

Marija Bogataj, David Bogataj in Tomislav Sibenik

Whose task is to invest in the transportation infrastructure of Slovenian metropolis?

Empirical evidences indicate that land is a superior good and that higher income household tends to live in more suburban location in most cities. More are improving the contacts (roads and other infrastructure) between residential location and central place, especially metropolis of a certain area, more distant locations are acceptable for residential use. More attractive is a central place (and metropolises are always among them), more distant residents of a certain region or a state are willing to be daily commuters to this central places. It makes congestions in the central places. Lower income households are staying in the inner urban areas, paying local land use fees, which are the main sources for investments in urban infrastructure and public services.

The paper explains why it is the task of government, and not only the task of local authorities, to find the financial sources for investments in Ljubljana infrastructure and to finance the urban growth of Ljubljana as a metropolis of Slovenia. Gravity model and time distance functions are used to explain the hypothesis.

Tine Stanovnik

Income, Income Inequality and the Labor Market in Slovenia: Pre-Transition and Transition

The analysis is based on Household Expenditure Survey (HES) data for 1983, 1993 and 1998. This was a period of rapid economic, social and political change; not surprisingly, the income changes were also quite profound. The 1983 - 1993 period was characterised by a large change in the income structure - the share of wages and related wage-benefits decreased from 73% to 59%, whereas the share of pensions increased from 15% to 21%; there was also a strong increase in self-employment income. Following 1993, changes were less dramatic, and wages (and related wage-benefits) have even regained some of the lost ground. Income inequality increased rapidly in the early years of transition; the 1998 data though indicate a significant decrease. Also, the 1993 - 1998 period witnessed a strong increase in real income.

The article also presents findings which have some relevance for the analysis of the changes which occurred in the labor market in Slovenia during the 1993 - 1998 period. Thus, there have not been particularly large changes in the share of economically active persons in the age groups except the large decrease for the age group 20-29, where enrollment in university education increased rapidly. Unemployment among the elderly increased, due mostly to severance of entry conditions for early-retirement pensioning.

Marinka Rodica, Tine Stanovnik

Some Comparisons of the Household Expenditure Survey Data and Data From Other Statistical Sources

We present a comparison of income data collected by the Household Expenditure Survey (HES) and those reported in the personal income tax returns. The differences in the domain (and definition) of each income source is analysed; they occur not only between the two statistical sources, but even within the same statistical source, but measured at two points in time. Because of these differences, we had to exclude from our comparison pensions, as well as non-contributory social and family benefits. Even such a reduced comparison is not without problems. Nevertheless, a comparison is performed and it produces the same ranking of major income sources. Thus, in both statistical sources, wages and salaries (and associated fringe benefits) account for some 85% of after-tax income; self-employment income is ranked second, whereas unemployment and maternity benefits are ranked third. Furthermore, a comparison of the age and gender structure of the 1993 and 1998 HES shows excellent agreement with population data from the Central Population Register.

Simona Bovha

Relationship between FDI and Trade

The paper provides an empirical analysis of aggregate foreign direct investment (FDI) outflows and exports from Japan to the US for the period 1973 to 1993. A time-series approach was used to incorporate the importance of the time component. The endogeneity of variables was captured by a Vector Autoregression Model. The results strongly support the hypothesis that FDI is negatively related to trade flows. The main motivation underlying the FDI outflows from Japan to the US were the non-tariff barriers (Voluntary Export Restraints) imposed on imports of Japanese automobiles. Substituting exports with FDI was therefore a strategy used by Japanese firms to enter the US market despite trade impediments. However, one should bear in mind that this is a relatively specific finding, mainly due to the data sample. Japanese FDI outflows to the US are so defined as "marketseeking" FDI and, by definition, are almost always substitute trade flows.

Kai Schlegelmilch

Energy taxation in European union

One of the main reasons for the infrequent application of environmental energy taxes is the lack of any international agreement on the minimum common elements of energy taxation in the most developed countries. In the 1990s, EU administration used various incentives to overcome this obstacle, but so far, it has not been successful. The latest attempt of the European Commission to accelerate negotiations and to introduce energy or CO₂ taxes (proposal to enforce excise duties on all energy sources, not only mineral fuels (with the exception of renewable energy sources) and to gradually increase the minimum levels of excise duties in three stages, in 1998, 2000 and 2002; EC 1997) has also failed.

If the number of taxes to be increased or newly introduced by member-countries is understood as a simple indicator of their disapproval with the Commission's proposal, we arrive at interesting conclusions. Contrary to general belief, the increases in the system of energy taxation are mostly not encountered by the member-states from the borders of the EU (Spain, Portugal, Greece and Ireland), but by highly developed countries such as Luxembourg and Belgium despite the fact that these two countries do not display any major disapproval of the Commission's proposal.

Nada Stropnik

Consequences of the 1999 changes in child benefit for the Slovenian families

The paper identifies the consequences of changes in child benefit introduced in May 1999. Child tax allowances are included in the analysis as well, so that the sum of both transfers to families with dependent children is taken into account, as well as is their impact on disposable family income. The biggest gainers of the change in child benefit were families in the lowest income bracket with five and more dependent children: the disposable income of single-parent families increased by 32%, while that of two-parent families increased by 27%.

Tomaz Carter

Knowledge management as a tool for developing the competitive advantage of the corporations

Nowadays knowledge management is one of the most popular themes of the modern scientific literature. But in spite of all published research on the importance of knowledge management, there is little said about the knowledge as a direct source of a firm's competitive advantage. In the past decades three main hypotheses on the sources of a firm's competitive advantage were developed, namely the industrial organization, the resource-based and the capability-based hypotheses. In this paper we argue that the knowledge-based hypothesis can and should be considered as the fourth tantamount hypothesis on how the sources of competitive advantage of a firm can be explained. Its basic lesson is that a firm can win a competitive battle only if it possesses more relevant knowledge than its competitors. Nowadays this particularly holds true for the Slovenian firms, which, to all appearances, will inevitably have to face the challenge called "EU". Competitive advantage therefore

finds its source in knowledge, which enables us to conclude that efficacious and systematic knowledge management can be an important means of its creation and development.

Andreja Rován

The importance of Structural Policy for Slovenia as the future EU Member State

The aim of this article is to establish the position of Slovenia in view of the forthcoming accession and present the options it has regarding the instruments of Structural and Cohesion Policy. Furthermore, the influence of the Structural Policy on the new members net positions in relation to the Community budget is discussed. As the EU has not assured the funding for the Common Agricultural Policy of future Member States on equal footing with current members, the eligibility status of Objective 1 will predominantly determine the total net position of the future member states in relation to the Community budget.

Project Strategy of Economic Development of Slovenia

Dr. Metka Stare, Dr. Maja Bucar

Challenge of the transition into the information- society

One of the key characteristics of modern economies is the increasing cooperation and interdependence of manufacturing and service sector, where especially producer services, based on intensive use of knowledge and information, play the central role. Technological development and specifically the advances in application of information- communication technologies in all sectors of economy and society are changing the nature and the organisation of work and business processes at national and international level.

Slovenia has over the last years made significant progress in direction of service economy and introduction of information-communication technologies, yet it still lags behind the contemporary trends in developed countries. Slovenia needs a modern state (government), which will support with coordinated action and flexible instruments the key factors of transformation into information society. Increasing the knowledge base is the key priority, since knowledge plays a multidimensional role in this transition phase. Also, the promotion of a more dynamic introduction of information-communication technologies is asked for, along with broad-band telecommunication infrastructure, the establishment of a competitive market for producer services and the formation of a modern and future-oriented national innovation system.