Human Development Report Slovenia 2000-2001

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Boxes:

Abbreviations:

EB - Eurobarometer
EI - Education Index
ER - Enrolment Ratio
ESS - Employment Service of Slovenia
GDI - Gender-Related Development Index
GDPi - Gross Domestic Product Index
GEM - Gender Empowerment Measure
HDI - Human Development Index
IER - Institute for Economic Research
IMAD - Institute of Macroeconomic Analysis and Development
ISSP - International Social Survey Programme
LE - Life Expectancy
LEi - Life Expectancy Index
Lit - Litaracy
MDDZS - Ministry of Labour, Family and Social Affairs
MF - Ministry of Finance
NAEMP – National Adult Education Master Plan
SCTU - Standard Classification of Territorial Units
SIA - Slovenian Institute for Adult Education
SJM - Slovensko javno mnenje / Slovenian Public Opinion Poll
SORS - Statistical Office of the Republic of Slovenia
WHO - World Health Organisation
WVS - World Values Survey

Abbreviations for countries:

AR - Argentina
AT - Austria
BE - Belgium
BG - Bulgaria
BR - Brazil
BY - Belarus
CA - Canada
CH - Switzerland
CL - Chile
CN - China
CS - Czechoslovakia
CZ - Czech Republik
DD - East Germany
DE - Germany
DK - Denmark
EE - Estonia
ES - Spain
FI - Finland
FR - France
GB - United Kingdom
GR - Greece
HU - Hungary
IE - Ireland
IN - India
IS - Iceland
IT - Italy
JP - Japan
KR - South Korea
LT - Lithuania
LU - Luxembourg
LV - Latvia
mo - Moscow
MX - Mexico
NG - Nigeria
NI - North Ireland
NL - Netherlands
NO - Norway
PL - Poland
PT - Portugal
RO - Romania
RU - Russia
SE - Sweden
SI - Slovenia
SK - Slovakia
TR - Turkey
US - USA
WD - West Germany
ZA - South Africa

Preface

Economic prosperity enables democracy (Huntington, 1984). Democracy as government of the majority is most likely to develop in prosperous societies where wealth is more evenly distributed, the social structure is diversified, autonomous social groups exist and where tolerance, interpersonal trust, co-operation etc are accepted as fundamental values. Another thing pointed out by Huntington relevant for Slovenia is that it is especially the cultural factor, i.e. the ability of a society to organise autonomous civil society, that is important for the development of stable democracy. Societies lacking intermediate structures are much more exposed to partial centralised government involving authoritarianism and totalitarism.

With development of the global consumer society, the relevance is increasingly growing of Mill's remark that tyranny of the majority means a threat to personal freedom, and that society has to beware of tyranny of the majority as well as the government. And really, if we take a look at Slovenia's intolerant society, the media can without any reservation be characterised as successfully tyrannising the people with commercialised programmes, banal and intolerant articles. Such discourse has already been settled and internalised to such a degree that the majority even does not notice it or does not even care to bother. If such widely supported and accepted intolerance as has been massively unfolding for a decade now were to be seen as a "social good", any analysis such as the Human Development Report would be useless. Tyranny of the majority, manifesting itself primarily as oppression exerted by public opinion and the arbitrary majority, anticipates the satisfying of its own interests without violating laws – because it sets its own rules and appoints the executor of its own will. And here is where the Slovenian critical, professional public, i.e. more than the urgently needed active civil society, is missing!

Culture (history, tradition, values, beliefs etc) is an important element in the formation of democracy, political systems etc that was overlooked by Fukuyama as well. Therefore, it is important which beliefs and values are advocated and reproduced by members of societies since some societies will never live in democracy – because of prevailing "inappropriate" values. In sociology, values are defined according to positive/negative categories, i.e. they are classified as wanted and unwanted; nevertheless, rationality, secularity, mobility, tolerance, co-operation and certain other values are those that make democracy possible in the first place.

According to Beetham (1994), the only criterion in searching final truths about what is good for a society is the opinion of freely organised people (he points out an epistemological premise as one of the five components of liberalism's definition that are essential for the development of democracy on national levels). For Slovenia, this component is relevant from several aspects. Searching for theoretical and in particular practical truths that would enable the pro-democratic development of Slovenian society is rare and is taking place mostly within UNDP, the World Bank, or EU programmes. The majority of these programmes seem unimportant to political leaders or are even worth concealing, ignoring etc. Of course, people are free to organise themselves in Slovenia – however, everything ends at this point. The state offers no stimulation (financial support or motivation) to any kind of groups, social contacts, integrations, i.e. the development of active society. If such incentives exist, however, there are vested interests to reinforce those already in power, and they are by no means intended for marginalized social groups.

Post-modern, late modern, or whatever term we choose to define the period at the end of the 20th century, is far from being liberated from the so-called great stories. The nation-state, ideology and politics are being destroyed by new great stories, integrations, and pacts again incorporating the very story that led to nationalism – as an excuse for inequality and deprivations. Wallerstein warns that the current indefinite accumulation of capital has structural limitations or asymptotes of operational mechanisms which already appear as drawbacks in the functioning of a system.

In history, borders were set mostly because of economic interests – groupings, integrations, nationalisations, trans-integrations – each at its own time, at its own price. Adaptation to and determination of the proximity and distance of borders have their consequences. (Dis)integrations are adaptations to requirements for the maximum accumulation of capital and necessary economic growth – regardless of the environment, the people etc.

Development theories no longer use the term capital exclusively as an economic category – in recent decades, interest in researching social and human capital has been increasing. In turn, both types of capital are used in establishing inter-relations and the possibilities for the accumulation of capital and economic growth.

Since their beginnings, social sciences and social practice have been unable to find the way out of inequality, discrimination, divisions, loss of privileges etc. Entire history repeats in cycles with small and great stories. To solve the poverty problems of all inhabitants of the world, only a small portion of the global cake is required, but we are still reluctant to eliminate inequality, discrimination, privileges etc.

The optimism that was brought at the end of the 1980s by new formations and (re)integrations, that promoted democracy to the highest level of human ideological evolution and saw it as the ultimate form of government – is increasingly turning into pessimism. According to Fukuyama, the abolition of inequality in democracy proves the end of history, while Lyothard is convinced there will be no more great stories. The development of Slovenia, however, despite pessimism and optimism, small and great stories, can be most clearly illustrated by the following facts: ten years after becoming independent, our national borders remain undefined, "They paid US$ 1000 to leave their country. They will pay on their return with their lives." (Mladina, 15 January, 2001) etc. If the transition from political combat to combat

in cultural and economic spheres is a characteristic of modern democracy, only the political-economic sphere remains relevant in Slovenia – in the style of dismissing and appointing "our own" ministers in the government which dazes its admirers.

