

SOCIAL RESPONSIBILITY, SUSTAINABILITY AND INTEGRAL ECONOMICS FOR ADDRESSING MASSIVE IMBALANCES IN THE SLOVENIAN ECONOMY AND SOCIETY

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Abstract: Based on scientific and policy planning work in the period 2011 – 2012, presented at the IRDO 2012 and 2013 Conferences, the idea of Slovenia as a model of integral, sustainable and socially responsible, i.e. healthy and harmonious economy and society has been further developed during 2013. The most important milestones on this path:

- A citizens' initiative for the wholesome life in the internationally respected community of Slovenia: Integral Green Slovenia (April 2013).
- In May, five short conferences titled “Integral Green Slovenia” with Professor Ronnie Lessem resulted in the proposal TOWARDS AN INTEGRAL GREEN SLOVENIAN ECONOMY: IGSE, starting from the moral economic core and introducing four economic paths (self-sufficient community-based economy, developmental culture-based economy, social knowledge based economy and “living” life-based economy).
- In September, The First International (and also World) Conference on Integral Economy called INTEGRAL GREEN ECONOMY FOR A BETTER WORLD took place in Slovenia, with key contributors to an integral economy from around the world and prominent speakers from Slovenia, presenting also tens of good integral green practices (already established or emerging). The Conference confirmed that Slovenia has excellent potentials and a unique opportunity to become a role model for an integral green economy in Europe, enabling the country to overcome its economic crisis in a dignified way.

The way for Slovenia to become the first country of an integral green economy would lead through connecting and upgrading good practices mentioned above and weaving, in a creative way, various EU development policies (e.g., policies for green economy, social responsibility and social entrepreneurship).

Keywords: integral economy, green economy, sustainability, social responsibility, Slovenia

DRUŽBENA ODGOVORNOST, TRAJNOSTNOST IN INTEGRALNA EKONOMIJA ZA OBRAVNAVANJE OBSEŽNIH NERAVNOVESIJ V SLOVENSKEM GOSPODARSTVU IN DRUŽBI

Povzetek: Izhajajoč iz znanstvenega in razvojno-načrtovalnega dela v obdobju 2011 – 2012, ki je bilo predstavljeno na konferencah IRDO 2012 in 2013, se je v letu 2013 nadaljeval razvoj zamisli Slovenije kot integralne, trajnostne in družbeno odgovorne, to je zdrave in uravnotežene ekonomije in družbe. Najpomembnejši mejniki na tej poti:

- Državljska pobuda za polnovredno življenje v mednarodno spoštovani skupnosti Slovenije: Integralna zelena Slovenija (april 2013).
- V maju je serija petih krajših posvetov s prof. Ronniejem Lessemom pod naslovom Integralna zelena Slovenija doprinesla k predlogu za integralno zeleno gospodarstvo Slovenije (TOWARDS AN INTEGRAL GREEN SLOVENIAN ECONOMY: IGSE), ki začenja z moralnim ekonomskim jedrom in vpeljuje štiri oblike gospodarstva:

samozadostno, v skupnost vpeto gospodarstvo; razvojno gospodarstvo, ki nadgrajuje lastno kulturo; socialno na znanju temelječe gospodarstvo; in gospodarstvo življenja.

- Septembra je bila v Sloveniji organizirana 1. mednarodna (in tudi svetovna) konferenca o integralni ekonomiji (Integralno zeleno gospodarstvo za boljši svet), s ključnimi nosilci integralne ekonomije iz sveta in uglednimi govorniki iz Slovenije, ki so predstavili tudi desetine primerov integralnih zelenih praks (že uveljavljenih ali v nastajanju). Konferenca je potrdila, da ima Slovenija odlične potenciale in edinstveno priložnost, da postane model integralnega zelenega gospodarstva v Evropi, kar bi prispevalo k premagovanju ekonomske krize na dostojanstven način.

Pot do Slovenije kot prve države integralnega zelenega gospodarstva vodi preko povezovanja in nadgrajevanja že omenjenih dobrih praks ter inovativnega prepletanja razvojnih politik EU, kot so politike za zeleno gospodarstvo, družbeno odgovornost in socialno podjetništvo.

