

Janez Nared

Spatial Effects of the Law for Encouragement of Development Demographically Endangered Areas in Republic of Slovenia

Slovenia is marked with great regional differences. On one side we have developed urban areas, where there is a high concentration of economic activities and on the other side we have large rural areas that are left to degradation. With a strong incentive to eliminate these differences, from the start of early 70s there has been a regional policy performed, that was based on polycentric development and individual laws about encouraging regional development. The ever-growing connection of differences in development and demographic climax has led into declaring of the Encouragement of Development of Demographically Endangered Areas in Republic of Slovenia Law. Time has shown, that the criteria for selection of endangered areas were not chosen appropriately, as well there were no sufficient funds attended to perform the necessary tasks. The previously stated has shown itself in continuously growing regional differences and especially with continuance of negative demographic processes.

Igor Vriser

Agricultural Production Estimation in Slovenia

The article attempts to calculate the total agricultural production in Slovenia in 2000, using the conventional grain unit, for agricultural estimation districts, regions and total national territory in order to establish variation in agricultural production across geographical regions. Data are taken from the Census of Agricultural Holdings, Slovenia 2000 (Statistical Office of the Republic of Slovenia), while the value of the grain unit is taken from J. Kostrowicki's Land Utilisation (Case Studies: Origins, Aims, Methods, and Techniques. Geographica Polonica, 5, Warsaw, 1965) and B. Andreae's Agrargeographie (Berlin, 1977, 1983).

According to the calculations, Slovenia's total annual agricultural production was 27,913,000 grain units, or an average of 57.7 grain units per hectare of agricultural land in use. The share of arable crops was 46% and the share of livestock breeding was 54%. Above-average production levels were recorded by agricultural holdings in Pomurje (Ravensko, Dolinsko and Mursko Polje), Podravje (Dravsko and Ptujsko Polje) and Gorenjska (Kranjsko and Sorško Polje and Bistriška Ravnina).

The article shows a method of calculating the total agricultural production in Slovenia in 2000 using the grain unit in order to establish variation in agricultural production across agricultural estimation districts, regions and the whole national territory. The grain unit has been chosen because agrarian geography and agrarian economy lack a generally valid unit for measuring heterogeneous agricultural production in a standard way; the same unit can also be used for determining production capacities of an agricultural holding, administrative unit, region or the country as a whole and for establishing regional disparities.

The conventional grain unit (Getreideeinheiten, žitna jedinica) is a nutritional value of 100 kg of grain (wheat, rye, and barley) containing about 80 units of protein and 720 units of starch. Using this measure, grain unit equivalents have been calculated for other crops and animal products. The criteria include the nutrition value in terms of the protein and starch content, whether the product is fresh (green) or dried (e.g. fodder and hay), the level of processing (whole or processed such as hop), and whether the product is pure or mixed (e.g. a mix of lucerne and grass). The value of the grain unit has been taken from J. Kostrowicki (Land Utilisation. Case Studies: Origins, Aims, Methods, and Techniques. Geographica Polonica, 5, Warsaw, 1965) and B. Andreae (Agrargeographie, Berlin, 1977, 1983).

Data on agricultural production are taken from the Census of Agricultural Holdings, Slovenia 2000, collected by Slovenia's Statistical Office. Data are divided into private agricultural holdings broken down by 307 agricultural estimation districts, and agricultural enterprises and co-operatives broken down by administrative units. Since the areas of agricultural estimation districts and administrative units do not match, agricultural estimation districts have been grouped together.

The evaluation process proceeded as follows: the estimated production of the given crop in one agricultural estimation district was multiplied by the appropriate grain equivalent unit (while taking into account the substance of the product) and then products were added up according to type and sector to arrive at the total agricultural production. Special estimates had to be made for certain categories because information from the census about livestock breeding only contained the number of cattle, pigs, horses, goats, sheep and poultry, while there was no information about animal products such as meat, milk, eggs and honey. Meat production was estimated by multiplying the number of cattle (pigs, poultry etc) with the coefficient calculated as the ratio of domestic production of beef (pork, poultry etc) to the number of cattle (pigs, poultry etc) in the whole territory of Slovenia. The production of eggs and honey was calculated in a similar way (number of hens multiplied by the average annual production of eggs per hen, or the number of bee families multiplied by the average annual production of honey per one bee family). These products were multiplied by the value of the grain unit and added to the total production of animal products.