Entropy in Slovenia's development is not becoming a serious issue. Nevertheless, it has been of concern for a whole decade, yet we are not – or do not want to be – aware of it. In this introduction, it is not our intention to open up the issue of whether this is primarily a merit of those people who have power and influence and are happy with such a situation, because it is illustrated in more detail in the Report itself.

The Human Development Report – Slovenia 2000/2001 is the third detailed analysis of what is changing, why, and how (in which direction), and what this all means for Slovenia and the world.

In the first part, many indices show Slovenia's position in the world in terms of various indicators (HDI, HPI, GEM, GDI, etc); at the same time, they point out the (un)equal development within the country (calculated indices by regions).

The second part focuses on the analysis of values and beliefs: the estimate of social welfare and value orientations of the population. It also warns about the (in)active civil society and the development of social capital in Slovenia. Various global surveys compare Slovenia with Europe and the world and determine its position among the countries.

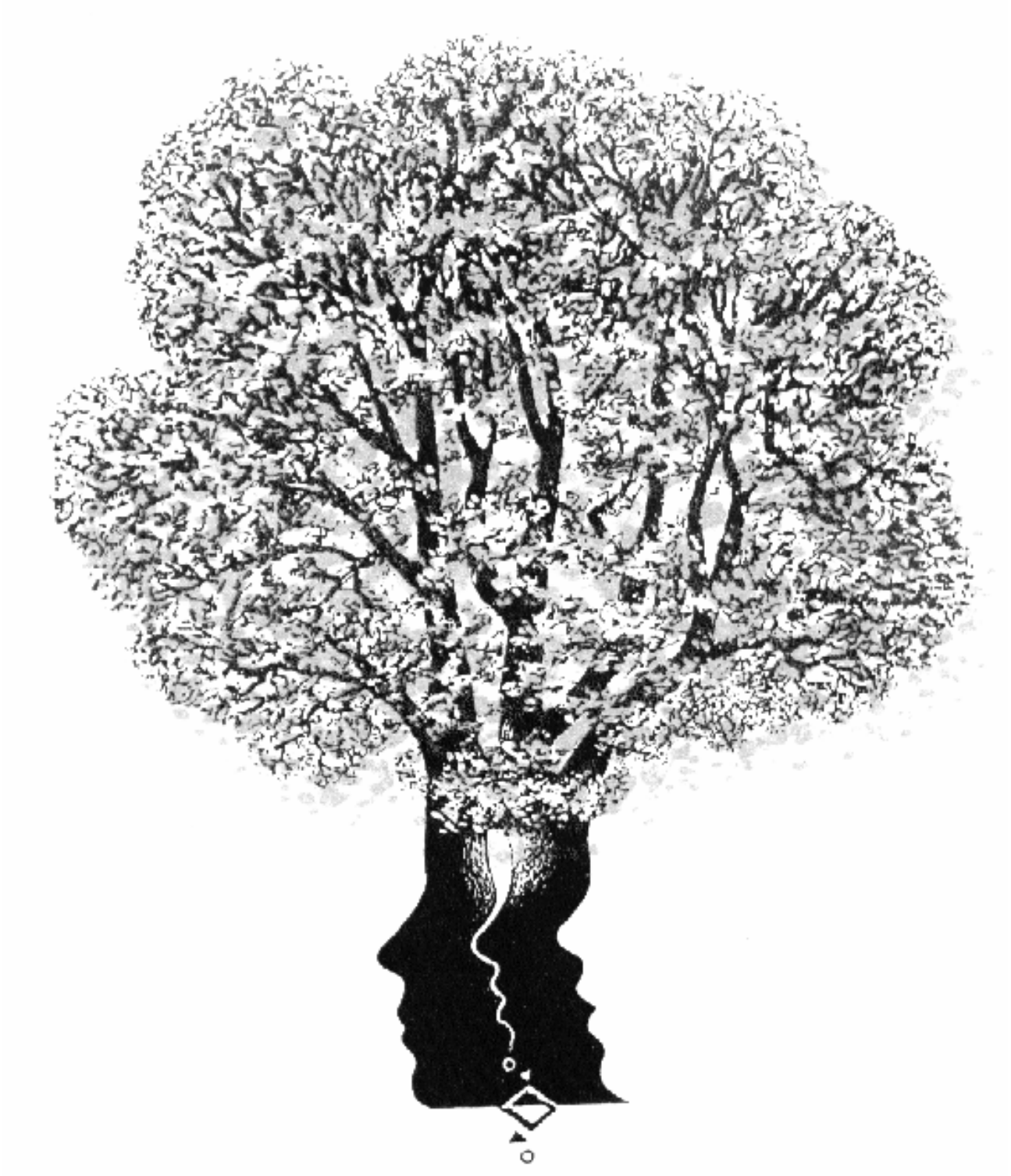
The third part consists of five independent chapters, treating economic development, poverty and inequality, literacy, wages etc in more detail, presenting estimates about Slovenia since its independence up until the year 2000 through time-based comparisons.

The Reports were supported financially and methodologically for three years by the UNDP. During the last two years, Slovenia was presented in numerous conferences at home and abroad that related to health, poverty, inequality, values, cultural patterns etc. The report was given a lot of attention in Slovenia by education systems (various lectures were given to students and high-school professors) and is already being introduced as a study subject at the Faculty of Social Sciences. The Report has been given substantial support and interest especially by non-governmental organisations and the media. The area of politics – more than expected – has remained ambivalent about the Report. However, the human development concept was accepted this year as one of the three fundaments of the Slovenian Economic Development Strategy.

Finally, we would like to express our thanks to the representative of UNDP for Slovenia, Juliette Hage, who offered us organisational and professional support for the third successive year and who successively fought for our basic working conditions. We would also like to thank all Slovenian experts who were ready to share their knowledge with us and whose efforts are directed to supporting social development and human rights in Slovenia in various ways.

Marta Gregorčič

Chapter I
Human Development



THAT CAN'T HAPPEN HERE

That can't happen here,
no, no, that's not possible here,
the tree will not blossom,
and stretch its height to the sky.

We don't climb to heaven here,
we'd rather stay home on the ground,
in foreign places, after all,
the image of our worth would shatter and fall.

So in the safe refuge of our land,
among friends alone,
we pour from hand to hand,
it's best here at home.

Only ours are gathered here,
each knows the other,
we pour from hand to hand,
and dance the dance of brothers.

That can't happen here,
no, no, that's not possible here,
the tree will not blossom,
and stretch its height to the sky.

So we gather here together,
and fell the tree to the ground,
down to the low forest undergrowth,
where we, the majority, are found.

Vlado Kreslin

A stranger stands by a fish pond
and writes in the starry firmament,
people know ever more
and ever more are silent.