Ključne besede: integralno gospodarstvo, zeleno gospodarstvo, trajnostnost, družbena odgovornost, Slovenija

1. Massive imbalances in Slovenia: unhealthy economy and society

Slovenia today is a country in serious economic, financial and political crisis, as well as crisis of values. After being praised for a seemingly non-problematic transition from self-management system to the market economy, it can be called today the "Fallen Star" of the European transition countries. According to the 2012 Development Report (i.e., the report on the implementation of the national development strategy):

"In recent years Slovenia has been moving away from its strategic targets related to economic development and the welfare of the population and there have been no substantive shifts towards a sustainable reduction of the environmental burden."

Despite severe austerity measures imposed by the European Union, Slovenia has rather bad prospects for the near future. As stated by the European Commission (2013):

"After subdued growth in 2010-11, Slovenia has slipped back into recession. Real GDP declined by 2.3% in 2012 and is projected to drop a further 2% in 2013, on the back of steadily declining domestic demand before stabilising in 2014. The protracted weakness of the economy has subdued inflation and shrunk disposable income and credit supply. Unemployment is still rising and is projected to reach 10.3 % in 2014. The budget deficit is projected to be significantly above 3% of GDP in 2013, the deadline set by the Council in its recommendation in 2009, and government debt is projected to rise above the 60% of GDP threshold."

Crisis of values is evident from reports on numerous corruption scandals and poor rating - as the global "leader" in corruption according to a recent Ernest&Young global study: 96 % of Slovenian board members, managers and their teams, participating in this study, believe that bribery and corruption are widespread in Slovenia (compared to the global average of 57 %). (Navigating today's...)

The prospects for Slovenia are even worsened by the unlikelihood of the imposed austerity measures to resolve the multifaceted state of crisis. According to Lessem (2013), crisis that Europe faces today is the result of an outdated economic approach which is a combination of the Anglo-Saxon and German economic models. It has been shown that this old economic model does not work in Southern Europe in particular. Therefore, austerity interventions, imposed by the European Union and other financial authorities, without measures to transcend the traditional concepts of growth towards holistic development, do not work. Slovenia as well as other communities in the globalised World urgently need new approaches to address global and local challenges and to develop sustainable economies and societies.

2. From an integral vision of Low-Carbon Society to the initiative for Integral Green Slovenia

At the IRDO Professor2012 Conference, the idea of Slovenia's development as a model of integral, low carbon economy and society has been presented for the first time (Piciga, 2012). Draft strategy for the transition to a low-carbon society (GOCC, 2011-2012) had already included key elements of Integral Worlds approach, borrowed from Lessem and Schieffer (2010 a and b), i.e. four worlds and the moral core. As argued by Bečić et al. (2013), the Integral Worlds framework represents a promising new paradigm for sustainable social (not only

economic) research and innovation on different levels. This holistic model for the full value, equilibrium of all components, is reflected in the vision of Slovenia as a highly integrated and inclusive society with an excellent business sector and a high quality of life, space and natural environment. The Slovenian Low Carbon Strategy has from the very start been conceived so as to promote synergies and cross-sectoral integration, respect cultural and natural heritage, encompassing all three dimensions of sustainable development, etc.

In the period November 2012 – March 2013, the policy planning processes led to the inclusion of Integral Worlds Approach into the guidelines for action of two important documents which define the development of Slovenia by 2020: Slovenia's Development Strategy Framework and the Slovenian Industrial Policy. A comparative review of integral elements revealed that in Slovenia there have already been established concepts consistent with the theory of integral economics (such as corporate social responsibility, social entrepreneurship, green economy) and that we have some knowledge and experiences of integral policy planning. (Piciga, 2013)

The idea of Slovenia as a model of integral, sustainable and socially responsible, i.e. healthy and harmonious economy and society has been further developed during last year. The first important milestone on this path was *A citizens' initiative for the wholesome life in the internationally respected community of Slovenia: Integral Green Slovenia* (Piciga et al., 2013). It has been prepared and signed by a group of more than 20 distinguished Slovenian experts, and widely communicated in April 2013. With this initiative, the signatories invited the citizens of Slovenia to:

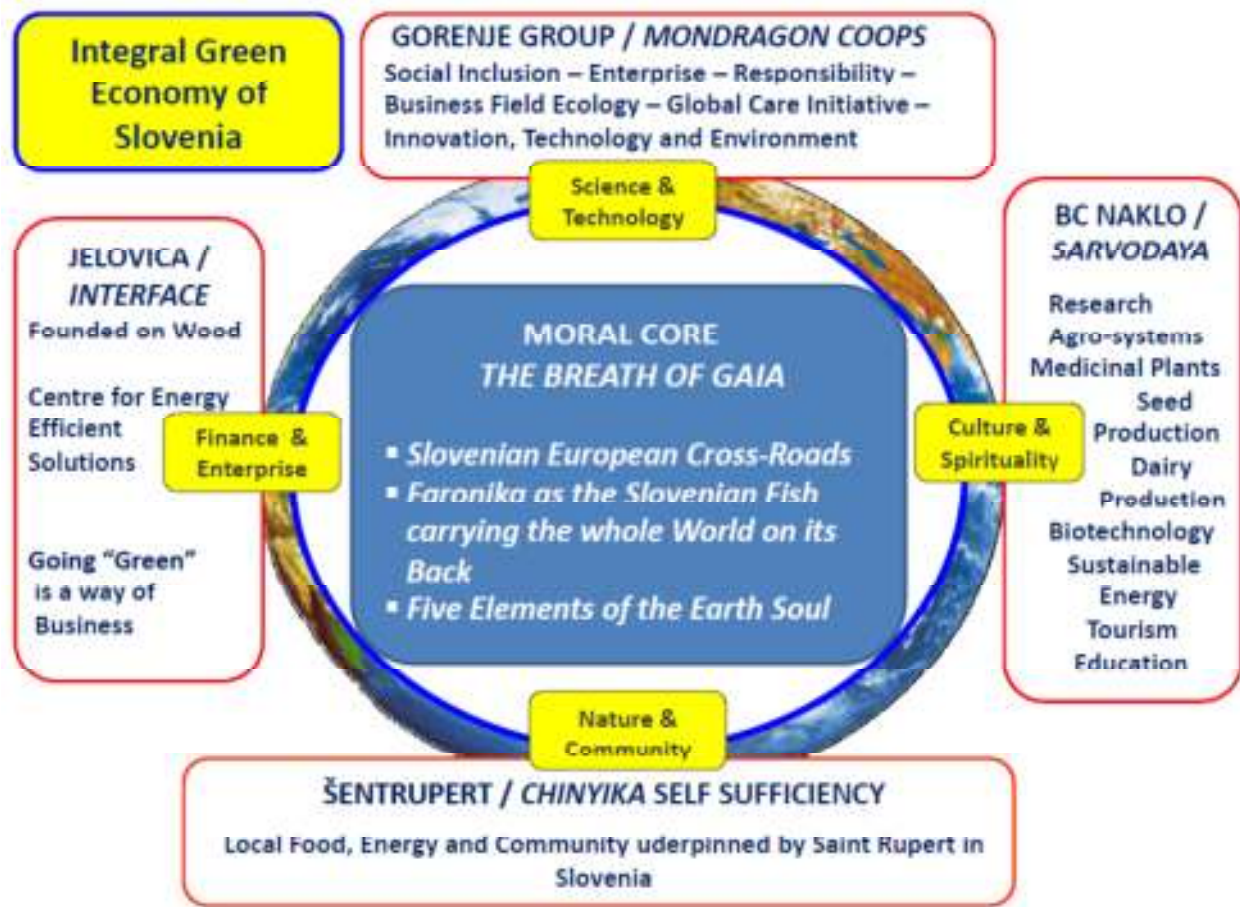
- Firstly, gain the knowledge about the necessity of a different economic model and sustainable development paths, get the information on success stories and opportunities for implementation of such models;
- Secondly, support the development strategy for Integrated Green Slovenia and request from those who have the decision-making power or aspire to get it, to incorporate and implement it - in their local community, in a region, in the country;
- Thirdly, contribute with their own work and efforts to its implementation – in a collaborative, integrative way, by incorporating positive examples, as well as by searching international support for it.

