

Successful researchers and business people in diaspora are usually well connected among themselves at international and national/regional level. Countries of origin are interested to support also their networking on the national basis. They should support existing networks, however, without interfering into their operations (e.g. "GlobalScot" being supported by Scottish Enterprise).

4. In spite of all declarations women remain an underutilized part of human capital. Gender equality is not just a question of European civilizational values and cultural achievement, but a major societal, and indeed an economic issue. Europe can not expect to achieve knowledge-based competitiveness unless conditions are created which will allow women to become a really equal partner to men at the labour market and at the corporate boardrooms and will be allowed to provide their full contribution to wealth creation and management.

An important indicator of the recognition of the importance women make to the decision making in business is their share

in company boards. Empirical research has proven that **mixed teams are more productive and motivated**, and that with their specific qualities women **improve the quality of decisions, and ultimately upgrade business performance of companies concerned**. Norway – being the champion with 43% - has used a legally binding quota, other countries use other instruments, but most of European countries are lagging way behind (e.g. Southern European countries less than 5%).

5. The EREF Process will continue strengthening its efforts to contribute to the **preparation of the countries and regions of South Eastern Europe for EU membership**. By fulfilling the Copenhagen criteria these countries enhance their own development, and will contribute to a stronger, more competitive Europe.

6. At the closure of EREF-2010 it was decided that EREF-2011 will address the **Human Capital Development Potential, Including Gender Balance Issues** and will take place in Nova Gorica on 6 and 7 June, 2011.

7. EREF Network members, partners, and organizers are invited to start early the necessary preparations and involve all relevant institutions at regional, national, EU, and international level for a successful 7th Forum, and productive preparatory workshops, and other associated activities.

8. Specific recommendations and initiatives adopted by EREF-2010 are included in the following annexes:

- Recommendations of EREF Workshops**
- Initiative to create a network of regional development agencies and similar organisations from South Eastern Europe**
- Initiative of Rectors Conferences of Alps-Adria Region and Danube Rectors Conference to create a joint Network**

Nova Gorica, 8 June 2010

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• Slovenia signs OECD treaty

After 14 years of talks, on 1 June 2010, Slovenia finally ratified in Ljubljana the accession treaty of the Organisation for Economic Co-operation and Development. OECD Secretary General Angel Gurría welcomed the ratification as an important moment for the OECD in the light of the current global economic crisis.



Angel Gurría, OECD Secretary-General, and Borut Pahor, Prime Minister of Slovenia in June 2009

Slovenian endeavours to join the organisation date as far back as 1991. At that time, however, Slovenia had not yet been internationally recognised as an independent state and, despite being regarded as the most developed of the former Communist countries of Eastern Europe, Slovenia was anticipated in accession to the OECD by the Czech Republic, Hungary and Poland in 1995 and 1996, and Slovakia in 2000.

It was not until 2007 that Slovenia received a formal invitation for accession negotiations. Since February 2008, its membership application has been reviewed by 18 OECD committees in areas such as corporate management, public finances, R&D, environment, labour market and public sector management.

Today, Slovenia is the 33rd OECD member and, as all OECD members, it will be expected to submit reports on progress key areas, including investment, corruption in international business transactions, environment, corporate management, financial markets, insurance and private pension.

Not only will the new accession offer Slovenia the opportunity to access information and advice from the club of the most developed countries, but it will also provide for a more inclusive and pluralistic dialogue on global issues.

www.oecd.org/slovenia

www.mzz.gov.si/en/economy_and_business/slovenia_and_the_oecd

EDITORIAL



The Europe 2020 Strategy has been launched as the new framework for improving European competitiveness. What have we learnt from the modest results of the Lisbon Agenda? Should it be considered a complete failure?

The performance was undoubtedly disappointing, but the blame should primarily be put on Member States. It is, in fact, not easy to assess the Agenda's actual impact on economic policies, and governments are often unwilling to accept what they consider "too much pressure from Brussels".