(Edvard Kocbek, Moto, Collected Works, 1993)

The concept of human development

In 2000 the United Nations Development Programme (UNDP) published the tenth world Human Development Report and thereby completed the first decade of a project encompassing more than a hundred countries with their own national reports. Slovenia joined this world project in 1998, making this its third Human Development Report.

Each year, the UNDP's Human Development Report provides an analysis of the human development situation worldwide (it encompasses 174 countries). Apart from establishing the current state of affairs, the Report tries to offer potential concepts, strategies and ways of improving people's lives. The main goal of the human development programme is not so much a scientific analysis of the situation, as it is an active and practical form of problem-solving aimed at improving people's quality of life. Apart from its principal themes and development problems, such as poverty, inequity, violations of human rights, analyses of global economic growth and human development, the reports contain in their statistical appendixes numerous indicators on demography, the environment, politics, consumption, the economy, health, industry etc. for 174 countries. By presenting several hundred indicators and indices, some of which are further processed into trends, the Report provides a rich source of information for further analysis. Each year, the Report focuses on a special and pressingly topical subject (e.g. the eradication of poverty, gender inequality, armament expenditures, inequality in global income distribution, peace building, security, globalisation etc.). The ultimate goal of these analyses, however, is to find practical solutions, to improve human development world-wide and to affect development policies. Therefore, the UNDP also

supports and encourages the preparation of national human development reports.

Given the fact that countries have different levels of economic and social development, as well as different cultures and values, which have a significant impact on development and people's needs, the national reports focus on the specific problems of individual countries. National reports are not merely intended to be expert analyses of the development of individual countries. Their key goal is to provide a critical viewpoint and identify the main development problems that should be given special attention in national policies. They reflect the peculiarities of each individual country and move from theory to practice in directing human development. While determining the level of a country's development and comparing it to other countries, each report also provides the main achievements, options and challenges in meeting the set goals of a country. Thus, the reports enter the area of identifying the goals of development and determining those indicators that help us to quantify not only those goals but also the levels of development.

Different development concepts dictate the use of different instruments for measuring development and a selection of indicators. Most often, development is measured by different concepts of economic growth and its impacts on social development. In the past, development policies were focused almost exclusively on economic growth, which should automatically result in the better lives of its inhabitants - social welfare. A mere orientation to economic growth and, at the same time, the exclusion of other development factors – which are in fact important contributors to development – may also have negative effects. Increasing material wealth does not necessarily enrich human life. This is particularly the case if the results of work are not primarily reserved for employees and other citizens for the eradication of poverty, improvement of education systems and health. The level of economic development is usually presented by the gross domestic product indicator which, however, does not necessarily reflect the level of development in other spheres. Therefore, a number of indicators have been devised within this UNDP project that present the state of human development in various spheres in quantitative terms. The most important are the Human Development Index, the Gender-Related Development Index, the Gender Empowerment Measure, and the Human Poverty Index measuring poverty separately for developing and industrial countries.

Of all these indicators, the Human Development Index has been the most widely accepted as a measure of the level

Table 1: Human Development Indices for Slovenia

	1992	1994	1995	1997	1998
Life expectancy	73.35	74.0	74.52	74.9	75.0
Index	0.81	0.82	0.83	0.83	0.83
Rank in the world	**36**	**35**	**35**	**34**	**33**
Gross enrolment ratio	76.7	76.9	79.1	82.0	82.0
Rank in the world	**29**	**28**	**21**	**21**	**23**
Education index	0.916	0.916	0.924	0.93	0.93
Rank in the world	**20**	**21**	**18**	**20**	**21**
Real GDP per capita (ppp$)	8,847	11,800	12,600	14,000	14,800
Index	0.75	0.796	0.81	0.825	0.83
Rank in the world	**35**	**32**	**34**	**33**	**31**
HDI	0.823	0.843	0.852	0.864	0.864
Rank in the world	**30**	**30**	**28**	**28**	**28**

Box 1: Human Development Indices

The Human Development Index (HDI) was devised in 1990 and has been corrected twice since then. The concept of human development is much broader than the HDI. It is impossible to come up with a comprehensive measure because many vital dimensions of human development are non-quantifiable. It nevertheless gives a basic quantitative measure that can at least roughly identify the level of development of a particular society. The HDI is comprised of three indices underlying human development (the economy, health, education). The HDI value shows how much progress a country has made in achieving the maximum value 1.

The Gender-Related Development Index (GDI) is comprised of the same indicators as the HDI, but captures inequalities in achievement between women and men. It is sensitive to gender inequality: the greater the gender disparity, the lower a country's GDI.

The Gender Empowerment Measure (GEM) reveals whether women can take an active part in economic and political life. It focuses on participation, measuring gender inequality in key areas of economic and political participation and decision-making.

There are two **Human Poverty Indices (HPI1 and HPI2)**, one for developing and one for industrial countries. This index is a multi-dimensional measure of poverty. While the usual poverty measures only reveal material deprivation (the share of the population that does not obtain a certain amount, e.g. US$ 14 or US$ 2, or the share of the population whose income is below half of the average), the HPI shows deprivation in four basic dimensions: health, education, material standards and social exclusion. All types of deprivation are the same for both indices, the indicators, however, are different as is the level of development.

of development of a particular country and has been used as a supplement to gross domestic product per capita, so far the most frequently used measure of development. It is calculated on the same bases that underlie human development: economic development, health and education and does not focus only on the economic performance of a country.

Development as an option

Human development is a process of expanding the possibilities and conditions for people's choices. The three essential factors required to achieve this are for people to lead long and healthy lives, to be knowledgeable and to have access to the resources needed for a decent standard of living. As there are differences in the way people evaluate the basic conditions of their own living, the realm of human development encompasses political, economic and social opportunities for being creative, enjoying self-respect and a sense of belonging to a community.

When speaking of development, two concepts are most often used: one sees the targets of development in maximising the material wealth of a society and the other in maximising the quality of life of each individual. Although it does not completely neglect growth in material wealth, the concept of human development largely means the latter. Looking at society from this viewpoint changes the raison d'etre of economic activity and sets different goals for society's development: the main goal therefore is improving the lives of people rather than achieving high economic growth. Of course, this does not exclude the need for economic growth. On the contrary, economic growth is crucial for improving the quality of life; albeit not just any kind of growth. What is important is its structure and quality. Only economic growth that contributes to improved human development, the eradication of poverty and inequality among people and which does not degrade the environment is growth that should be supported by politicians and social-policy-makers. Accordingly, the concept of human development focuses on an area wider than the mere economy. It sets as a main goal the creation of an environment to ensure a long-lasting, healthy and creative life. In this sense, economic growth is regarded as a means of achieving this basic goal. Although economic activity is essential for the functioning and development of a society, it should not be a goal in itself aimed at the mere accumulation of material goods and profits.

