western political and economic sphere in terms of encouraging Slovenian export and cooperating with Slovenia in the defining moments of the 1990s. Even before the Slovenian independence, Western Germany was economically relevant for Slovenia as several Slovenians sought to escape to Germany looking for work and some expats found Germany their permanent home.⁶

Despite the fluctuations in foreign trade, Germany remains Slovenia's second most important trading partner behind Switzerland as the mutual trade between the two partners covers around 19 percent of Slovenia's foreign trade. In 2022, Slovenia exported EUR 7,652

[capita-in-slovenia/](#); and "Spain: Gross domestic product (GDP) per capita in current prices from 1987 to 2028," Statista, accessed November 29, 2023, <https://www.statista.com/statistics/263773/gross-domestic-product-gdp-per-capita-in-spain/>.

³ According to the latest data, Slovenia has the second lowest Gini coefficient (meaning second least unequal society) in the world just behind Slovakia. See the table at "Gini Coefficient by Country," Wisevoter, accessed November 29, 2023, <https://wisevoter.com/country-rankings/gini-coefficient-by-country/>.

⁴ Source: "Slovenia," OEC, accessed November 29, 2023, <https://oec.world/en/profile/country/svn>.

⁵ Ibid.

⁶ See e.g. "Germany and Slovenia: unequal, yet strong partners," Slovenia Business, accessed November 29, 2023, <https://www.sloveniabusiness.eu/hot-topics/germany-and-slovenia-unequal-yet-strong-partners>. The history of relations between what is now Germany and Slovenia is in fact much longer as most of the current Slovenian territory has been a part of the Holy Roman (German) Empire or German-speaking Austria for over 1000 years which has importantly influenced Slovenian culture, language, legal and social systems, and politics.

million worth of goods to Germany and imported goods in the amount of EUR 7,105 million. Altogether, mutual trade reached EUR 14,757 million in 2022.⁷ There is an active Slovenian-German Chamber of Commerce that tries to coordinate the economic relations between the countries.⁸

While the relations with Germany have always been relatively good since the Slovenian independence in 1991 and Switzerland is currently the number one Slovenian trade partner, the Slovenian relations with the highly developed Central European Germans-speaking countries were not always without tensions, particularly concerning the neighboring Austria. As of 2023, Austria retains border control with Slovenia even though the border is fully within the Schengen area of free internal borders and despite many protests from the leading Slovenian politicians. Austria has univocally controlled the border with Slovenia from 2015 on.⁹ Even with some tension stemming from the border control, the relations between Slovenia and Austria are generally considered relatively good with several Slovenians commuting daily to work in Austria or visiting Austrian educational institutions while Austria remains the Slovenian top 5 export and import partner.¹⁰

Nevertheless, Slovenia has been a part of or in a close relationship with the German-speaking Central Europe, for better or worse, for over a millennium. While in the 20th century, the situation changed a lot and Slovenia gravitated toward Western Balkans as Slovenia became a part of pan-South Slavic Yugoslavia and lost open access to the Western markets and political system after its independence a lot of ties towards the Western and Central European countries have been restored and Slovenia quickly became a relevant part of European Union – with a great amount of critical support from Germany. Since then, Slovenia which likely modeled its economic model and legal system on Germany, has relied on Germany in many ways – and that may present a problem in times of potential recession.

⁷ See “Germany and Slovenia: Bilateral relations,” accessed November 29, 2023, <https://www.auswaertiges-amt.de/en/aussenpolitik/slovenia/227980>; and “Poslovno sodelovanje Slovenije z Nemčijo,” SPIRIT Slovenija, accessed November 29, 2023, <https://www.izvoznookno.si/drzave/nemcija/poslovno-sodelovanje-s-slovenijo/>.

⁸ See “Slovensko-nemška gospodarska zbornica,” AHK, accessed November 29, 2023, <https://slovenien.ahk.de/sl/>.