Last month the European Council has endorsed the Europe-2020 Agenda, with five selected targets (employment, R&D, CO₂ reduction, education, poverty). Ownership and governance have been recognised as key and, thus, big attention is paid to monitoring and evaluation. Targets for each Member State will be quantified in line with Integrated Guidelines, and scorecards will be made public – which is good!

The current crisis, especially the Greek collapse, has made Member States keener on accepting a stronger role of the Commission in monitoring countries' financial discipline. Let us hope that implementation of this new Agenda will be more satisfactory.

Last month's EREF-2010 in Nova Gorica, Slovenia has been very successful. Please read the recommendations of the Forum on pages 5-6.

Dr Boris Cizelj
Chairman, Management Board

LEAD ARTICLE

• EREF-2010 Special: 'Competencies and Values for Sustainable, Knowledge-based Competitiveness – A New Agenda for European Regions'



On 7-8 June 2010 the 6th European Regional Economic Forum took place in Nova Gorica, Slovenia. It was undoubtedly the most interactive and therefore successful Forum so far. Over 120 participants from 21 countries discussed intensely what European regions should do to accelerate the building of knowledge society. Besides interesting introductions from Slovenia's Minister for Local Self-government and Regional Policy, Dr. Henrik Gjerkeš, Cornelis Vis from the European

Commission's in-house think tank BEPA, and the SME Union's President Peter Jungen, recommendations from seven preparatory workshops were presented. Eventually, participants separated into 10 Thematic Tables, dealing with various aspects of human capital development. The conclusions were then presented to the plenary by the moderators the following day.

In the afternoon of the first day, Nova Gorica's mayor Mirko Brulc invited Western Balkan representatives of regional development agencies for a discussion which led to the decision to create a network which will operate within the EREF framework. A separate meeting of regional/local Lisbon coordinators was moderated by Andreja Jerina, the Slovenian State Secretary for European and Development Affairs.

The second day started with a presentation by Guido Pettarin (Gorizia Municipality) of the European Grouping for Territorial Cooperation (EGTC), which is organised among the three municipalities Gorizia (Italy), and Nova Gorica and Sempeter-Vrtojba from Slovenia.



SBRA's Boris Cizelj addresses participants

After that, five selected good practice cases from the topical domains of the Forum were presented: Solna City (Sweden), GlobalScot (Scotland), AST (Wallonia), ASHE (Croatia), and ABW (Serbia).

Before conclusion, the Secretary General of the EU Reflection Group on the Future of Europe in 2020-2030, Prof. Žiga Turk, presented the group's report 'Project Europe 2030' via video conference.

Finally, the EREF Resolution – with two specific annexes, and recommendations from three preparatory workshops – was adopted. The complete text of the resolution can be found on pages 4-5, while the recommendations and annexes are accessible at www.eref.eu.

Outward FDI Flows 2008 (% of Gross Fixed Capital Formation)

Rank	Name	Overall score	Rank	Name	Overall score	Rank	Name	Overall score
1	Hungary	247.5	13	Germany	22.3	25	Portugal	4.0
2	Hong Kong	141.5	14	Malta	20.9	26	Czech Republic	3.7
3	Belgium	105.5	15	Denmark	18.8	27	Greece	3.5
4	Switzerland	82.7	16	Singapore	17.2	28	Poland	3.1
5	Cyprus	67.2	17	Chile	16.8	29	Lithuania	3.0
6	Sweden	40.0	18	Spain	16.4	30	China	2.9
7	United Kingdom	36.4	19	Estonia	16.0	31	Finland	2.9
8	France	35.2	20	Australia	12.6	32	Latvia	2.4
9	The Netherlands	32.3	21	United States	12.3	33	Slovakia	1.0
10	Austria	30.5	22	Slovenia	9.4	34	New Zealand	0.4
11	Ireland	23.5	23	Italy	9.1	35	Romania	-0.4
12	Canada	22.9	24	Bulgaria	4.4	36	Luxembourg	-230.4

Source: UNCTAD World Investment Report 2009



Business Briefs

◆ Slovenia presented its tourist and economic potential to European Commission officials

On 23 June 2010, Slovenian representatives in Brussels organised a special event for European Commission officials in order to increase the visibility of Slovenia as a tourist and business destination and to develop contacts with the Commission officials.