The human development concept is intertwined with a number of other areas such as human rights, collective well-being, equity and sustainability.

Human rights. Human development leads to the realisation of basic social, economic, cultural, civil and political rights. Its perspective takes in an integrated view of all human rights, not a narrow focus on civil and political rights. Human development is seen as closely connected with realising human rights. Instruments of protecting human rights focus on people-centred development as a universal right, identifying as additional dimensions the right to security, participation, freedom of association, freedom from discrimination and exclusion from development.

Economic growth is a means of maximising the quality of life

Movements for human rights as well as movements for human development advocate basic human rights and freedoms. What is the relationship between the two movements? In the last decade, the movements were acting parallel to each other, using different strategies: human development was acting towards economic and social progress, whereas the human rights movement strove for political pressures, legislative reforms and posed certain ethical dilemmas. The gap between the two has been narrowing, since the goals of both have become more compatible in their concept as well as execution.

How are these two movements complementary to each other? The human rights movement draws attention to the need for the respect, protection and realisation of rights of all people and promotes

Box 2: Human rights

Human rights and human development share a common vision and purpose—to secure, for every human being, freedom, well-being and dignity.
1. Freedom from discrimination - by gender, race, national origin or religion.
2. Freedom from want - to enjoy a decent standard of living.
3. Freedom to develop and realise one's human potential.
4. Freedom from fear - of threats to personal security, from torture, arbitrary arrest and other violent acts.
5. Freedom from injustice and violations of the rule of law.
6. Freedom of thought and speech and to participate in decision-making and form associations.
7. Freedom for decent work - without exploitation.
Source: HDR 2000.

The 1948 Universal Declaration of Human Rights affirms that "everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing and medical care and necessary social services. Everyone has the right to education, work and social security."

When analysing and planning social and in particular human development, it is crucial to consider the strong dependence between the economic, social, cultural and environmental aspects of social relations. That is what raises the quality of human life. This Report shall, therefore, not focus on the forms of political systems nor party pluralism, nor on privatisation or the ownership of the means of production, as goals of social development. These factors are only analysed as instruments of human development and the quality of life.

the legislative measures and institutions to assure it. It thus helps create the legal basis for human development. The movement of rights offers legitimacy to the principle of social justice by protecting in particular the rights of the most deprived and excluded from society as a result of discrimination. It supports the idea of human development by calling upon the need for political participation and access to information for all people.

On the other hand, the movement for human development helps create long-term prospects for the realisation of human rights. It points out what kind of social and economic development allows the realisation of human rights and which type hinders it. The concept and instruments of human development ensure systematic monitoring of economic and institutional barriers to the realisation of rights as well as of social resources for the better realisation of rights. The movement for human rights gives a new raison d'etre to human development and broadens its applicability.

Collective well-being. Individual rights cannot, however, be unlimited. One person's freedom can constrain the freedom of many others. As a reaction to the excessive individualism of the free market, there is a need for socially responsible forms of development. Because individual and collective well-being are intertwined, human development requires a strong social cohesion and equitable distribution of the benefits of progress to avoid tension between the two. The power of collective action thus becomes an essential driving force in the pursuit of human development.

Equity. Concerns for equity take centre stage in the human development perspective. The notion of (in)equity is most often applied to material wealth, whereas human development, on the other hand, sees equity in wider terms: equity in access to education, in health and political rights.

Sustainability. Sustainability means meeting the needs of present generations without compromising the abilities and opportunities of future generations. It thus implies both intra-generational and inter-generational equity: one generation's needs cannot be met by sacrificing those of another. Sustainable development generally involves the environmental dimension, but human development interprets it in a wider sense by incorporating economic and social issues.

This approach to the concept of development emphasises people-centred development rather than the economy or profit. It encompasses human capacities, participation, equality, equal opportunities for development, the eradication of poverty and long-term sustainability.

Understanding human development as the final goal of development and progress distinguishes it from other concepts and approaches that regard the human factor only as a means of development. The human development concept proposes an integral approach, placing the human being at the centre of all aspects of development processes.

All too often, economists and politicians are concerned only about economic growth but at the same time neglect that it might have positive and negative consequences. Untrammelled economic growth can have many negative side effects on human development. The Human Development Report 1996 pointed out the five most frequent negative side effects of economic growth brought about by flawed development policy.

Jobless growth, whereby the overall economy grows but does not expand opportunities for employment. Such growth has been observed in most developed countries, particularly in Western Europe. Despite gross domestic product growth, there are no significant changes in unemployment.

Ruthless growth, whereby the fruits of economic growth mostly benefit the rich minority. Differentials in income and wealth distribution widened in most countries in the 1990s, which was particularly evident in countries in transition. Inequity is therefore increasing.

Voiceless growth, whereby economic growth is not matched by democracy or

individual empowerment. Political repression suppresses the voices of opposition and demands for greater social and economic participation. Politicians used to debate whether to choose economic growth or wide participation believing that the two exclude each other. Such thinking is wrong. People do not want to make a choice between the two options, they want both.

Rootless growth, whereby people's cultural identity withers or disintegrates as economies grow. At the global level, there is strong pressure to unify cultures coming from contagious lifestyle and consumption patterns. There are also strong unification tendencies within countries shown as the repression of minorities.

Futureless growth, in which economies grow at the expense of future generations. Quite frequently, economies take no notice of the damage they are causing to the environment and resources, which will hit future generations the hardest. Fast and undirected economic growth is based on ruthless degradation of the environment. The damage is often greater than the economic growth achieved, what is more, it is irreparable.

Cultural aspects of development and inequity

The first national report for Slovenia (1998) analysed inequity, health and education, and the second one (1999) dealt with the basic development topics of human development with an emphasis on regional disparities and particularities. This year's report focuses largely on two wide areas: the cultural and value-system dimensions of human development, and inequity and poverty in Slovenian society.

The focal point of this year's report is thus the issues of culture and values, as important elements of human development. The theoretical model which served as a basis for our analysis of human development is a cross-section, or better put, the overlapping of three dimensions: economic growth, social integration and co-operation. According to GDP, HDI or GDI indicators, Slovenia's position is quite favourable as it is ranked - by all three indicators - in the top one-fifth of countries in the world, meaning the richest ones. Also the indicators on inequity do not show negative trends (which, however, still leave room for improvement). On the other hand, the issues of culture and value system remain open, at least from the human development perspective. Besides, they are not a very frequent subject of research. While economic development issues are under constant scrutiny of the Slovenian research community, the questions of inequity and poverty seem to be less interesting and the values are even largely neglected or irrelevant; particularly the

Box 3: Materialism and the quality of life

The gap between one's objective standing and one's subjective assessment - a relatively good living standard on one hand and discontent, typical of Slovenians, on the other, may be largely explained by psychological factors, particularly by goals and expectations. People's satisfaction or dissatisfaction with their living standard and their quality of life apparently depends on **how they set their goals** (attaining a material standard) and **how (with whom) they compare** when assessing their standard.