⁹ Consult STA, “Avstrija znova podaljšala nadzor na meji s Slovenijo,” Dnevnik, October 16, 2023, <https://www.dnevnik.si/1043034622>; and T. K. B., La. Da., “Golob na Dunaju: Podaljševanje nadzora na meji je neupravičeno in neučinkovito,” MMC Radiotelevizije Slovenija, June 13, 2023, <https://www.rtvsllo.si/slovenija/golob-na-dunaju-podaljsjevanje-nadzora-na-meji-je-neupravico-in-neucinkovito/671602>. Recently, Austria extended border controls to all its neighbors.

¹⁰ Source: “Slovenia,” OEC, accessed November 29, 2023, <https://oec.world/en/profile/country/svn>.

The economic crisis of 2022 and 2023 and the current state of the Slovenian-German partnership

In 2023, Germany, one of the key Slovenian economic, political, and diplomatic partners, entered what many pundits claim to be a slight economic recession. According to the expectation of the German government, the German economy will shrink by 0,4 % due to high inflation, high energy prices, and a distinct lack in the extent of active foreign trade.¹¹ It is speculated that the German economy (which remains the largest economy in the Eurozone may be headed for a deeper recession which could affect most of the European Union, especially member states that heavily rely on German markets and mutual trade such as Slovenia. The Slovenian-German trade relationship thrived after the Slovenian independence which allowed for quick Slovenian economic growth; if Germany were to face a serious economic downturn, this would certainly impact the Slovenian economy. The slowed economic growth and deeper economic issues in the European Union may be even more foreboding for Slovenia their two neighbors and important trading partners, Austria and Italy, have also experienced an economic slowdown.¹²

While historically not always easy, the relationship between Slovenia and Germany has been a model of good relations ever since Slovenia became independent. Germany was the first large and highly influential state to recognize Slovenia that was not vying for independence at the time. Germany recognized Slovenian sovereignty on December 19, 1991, after which Slovenian independence became an example for the future of the Western Balkans.¹³

Even before the independence, active relations with Germany frequently proved to be of critical importance for the development of Slovenian culture, language, and society. One of the founders of the Slovenian written language and the author of the first printed books in the Slovene language Primož Trubar was thus educated by German educators and translated his

¹¹ Source: Holger Hansen, "Exclusive: German government expects economy to shrink 0.4% in 2023," *Reuters*, October 6, 2023, <https://www.reuters.com/markets/europe/german-govt-expects-economy-shrink-04-2023-source-2023-10-06/>.

¹² See "Germany headed for deeper recession, IMF says," DW, accessed November 29, 2023, <https://www.dw.com/en/germany-headed-for-deeper-recession-imf-says/a-67049892>; and Hanna Ziady, "Europe's biggest economy shrank in the third quarter, spelling trouble for the region," *CNN*, October 30, 2023, <https://edition.cnn.com/2023/10/30/business/germany-economy-q3-gdp/index.html>.

¹³ See G. K., "Pred 30 leti je Slovenijo priznala prva vplivna država Nemčija," *MMC Radiotelevizije Slovenija*, December 19, 2021, <https://www.rtv slo.si/slovenija/30-let/pred-30-let-je-slovenijo-priznala-prva-vplivna-drzava-nemcija/605602>.

key translations from the German language the specific contributions of which have thus become an important feature of Slovene language.¹⁴

Also, a reference to the German model was critical in the development of the first constitution of independent Slovenia. As confirmed by one of the authors of the Constitution of the Republic of Slovenia, the main references for the constitution of the young republic were German and Italian post-WW2 constitutions; Germany also provided the model for the process and composition of government formation even though German president possesses significantly greater powers than the Slovenian peer in the formation and appointment of the government and in resolving the relations between the parliament and the government.¹⁵ From 2006, the Slovenian-German Chamber of Commerce tries to coordinate business and general economic relations between the states and institutions such as Goethe Institute promote German culture and German-Slovenian cultural cooperation.¹⁶

The Slovenian-German relations continue to be strong in both political and economic sense. According to the data from 2016, around 570 German companies and companies with German participation are active in Slovenia.¹⁷ In 2023, Slovenia was a guest of honour at the Frankfurt Book Fair, the largest such European event.¹⁸ After the catastrophic floods in August 2023, Germany helped Slovenia floods with, among other things, members of the civil defense, construction machinery, prefabricated bridges, and helicopters. At the beginning of December 2023, the German Minister for Foreign Affairs Annalena Baerbock visited the Slovenian Minister of Foreign and European Affairs Tanja Fajon, and Prime Minister Robert Golob, restating the continuous excellent relations between the two countries and the will for further tight cooperation, especially in the promotion of the development of Western Balkans regarding which Slovenia (alongside Germany) has been a key actor in recent times.¹⁹

¹⁴ See Dušan Voglar, "Primož Trubar v enciklopedijah in leksikonih," *Locutio*, accessed November 29, 2023, <https://www.locutio.si/index.php?no=42&clanek=990>.

