



EUROPE AND THE RESHAPED GLOBAL ORDER

CONFERENCE REPORT
2012

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ABOUT THE FORUM

The Bled Strategic Forum is intended to promote a high-level strategic dialogue between leaders from the private and public sectors on the key issues facing Europe and the 21st century world. It has taken place annually since 2006 in the Slovenian resort town of Bled, world-renown for its beautiful alpine lake.

The aim of the Forum is to generate new strategies capable of allowing Europe to better use its strategic space and leverage, and also to attract political commitments to these strategies. In addition, the forum offers a platform for cooperation between the private and public sectors aimed at developing common integrated approaches to resolving outstanding challenges and tackling new ones.



Karel Erjavec



Miriam Možgan

BLED STRATEGIC FORUM

2012

The future of Europe in a changing world headlined Slovenia's biggest annual international political forum, held at the lakeside resort of Bled on 2 and 3 September 2012. Over 400 participants of the seventh Bled Strategic Forum (BSF) from politics, business, NGOs and academia examined ways for Europe to reinvigorate itself in the face of a crippling debt crisis and to utilize cooperation with emerging powers.

Put to the test by the spiraling debt crisis, the EU model of regional cooperation and integration and its partnerships with international partners face retooling, the seventh BSF running under the title "Europe and the Reshaped Global Order" heard. In his welcoming address, the **Slovenian Minister of Foreign Affairs, Mr Karl Erjavec** called for trust in the European project from within. "No real solutions are possible without restoring the people's faith in EU institutions," Mr Erjavec said.

Cooperation with emerging economies and rising powers was a key topic of the forum, as panels were dedicated to EU cooperation with China and the South Mediterranean. The main panel focused on Europe's internal efforts to deal with the crisis, while efforts to restart the economy were the subject of the Business BSF, a new side event at the forum. Meanwhile, running for the second year, the Young BSF saw young people from the region discuss burning issues in South East Europe and ways of harnessing the power of the Internet.



EUROPE AND
THE RESHAPED
GLOBAL ORDER
Main panel



Running under the title “Europe and the Reshaped Global Order,” the main panel of the BSF saw participants address challenges brought on by the current economic turmoil. Aiming at positioning the EU in the emerging strategic landscape, the main panel was moderated by **Nik Gowing, International Broadcaster and Journalist, United Kingdom.**

Mr Angel Gurría, Secretary-General of the Organization for Economic Co-operation and Development (OECD), stressed at the outset of the debate that the world was facing a completely new, unseen set of challenges, which called for innovative solutions. Mr Gurría pointed to the situation of low growth and high unemployment, in particularly among youth, topped by growing inequalities and environmental issues. Urging an innovative response, he highlighted the importance of economic reforms and a commitment to innovation and green growth in the business sector.

The **European Environment Commissioner, Mr Janez Potočnik** expanded on this by saying that technology and innovation alone will not be enough to achieve a turnaround. Potočnik said a greener and more inclusive development model was needed, stressing that such a model had to take into account the finiteness of

resources. “Sustainability of the economic and the social system as well as of the environment must all be part of the new paradigm if it is to succeed”, Mr Potočnik emphasized.

“Go green and go growth can go together,” **President of the European Bank for Reconstruction and Development (EBRD), Sir Suma Chakrabarti** stressed, whereas Mr Gurría warned that a failure to accept this model would put the world on a collision course with nature. He believes the recession should not be an excuse but an opportunity for leaders to draw up a new paradigm, urging young generations to get involved.

The **Slovakian Foreign Minister, Mr Miroslav Lajčák** noted that in seeking a way out of the crisis, a high level of political legitimacy was required. He stressed the current crisis was one of confidence, and urged resolve but also responsibility and solidarity.



THE CRISIS AND BEYOND Special Panel



Alejandro Jara



Mark Ramsey

The special panel “Crises and Beyond”, focusing on finding the recipes for the economic and financial crisis, was moderated by **Mr Stephen Castle, London Correspondent for International Herald Tribune, United Kingdom**. The panel highlighted rising protectionism, a failure to search for new approaches, and the neglect of investments due to a focus on austerity as some of the perils of efforts to overcome the crisis.

The **World Trade Organization (WTO) Deputy Director-General, Mr Alejandro Jara** said protectionism in particular was becoming a key problem brought on by the crisis. Referring to the central theme of the forum, “Europe and the Reshaped Global Order”, Mr Jara spoke of a global disorder that needed to be put in order. Saying that trust was being eroded by politicians who lagged behind the markets, Mr Jara highlighted the stalled WTO talks as an example. Although some protectionism has been legitimate in recent years, such measures have now piled and are hurting the global economy, he said.

The **International Relations Director at Investe Sao Paulo, Brazil, Mr Sergio Rodrigues Costa** meanwhile called on Europe to follow Brazil’s example in adapting to the changing times with reforms. He warned that countries faced the choice between deep change and

slow death. “I kindly ask everyone to start thinking outside the box. Take heart, the answers are not there yet, but there are insights that can be taken from other countries.”

Dr Peter Holmes, Reader in Economics at the Department of Economics, University of Sussex, United Kingdom meanwhile warned of what he said was the danger of austerity for Europe. While China seems to have learned from the lessons of the Great Depression from the 1930s, this is not the case in Europe. “When you cut government spending and reduce economic activity, you run the risk of actually making the crisis worse,” he said, adding that Europe would not be able to export its way out of the crisis.