Amb. Igor Sencar

EU Ambassador Igor Sencar started with an introduction to the political achievements of Slovenia since the independence in 1991 and highlighted the importance of EU accession and of the EU presidency in the first half of 2008. SBRA's Dr Boris Cizelj presented the Slovenian economy and research, pointing at well known brands such as Elan skis, Gorenje home appliances, Pipistrel ultra light airplanes, or car manufacturer and Renault subsidiary Revoz. Rok Klančnik, head of the Slovenian Tourist Office in Brussels, showed pictures of Slovenian tourist attractions and natural beauties like Bled, the Postojna cave, the Adriatic coast, the capital city Ljubljana, and the world's oldest vine plant in Maribor. Eventually Teobald Pajnik from the Municipality of Maribor presented the rich cultural programmes his city will offer when it becomes Cultural Capital of Europe in 2012.

◆ Revoz assembles new Smart and Twingo models



Renault Twingo

Renault's Novo Mesto-based subsidiary Revoz announced in April that it will build the new models of Smart (Daimler) and Twingo (Renault) – based on the same platform – from 2013 on. This followed the decision of

the three car makers Renault, Nissan and Daimler to share funds, development and technology to create jointly a new city car.

www.revoz.si

◆ Six Red Dot design awards for Slovenian companies



Six Slovenian companies were successful in the 55th edition of the Red Dot design awards. The prestigious award was given to Alpina (*Promise* cross country ski boots), Elan (*SLX Waveflex* ski), Trimco (*ArtMe* surface treatment), Kovinoplastika Lož (*UNISASH ARX* view windows), Versor (*Flying doughnut* parking system), and Petrič (*Sitty* furniture). Bathroom equipment maker Kolpa was awarded an *Honorary Mention*.

www.red-dot.de

◆ IFC to invest €25 million in Gorenje



Gorenje production in Velenje

A €25 million deal, signed between representatives from Slovenian domestic appliances manufacturer Gorenje and the International Finance Corporation (IFC) in early June, will accelerate the development of environmentally friendly products and services at Gorenje and modernise their operations. Consequently, Gorenje should benefit from improved competitiveness, productivity and stronger end-lines.

www.gorenje.com

◆ Bohinj Park Hotel receives Green Globe Certificate



The Bohinj Park EKO Hotel, located in the Slovenian Alps, is the first ever hotel in the country to receive the prestigious Green

Globe Certificate, a label that guarantees sustainable operation and management of travel and tourism business. The award

criteria were revolving around energy efficiency, water preservation and waste management. The Hotel aims at being one of the most environmentally-advanced in Europe.

www.bohinj-park-hotel.si

◆ New Chairman at hardware retailer Merkur



Bine Kordez (left) & Bojan Knuplez (right)

Bojan Knuplez, the former boss of Merkur's home entertainment division Big Bang, was named as new Chairman for debt-ridden hardware retailer Merkur. He takes over from long-time chairman Bine Kordez, who was at the helm of the Naklo-based company since 1998. Kordez resigned on 23 June as Merkur is struggling with high debt after a leveraged management buyout. After taking over, Knuplez is first expected to select three management board members and then start drafting financial rehabilitation and restructuring plans as requested by the new supervisory board.