¹⁵ Refer to Ana Svenšek, "Pri izdelavi ustave smo imeli pred očmi: parlamentarna ureditev, pravna država," *MMC Radiotelevizije Slovenija*, December 23, 2021, <https://www.rtv slo.si/slovenija/30-let/koscki-sestavljanke/pri-izdelavi-ustave-smo-imeli-pred-ocmi-parlamentarna-ureditev-pravna-drzava/605913>.

¹⁶ Consult e.g. "Slovensko-nemška gospodarska zbornica," AHK, accessed November 29, 2023, <https://slovenien.ahk.de/sl/>; "Über Uns," Goethe-Institut Slowenien. accessed November 29, 2023, <https://www.goethe.de/ins/si/de/index.html>.

¹⁷ Source: "Slowenien – Energieeffizienz in der Industrie: Zielmarktanalyse 2019 mit Profilen der Marktakteure," AHK, accessed November 29, 2023, https://www.german-energy-solutions.de/GES/Redaktion/DE/Publikationen/Marktanalysen/2019/zma_slowenien_2019.pdf?__blob=publicationFile&v=4, 14.

¹⁸ Source: "Slovenija: častna gostja na Frankfurtskem knjižnem sejmu 2023 - SATOVJE BESED," Javna agencija za knjigo RS – Frankfurt 2023, accessed November 29, 2023, <https://sloveniafrankfurt2023.com/>.

¹⁹ See M. Z., Al. Ma., "Nemška ministrica ob obisku Slovenije: EU se mora pripraviti na prihodnost z več kot 30 članicami," *MMC Radiotelevizije Slovenija*, December 5, 2023, <https://www.rtv slo.si/slovenija/nemaska-ministrica-ob-obisku-slovenije-eu-se-mora-pripraviti-na-prihodnost-z-vec-kot-30-clanicami/690536>.

Where there is a lot of productive cooperation and mutual codependence, there is a danger of similar trajectories in regards to (economic, social, or political) crises. In the second half of 2022 and throughout most of 2023, both Germany and Slovenia have suffered through high inflation with a weakening export. According to the data from the end of October 2023, Germany's GDP decreased by 0.1 percent in the third quarter of this year compared to the second which is another instance of a negative trajectory of German economy; the one that may have a significant influence on how other EU member states will measure in economic terms and deal with the inflation crisis.²⁰

A decrease in the forecasted annual growth of Slovenian GDP is set to mirror Germany's quarterly change. According to OECD forecasts, Slovenia will achieve 1.4% growth this year, which reflects weak domestic and foreign demand. Growth in Slovenia is expected to increase to 1.8 percent next year and to 2,7% in 2025. Private consumption is inhibited by high inflation, but investments remain at the expense of the EU funds and measures for the reconstruction of the affected areas in the country after the catastrophic August floods. Labor market conditions will remain unchanged, encouraging wage growth, while real incomes will be lower due to inflationary pressures.²¹

Despite the current inflation-related issues, it is believed that the countries will be able to get through the crisis without permanent damage to their economies. Their economic outlook and prospects, despite the immense difference in the size of each respective economy, have been quite compatible and likely to succeed in curbing a lot of issues of socio-economic nature; however, they have been differing slightly in their respective approaches to some global security issues – particularly concerning the Israel-Palestine conflict and the larger Near East question.

The current Slovenian perspectives upon some of the critical geopolitical issues

Since the start of the Russian invasion of Ukraine in February 2022, Slovenia has been adamant in its support for Ukraine and was among the more vocal supporters of Ukrainian defense in the first months of the war. Then Slovenian Prime Minister Janez Janša, leader of

²⁰ See B. V., "Minimalno krčenje gospodarstva evrskega območja v tretjem četrtletju," *MMC Radiotelevizije Slovenija*, October 31, 2023, <https://www.rtv slo.si/gospodarstvo/minimalno-krčenje-gospodarstva-evrskega-območja-v-tretjem-četrtletju/686714>.