Mr Mark Ramsey, Vice President for Business Analytics and Optimization in IBM Global Business Services (GBS), Growth Markets, Czech Republic, said that he saw in 2008 and 2009 players who sought to adapt as well as those who completely transformed their business. Drawing on an IBM study, he called for an approach where companies empower employees, where they engage customers and constituents and where a strong stress is put on innovation.



EUROPE AND THE ARAB REVOLUTIONS Special Panel



Debating the developments in the Arab countries and Europe's response to them, the special panel "Europe and the Arab Revolutions" was moderated by **Mr Edward Mortimer, Senior Programme Adviser at the Salzburg Global Seminar and Former Chief Speechwriter and Director of Communications to the United Nations (UN) Secretary-General Kofi Annan, United Kingdom.** A BSF panel dedicated to the Arab Spring established that the changes which have swept across the Arab world brought on an immensely complex challenge, both for the region as well as for neighboring Europe and other world powers. Europe must gain a better understanding of the region, and it needs to find the answer to the question of what it wants to achieve, the panel titled "Europe and the Arab Revolutions" heard.

Executive Secretary General of the European External Action Service, Mr Pierre Vimont highlighted that the EU had made many promises, both in terms of funding and concrete support, but not much of it has materialized. At the same time, Europe is not the only power willing to get involved in the region, as other states are also interested.

Mr Wadie Abunassar, Director of the Israeli International Center for Consultations, criticized the EU for a lack of determination and understanding of



the region, calling for reflection and serious studies. A similar point was made by **Foreign Minister of the Palestinian National Authority Riad Al-Malki,** who warned that faced with the danger that some of the states of the Arab Spring end up failed states, Europe "must now see what role it must take and ask the question what kind of states it wants to live with".

State Secretary at the Tunisian Foreign Ministry, Mr Touhami Abdouli urged a European contribution to the "ongoing revolution" in Tunisia. He stressed the main reasons behind the Tunisian revolution were the desire for freedom and dignity. That is why Tunisia must now change its economy to answer expectations of its people.

"The international community must put pressure on both the Syrian regime and the opposition to implement the peace plan of former UN envoy Kofi Annan. Absent that, the war will spread throughout the region and could cause millions of deaths", **Mr Ribal al-Assad, Founder and Director of the Organisation for Democracy and Freedom in Syria, United Kingdom,** said. Mr Ribal al-Assad urged utmost caution, labeling the Middle East as "a bubbling volcano" that will erupt in a great regional war if anything goes wrong. He also noted that the uprising in Syria started as it did in other Arab

countries, "where people want change, freedom, dignity and economic prosperity". But he said the uprising had turned into a war which is dominated by propaganda from both sides and which could spread like a wildfire.

Mr Mark C. Donfried, Director and Founder of the Institute for Cultural Diplomacy, Germany, rounded off the panel by offering a new form of cultural diplomacy as a way of building trust between the EU and the Arab world.





Angel Gurria

BUSINESS BLED STRATEGIC FORUM 2012

Held at the IEDC – Bled School of Management, a traditional business partner of the BSF, the first Business BSF was running under the title of »New Challenges, New Champions«. Aimed at business representatives, the event put emphasis on sustainable value creation and hidden champions driving future growth.

The delegates of the forum were welcomed by **prof dr Danica Purg, President and Dean of the IEDC**, who voiced excitement with the extra attention Slovenia's biggest international event has given to business. "This is a natural alliance, since promoting business and networking is an increasingly important task facing diplomacy", she said.

In his keynote address, the **Secretary General of the Organisation for Economic Cooperation and Development (OECD), Mr Angel Gurria** highlighted the crisis in the eurozone as the "single biggest downside risk" facing the global economy and called for a commitment to reforms. Mr Gurria warned that there was still a great danger of the eurozone troubles spilling over to other parts of the world. "Restoring stability and rebalancing the euro area economy and strengthening its financial system therefore remain top priorities." Turning to managers, Mr Gurria highlighted innovation and green growth as tools for future success in the private

sector which help create value and decouple growth from environmental pressures.

The debate at the Business BSF also heard a warning from **Mr Jean-Pierre Lehmann, Professor Emeritus at the IMD Lausanne and Founding Director of the Evian Group, Switzerland**, that the current era was one of immense uncertainty, where nothing is particularly clear, including the fate of the globalization processes. With regards to the current crisis, Mr Lehmann stressed the crisis was not financial, as the financial troubles were only a knock-on effect. The reasons for the crisis lie in the rapid and deep erosion of governance and a breakdown of trust. "It is an issue in trust and legitimacy, a collapse of governance. We are simply not tackling pollution, trade, migration; we're not doing anything about these issues", Mr Lehmann emphasized.



Danica Purg



Jean-Pierre Lehmann



FROM BOLT-ON
TO EMBEDDED
SUSTAINABILITY
Panel

The Business Bled Strategic Forum continued with a panel dedicated to sustainability. Its moderator **Dr Nadya Zhexembayeva, Coca-Cola Chair of Sustainable Development at the IEDC – Bled School of Management and Vice-President of the UN Global Compact Slovenia** opened the debate by defining sustainability as a fundamental question of whether companies can exist tomorrow. She stressed companies are being challenged by declining resources, including natural resources, trust, and climate, on one hand, and increasing expectations from customers, governments, media, NGOs and the broader community on the other.

Mr Mark Minevich, President of Going Global Ventures Inc, United States of America, stressed that governments are falling behind in addressing sustainability. Progress, he stressed, is being made by knowledge-focused entrepreneurs. “Today is about entrepreneurs and very innovative companies, and not the governments and international institutions. What we have now is a piecemeal approach, because too much emphasis is put on government initiative, but we see too little being done in creating sustainable companies of tomorrow”, Minevich stressed. He believes smart city clusters are a way forward.