3. Proposal for an Integral Green Slovenian Economy

In the period May 21 – 24, 2013, the Ministry of Agriculture and the Environment, together with several partners, organized five conferences in which Professor Ronnie Lessem, co-author of Integral Economics, unveiled this alternative economic approach, presented successful examples of integral economy and examined the possibility of implementing this new model in Slovenia. Based on his visit to Slovenia and on the findings about the possibilities for the implementation of a model of integral economy in Slovenia, Prof. Lessem prepared a report - proposal **TOWARDS AN INTEGRAL GREEN SLOVENIAN ECONOMY: IGSE** (Lessem, 2013).

Starting from the moral economic core, Integral Economics introduces four economic paths in the proposal for IGSE. Each of the four paths is designed to release the genius of a particular “worlds”, albeit that all four paths build, one upon the other, in this case upon our overall Slovenian world (Picture 1):

- The ‘southern’ natural and communal realm promotes the self-sufficient community-based economy (e.g. Sentrupert Municipality in Slovenia; Chinyika, Zimbabwe; Grameen Bank, Bangladesh; SEKEM Initiative, Egypt).
- The ‘eastern’ cultural and spiritual realm promotes a developmental culture-based economy (e.g. Biotechnical Centre Naklo in Slovenia; Sarvodaya, Sri Lanka).
- The ‘northern’ scientific and technological realm promotes a social knowledge based economy (e.g. Gorenje Group in Slovenia; Mondragon Cooperatives, Spain).
- The ‘western’ realm was promoted in the past through a neoliberal market economy; but below the surface can be seen the gradual emergence of a “living” life-based economic realm – which is basically a creative revisiting of the Anglo-Saxon economic model with a strong focus on ecology and sustainability (e.g. Group Jelovica, Slovenia; Interface, USA).
- The moral economic core is related to the innermost value base to be found in each society which is either related a religious and/or secular, humanist articulation of such a value base (e.g. SEKEM Initiative, Egypt).



PICTURE 1: Proposal for an Integral Green Economy of Slovenia (IGSE)

Each economic path – self sufficiency, developmental economy, social and living economies – builds on what has come before, as well as being centred upon the Slovenian moral economic core, its Earth Soul. In other words, while such notions as a “Green Economy”, as well as “Social Entrepreneurship” and “Social Responsibility” are commendable, and well worth taking note of, they do not build specifically on the moral core of Slovenia. »The Breath of Gaia« as the proposal for the authentic Slovenian moral core is derived from the work of the Slovenian visionary artist Marko Pogacnik – with the archetypal fish Faronika as a symbolic representation of the Earth Soul, depicted in the Slovenian folk song.

With the practical cases mentioned above, it has also been demonstrated that we do not need to start from scratch. Almost all societies hold locally relevant impulses for economic renewal, on which we can build. Slovenia has already started this process on the level of national policy (as mentioned above).

Furthermore, a group of organisers and participants at the events started, together with the Trans4m, to sketch possible measures to lead Slovenia out of the present serious economic, financial and political crisis, as well as crisis of values. Such a path out of the crisis is alternative to the present austerity-based macro-economic approach and is in line with the EU 2020 Strategy - a strategy of smart, green and inclusive growth, while taking into account the important concepts, supported by EU policies (e.g. the green economy, social entrepreneurship, corporate social responsibility, smart specialisation, lead market, ...).

Based on the findings on the effectiveness of integral developmental paths, more ambitious **objectives for 2020** were thought of and derived, after taking into account all the circumstances, to start with the following **vision**:

Slovenia in 2020 has less than 60.000 unemployed persons. The number of green socially responsible companies such as Jelovica Group is tenfold bigger than in 2013, similarly has increased the number of local communities and regions with a green development model such as that of the Municipality Šentrupert. The full protection of water and all other natural resources and the quality of the living environment (including air, biodiversity, cultural landscapes) is ensured. Food and energy self-sufficiency achieve at least 75 % of the needs of the local population. Sustainable Tourism has projected and supported this vision of the Integral Green Slovenia.