²¹ Source: G. C., "OECD za 0,1 odstotne točke znižal napoved rasti slovenskega BDP-ja," *MMC Radiotelevizije Slovenija*, November 29, 2023, <https://www.rtv slo.si/gospodarstvo/oecd-za-0-1-odstotne-točke-znižal-napoved-rasti-slovenskega-bdp-ja/689908>.

the 15th Slovenian government, surprisingly visited Kyiv in March 2022 as a member of a small group of the first foreign political leaders to visit the war-torn country in a move that resonated around Europe.²²

His successor Robert Golob, the current Prime Minister and the leader of the 15th Slovenian government has continuously voiced his support for Ukraine ever since his inauguration in 2022. In the first meeting of the Slovenian National Security Council during the term of the current government in November 2022 Golob stated that “[the council was unanimous in the assessment that] as long as the Ukrainian people have the will to military defense, it is our moral duty to support them in this. We have no right to force them into solutions they do not agree with.” With that, the Slovenian political leadership expressed the highest support for the Ukrainian nation and state in terms of military defense.²³ After Slovenia was confirmed as a new temporary member of the Security Council of the United Nations in 2023, Golob further promised that Slovenia, as a future member of the United Nations Security Council, vouches to do everything in its power to reach peace in Ukraine as soon as possible while it will continue to support the right of self-determination of the Ukrainian people.²⁴

Ukraine nation and its people have been widely supported in its conflict with Russia by most of the people in Slovenia who helped them with humanitarian and military aid and organized several rallies to show further support for their cause.²⁵

Recently, Russian President Vladimir Putin met with the new Slovenian ambassador to Moscow Darja Bavdaž Kuret and let her know that while the dialogue between Russia and Slovenia has stalled, the Russian side is ready to renew it if Slovenia – who has been placed on the Russian list of unfriendly nations for its support of Ukraine – wants to do so. However, it seems that for now (just before the start of its term in the capacity of a member of the Security Council of the UN) Slovenian support for Ukraine is unwavering.²⁶

²² Consult Aleš Gaube, “Janša v Ukrajini: Obisk med pogumom in norostjo,” *Dnevnik*, March 16, 2022, <https://www.dnevnik.si/1042985288>.

²³ Source: “Premier Golob: Naša moralna dolžnost je podpora Ukrajini pri obrambi,” Portal GOV.SI, accessed November 29, 2023, <https://www.gov.si/novice/2022-11-30-premier-golob-nasa-moralna-dolznost-je-podpora-ukrajini-pri-obrambi/>.

²⁴ See e.g. STA, “Golob: Slovenija lahko več kot pri varnostnih jamstvih prispeva k iskanju miru v Ukrajini,” *Dnevnik*, July 12, 2023, <https://www.dnevnik.si/1043028035/slovenija/golob-slovenija-lahko-vec-kot-pri-varnostnih-jamstvih-prispeva-k-iskanju-miru-v-ukrajini>.

²⁵ Among others, see La. Da., M. Z., “V Ljubljani shod v podporo Ukrajini, premier Golob načrtuje obisk Kijeva,” *MMC Radiotelevizije Slovenija*, February 24, 2023, <https://www.rtv slo.si/slovenija/v-ljubljani-shod-v-podporo-ukrajini-premier-golob-nacrtuje-obisk-kijeva/658988>.

²⁶ Source: G. V., Al. Ma., “Putin: Rusija pripravljena obnoviti odnose s Slovenijo,” *MMC Radiotelevizije Slovenija*, December 5, 2023, <https://www.rtv slo.si/svet/evropa/putin-rusija-pripravljena-obnoviti-odnose-s-slovenijo/690551>.

In that, Slovenia is similar in its outlook to its main trading partners such as Germany and Austria. In comparison to Germany, however, it differs slightly in perspective on the recently renewed conflict in the Near East.