Dr Thomas Becker, Vice President Governmental Affairs BMW Group, presented new challenges as the BMW begins rolling out a new generation of electric cars and touched on the limits of what a single company with a global network of suppliers can do alone. He stressed that the car industry is undergoing a fundamental transformation that will hopefully bring a sustainable future for the company.

Mr Robert Grah, Chief Executive Officer of Grah Automotive Group, offered his companies’ perspective on challenges of sustainability, emphasizing that sustainability should primarily provide continuous growth of sales, new jobs, use of environmentally-friendly materials and stability for the local environment and also for the state.





GLOBAL OUTLOOK FROM THE PERSPECTIVE OF EUROPE'S HIDDEN CHAMPIONS

Night owl session

The Business Bled Strategic Forum night owl session entitled “Global Outlook from the Perspective of Europe’s Hidden Champions” featured representatives of five “hidden champion” companies.

Prof dr Danica Purg, President and Dean of the IEDC – Bled School of Management explained that the research on hidden champion companies, conducted by the IEDC in cooperation with international management development association CEEMAN, involved 50 researchers in South-eastern Europe. Apart from searching out the hidden champion companies – 15 of which were in Serbia, 5 in Albania, 10 in Turkey and 7 in Slovenia – the research found important similarities among these companies. About 75% of them are family-owned, headquartered outside the capital, have a very strong corporate culture, and are “hidden” because they do not want to be widely known.

Participating in the panel were **Mr Dmitriy Chernenko, Chief Executive Officer of UP “STiM”**, a Belarus road-making machinery and equipment maker, **Mr Sandi Češko, Executive Chairman of Studio Moderna Group**, a Slovenian e-commerce and direct-to-consumer platform, **Mr Xhevit Hysenaj, Managing Director of Xherdo shpk**, an Albanian medicinal and aromatic plants exporter, **Dr Uroš Merc, President of the Board**

and Chief Executive Officer of BISOL Group, a Slovenian photovoltaic modules maker and **Prof Dr Purg from the IEDC business school**.

The panel was moderated by **Ms Lidija Pavlovčič, Economics Desk Editor at the Delo newspaper**, who opened the debate by asking each of the participants of the competitive advantage their companies had. Mr Chernenko said their competitive advantage was simply that they are creating the market for themselves. Mr Češko said it was by running faster than the others. Mr Hysenaj meanwhile put down the success of his company to good quality medicinal and aromatic plants in Albania, and Dr Merc pointed out that enthusiasm for making a high-quality product and desire to be close to the end market was the main driving force behind his company. Prof Dr Purg meanwhile put down the international success of the School of Management to offering international, innovative, practice-oriented education.

The panel also touched on issues with bank lending and experience in acquiring private equity capital. Mr Češko explained champion companies are not necessarily limited to banks in one single country. He stressed that there is more money available now than ever. “There is plenty of money around,” he stressed, adding that if you



have a good idea, getting money from investment banks is not a problem.

Participants also touched on the role of the government, stressing it could be more creative and innovating in supporting business in various ways, through better infrastructure, better competitive environment or less taxation. The panellists moreover examined the line between politics and business.



EUROPE TO CHINA: CAN CHINA HELP BOOST ECONOMIC GROWTH?

Panel A

Panel A “Europe to China: Can China Help Boost Economic Growth?”, moderated by **prof dr Marjan Svetličič, Head of International Relations Research Centre at the Faculty of Social Sciences, University of Ljubljana, Slovenia**, concluded that China was able and willing to invest in Europe but is still faced with discrimination and political obstacles even though the EU really has no choice but to embrace cooperation. The panel also heard that China’s economy was still going strong despite fears of an economic meltdown after years of explosive growth.

Prof Zhu Liqun, Vice-President of the China Foreign Affairs University and Secretary-General of the China National Association for International Studies, China, rejected speculation about a meltdown, stressing that structural problems are being addressed comprehensively. Announcing another 20 years of growth at annual rate of around 7% of GDP, she pointed out that China is still in the middle of urbanization and industrialization, which means that there is a lot of room to increase internal consumption and investment. China is also very much willing to help boost growth in Europe, since Europe is its largest trade partner. “A strong Europe is very much in China’s interest,” she said, urging Europe to show readiness to receive Chinese investments.

Europe’s reluctant attitude was criticized by **Mr Kerry Brown, Director of the China Studies Centre and Professor of Chinese Politics, University of Sydney, Australia**, who wondered “how come that the world’s second-largest economy, a multi-trillion dollar economy, is such a small investor in Europe?”.

Deputy Director-General of the WTO Mr Alejandro Jara spoke of discrimination against Chinese investments, also reflected in the special conditions enforced on China before it could become a member of the WTO in 2001. “China resents this,” he said, pointing to reluctance by countries to grant it market-economy status and to China being the lead victim of trade restrictions. He added things will have to change over time in the power structures in international organizations to reflect economic realities.

Mr Jan Mühlfeit, Chairman Europe Microsoft Corporation, Czech Republic meanwhile raised the issue of what he sees as a drop in the quality of education in Europe, saying that an opposite trend could be seen in China. The quality of the workforce was one of the reasons why European countries had been the “darlings of investors” in the past. This has changed and Chinese investors will be very picky when it comes to choosing countries with a well-educated workforce.





