

Summary

The Institute of Macroeconomic Analysis and Development (IMAD) has been publishing working papers on regional issues since 1994 and this is the tenth edition. The papers aim to analyse regions as extensively as possible by using different socio-economic indicators.

The structure which remained the same for several years has been slightly altered this time. Previously, the starting point was regions, which were then analysed in terms of different socio-economic indicators. This year, the starting point involves a particular area of analysis (population, unemployment, employment etc).

The contents of the statistical appendix are unchanged, allowing readers to make comparisons with previous years. Most tables have been retained and updated, while some new ones have been added. Further, tables showing data for the regions are incorporated in the text, while tables revealing data for the municipalities are listed in the Appendix. There are fewer graphs and you can find them in the text.

A number of maps have been added (more than in previous years), with each presenting a particular theme. They reveal the spatial dimension of the given indicator broken down by municipalities. The maps were made using the GIS SDMSW (Spatial Data Management System for Windows) application developed by Softdata d.o.o. from Ljubljana.

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A summary of the main findings is presented below. Over the last few years, population growth has been largely underpinned by net migration while the rate of natural increase has been negative in most statistical regions. The internal migration has mainly seen shifts towards those regions where opportunities for earning an income were better. The biggest immigration is seen in Central Slovenia. The population has continued to age rapidly in all statistical regions. An unfavourable age structure is mainly seen in the west (Goriška), the south (Obalno-kraška, Notranjsko-kraška), and the north-east (Pomurska). Large differences between eastern and western Slovenia are revealed by life expectancy data: people living in the east may expect to live shorter than people living in the west of the country.

Gross value added is highly concentrated in Central Slovenia, which also stands out in terms of gross domestic product per capita. The value of this indicator is above the national average only for Central Slovenia and Obalno-kraška. Nevertheless, regional disparities in gross domestic product have been relatively low in Slovenia, especially compared to those in EU member-states. Central Slovenia, playing the role of the national economic centre, has significantly contributed to regional disparities in Slovenia.

Differences in regional unemployment continue to pose one of the biggest problems to Slovenia's regional development. The unemployment rate has fallen in absolute terms, however, regional disparities persisted at roughly unchanged levels. The coefficient of variation, which measures regional disparities, fell in 2003 for the first time after having risen for several years. If this trend is maintained, regional disparities in unemployment may narrow. A major concern remains structural unemployment, which is revealed specifically in each region, including regions with

below-average registered unemployment rates.

Regional disparities are lower in the rate of registered employment than the rate of registered unemployment. After falling markedly in all regions in the early 1990s, employment increased slightly after 1997. The participation rate also rose slightly, and regional disparities were even lower than in the case of the employment rate. Jobs have largely been concentrated in Central Slovenia where jobs in the service sector prevailed. The shortage of jobs led to the migration of employed people to the neighbouring regions, which was the highest in Zasavska and Notranjsko-kraška.

The population's education structure improved from year to year mainly thanks to the growing share of people who have completed secondary education and the declining share of people who have only completed primary education. The concentration index shows the distribution of the level of education across regions. People who have completed secondary education were concentrated in Podravska, while people who have completed higher education were prevalent in Central Slovenia, Obalno-kraška and Gorenjska. The population's education level measured by the number of school years was also on an upward trend in all regions. This level rises by close to one year every ten (or eleven) years, while regional disparities continue to be low. Greater differences were seen between women and men, however, all regions reduced this gap, of which Central Slovenia was the most successful.

In 2002, regional company performance was much better than the year before, which was partly due to methodological changes in the Slovenian Accounting Standards. As many as 45% of all companies operated in Central Slovenia and they employed a third of all workers employed by commercial companies. Companies reported positive financial results for 2002 in most regions, except Pomurska and Koroška. In 2001, there were six regions recording overall negative results. Particularly good financial results were seen in Central Slovenia, Obalno-kraška and South-eastern Slovenia.

The personal income tax base per capita is an indicator that shows the population's economic power in the given territorial unit. Here, regional disparities have been relatively low and have narrowed in the last few years. Variations around the national average, either positive or negative, have also been relatively small. The personal income tax base mainly consists of personal income, where wages record the biggest share. Disparities in wages have been relatively low in Slovenia.