R&D Briefs

◆ Slovene Researcher wins EU-programme award

Members of the ERA-NET PATHOGENOMICS programme selected Dr Andreja Kovač of the University of Ljubljana as winner of a 2010 *PhD Award*. Launched in 2004 under the 6th EU Framework Programme for Research and Technological Development, the programme funds researchers in the field of transnational genome-based research programmes on human-pathogenic micro-organisms. Kovač won the prize for finding compounds that could be used in antibiotics treatments. The ceremony was held in Pecs, Hungary, in April.

www.pathogenomics-era.net

◆ New Nanocentre established



Centre of Excellence in Nanoscience and Nanotechnology

The Centre of Excellence in Nanoscience and Nanotechnology (CENN) is designed to address the rapid global development of N&N by joining the efforts of all Slovenian nanoscience stakeholders (research groups and industries) in a consortium whose goal is to set up the technological infrastructure for the competitive development of nanotechnology. Thanks to this EU funded project, Slovenia benefits from an excellent position on a global competitive level. SBRA member Inštitut Jožef Štefan is amongst the founders of the new centre. The institute is co-financed by the EU Regional Development Fund.

www.nanocenter.si

◆ Academics develop innovative IT processes tool

Scholars from the universities of Primorska and Ljubljana developed an ITPE (Information Technology Process Engineering) tool, which helps creating organisation-specific processes according to an organisation's socio-technical characteristics, standards, and guidelines. The tool was already tested successfully in three organisations. The development of an ITPE support tool is planned.

The results of the research were published in *Information and Software Technology* 2010; 52(4): 397-410.

Agriculture Briefs

◆ Židan assumed Agriculture Minister position



Dejan Židan

This May, Dejan Židan formally took over as Agriculture Minister from caretaker Henrik Gjerkes, the Local Government and Regional Policy Minister. Gjerkes had been appointed to this position after former minister Pogačnik was evicted for corruption matters in March. The new Agriculture Minister used to be chairman of the food company Panvita before accepting the government post. The 42-year old Židan highlighted in his inaugural speech that his ministry is already working hard on drafting a strategy for the development of agriculture in Slovenia, and will soon release a decree which will enable the implementation of the rural development programme by the end of the year.

www.mkgp.gov.si

SBRA Partners

◆ New SBRA member: Te-Tol



Te-Tol runs the biggest highly-efficient cogeneration facility in Slovenia, produces electric power and heat using a combined system. The plant provides more than 90% of demand for heat in the district heating system of the city of Ljubljana. Whilst using existing, yet efficient coal technology, Te-Tol invests in the modernisation of its production and has increased its utilisation rates, reduced fuel consumption, and consequently reduced its emission of greenhouse gases into the environment.

www.te-tol.si

◆ Perutnina Ptuj receives Best Innovator Award 2009



Perutnina Ptuj with a Best Innovator 2009 award for its POLI Snack and POLI paté, innovative food made of poultry meat.

www.stajerskagz.si, www.perutnina.com

◆ DDC Consulting & Engineering sets goals abroad



DDC Consulting & Engineering, the largest engineering and consulting company in Slovenia, provides services for complex infrastructure projects, such as road transport infrastructure, railways, public utilities and water infrastructure. DDC experts participate in the development of the Slovenian motorway and state road network. Meanwhile, DDC tries to improve their market position abroad, particularly in Central and Eastern European Countries.

www.ddc.si

◆ NLB Slovenia's Best Bank in 2010



Global Finance magazine named this March NLB 'Best Emerging Market

Bank in Central & Eastern Europe'. This raised NLB at the rank of Best Bank in Slovenia for the thirteenth consecutive year. The award was given based on thorough analysis and evaluations performed by international financial experts, corporate executives and banking consultants.

www.gfmag.com, www.nlb.si

◆ City of Ljubljana launches sustainable mobility transport project



On the occasion of the MIPIM property fair in Cannes (France) this March, Ljubljana's Mayor Zoran Janković launched the city's new sustainable mobility transport policy as a first step towards the municipality's

long-term Spatial Plan development *Vision of Ljubljana to 2025*. The plan encompasses environmentally friendly measures such as prioritising pedestrian and cycle lanes over car traffic.

www.ljubljana.si

◆ Slovenian Railways expands sales network to Czech Republic and Bulgaria



The Slovenian RAILWAYS opened this April representation offices in the Czech Republic and Bulgaria. This move shall help the railway operator to expand the sales network in key markets and promote the internationalisation of its business. It is also an opportunity for Slovenia to increase trade relations and tap into the transit potential from these countries.

