

Shares in gross value added of the total economy (A–P), in %											
	Public services ¹ (L, M, N, O, P)			Public admin., defence, compulsory soc. security (L)		Education (M)		Health and social work (N)		Other community, social and personal services (O)	
	1995	2000	2003	1995	2002	1995	2002	1995	2002	1995	2002
SLOVENIA	19.6	20.2	20.2 ²	5.8	6.3	5.3	5.6	5.2	5.0	3.2	3.3
EU-25	21.7	21.6	22.3	-	-	-	-	-	-	-	-
EU-15	21.8	21.7	22.4	-	-	-	-	-	-	-	-
EU-19 aver. ³	-	-	-	6.4	6.5	4.9	4.9	5.4	5.5	3.4	3.5
Belgium	23.9	23.7	24.7	8.0	8.2	6.7	6.6	6.2	7.0	2.4	2.2
Denmark	26.6	25.7	26.8	7.7	6.6	5.4	5.5	10.1	10.3	4.2	4.1
Germany	21.6	21.5	21.7	6.6	6.1	4.2	4.1	6.1	6.4	4.6	5.0
Spain	20.7	20.6	20.5	6.4	6.0	4.8	4.7	5.4	5.4	3.1	3.2
Italy	18.8	19.3	20.0	5.5	5.4	5.0	5.0	4.3	4.9	3.3	3.6
Netherlands	23.3	22.5	25.2	8.2	7.6	4.4	4.3	7.3	8.3	3.1	3.4
Austria	22.0	19.8	20.0	6.7	5.8	5.4	5.2	5.8	5.2	3.8	3.5
Finland	22.7	20.7	22.1	5.3	4.9	5.3	4.9	8.4	8.2	3.6	3.5
Czech Rep.	15.1	15.6	16.4	5.0	5.6	3.6	3.9	3.4	3.9	3.0	2.7
Estonia	17.6	17.6	17.6	4.7	4.7	5.4	5.1	3.4	2.9	4.1	4.5
Latvia	20.5	21.3	19.5	7.1	8.0	5.5	5.0	4.6	3.0	3.3	3.9
Lithuania	15.9	20.0	17.3	6.2	5.5	4.7	6.1	2.7	3.4	2.9	3.3
Hungary	20.5	20.8	23.2 ²	7.1	9.4	5.1	5.4	4.6	4.9	3.6	3.7
Slovakia	13.7	16.3	17.9	4.8	7.7	3.4	3.5	3.4	3.8	2.1	2.7

Sources of data: SORS (revised gross value added data series by activity, First Release No. 81, June 2004); Eurostat.

Notes: ¹ according to the Eurostat methodology, the share of public services includes value added generated by private households with employed persons (activity P), but these shares are very small in all countries (less than 0.3% of value added of all activities); ² figure for 2002; ³ the arithmetic mean of shares of all countries for which data are available for 2002.

The share of public services in Slovenia's total economy increased to 20.2% from 1995 to 2002; this was less than the average of the EU-25 and more than the respective shares in most new member states. In 2002 Slovenia's shares of activities (L to O) of the public service sector were comparable to the average of 19 EU members for which data are available for the given year; the exceptions were a slightly larger share of education (M), by 0.7 of a percentage point, and a smaller share of health and social work (N), by 0.5 of a percentage point.

From 1995 to 2003, similar changes in public services were seen in **most new member states of the EU**. Like Slovenia, they built institutions of a modern state and underwent the process of adjusting their legislation to the EU enlargement. These profound systemic changes called for a number of new employees, especially in the public administration (L), while employment growth was also relatively high in education (a rapid rise in the number of students and accelerated development in higher education) and health and social work. The share of public services in the total economy also increased in advanced EU members in 2001-2003 (it shrank in 1995-2000), but this was mainly due to the faltering growth of other economic activities. Public services, which are largely provided by non-market-oriented entities (SEM 5/2002:12), remain relatively inert in terms of their capacity to adjust to economic activity.

In **Slovenia**, the relatively high value-added growth of public services is expected to continue in the upcoming years, and its structure is expected to improve. Growth of the public administration (L) should slow down gradually, while growth of other services should gain momentum. At the same time, private providers of public services should play a growing role, while the accelerating development of education, and health and social work should be financially sustainable. This cannot be ensured unless productive and market-oriented activities grow fast which should, in turn, bring the rising share of public services in the total economy to a halt.

Graph: **Public services (L–P) relative to gross value added of the total economy**