As Sirgy (1998) found in his empirical study, materialists are more dissatisfied with their material standard and consequently with their life as a whole. The author explains that materialists' expectations with regard to their standard are unrealistic - too big and value-oriented - and indicates some of materialists' characteristics in assessing and judging.

Unlike non-materialists whose judgements are rational and analytical, materialists often judge their material standard very emotionally. The expectations of materialists regarding income, material goods and wealth are often related to **ideals** (although they are aware they might never attain them), **images of the deserved standard** (the standard they think applies to them) and **minimal needs** (which should be satisfied). Such a way of judging causes emotional reactions and is therefore frequently unrealistic.

The judgements of non-materialists are more rational and realistic; they rely on an assessment of past standards (the income gained given their wealth), on an assessment of the expected standard (what they or their families estimate as being possible to attain) and on the assessment of the capacity to attain a certain standard.

Another important element in assessing a living standard is to compare oneself with others in society. Materialists tend to build up their ideal of a material standard through a **comparison with distant patterns.** They compare their material goods, wealth and income with other people in society, in the state or even in other states, whereas non-materialists compare themselves with people within their own situation - family, friends, colleagues.

The materialists' image of the deserved standard is based on a comparison with those who **"have higher income yet do not work more"**. Such a comparison leads to feelings of injustice, anger and envy. They are firmly convinced that **material goods bring satisfaction and happiness in life** and they therefore spend a lot (often exceeding their actual financial capacities), which again causes frustrations.

The above characteristics in setting goals and making assessments are indirectly or directly related to the fact that materialists are more dissatisfied with both their financial standing and the quality of their life as a whole.

Competition is defined from various aspects. Economic competition, competitiveness as something positive, competition – such as the aggressive pursuit of goals - as something negative, yet competition in a pro-democratic society also has other meanings and impacts. Competition is a form of **co-operation** when two (or more) players benefit (material wealth, information, experience etc.) because they are mutually obliged to look for and avail themselves of the best possibilities (they maximise their capacities and use all sources of information). Competition thus brings about the maximisation of knowledge, capacities and inventiveness (imagination).

values which might help clear up the picture on co-operation and those which are "in conflict" with economic indicators (competition).

A number of culture-related indicators show insufficient levels of development. Although Slovenia is relatively well developed in a material sense, evaluations of the quality of life remain low: people are dissatisfied with their lives, financial situations, health etc. Comparing this evaluation with the situation five years ago also shows the growing criticism and dissatisfaction of the population with Slovenia's development. The same is true of the level of democracy and respect of human rights. The second reason why this year's report deals substantially with the opinions, values and quality of life of the Slovenian population (cultural aspect) was to find out whether there is an actual mismatch between the cultural and other (economic, social) development trends, and to clarify why this is so and how this affects the overall level of development.

As early as in 1992, the comparisons of the opinions and values of populations in 43 countries showed the significantly inconsistent and below-average ranking of Slovenia as regards numerous indicators. Although the latest researches indicate slightly more positive trends, at the same time they reveal how deeply rooted and persistent many opinions and beliefs are.

There is a need to re-conceptualise work and the meaning of work. The Slovenian population places a high value on work (work as the meaning of the whole life of an individual), therefore such development policies should be devised so as to incorporate the demands of the population or to transform these demands into different forms. For the population, work is not only a form of paid employment but also participation in society, decision-making, co-operation and social contacts. The loss of employment does not only entail material dependency. Employment is a prerequisite for inclusion and participation in general.

One of the reasons for the reproduction and preservation of high levels of intolerance and rejection of anything different is the absence of any development policies concerning immigrants. Slovenia's population also expresses a lack of concern for those nations with whom it used to cohabitate in a common state. Since independence, the Slovenian population has distanced itself completely from the inhabitants of former Yugoslavia and regard them as being as close to them as, say the Chinese or Japanese. According to the Public Opinion Poll, Slovenians considered themselves the closest to Austrians and Germans (Slovenian Public Opinion, 1994/5). It is characteristic of Slovenian culture not only to express a negative attitude towards everything "foreign" but also towards

Individualisation is often described as an important category of society. Despite several positive impacts, individualisation also has its negative impacts on the individual and society as a whole. Although positively linked with freedom, individualisation is negatively correlated with two basic concepts of the post-materialistic value pattern: responsibility and tolerance. Contrary to individualisation, **autonomy** is positively linked to freedom as well as tolerance, responsibility and imagination. Individualised persons compete more than they co-operate, they exclude and deprive more than they include and harmonise. People in democratic societies are protagonists, autonomous individuals. The pro-democratic society is built by autonomous and not just individualised persons. Each pro-democratic society needs freedom and equality as well as several other characteristics such as: participation, co-operation, acceptance of "the other" and "the different" individuals/information/views/ways of living.

Box 4: Quality of life

The quality of life is measured by three dimensions which could, according to Allardt (1975), be called: to have, to love (belong), to be. Or, in other words, the meeting of material, societal (security) and cultural needs (self-realisation). Or, in a further alternative: economic growth, social integration or cohesion and the value system (culture).

Economic growth is necessary for human development. It can save an individual from material poverty and, consequently, from other forms of poverty. However, economic growth alone is inadequate; its gains should be oriented to improving the well-being of the population (Sen, 1998) rather than merely the profit for owners. Economic growth should also thus be reflected in lower unemployment, a better education structure, better health of the population etc.

Social integration (cohesion) is only possible in combination with economic integration – culturally acceptable income inequality. Only with small material inequalities is there a chance of co-operation in other areas of society, since material exclusion consequently also means other forms of exclusion. The relative income of an individual is at the same time a measure indicating his or her connection with society.