In 2000 Slovenia's agricultural production totalled 27,913,000 grain units, or an average of 57.7 grain units per hectare of agricultural land in use. The share of arable crops was 46% and the share of livestock breeding was 54%. Agricultural enterprises and co-operatives produced 133.1 grain units per hectare of agricultural land in use, while family farms produced 52.7 grain units. Animal husbandry prevailed. The most productive agricultural areas were in plains and gentle hills, which accounted for 43.1% of total agricultural area in use and produced 52.3% of all grain units. Here, the yield per hectare was 30%-50% higher than in mountainous or karst regions.

Slovenia's main agricultural areas that produce the most grain units per hectare are Dravsko and Ptujsko Polje, Ravensko and Mursko Polje in Pomurje, Kranjsko and Sorško Polje in Gorenjska, Bistriška Ravan located between Ljubljana and Kamnik, the area of Slovenske Gorice around Ptuj and Vipavska Dolina. The yield exceeded 75 grain units per hectare in all these areas. They accounted for 39.9% of total agricultural production measured in grain units. The above-average yield (exceeding 57.7 grain units per hectare of agricultural land) was also seen in Goriška Brda, the area surrounding Ljubljana, Šaleška Dolina, Zgornja Savinjska Dolina, Voglajnsko, Dravinjske and Slovenske Gorice and Dolinsko in Pomurje.

Gasper Tompa

Income Inequality in Slovenia

This paper analyses income inequality in Slovenia, especially gender inequality. By exploring the tax progressiveness, we try to explain its influence on reduction of income inequality. The main source for our analyses was personal income tax data for 1991 and 2000, provided by the Slovenian Tax Office. Income inequality has sharply increased in almost all developed countries, as well as in Slovenia, which became a transition economy in the end of 1980s. Therefore a change in tax legislation was urgent. As a result of the amended tax legislation in 1993, which introduced more progressive taxation of personal income, the after-tax income inequality has been reduced in comparison to before-tax income inequality.

Natasa Kump, Tine Stanovnik

Socioeconomic Position of Pensioners and the Elderly in Slovenia

This paper analyses the changing socioeconomic position of pensioners and the elderly in Slovenia. The analysis is mostly based on the Household Expenditure Survey data for the years 1983, 1993, 1997-1999 and 1999-2001. Each of the two more recent datasets actually represents three annual surveys suitably merged. Pensioners and the elderly experienced a significant improvement in their income position during the period 1983-1993, with much smaller gains recorded from 1993 up to 1997-1999. There are signs that their income position since 1999 is gradually deteriorating; as the share of pensioners and the elderly in the lowest income decile slightly increased, and their share in the highest income decile slightly decreased. Poverty incidence for pensioners and the elderly was -

and still is - somewhat higher than for the whole population. It seems quite probable, that the relative income position of pensioners and the elderly will experience further steady decline, as the full effects of the 1999 Pension and disability insurance act will gradually be felt. This act introduced a new indexation rule which affects the whole pensioner population.

Miroslav Verbic, Tine Stanovnik

Perception of Income Satisfaction and the Quality of Living in Slovenia

The article presents an analysis of income satisfaction and satisfaction with the quality of living in Slovenia, based on the Household Expenditure Surveys and Public Opinion Surveys. The analysis of the Household Expenditure Survey is based on three cross-sections of data, i.e. the years 1988, 1993 and 1997-1999, whereas the analysis of the Public Opinion Survey is based on the years 1988, 1993 and 1998. By application of the ordered probit model the effects of disposable income, family size, and other socio-economic characteristics of the household on the subjective perception of income satisfaction and the satisfaction with the quality of living were analysed, and the relative stability of these effects was established. The results of the analysis are in broad agreement with similar studies performed in other countries. However, this stability is somewhat surprising, given the fact that Slovenia has experienced vast economic, social and political changes during this period.