CENTRAL ASIA AND AFGHANISTAN AFTER 2014 Panel B

Cooperation, especially in economy, will be crucial for Afghanistan after 2014 when most of the international force leaves the Central Asian country, panelists at the BSF panel B entitled “Central Asia and Afghanistan after 2014” agreed.

Panel B was chaired by **Mr Lamberto Zannier, Secretary General of the Organization for Security and Co-operation in Europe (OSCE)** who stressed cooperation was the key word for Afghanistan, in particular after 2014. Cooperation is among the most important factors going ahead, especially in trade and in the strengthening of democratic institutions, improving education, fighting trafficking, terrorism, corruption and improving border controls. The region is rich in energy resources, so infrastructural investment must also be promoted, the OSCE head stressed.

Mr Wahidullah Waissi, Director General for Economic Affairs at the Ministry of Foreign Affairs of the Islamic Republic of Afghanistan, pointed to a good trend of improvement in the Central Asian region. He highlighted four impediments to further development in the region: infrastructure, trade tariffs, corruption and instability.

The problem of corruption was also raised by **Ms Mahbouba Seraj, Director of the Organization for**

Research in Peace and Solidarity (ORPS) and Member of the Executive Board of Directors at the Afghan Women Network (AWN), who said that “money never goes for what it is intended for”. Seraj also pointed to the efforts of women to be given a constructive role in society.

Ambassador Satinder K. Lambah, Special Envoy at the Office of the Prime Minister of the Republic of India, stressed that India saw potential for cooperation with Afghanistan and Central Asia in general in energy, medicine and education. With regards to post-withdrawal plans, Ambassador Lambah highlighted a stronger role of the OSCE, further integration of Afghanistan with Central Asia and cooperation between the OSCE and NATO.

Mr Yoshikazu Yamada, Resident Representative of the Afghanistan Office, Japan International Cooperation Agency (JICA), expressed concern that the departure of NATO forces will result in less development aid for the country and will be detrimental to its economy. He underlined the need to identify the country’s comparative advantages.





EU'S CHALLENGES IN SOUTH-EASTERN EUROPE: THE EURO CRISIS AND THE SOFT POWER OF EU ATTRACTION Panel C

The EU is facing a deep economic crisis, but this should not affect the enlargement processes. Countries of South-East Europe, which are on the EU's doorstep, can reinvigorate the EU and strengthen the bloc, the panel titled "EU's Challenges in South-Eastern Europe: The Euro Crisis and Soft Power" heard. The panel addressing the South-Eastern Europe and Balkan countries was moderated by **Mr Tim Judah, Balkans Correspondent for The Economist, United Kingdom.**

Mr Nebojša Kaluđerović, Minister of Foreign Affairs and European Integration of Montenegro, called for a continuation of EU accession for the countries of the region. "There is no strong Europe without the countries of the south-eastern region being full-fledged parts of the union," he stressed, adding that membership of new countries will also invigorate the EU.

This was echoed by the **Slovakian Foreign Minister, Mr Miroslav Lajčák,** who emphasized that the European project will not be complete until the Balkan countries join the union. The EU is a community based on values, and membership comes at the end of a long and painful process, he said.

Meanwhile, **Prime Minister of the Republic of Kosovo, Mr Hashim Thaci,** highlighted that the incentive for



Nebojša Kaluđerović



Hashim Thaci



Miroslav Lajčák



Nikola Poposki



Vesna Pusić

membership remains in the region. He echoed Mr Lajčák's sentiment in urging Brussels to be more productive and demand the same standards from all prospective member states.

The **Macedonian Foreign Minister, Mr Nikola Poposki**, said his country was still hopeful of joining the club in the near future, saying that despite the crisis in the EU, Macedonians were still very upbeat about the Union. Any doubts about whether Macedonia should join the club are misguided, he said, stressing that "the EU has expanded in the times of big crises".

Nevertheless, the **Croatian Foreign Minister, Ms Vesna Pusić**, stressed that the view of enlargement has changed compared to the past. "Europe was rich at the time and everything was on the up and up," she stressed, adding that south-eastern Europe today is seen as a troublesome region that somehow needs to be integrated and stabilized.

Also attending the panel was **Mr Eric S. Rubin, US Deputy Assistant Secretary of State for European and Eurasian Affairs, United States of America**. He urged the EU to continue its enlargement effort and expressed support to prospective EU members in the region.



Eric S. Rubin



YOUNG
BLED STRATEGIC FORUM
2012



Running for the second year, the Young Bled Strategic Forum aims to bring together aspiring students and prospective young professionals from the diplomatic, academic and think-tank fields in both Europe and the Mediterranean region. It not only provides a platform for students and young professionals to discuss and exchange ideas about the current affairs, but also gives them access to high-level participants of the Bled Strategic Forum.

Young BSF 2012 tackled a series of challenging topics, including youth unemployment in the Western Balkans and its impact on the political sphere in the region, the ongoing changes in the Mediterranean after the Arab Spring, and Europe's new approach to southern neighborhood, as well as the changes in international relations and diplomacy in general introduced by new technologies and digital natives.



THE YOUNG AND THE
RESTLESS IN THE BALKANS
Panel I



The Young Bled Strategic Forum opened with a panel dedicated to job-motivated migration of the young from the Western Balkans. Panel chair **Dr Erhard Busek, Honorary President of the European Forum Alpbach and Coordinator of the South East Cooperation Initiative (SECI), Austria**, noted in his opening address that he grew up in a divided Europe, which has in recent years grown ever closer. He called upon the panelists to use the panel as an opportunity to explore the opportunities Europe offers.