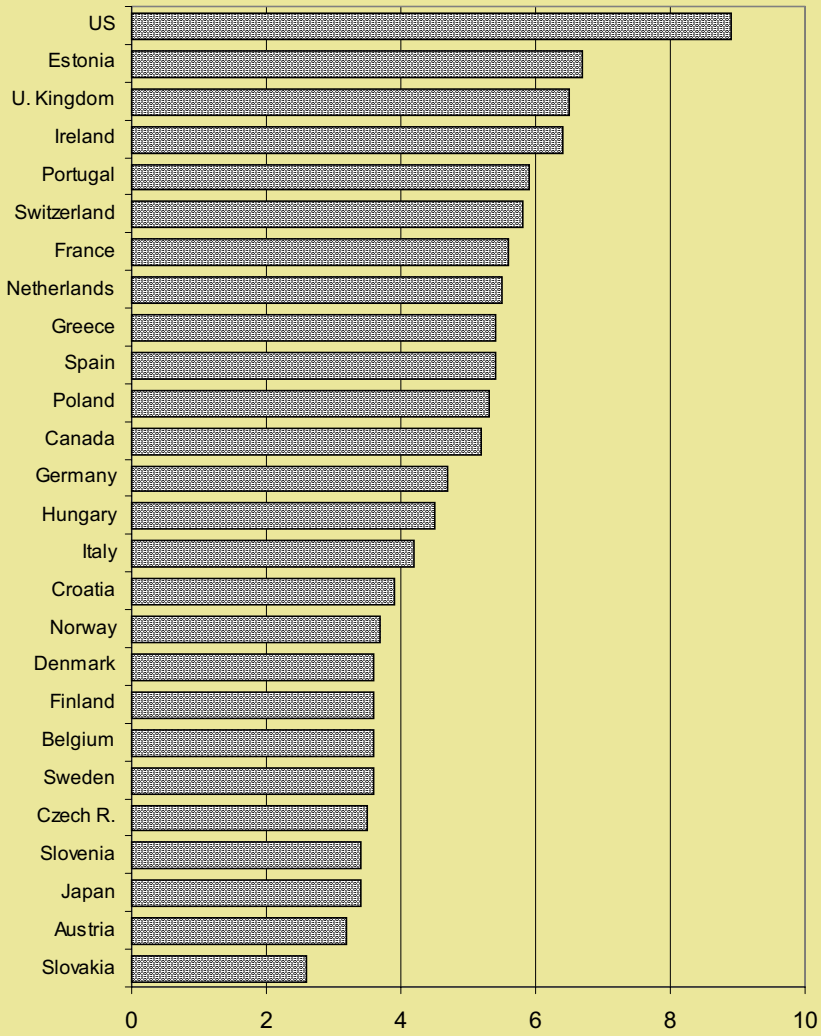
Culture – value system of co-operation. The whole set of political, economic, social and cultural values and convictions is crucially important. It is a prevailing system of values which presupposes the spirit of co-operation and division. People's **behaviour towards an unknown other** (Wilkinson, 1997) is of key importance for the development of a society. Do we consider this person as a fellow citizen with whom we create and share our common welfare, or is he or she only a barrier in our way to our individual welfare?

everything "domestic" but different. For the intolerant part of the population, it is difficult to control their everyday environment, they are self-centred and concerned only with their problems. The tolerant part of the population, on the other hand, is concerned not only with their own demands and wishes - which, in addition, often coincide with the development of the whole society - but also with demands of others (the excluded, deprived). Their awareness of social problems is higher, as is their wish to influence (co-create) social development.

The lack of acceptance and tolerance is, apart from other factors, also a result of the highly individualised Slovenian society. Individualisation does not favour co-operation, nor the building of a social network and social capital. Contacts within the family circle remain the most intensive. As Mirjana Ule pointed out, the young have returned to seek assistance within their families. Confidence in one's family is much higher than confidence in institutions or other individuals. Reticence, intolerance and competition exclude individual inhabitants.

As pointed out by Inglehart, an individual's participation in all social spheres is an important element of pro-democratic societies. The characteristically poor Slovenian co-operation can be explained simply at the level of the state. Non-co-operation of the cultural, economic, social, political and other spheres leads to unnecessary entropy and confrontations. Analyses also draw attention to the incapacity of experts to have any influence on Slovenian development. Civil society remains inactive and, what is more, unable to generate any change or to intervene in Slovenian development policies. It is, therefore, relatively useless to speak of the non-co-operation of the population if participation and thereby also any other form of decision-making and co-operation are restrained. The monopoly of political and economic spheres dictates the behaviour and activities and largely prejudices the desired and expected opinions and values.

Graph 1: Inequality



The third part of the report deals with inequity and poverty. The analyses show that income inequality, which was growing from the beginning of transition, levelled off and in some segments even slightly reversed. This was measured by the Gini coefficient and comparisons of the incomes (expenditures) of the richest 20% and the poorest 20% of the population. Unfortunately, these two methods do not allow any more subtle analysis. If instead of comparing the incomes of 20% of the population at both ends of the distribution scale, we take 10% of the population, the trend of total household income inequality is no longer steadily decreasing. Furthermore, inequality measured by quintiles (groups of 20% of the population) in 1998 was at the same level as that in 1983, whereas inequality measured by deciles

Table 2: Comparison of incomes of the richest and the poorest (20% - 10%)

	max 20%: min 20%	max 10%: min 10%
1983	3.452	4.737
1993	4.057	6.148
1998	3.443	5.334

(groups of 10% of the population) is considerably higher than before the beginning of transition. This points to the core of the problem: for most of the population the pre-transition situation has not changed considerably. For the population at both ends of the distribution scale, however, it has changed dramatically. The poorer have become poorer and the richer are richer! This holds even more so for the distribution of wages, where disparities have been growing continuously, although somewhat slower now than at the beginning of transition. Growing disparities in wages and narrowing disparities in household incomes show that drops in wages are compensated for by other incomes, such as social and unemployment benefits. Apparently, the state intervened quite efficiently in the consequences of the trends which started in the early nineties. Our analysis of inequity, however, disregarded property even though changes in the property structure of the population would most probably indicate even greater disparities.

In addition to measuring intensity and directions (upward or downward) of income inequality, an international comparison should be made to allow us to devise a clearer picture of the situation. According to the most frequently used comparison, i.e. the one based on quintiles, Slovenia is ranked quite favourably. Knowledge, or better put, lack of knowledge, which is in this year's report measured mostly in terms of functional illiteracy, is a greater problem for Slovenia. It is ranked very poorly in comparison with comparable countries or better with those countries with which it would like to be compared. Disparities between social strata and regions are also too wide.

Table 3: Top priorities (annual expenditures in billion US$)

Basic education for all	6
Cosmetics in the USA	8
Water and basic hygene	9
Ice-cream in Europe	11
Reproductive health for all	12
Parfumes in Europe and USA	12
Basic health care and food	13
Dog and cat food in Europe and USA	17
Cigarettes in Europe	50
Alcoholic beverages in Europe	105
Drugs in the world	400
Military expenditures in the world	780

Source: HDR 2000

Box 5: The ultra-rich

New estimates show that the world's 225 richest people have a combined wealth of over US$ 1 trillion, equal to the annual income of the poorest 47% of the world's people (2.5 billion). Since 1994, their wealth has been increasing on average by US$ 500 per second.
The three richest people have assets that exceed the combined GDP of the 48 least-developed countries.
The 15 richest have assets that exceed the total GDP of Sub-Saharan Africa.
The wealth of the 32 richest people exceeds the total GDP of South Asia.
The assets of the 84 richest exceed the GDP of China, the most populous country, with 1.2 billion inhabitants.
Another striking contrast is the wealth of the 225 richest people compared with what is needed to achieve universal access to basic social service for all. It is estimated that the additional cost of achieving and maintaining universal access to basic education for all, basic health care for all, reproductive health care for all women, adequate food for all and safe water and sanitation for all is roughly US$ 40 billion a year. This is less than 4% of the combined wealth of the 225 richest people in the world.
Source: HDR98.