Milan Vodopivec

The Effects of the Change the Amendments of the Unemployment Insurance Law

To stimulate reemployment of unemployment benefit recipients, the amendments of the unemployment insurance law of 1998 call for (i) stronger support and stricter monitoring of the job search; (ii) wider participation in active labor market programs; and (iii) shortening of the potential duration of the benefit receipt. The paper studies the effects of the change of the law on both the likelihood of reemployment as well as on post-unemployment outcomes. It draws upon rich administrative data on unemployment spells, as well as preceding and ensuing employment spells including wages, of congruent groups of benefit recipients. The congruent groups of recipients were formed so that individuals possessed identical observable characteristics, but they were subject to different rules of benefit receipt because some registered before, and some after the amendments of the law took effect. The main results are as follows:

- The reemployment likelihood of benefit recipients under the amended law was significantly higher than the reemployment likelihood of observationally identical recipients under the original rules. This increase of the likelihood is reflected also in the higher number of days spent in reemployment, as well as in higher earnings.
- Also under the amended rule, pronounced spikes in the likelihood of exit from unemployment are observed at the point of benefit exhaustion.
- Under the amended rules, benefit recipients were more likely to leave unemployment to participate in active labor market programs.
- The level of wages upon reemployment under the original benefit rules does not deviate significantly from the level of wages upon reemployment under the amended rules.
- The duration of the post-unemployment employment spell under the original benefit rules does not deviate significantly from the duration of the post-unemployment employment spell under the amended rules.
- The amendments did not increase the propensity of the recipients to take fixed-term jobs.

Alenka Kajzer

The Labour Market Flexibility - about Notion, Factors and Importance for Employment and Unemployment

The notions of labour market flexibility and rigidity are used frequently, however, they have a wide-ranging and diverse sense. Different authors stress different aspects of labour market flexibility. This article, therefore, systematically presents different aspects of labour market flexibility as well as its implications for employment and unemployment. Further, it shows the factors of numeric external flexibility and the flexibility of labour costs, primarily the impact of wage bargaining systems on employment and unemployment. The article concludes by an attempt to determine criteria for measuring labour market flexibility.

Tomaz Cater

The Meaning of Enterprises' Competitive Advantages Elements according to the Resource-based School

Basic characteristic of the resource-based school is that it follows the "inside out" concept of explaining sources of competitive advantage. This means the competitive advantage primarily arises from the firm and its resources. The literature usually divides firm resources into physical, financial, human and organizational resources. If they are to provide competitive advantage, resources should be rare, durable, immobile, and cannot be easily substituted or imitated. Empirical research based on the sample of 225 Slovenian firms shows that the firms see the most relevant source of their competitive advantage in organizational and human resources and in resources' imperfect imitability. The more resources are relevant and the greater they are in size, the greater firm performance and competitiveness is, which means our empirical support of the resource-based school is quite unequivocal. Among the studied sources of competitive advantage organizational resources seem to be the most relevant factor of firm performance and competitiveness.

Borut Winterleitner

How do the Slovenian Fast Growing Companies finance their Growth?

Slovenian fast growing companies are, comparing with western fast growing companies, in worse position, because debt and venture financing possibilities of their growth, are very limited. Lack of venture capital and limited access to expensive debt capital are the key reasons, that growth of this companies is limited to the size that can be financed mostly with entrepreneurs funds and companies profits. Unfortunately, that is usually not enough for large financial appetites of fast growing companies. Consequentially growth of Slovenian fast growing companies is not as fast as it could be, because the financial market in this field in Slovenija isn't working enough efficiently, yet.

Grzegorz W. Kolodko

Catching up in the Developing Countries

The article describes conditions that need to be fulfilled and opportunities that should be provided for rapid and sustainable growth of emerging market economies. Throughout history, less than 30 nations got rich, while 80% of the world population lives in countries with medium or low income levels, some of which are extremely poor. This goes for both the economies called developing countries and the new, post-socialist developing markets. The crucial issue, therefore, is to what extent the globalisation may encourage economic growth and what the prospects are for developing countries to catch up with the advanced industrialised countries. What factors could contribute to sustainable and rapid growth in a longer period of time? The article examines strategies that could turn around the current stream of globalisation to the benefit of less developed countries, thereby reducing the current development gap.