Ms Martine Alonso Marquis, MEP Political Assistant and Co-Founder of Crossborder Factory, Belgium, pointed out that there was only poor regional migration within the Western Balkans, as only few young people are persuaded to move to a neighboring country for work. The panelists shared the view that to spur regional migration, a greater level of reconciliation in the Western Balkans must be achieved. This is a demanding task, according to Dr Busek, but not an impossible one.

One of the biggest concerns of **Ms Anja Gengo, a student at the Faculty of Law, University of Sarajevo, Bosnia and Herzegovina**, is that young people in her country are passive in terms of political participation and lack motivation to change their situation in order to improve their lives. To make a living, many young

Bosnians either move abroad or turn to crime, she said.

Mr Mladen Stojanović, alumni of the Faculty of Political Sciences, University of Belgrade, Serbia, believes young people in the Western Balkans face much tougher conditions than their parents. Like Ms Gengo, he believes that the young in his country are politically invisible. The solution: cooperation of any form, both at national and transnational levels. This view was echoed by Dr Busek, who underlined the importance of networking.

Mr Ante Gulin, a postgraduate Student at the Iustinianus Primus Faculty of Law, Ss. Cyril and Methodius University in Skopje, Macedonia, believes that one of the greatest problems in his country is the lack of entrepreneurial spirit. A similar view was expressed by **Mr Mark Boris Andrijanič, President of Mreža idej, Slovenia**, who believes that the Slovenian education system must change its attitude in order to encourage young people to become entrepreneurial. He stressed however that the young must not be afraid of failure in order to make progress.



DIGITAL NATIVES
ENTERING THE LABOUR
MARKET
Panel II

The second panel of the Young Bled Strategic Forum focused on the changes brought about by the advances and availability of the communications technology and its uptake by the young generations. The panel began with a debate on the so-called digital natives, the generation that grew up with the internet and on the internet. Moderator **Ms Nataša Briški, Co-founder and Editor-In-Chief at Metina lista**, underlined that these generations had gained worldwide recognition through events such as the Arab Spring, the riots in London and the Occupy movement.

Mr Aleš Špetič, Digital Champion of Slovenia, stressed that for the digital natives, the future is now, whereas for other generations, the future comes tomorrow. “Limitations of access to knowledge for our fathers were social, today, with the ubiquitous access to internet, these limitations have become temporal,” he said. “Knowledge is more or less free, but there is always more knowledge than time.”

But the divide between “digital immigrants” and the “digital natives” is not necessarily generational. **Mr Joe C. Hartshorn, Former Head of the Organizing Committee, St. Gallen Symposium, Switzerland** stressed that digital immigrants can be found in all age groups, also among the youngest generations. Digital

natives are people who were born into internet and know no different, he stressed.

Digital natives are starting to reform the way power is used, although to varying degrees, the panelists agreed. “Ideas are spread much more quickly, the old mentality of waiting for the right idea at the right time and when speaking to the right person is becoming irrelevant,” argued **Mr Jack Madans, Program Coordinator at Code for America and Founder of Digital Citizens Project, United States of America**.

Mr Lenart J. Kučič, a technology columnist at Slovenia’s Delo newspaper noted that the power of scale was often underestimated when talking about the internet generations. “A blogger is no competition of a prime time TV news show,” he said, stressing that although the media landscape was changing, the clout of traditional media remained unchanged in many cases. Mr Hartshorn agreed, saying that while people were indeed moving away from paper, newspaper companies remained the primary source of news.

The panel also touched on the role of diplomacy in the age of the internet and on the question of whether technology makes the world a better place. Mr Špetič stressed that by definition - albeit with a few notable



exceptions – the technology was always designed to improve things. Mr Kučič added that the influence of technology was sometimes overestimated and that a line must be drawn between the potential and the feasible. **Mr Andrej Jarc, Senior Regional Sales Manager at Keter Air**, meanwhile offered his perspective, highlighting that in a business environment, there was always a trade-off between benefits of new technology and costs associated with its implementation.



EUROPE AND THE CHANGES IN THE MEDITERRANEAN Panel III



Adem Muzaffer Erol



Mohammad Al Abdallah

The Young Bled Strategic Forum concluded with a panel entitled “Europe and the Changes in the Mediterranean”, which examined the effects of the Arab Spring on the region. Panel chair **Mr Edward Mortimer, Senior Programme Adviser at the Salzburg Global Seminar and Former Chief Speechwriter and Director of Communications to the UN Secretary-General Kofi Annan**, opened the debate by asking the panelists and the audience how Europeans see the other side of the Mediterranean, and how the nations across the sea see Europe.

Mr Faris Bader, Member of Global Changemakers, a programme of the British Council, who could not make it to the panel but sent in his contribution, suggested that people, especially youth in the north and south of the Mediterranean did not know each other very well. Mr Bader pointed out that radical Islamist movements were very attractive for the youth in Islamic countries, which is reflected in a growing aversion toward the West. Mr Bader believes that the young on both sides must get a more positive image of each other. This, he believes, could be achieved through popular media and education.

Mr Aleš Gaube, a journalist at Slovenia’s Dnevnik newspaper, described the timeline and the developments

of the Arab Spring, pointing to the fact that Europe had not been a major player, but is now taking initiative to offer assistance to the countries willing to open up to change. He believes the task ahead is tremendous, even more so as it coincides with global economic turmoil.

