

Summary

Industrial policy comprises a number of measures. Most are microeconomic-oriented and benefit particular enterprises, groups of enterprises, or industries compared to other entities operating in the market. It is difficult to measure the intensity of industrial policy, at least measures that should produce financial results, because there is no single methodology in theory nor in practice. However, industrial policy can be assessed through different methodologies developed as part of other systems (national accounts, government finance statistics, OECD methodology, competition policy). These methodologies differ in terms of their approach and coverage. While none of them covers all measures, they do help determine the intensity, objectives and instruments of particular measures taken within industrial policy. This is revealed by the attempt to assess the measures of Slovenia's industrial policy presented in this Working Paper (data are only available for 2001). We used the analytical data on state aid and general government expenditure data.

The intensity of Slovenia's industrial policy, assessed through its financial measures, is shrinking from year to year, while the objectives and instruments are changing. As regards objectives, measures for agriculture increased significantly to the detriment of non-agricultural measures. Within these two main objectives, there were few to bolster investment, but there were many to rescue and restructure ailing enterprises. In 2001, this was mainly due to the conclusion of rehabilitation processes in large non-privatised enterprises and the rehabilitation of the Slovenian Ironworks. As far as activities are concerned, most financial measures were taken in agriculture but relatively few in manufacturing, whose level of competitiveness is most obviously lagging behind EU member-states. As the number of grants (subsidies) is falling, measures that are not provided through general government expenditure are growing. A comparison of industrial policy measures with the objectives of the Strategy for the Economic Development of Slovenia clearly shows that Slovenia's industrial policy did not follow the development priorities in 2001, meaning that it did not promote economic competitiveness, employee training, or balanced regional development.