Globalisation and human development

Globalisation is a world phenomenon which affects people's lives across the planet. It demonstrates itself in two extremes: as a threat or as a miraculous solution. This is also the case in Slovenia, where some people attribute to it, relatively uncritically, miraculous powers of solving all development and particularly economic problems, whilst others warn against its destructive consequences. For the former, globalisation is a welcome phenomenon as it allows almost unlimited markets, whereas the latter point out its many negative consequences, the widening gap between the rich and poor, "acquisitions" of national economies by multinational corporations, destruction of the cultures of small nations, emergence of global crime etc. The world 1999 Human Development Report presented some highlights of globalisation, as follows.

Globalisation is not new, but the present era has distinctive features: shrinking space, shrinking time and dis-

appearing borders are linking people's lives more deeply, more intensely, more immediately than ever before. Globalisation is more than the flow of money: it is the growing interdependence of the world's people not only at the level of the economy but also culture, technology and governance. It is governed by new markets which are linked globally, operating 24 hours a day; new tools (Internet links, cellular phones); new actors - the World Trade Organisation (WTO) with authority over national governments, multinational corporations with more economic power than many states, non-governmental organisations etc.; new rules - multilateral agreements on trade, services and intellectual property.

Globalisation offers great opportunities for human progress - but only with stronger governance. Increased trade, new technologies, foreign investments, expanding media and Internet connections are fuelling economic growth, human progress and the eradication of poverty. Global markets, global technology, global ideas and global solidarity can enrich the lives of people everywhere, greatly expanding their choices. The post-Cold War world has sped up progress in defining such values (adopting human rights, setting development goals in the United Nations conferences on the environment, population, social development, women etc.).

But the problem is that today's globalisation is being driven by market expansion - opening national borders up to trade, capital, information - outpacing the governance of these markets and their repercussions for the people. More progress has been made in norms, standards, policies and institutions for open global markets than for people and their rights. Competitive markets may be the best guarantee of efficiency, but not necessarily of equity. Many activities and goods that are critical to human development, such as social care, are provided outside of the market. They are provided by the state. When markets go too far in dominating social and political outcomes, the opportunities and rewards of globalisation spread unequally and inequitably - concentrating power and wealth in a select group of people, marginalising the others. Therefore, new rules will have to be found and institutions for stronger governance (local, national, regional and global) that preserve the advantages of global markets and competition, but also provide enough space for human, community and environmental resources. A new concept of globalisation will have to be ensured - globalisation with ethics (less violation of human rights), equity (less disparity within and between nations), inclusion (less marginalisation of people and countries), human security (less instability), sustainability (less environmental destruction), development (less poverty and deprivation).

The opportunities and benefits of globalisation need to be shared much more widely. Despite the increasing wealth in the world, more than 80 countries still have per capita incomes lower than they were a decade ago. Inequality has been rising within and between countries and unemployment has been on an increase. Although some have predicted that globalisation will help reduce disparities, they are in fact increasing even faster.

Globalisation is creating new threats to human security - in rich countries and poor ones. With the interdependence of global financial markets, crises spread rapidly from one part of the world to the other, and this affects employment and incomes. But the consequences of economic breakdowns are much more severe and likely to persist for people than for economies. Growing travel opportunities can threaten people's health more easily. New information technologies can put cultural diversity at risk. Crime has adjusted itself to the new circumstances, and brings about less personal security. Increased consumption in rich countries degrades the environment in poor countries.

New information and communications technologies are driving globalisation - but also polarising the world

Box 6

Reinventing world governance in the 21st century

1. **Commitment to global ethics, justice and respect of the human rights of all people.** There is a need for new values, standards and attitudes, and a widely felt sense of responsibility and obligations of governments, corporations and civil society organisations for enforcing these values.
2. **Commitment to human well-being as the end of development**, with open markets and economic growth as means to this end. Human development and social protection have to be incorporated in the principles of global governance.
3. **Commitment to respect of the diverse conditions and needs of each country.** Economic policy-making should be guided by pragmatism rather than ideology - what works in Bolivia does not necessarily work in Slovenia. The results might even be the opposite.
4. **Commitment to the accountability of all actors**. Multilateral agreements and international human rights regimes only hold national governments accountable, whereas multinational corporations and international institutions act across national borders and are not accountable under national laws. New standards and norms are needed to set limits and define responsibilities at the global level.

Key challenges for securing human development:

1. Strengthen policies and actions for human development and adapt them to the new realities of the global economy.
2. Reduce the threats of financial volatility and all their human costs (greater protection from threats to human security).
3. Develop new technologies for human development and the eradication of poverty.
4. Reverse the marginalisation of poor, small countries.
5. Remedy the imbalances in the structures of global governance and create a more inclusive system.
6. Build a more coherent and democratic architecture for global governance in the 21st century.

into the connected and the isolated. Rapid expansion of new technologies ensures easier transfer of knowledge, improved education, fast-track knowledge-based development, hearing of the voices of non-governmental organisations, and opportunities of small businesses for development. Despite the potential for development, the Internet poses several problems of access and exclusion: new technologies are concentrated only in some developed countries (geographical divisions), education is a ticket to the network high society, the domination of men and youth, and of the English language. This exclusivity is creating a parallel world for those with income, education and easy access to information.

The global technological breakthrough offers great potential for human progress and for eradicating poverty - but not with today's agendas. Liberalisation, privatisation and the protection of intellectual property determine how the new technologies are used. Corporations define research agendas and tightly control their findings with patents and thus marginalise poor countries in several ways: the priorities of research are determined on the basis of money, not actual needs (cosmetics come higher on the priority list than a vaccine against malaria); new findings and products are priced for those who can pay; more restrictive property rights raise the price of technology transfer; new patent laws pay scant attention to the knowledge of indigenous people; despite the risks of genetic engineering, commercial interests are putting profits before people.

The relentless pressures of global competition are squeezing out care for others. Care-related labour - providing for children, the sick and the elderly and other vulnerable groups - is an important input in the development of human capabilities, social cohesion, a strong community and economic growth. Unpaid activities performed largely by women (women spend two-thirds of their work time in unpaid activities, men only a quarter), underlie every economic (profit-making) activity of a society. But the market does not encourage or reward such activities. The global market is putting pressures on care-related labour: women's participation in the formal labour market is rising, yet women continue to carry the burden of care. Meanwhile, fiscal pressures are cutting back on the supply of state-provided care services, which are largely labour intensive.