In view of the change in the Middle East, the concept of democracy faces changes as well, according to **Mr Adem Muzaffer Erol, International Relations Specialist at Marmara Foundation and PhD Student at the Department of International Relations and Political Science, Marmara University, Turkey**. He pointed out that there was no one definition of democracy.

Touching on a similar issue, **Mr Mohammad Al Abdallah, Executive Director of the Syria Justice and Accountability Center, United States of America**, pointed out that following such revolutions the new elected governments must be accepted as representatives of the people by the West even if they are not fully in line with its expectations. Al Abdallah, who had been imprisoned by the Syrian regime in 2006, also presented to the panel a first-hand account of the ongoing Syrian uprisal.



KEYNOTE ADDRESS

H. E. Dr Danilo Türk,
President of the Republic of Slovenia

Distinguished participants of the Bled Strategic Forum,
Prime Minister, Ministers,
Excellencies,

It is always a great pleasure to come to Bled for the Strategic Forum – for the natural environment of Bled and for the stimulating discussions here, and for the very original introductions by Miriam Možgan. I would like to inform you – those of you who have not been present at previous meetings – that at one point she even provoked her then minister to speak about her pay raise. I am not sure whether that has happened so far, but Minister, I would like you to know that this may well be a good idea to think about or perhaps act on it already.

I was asked today to speak about general topics that are on the agenda of Bled Strategic Forum this year and which relate to the situation of Europe in a globalized world. I would like to share with you, briefly, a few simple thoughts about this very important subject that I am sure that during your discussions you have gone in greater depths of this and related questions.

Obviously, when one talks about Europe today one thinks primarily of the European Union – the key player in Europe, a large area of 500 million people, a

great market, a great creative and productive potential. However, the EU is also involved in discussions about its own structures, about its own identity and about its own future. So, at present European Union is not able to play a legitimate role that it would otherwise have given its strength, its location, its history and its potential.

This is why I think we all, not only Europeans, have to think about this as something that requires new solutions. Obviously, European Union has, first of all, to put its own house in order. What exactly that means is not entirely clear because there are competing visions about what needs to be done.

I myself do not belong to those who believe that a very ambitious concept of a European federation or a European state is a realistic option for the foreseeable future. Europe has to choose between vision-making and problem-solving. I think that problem-solving is a much more promising path. We already have a vision in Europe, but what we really need is solving of problems, which relate to the system of euro, a flawed system, I would say, one which needs repair and one which needs repair quickly.

Slovenia is a country currently suffering from some of the problems that have characterised the Eurozone for

the last two years. We have problems of our own, but we are also victims of the flawed system of the euro. Euro system has to be repaired, it has to be developed further into something more adequate. The path forward in my opinion leads through banking union and later through fiscal union.

Putting Europe's house in order is a difficult task but much time has been spent already and I think that this coming months will be important for the European leaders to figure out which solutions might actually work and which solutions have to be put on the agenda with a view to taking definitive decisions. Problem-solving and putting the house in order, this is the first condition.

The second condition for the European Union to play a stronger role in the globalized world is that it has to refrain from preaching. European Union is proud of its unique system of economic and social relations, which are excellent and which could serve as an inspiration to many other areas in the world. But sometimes the impression was created that European Union is very quick in giving prescriptions, requiring from others the ways in which the others have to implement human rights and other universal values and that has created resentment.

We have to be honest about that. And if we look today at the discussions at the United Nations we can clearly see that European Union countries very often find themselves in a minority when dealing with the human rights questions. So there is something to be changed in that regard and I think it would be very wise on the part of the European Union to look at the agenda of human rights anew and look at the priorities in a way, which would help global cooperation and global improvement.

Some of the priorities in the area of human rights are relevant to countries in the immediate neighborhood of the European Union. We in Europe have followed with great excitement and expectations the changes in the Arab world, known under the name of "Arab Spring". As things developed, we now see the complexity of the agenda of change in the Arab world and the need to think really very carefully about what it takes to ensure a solid, stable path towards full implementation of human rights in that part of the world. I believe that one has to rethink the order of priorities in which we Europeans are used to think about human rights. Perhaps this is not the time to deal with civil liberties in an exclusive way. One needs to take very careful look at the economic and social rights in countries affected by change and into possible and practical instruments

that need to be put in place in order to help. Southern Mediterranean is our immediate neighborhood. We have to be serious about it and serious about the ways in which Europe, a rich and affluent part of the world, is expected to help.

The third area of thought, which I believe is important for the European Union today, is the question of how well we are putting our strategic priorities together. Are we sure that we have the right hierarchy of priorities in our policy-making? The European Union like most other actors today acts in a mode which cannot be described as proactive or strategically thought through. Very often we react rather than act on the basis of a clear strategic vision. Therefore, an effort is needed to figure out how the priorities should be set.

I believe that priority number one for the European Union needs to be its Eastern neighborhood. This is the area in which the cooperation has to intensify and in which European Union has to look for its improved strength. This is an area, which should be priority number one in the strategic vision of the European Union. Of course, there are other priorities and one can talk about them, but I think that European Union is lagging behind when it comes to Eastern Partnership.

Ladies and Gentlemen,

I have made a few observations, which are only a sketch for something that needs to be given much deeper thought. Bled Strategic Forum is one of the places where such thought can be given to the agenda of Europe today and the needed activities to change its role towards a level, which it deserves and which it should play in the future.

