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Melania Trump's Slovenia: Small, Beautiful, Challenging

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American voters have been able to learn about Melania Knauss Trump, the future first lady. Tabloids that highlighted her flashy photos from her past life as a model are now changing focus. She has been interviewed about her current role as a mother and on her future duties and life side by side to the man occupying the most important executive position in the world. Not much, however, has been said about the very special country she comes from: Slovenia.

I have been visiting and working on several projects in Slovenia for more than a decade so hopefully I can fill that gap. When mentioning the country, many confuse it with Slovakia, a country roughly double its size and with a very similar national flag and name, but very different language and history. The countries are separated by Austria. Their respective capitals, Ljubljana and Bratislava, are located 300 miles away.

By history, geography and significance, the citizens of this country of immense beauty, see themselves as Central Europeans. It is slightly smaller than the State of New Jersey and almost equal to the size of Israel. Anthropological and archaeological studies find ancient common roots with Venice and the people of the Veneto region. Smallness does not mean irrelevance. Small countries, and former republics like Venice, have become major positive examples for the world. Slovenia is much larger than Hong Kong or Singapore, which occupy top places in all rankings of economic freedom and dynamism.

Slovenia is a member of NATO, the European Union, and this year will celebrate its first decade as part of the Schengen area. This group comprises 26 European states that have officially abolished passport and any other type of border control at their frontiers. It has a small population of around 2 million, with a heavy state burden, around 45% of GDP. By traditional statistical standards that measure inequality, such as the Gini coefficient, Slovenia is one of the most egalitarian countries in the world, even more than Scandinavian nations. But the relative security provided by the state comes at a cost. It has a mostly risk averse society, ranks at the bottom in demographic growth, and already has one of the oldest populations in the world.

Low population growth and ageing societies are not uncommon in small countries. Singapore is an example, and it has been growing much faster. Three decades ago these nations started with a similar GDP and GDP per capita. Today the Singaporean economy almost triples that of Slovenia.

Those who to understand a nation focus more on political and intellectual roots remember that Thomas Jefferson was well aware of some of the customs of Carinthia, or Carantania, the northern region which is shared by Slovenia and Austria. Jefferson read Jean Bodin's (1530-

1596) *The Six Books of the Republic*, where among other things, he learned about how Slovenians handled their own “Inaugural”: the installation of the Duke of Carinthia. The ritual was full of symbolism focusing on consent, division of power, and service to all, especially the common man: the Duke himself had to be dressed for the ceremony as a “man of the people.”

There is a growing number of intellectual entrepreneurs, working hard to move Slovenia to freer and more prosperous horizons. The intellectual scene, however, is so biased towards a corporatist and statist view of society, that their work is not easy. To change that climate of opinion, the Karantania Institute, named after “Jefferson’s Carantania” has been very active publishing fundamental books promoting the principles of free society, from the works of Frederic Bastiat, to those of the Austrian and Chicago School economists, as well as some works of deep historical significance. One such effort was the translation of the classic *The New Class* by Milovan Djilas, which is an attack on the hypocrisy of socialist elites, with many lessons for today.

Karantania is led by Lovro Sturm, a former chief Supreme Court judge, and former Minister of Justice. He is widely respected in Slovenia and the region. In September, 2012 he was named an *Illustrious Citizen* by the European Union. In addition to publishing and promoting over two dozen books, Karantania led an effort to reach high schools with educational videos promoting a free economy. They were produced by IZZIT.org, an initiative of the Free to Choose Network, Erie, PA. Karantania has worked as a mini-foundation, supporting other start-ups and identifying young Slovenian freedom champions who are nurturing the work of think tanks, universities, seminaries and corporations. I can’t mention all, but I would be remiss if I do not mention the tireless Steimbacher brothers (Mitja, Matej and Matjaz), young, passionate promoters of the free society.

Another effort favorable to a free economy is the Catholic Institute(CI) started by the local Catholic University. The key people at the think tank are Anton Stres, retired Archbishop, and former Dean of Theology at the University of Ljubljana, and Fr. Andrej Naglic. Stres is an accomplished philosophical scholar. Naglic, before becoming a priest, worked at the Karantania Institute. Being a small country international alliances are essential. CI has established a formal relationship with the University of Cataluña, and Naglic is a frequent participant at Acton University, hosted by the Acton Institute in Grand Rapids, Michigan.

Visio Institute, is headed by Tanja Stumberger Porcnik, an adjunct fellow at the Cato Institute, who is a co-author of the Index of Human Freedom. Last September, Visio partnered with the Fraser Institute to audit Slovenian economic policies with the goal of increasing economic freedom. Fred McMahon, who leads these efforts for Fraser, points that Slovenia grew faster than the world economy between 1995 and 2008, 69%, compared to 26% for the world average. Between 2008 and 2014, the trend reversed. Slovenia’s per capita GDP fell by 9%, compared to growth of 5% for the world average. Today the country ranks near the bottom of the European countries in the economic freedom indices. It showed some improvement in the latest Fraser Institute ranking (2014 data), but the 2016 Heritage-Wall Street Journal Index of Economic Freedom shows a deterioration of over 3% since 2014. The main weaknesses are in its respect for rule of law, costly labor regulations, and the financial interventionist controls which create barriers for entrepreneurship and incentives for cronyism in the credit markets.

Alen Alexander Klaric runs Svetilnik which used to be presided by Tanja Porcnik. They produce the Slovenian Tax Freedom day, and conduct educational programs both for local and international students. There are also intellectual entrepreneurs in the academy, such as Blaz Ivanc, a Professor of Law at the University of Ljubljana. He is an expert on health and law and is trying to start a Center on Bioethics. But the incentives at the university conspire against pro free economy efforts.

Janez Jansa, former Prime Minister, and President of the Slovenian Democratic Party (SDS), now in the opposition, believes that Slovenia's most urgent need is breaking the quasi-monopoly that the left has on major media. During my last meeting with him he described Nova24 TV, an Internet TV channel, which is trying to bypass the mainstream media. Other media efforts sympathetic to the free society include two relevant magazines, Reporter and Demokracija, as well as NoviceJutro, a Slovenian version of the *Drudge Report*.

Several of those who worked in Jansa's government, such as former head of intelligence Damir Črnčec, and Dr. Ziga Turk, who was minister of education, science and culture, have participated in programs of U.S. free-market think tanks. Both play an important role advising governments in the region. Turk, in particular, has invested considerable time in trying to start new think tank projects.

An article that mentions Trump, should always have some focus on businessmen. Even with the difficult regulatory and risk adverse environment, one can find those who have managed to succeed. They would profit even more in a more freedom friendly Slovenia. In my last trip I spent quality time with three of them: Tone Rode, who runs Druzina an important publishing house; Tomaz Lah, founder and CEO of Nektar Natura, a high-end juice provider to leading hotels; and Miha Novak, who founded a Medical furniture company. The Trump presidency, due to any marginal focus on Melania Trump's should increase knowledge and interest about Slovenia. It will be business and intellectual entrepreneurs as those mentioned in this article, who would be natural allies of the new administration and help discover new opportunities for Slovenian prosperity.