www.slo-zeleznice.si

ORGANISERS



EREF 2010 Resolution

Competencies and Values for Sustainable, Knowledge-Based Competitiveness of European Regions

In order to regain international competitiveness human capital in Europe has to bridge the increasing global gap in competencies, skills and entrepreneurship. It seems that we basically understand what should be done – though stronger prioritising could help. Numerous strategies have been adopted at all levels, but there is not enough motivation to implement them as swiftly and intensively as needed to achieve a stronger, knowledge-based economy. Future efforts at all levels of policy-making and implementation should take into account the following conclusions and recommendations adopted at EREF-2010:

1. Much of European tertiary education is not striving for excellence, lacks competition and transparency, and is not fully adapted to the job market requirements of 21st century. Many providers of tertiary education, particularly in the public sector, find it difficult to accept the changed status – one of service providers, and most academics fail to perceive the **strong link between Bologna process and the Europe 2020 Strategy**.

Curricula development and quality of university teaching should be assessed in terms of employability of graduates and therefore stronger dialogue with business and other social actors is in everybody's essential interest. Public funding should under any circumstances (even during time of crisis) not be reduced, and private funding should essentially increase. University autonomy should be respected, and that should be accompanied by responsibility and accountability.

Knowledge society requires high quality expertise and relevant competencies,

accompanied by ethical standards which deserve proper place in the curricula, and professors need to provide a good role model for their students. Their **authority** is not any more granted simply by their position, but must be **justified by their overall performance**. At the same rate students will be treated as partners in the educational process inasmuch as they also perform their duties in a responsible manner. Universities should provide pedagogical-didactical training for professors, and facilitate their mobility.

National and regional authorities should contribute consistently to the success of these processes by paying special, **priority attention to the human capital development aspects in all of their strategies, policies and regulations**.

2. Experience has shown that **FDI can make in the era of globalisation an important contribution to competitiveness and sustainable development** at local, regional and national levels, contingent on the right economic legal and financial conditions. FDI can contribute to better international and regional resource allocation, mobilisation of resources in receiving economies, stronger competitive markets, as well as to the development of human capital, employment creation and reduction of poverty.

However, all these positive effects can be achieved only if a **sound, stable and predictable political, economic and legal environment** has been created, otherwise inward/outward FDI can produce even negative results, such as: crowding out of local businesses, export of jobs and unemployment, excessive import/export market dependency, and monopolistic tendencies at domestic market, as well as reduction of local R&D activities.

Even important fiscal and other incentives cannot substitute nor compensate for lack of healthy and consistent economic conditions – in absence of those, only speculative capital will come, and it could easily leave when available incentives

have been exhausted. Also, incentives offered to FDI should not discriminate against domestic investors.

Governments should develop consistent FDI strategies as part of the overall development strategy of the region or country, and support a balanced attitude towards FDI. Outgoing investment also deserve proper attention of the authorities, as they have proven to be important or the capital exporting country.

3. **Communication with diasporas, particularly with highly skilled and business people, can help European countries and regions mobilise important scientific talent and capital**. Since centuries Europe has been loosing brains and top business talents, and unless the net brain drain is going to be changed into balanced brain circulation we can hardly expect to achieve higher knowledge-based competitiveness.

In the times of knowledge economy, human resource policies must address all aspects of migration and communication with diasporas. The prospects of success are linked to the comprehensive treatment of RTD staff which is more "light footed" than other segments of human capital, and therefore need particular attention. Research has proven repeatedly that highly skilled and RTD staff - though they care about their incomes - equally strongly appreciate the conditions for creative work and personal initiative.

Depending primarily on these conditions, migrants may consider their repatriation. The more proactive and consistent care and support these people will receive from their original home-country, the more likely they may decide to return. And when they do, they bring along all their experience, knowledge, contacts and knowledge networks. Countries which made **these policies an integral part of their development efforts** and maintain consistent regime of encouraging and streamlining immigration of highly skilled personnel **enjoy important benefits**.