Europe has an enormous potential, not only in terms of its actual and potential power, but also in its normative sense. European Union and Europe more broadly is a well-developed normative system. Looking at the world of the future we can clearly see the advantages of a norm-based international community such as the European Union has always supported. Is the European Union at present prepared to play an adequate role in fostering such a norm-based global international system? Probably it would be too much to expect much to happen in the near future. But on the other hand this is a long-term project, which needs to be taken seriously and one where the contribution of the European Union can clearly be significant.

Let us not forget that. Norm-based societies are usually much better than power-based societies. We no longer

live in a bipolar world, which was a world based directly on power. We are developing into a multipolar world where power can again be a decisive element in rulemaking. But then, the world should keep in mind the lessons of previous centuries and understand that multipolar world can also be a rather unpleasant world if based on power alone. Norms are needed and in the norm-creation European Union will have to play a role. In order to be able to do that, Europe, as I said, has to put its house in order, has to make it possible to use its potential to the full and has to be modest in its dealings with others.

These are some of the thoughts I wished to share with you this evening. They are not necessarily very optimistic for the rest of the evening but I am sure that optimism will come to this gathering from other sources. Therefore, I wish you a nice evening, have a good time and continue your discussions with the necessary vigor. Thank you very much.



PROGRAMME



Day 1 – Saturday, 1 September

Young BSF

13.00–13.30 Gathering and accreditation for participants of the Young BSF

13.30–13.45 Opening of the Young BSF

Opening remarks:

Ms Miriam Možgan, Secretary General of the Bled Strategic Forum

Keynote address:

Mr Matej Marn, Political Director at the Ministry of Foreign Affairs of the Republic of Slovenia

13.45–15.15 Panel I: The Young and the Restless in the Balkans

Moderated by:

Dr Erhard Busek, Honorary President of the European Forum Alpbach and Coordinator of the South East Cooperation Initiative (SECI), Austria

Panellists:

Mr Mark Boris Andrijanič, President of Mreža idej, Slovenia

Ms Anja Gengo, Student at the Faculty of Law, University of Sarajevo, Bosnia and Herzegovina

Mr Ante Gulin, Postgraduate Student at the Iustinianus Primus Faculty of Law, Ss. Cyril and Methodius University in Skopje, Macedonia

Ms Martine Alonso Marquis, MEP Political Assistant and Co-Founder of Crossborder Factory, Belgium

15.30–17.00 Panel II: Digital Natives Entering the Labour Market

Moderated by:

Ms Nataša Briški, Co-founder and Editor-In-Chief of Metina lista, Former POP TV Correspondent, Slovenia

Panellists:

Mr Aleš Špetič, Digital Champion of Slovenia

Mr Joe C. Hartshorn, Former Head of the Organizing Committee, St. Gallen Symposium, Switzerland

Mr Andrej Jarc, Senior Regional Sales Manager at Keter Air, Slovenia

Mr Lenart J. Kučič, Journalist at Delo, Slovenia

Mr Jack Madans (videoconference), Program Coordinator at Code for America and Founder of Digital Citizens Project, United States of America

17.15–18.45 Panel III: Europe and the Changes in the Mediterranean

Moderated by:

Mr Edward Mortimer, Senior Programme Adviser at the Salzburg Global Seminar and Former Chief Speechwriter and Director of Communications to UN Secretary-General Kofi Annan, United Kingdom

Panellists:

Mr Mohammad Al Abdallah, Executive Director of the Syria Justice and Accountability Center, United States of America

Mr Aleš Gaube, Journalist at Dnevnik, Slovenia

Mr Adem Muzaffer Erol, International Relations Specialist at Marmara Foundation and PhD Student at the Department of International Relations and Political Science, Marmara University, Turkey

20.30–22.30 Networking reception

Keynote address:

Mr Touhami Abdouli, State Secretary at the Ministry of Foreign Affairs of the Republic of Tunisia

Day 2 – Sunday, 2 September

Business BSF: New Challenges, New Champions

(co-organized with IEDC – Bled School of Management)

10.00–10.10 Welcome

Welcome address:

Prof Dr Danica Purg, President and Dean of the IEDC – Bled School of Management, Slovenia

10.10–10.30 Keynote address

Keynote address:

Mr Angel Gurría, Secretary-General of the Organisation for Economic Co-operation and Development (OECD)

10.30–11.15 Opening address

Opening address:

Prof Dr Jean-Pierre Lehmann, Professor Emeritus at the IMD Lausanne and Founding Director of the Evian Group, Switzerland

11.30–13.00 Panel: From Bolt-On to Embedded Sustainability

Moderated by:

Dr Nadya Zhexembayeva, Coca-Cola Chair of Sustainable Development at the IEDC – Bled School of Management and Vice-President of the UN Global Compact Slovenia, Slovenia

Panelists:

Dr Thomas Becker, Vice President Governmental Affairs BMW Group, Germany

Mr Mark Minevich, President of Going Global Ventures Inc, United States of America

Mr Robert Grah, Chief Executive Officer of Grah Automotive Group, Slovenia

Bled Strategic Forum: Europe and the Reshaped Global Order

14.30–15.00 Opening of the Bled Strategic Forum

Moderated by:

Ms Miriam Možgan, Secretary General of the Bled Strategic Forum

Welcome address:

H. E. Mr Karl Erjavec, Deputy Prime Minister and Minister of Foreign Affairs of the Republic of Slovenia

Mayor's welcome:

Mr Janez Fajfar, Mayor of Bled, Slovenia

15.00–16.30 Main Panel: Europe and the Reshaped Global Order

Moderated by:

Mr Nik Gowing, International Broadcaster and Journalist, United Kingdom

Panellists:

Mr Angel Gurría, Secretary-General of the Organisation for Economic Co-operation and Development (OECD)

Sir Suma Chakrabarti, President of the European Bank for Reconstruction and Development

Dr Janez Potočnik, European Commissioner for the Environment

H. E. Mr Miroslav Lajčák, Deputy Prime Minister and Minister of Foreign Affairs of the Slovak Republic

16.45–18.15 Special Panel: The Crises and Beyond

Moderated by:

Mr Stephen Castle, London Correspondent for International Herald Tribune, United Kingdom

Panellists:

Mr Alejandro Jara, Deputy Director-General of the World Trade Organization

Mr Sergio Rodrigues Costa, International Relations Director at Investe São Paulo, Brazil

Dr Peter Holmes, Reader in Economics at the Department of Economics, University of Sussex, United Kingdom

Mr Mark Ramsey, Vice President for Business Analytics and Optimization in IBM Global Business Services (GBS), Growth Markets, Czech Republic





Mr Ribal Al-Assad, Founder and Director of the Organization for Democracy and Freedom in Syria, United Kingdom

Mr Mark C. Donfried, Director and Founder of the Institute for Cultural Diplomacy, Germany

20.00–22.00 Networking reception

Keynote address:

H. E. Dr Danilo Türk, President of the Republic of Slovenia

22.15–00.00 Night Owl Session: Global Outlook from the Perspective of Europe's Hidden Champions

Moderated by:

Ms Lidija Pavlovčič, Economics Desk Editor at Delo, Slovenia

Panellists:

Mr Dmitriy Chernenko, Chief Executive Officer of UP "STiM", Belarus

Mr Sandi Češko, Executive Chairman of Studio Moderna Group, Slovenia

Mr Xhevit Hysenaj, Managing Director of Xherdo shpk, Albania

Dr Uroš Merc, President of the Board and Chief Executive Officer of BISOL Group, d.o.o., Slovenia

Prof Dr Danica Purg, President and Dean of the IEDC – Bled School of Management, Slovenia

Day 3 – Monday, 3 September

9.00–10.30 Panel A: Europe to China: Can China Help Boost Economic Growth?

Moderated by:

Prof Dr Marjan Svetličič, Head of International Relations Research Centre at the Faculty of Social Sciences, University of Ljubljana, Slovenia

Panellists:

Mr Alejandro Jara, Deputy Director-General of the World Trade Organization

Prof Zhu Liqun, Vice-President of the China Foreign Affairs University and Secretary-General of the China National Association for International Studies, China

Dr Kerry Brown, Director of the China Studies Centre and Professor of Chinese Politics, University of Sydney, Australia

Mr Jan Mühlfeit, Chairman Europe Microsoft Corporation, Czech Republic

10.45–12.30 Panel B: Central Asia and Afghanistan after 2014

Chaired by:

Mr Lamberto Zannier, Secretary General of the Organization for Security and Co-operation in Europe

Panellists:

Ambassador Satinder K. Lambah, Special Envoy at the Office of the Prime Minister of the Republic of India

Ambassador Stephen Evans, NATO Assistant Secretary General for Operations

Mr Wahidullah Waissi, Director General for Economic Affairs at the Ministry of Foreign Affairs of the Islamic Republic of Afghanistan

Ms Mahbouba Seraj, Director of the Organization for Research in Peace and Solidarity (ORPS) and Member of the Executive Board of Directors at the Afghan Women Network (AWN), Afghanistan

Mr Yoshikazu Yamada, Resident Representative of the Afghanistan Office, Japan International Cooperation Agency (JICA), Japan

12.30–14.00 Leisure time

(guided tour of Bled and Bled Island; guided test drives to Lake Bohinj with BMW vehicles)

14.00–15.30 Lunch

Keynote address:

H. E. Prof Dr Sali Berisha, Prime Minister of the Republic of Albania

15.45–17.15 Panel C: EU's Challenges in South-Eastern Europe: The Euro Crisis and the Soft Power of EU Attraction

Moderated by:

Mr Tim Judah, Balkans Correspondent for The Economist, United Kingdom

Panellists:

H. E. Mr Hashim Thaçi, Prime Minister of the Republic of Kosovo

H. E. Mr Miroslav Lajčák, Deputy Prime Minister and Minister of Foreign Affairs of the Slovak Republic

H. E. Mr Nebojša Kaluđerović, Minister of Foreign Affairs and European Integration of Montenegro

H. E. Mr Nikola Poposki, Minister of Foreign Affairs of the Republic of Macedonia

H. E. Prof Dr Vesna Pusić, Minister of Foreign and European Affairs of the Republic of Croatia

Mr Eric S. Rubin, Deputy Assistant Secretary of State for European and Eurasian Affairs, United States of America



17.15–17.30 Closing of the Bled Strategic Forum

Closing remarks:

H. E. Mr Karl Erjavec, Deputy Prime Minister and Minister of Foreign Affairs of the Republic of Slovenia

ORGANISERS

Miriam Možgan,
Secretary General of the Bled Strategic Forum



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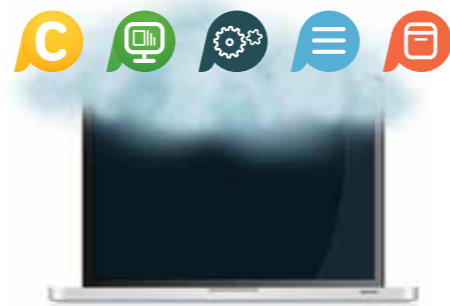


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