After the intensification of the aggression between the Hamas-controlled Gaza Strip and the Netanyahu-led Israel, most European countries were quick to offer support for Israel and its right to self-defense. Germany, which has a (dark) history of antisemitism and has been united in its support for Israel after the acknowledgment of the terrible nature Nazi atrocities before and during WW2, has been vocal in the international community in its more or less one-sided support for Israel and its right to self-defense and destruction of terrorist activities. Slovenian leadership, on the other hand, has been more cautious in its approach to the problematic question of the realities in the Levant and also highlighted the plight of Palestinian people and the need to protect their rights while also being critical of the Hamas aggression.

Slightly differing attitudes toward the Near East question were also recognized during the official visit of the German Minister for Foreign Affairs Annalena Baerbock of her peers in Slovenia – even though both the Slovenian Minister of Foreign and European Affairs Tanja Fajon and Baerbock agreed on the need for the two-state solution of the complex Israel-Palestine question.²⁷

The difference in its general view on the pressing Near East issue was especially corroborated in response to the October's controversial ceremonial speech of the leading Slovenian philosopher and one of the most internationally recognizable Slovenians Slavoj Žižek at the Frankfurt Book Fair (where Slovenia was the guest of honour) who in the first days of the start of the current conflict derided Hamas' aggression but also reminded the audience about the terrifying reality of the people of Gaza and about the need to understand the conflict on a more complex level and stimulating the dialogue between the two sides. While many Germans, including the ones in the audience, condemned Žižek's speech, it seems that most Slovenes – especially academics – supported Žižek in his call for dialogue and the more complex solutions to critical global problems.²⁸

²⁷ Consult Boris Jaušovec, "Nemška zunanja ministrica na obisku: Poziv Izraelu, da zaščiti civiliste," *Večer*, December 5, 2023, <https://vecer.com/slovenija/nemska-zunanja-ministrice-na-obisku-poziv-izraelu-da-zasciti-civiliste-10345515>; and M. Z., Al. Ma., "Nemška ministrica ob obisku Slovenije: EU se mora pripraviti na prihodnost z več kot 30 članicami," *MMC Radiotelevizije Slovenija*, December 5, 2023, <https://www.rtvlo.si/slovenija/nemska-ministrice-ob-obisku-slovenije-eu-se-mora-pripraviti-na-prihodnost-z-vec-kot-30-clanicami/690536>.

²⁸ Among many sources, see "Dolar o nastopu Žižka: Škandalozno, da je iz tega nastal škandal," STA, accessed December 5, 2023, <https://www.sta.si/3226309/dolar-o-nastopu-zizka-skandalozno-da-je-iz-tega-nastal-skandal>; N. V., STA, "Slavoj Žižek razburil na odprtju frankfurtskega knjižnega sejma," *Siol.NET.*, October 18, 2023, <https://siol.net/trendi/kultura/slavoj-zizek-razburil-na-odprtju-frankfurtskega-knjiznega-sejma-618087>; or Andrej

At the start of the Slovenian term as a member of the UN Security Council, it seems more important than ever that Slovenia continues to work towards international dialogue and peaceful (re)solutions – even if that means that it sometimes disagrees with the critical foreign partners.

Conclusion

In 2024, Slovenia will become a rotating member of the United Nations Security Council in what can be only described as trying times that bring about both economic and political challenges. While Germany has become a role model for the economic, social, and political development of not only Slovenia but also many other European states (including most of the countries of the Western Balkans) its economic issues and somewhat differing perspectives on some of the critical geopolitical issues may mean that while still nurturing excellent relations Slovenia might need to carve its own destiny in some international matters.

If the current disposition of the Slovenian Ministry of Foreign and European Affairs is any kind of indicator of the future, Slovenia will attempt to opt for peaceful and dialogue-centered solutions for critical (global) political issues during its membership in the UN Security Council despite that this may mean disagreeing with the crucial foreign partners on certain occasions.

Predin, “Lahko je živeti v vili v Murglah in govoriti o bratstvu,” *Delo*, October 21, 2023, <https://www.delo.si/kultura/frankfurt-23/lahko-je-ziveti-v-vili-v-murglah-in-govoriti-o-bratstvu/>.