Summary

The Institute of Macroeconomic Analysis and Development (IMAD) has been publishing working papers on regional issues since 1994. The issue in your hands is thus already the eleventh edition. The papers aim to analyse regions as comprehensively as possible by using different socio-economic data and indicators.

The publication had a standard concept for several years, which was changed last year. This year we continue with the new layout. The papers now centre on different areas (e.g. population, unemployment, employment etc.) from a regional perspective, while previously the focus was reversed – regions were presented through different socio-economic indicators (areas).

Over the last few years, population growth has been largely underpinned by positive net migration while natural increases have been negative in most statistical regions. Internal migration has mainly seen shifts towards regions offering better income-earning opportunities. Central Slovenia is the biggest immigration region. The population is ageing rapidly in all statistical regions. The age structure is particularly unfavourable in the west (Goriška), south (Obalno-kraška, Notranjsko-kraška), and north-east of Slovenia (Pomurska). Compared with the neighbouring NUTS 3 level regions in Italy, Austria and Hungary, most Slovenian statistical regions are relatively small. Central Slovenia, however, is the second biggest region by population size, immediately after the Italian province of Udine. In 1991–2002, the population in most neighbouring regions dropped. The sharpest decline was recorded in the Trieste province. On the other hand, the population rose in three Austrian districts and five Slovenian regions.

Slovenian statistical regions differ in terms of both the level and composition of value added, with Central Slovenia standing out notably. Central Slovenia generates over one-third (35% in 2002) of Slovenia's gross value added (GVA). The 1996–2002 period witnessed a shift in the regional GVA composition: most regions recorded a strengthening of the service and industrial sectors, while the share of agriculture decreased. Central Slovenia also achieved the highest values in terms of its development level measured by GDP per capita. The differences between regions along these lines widened slightly between 1995 and 2002. Cross-regional disparities are also observed in other EU member states, both the 'old' and the 'new' ones. Although the comparison with Slovenian statistical regions is not entirely accurate due to differences in territorial units, the cross-regional variation in several EU member states is estimated to be greater than in Slovenia.

The disparities in regional unemployment pose one of the key problems for Slovenia's regional development. Nevertheless, they have diminished over the past few years in both absolute (rate) and relative (deviations from the Slovenian average) terms. The coefficient of variation, used as the measure of cross-regional disparities, fell slightly further in 2004. If this trend continues in the future, we can expect a further levelling out of the cross-regional differences in unemployment. Compared with regions in the neighbouring countries, Slovenian statistical regions have higher unemployment rates, which even exceed the European average in three Slovenian regions. The situation is even worse regarding the youth unemployment rate, with as many as five Slovenian regions (Zasavska, Pomurska, Podravska, Spodnjeposavska and Koroška) having rates above the EU average. This indicates that structural unemployment, surfacing specifically in each region and also affecting regions with below-average registered unemployment rates, remains a major

concern of regional unemployment.

The formal employment rate reveal less cross-regional variation than the registered unemployment rate. After the sharp fall seen in all regions in the early 1990s, employment began to rise slightly after 1997. The formal (registered) participation rate is always slightly higher than the formal employment rate; regional differences, however, were smaller for this indicator than for the formal employment rate. Jobs are concentrated in Central Slovenia, predominantly in the service sector. The shortage of jobs in some regions underlies the increased daily migration of employees and higher unemployment rates. The biggest lack of jobs relative to the size of the working-age population is found in the Zasavska region, leading to substantial numbers of daily migrating workers. This is also reflected in the region's daily migrating index (lower index values indicate fewer jobs for the people employed in the region).

Compared with 1991, mortality rates fell in 2003 in all key age groups in the regions. The disparities between regions mainly reflect the division of Slovenia into the eastern and the western part – eastern regions (Pomurska, Savinjska, Podravska) predominate among those regions with above-average age-standardised mortality rates. Mortality rates also differ with regard to gender. In all regions the male mortality rate is higher than the female rate. Most regions that have high mortality rates are also generally underdeveloped. This pattern is characteristic of several EU countries and can also be found in some Slovenian regions. In most statistical regions the three most common causes of death are the following: neoplasms, circulatory diseases and accidents, poisonings and other external causes. Suicides on average account for about 3% of all deaths; the regions recording the highest values for this indicator in 2003 were Zasavska, Spodnjeposavska and Koroška. The suicide rate in Slovenia totalled 28 suicides per 100,000 inhabitants in 2003, ranking Slovenia among those countries with the highest suicide rates in Europe.

The performance of Slovenian companies in 2004 was better than the year before although considerable differences were observed between the regions. All regions, except Pomurska, reported a positive difference between net profit and net loss. Central Slovenia, which generated 53.3% of Slovenia's positive difference between net profit and net loss, was the best performing region. It was also in the lead in several other indicators: as many as 45.5% of all commercial companies operated in Central Slovenia and they employed over one-third of people working in commercial companies. Despite the positive financial results, five other regions (Savinjska, Notranjsko-kraška, Podravska, Spodnjeposavska and Zasavska) generated a smaller positive difference between net profit and net loss and thus recorded poorer business results, particularly the Podravska region.

The personal income tax base per capita is an indicator of the population's economic power in a given territorial unit. Cross-regional differences for this indicator are relatively small. Deviations from 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.

Key words: regions, statistical regions, regional development, indicators, standard classification of teritorial units, population, regional gross domestic product, unemployment, employment, financial results of enterprices, commercial companies, education, personal income, wages