Among the **key measures** that should be implemented to make the above vision true are:

- To support and approve only such development programs, which will conserve natural resources (such as the priority of ecological agriculture in areas with protected water sources).
- To provide the unemployed, especially young people, with a means of securing a livelihood through their work and recreation using currently unused sustainable resources in a sustainable way (such as self-sufficiency in food processing with untreated fertile land).
- When selling the equity of firms, priority to be given to internal buyouts and to social entrepreneurship.
- To invite sustainable, ethical banks and other such investors on a global scale to participate in this development.
- To develop programs for social entrepreneurs through the aegis of an integral university, that is a knowledge network which promotes individual, enterprise and societal development.
- To strengthen the creation of cooperatives, community cooperatives and savings banks aimed not only at profit and market competition, but focused on the implementation of sustainable, inclusive and green development primarily enhancing the quality of life of people and communities...

In summer 2013, the comprehensive proposal for an Integral Green Slovenian Economy (IGSE) has been partially included in the draft programming documents for the 2014-2020 period; however, most of the guidelines were abolished in the autumn revisions of these documents. The proposals in the programming document were based on the realisation that, because of the depth of the crisis and due to fundamentally changed international circumstances, Slovenia today needs to consider a new development model which, taking into account the expected future challenges, builds on integration of all the existing potentials and, *inter alia*, represents a framework for efficient implementation of already adopted and promising guidelines.

4. The First Conference on Integral Green Economy: excellent potentials and a unique opportunity for Slovenia

The first international (and also World) Conference on Integral Economy called INTEGRAL GREEN ECONOMY FOR A BETTER WORLD took place in Slovenia (Maribor and Naklo) from September 17th to 19th, in Maribor. The main organizers were Biotechnical Centre Naklo and Center for Integral Development Trans4m in Geneva, with the assistance of a number of co-organizers and supporters (total of 26), and in collaboration with the Ministry of Agriculture and the Environment and the Ministry of Economic Development and Technology of the Republic of Slovenia.

Conference participants had the opportunity to interact with key contributors to an integral economy from around the world: Professor Ronnie Lessem and Professor Alexander Schieffer from Center for Integral Development Tran4m in Geneva; Professor Ibrahim Abouleish, founder of SEKEM, Egypt; Dr. Vinya Ariyaratne, co-founder of Sarvodaya, Sri Lanka; video interview with the representative of a new, sustainable banks Jayne Anne Ghadia, CEO of Virgin Money. Professor Ibrahim Abouleish, founder of SEKEM, Egypt; Dr. Vinya Ariyaratne, co-founder of Sarvodaya, Sri Lanka; video interview with the representative of a new, sustainable banks Jayne Anne Ghadia, CEO of Virgin Money. Other highlights of the conference:

- Slovenia trying to find a way to become the first model of Integral Economy on a national level
- Prominent speakers from Slovenia
- Presentation of cases that work – e.g. SEKEM (Egypt), Mondragon (Spain), Sarvodaya (Sri Lanka), sustainable company Interface (USA)
- The vision of Maribor as the first integral green city in Slovenia
- Presentation of tens of emerging Slovenian good practices of Integral Green Economy, co-creating them

The Conference confirmed that Slovenia has excellent potentials and a unique opportunity to become a role model for an integral green economy in Europe, enabling the country to overcome within three years its economic crisis in a dignified way. The foundation has been laid for Slovenia to begin to negotiate with the European Union such an alternative economic model instead of merely adopting the austerity policies of "belt-tightening". The way for Slovenia to become the first model of an integral green economy at the national level would include:

1) using the conceptual and practical framework of integral economics to connect, upgrade and expand the number of good practices that already demonstrate an integral character, thereby co-evolving, in effect, an integral green Slovenian economy practically as well as conceptually; some of those cases were presented at the conference.

2) weaving integral economy principles in a creative way into EU development policies, which are already underway, but not efficient enough, e.g.: green economy (material and energy efficiency, low-carbon society, the responsible management of natural resources, ...), social responsibility with socially responsible business and

banking, social entrepreneurship, sustainable tourism, rural development (e.g. local action groups - LAGs), programs to increase social inclusion, the concept of smart specialization, ...

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