Human development and equity are at the core of national and global governance, which has to be reinvented. None of the negative trends accompanying globalisation - growing marginalisation, human insecurity, and inequality - is inevitable. With political will and stronger governance they can all be reversed. They have to set new rules, institutions and new practices to create the basis for the common solving of problems.

The Internet and information (non)accessibility in Slovenia

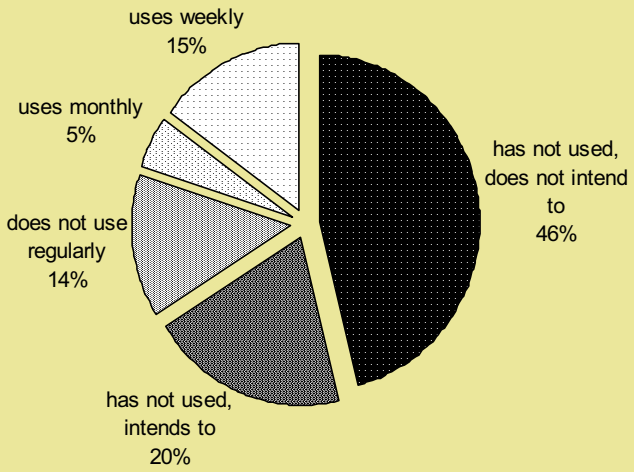
Use of the **Internet** in Slovenia has grown in three phases. Eight years ago, the first phase was implemented mostly by students and staff in academic institutions who had been given free access through the ARNES servers. In 1995-96, they were joined by the second group of users, consisting of secondary and elementary school students and pupils, thanks to the successfully implemented programme of computerisation in schools. And in the past two years, the third phase has involved a more heterogeneous structure of users, an increasing share of access from homes, and the prevalence of commercial forms of access mostly due to the lack of an information policy at the national level; as a consequence, the commercial access provided by the national telecommunication monopolist's subsidiary is financially more favourable than the free access available through the academic network.

Almost half of Slovenian households possesses a PC, and the Internet is used weekly or monthly by 20% of the active population. The share of all categories which use, have used or wish to use the Internet exceeds 50% of the active population.

The past two years have also been characterised by remarkable growth in the number of GSM mobile service users. Given the demonopolisation of the market of GSM mobile services and the related fall in prices, further fast growth in the number of GSM users may be expected. Taking into account that more than half of all households is connected to cable networks which also facilitate faster Internet access, the computerisation of Slovenia as a whole has been quite successful. However, these favourable indexes of computerisation and Internet use are spoilt by a poor structure of users - there have been tensions between the computerised and non-computerised population groups. The dividing line between the rich and poor in terms of computerisation in Slovenia is similar to those in developed countries. The Internet and other information services (E-banking, tele-services) users are the young, more educated, computer literate, male, richer, computer-oriented groups. However, it should be noted that the difference between male and female users is shrinking.

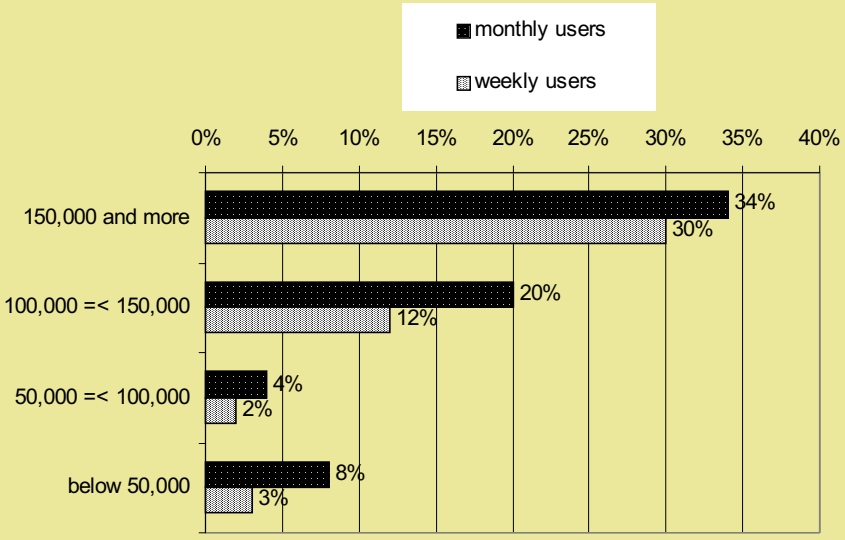
The Internet is mainly used to satisfy societal needs. Recently, the only possible exception has been the development of Internet-based banking services. They are accessed by a quarter of active us-

Graph 2: Actual and potential users in active population



Source: Vehovar & Kogovšek, RIS 2000

Graph 3: Daily and monthly users, compared to incomes



Source: Vehovar & Kogovšek, RIS 2000

The analysis of the regional territorial dispersion of daily users reveals a reduction in the share of daily users in central Slovenia and an increase in the share of users in the Štajerska region and in the Karst and Littoral regions. The number of active users in the less developed regions (Pomurje, Notranjska, Savinjska) is smaller, which - given the demographic and structural characteristics of users - points to a distinctive urban "grass-roots" way of introducing Internet use in Slovenia, excluding those groups usually not described as the "early adopters" of computerisation.

ers, and there are only a few electronic transactions among companies (mostly dealings with foreign companies). The only remarkable feature has been the exchange of electronic data between companies and the Agency of the Republic of Slovenia for Payments. Even worse are the results relating to electronic shopping - the main obstacles are fear of credit card abuse, the rigidity of Slovenian banks and the lack of offer in Slovenia.

Computer-supported work at home is moderate (only a few hours per month) although such telework could be carried out in almost half of Slovenian companies. The telework that is actually performed at home is as a rule work that could not be performed during working hours and is thus taken home – meaning unpaid extra hours.

The group of potential Internet users in Slovenia is thus complete. Without adequate policies of promoting computerisation, slower growth in the number of new users may be expected as well as the rapprochement of the Internet and other computerised service users with users of computer equipment in general. There is still no computerisation policy which would include the groups that are computer illiterate or even decline computerisation.

The younger groups of population are the least problematic; computer literacy is becoming something obvious for them. However, despite the relatively good computer equipment in schools, the research and use of information possibilities offered by cyberspace is as a rule not included in the education process, except for computer science lessons. The reason is to be found in the lack of alternative pedagogical approaches placing the student and teacher on a more equal position and are therefore unacceptable for many pedagogues, and at the same time require more prior preparation. More problematic are the other, non-computerised groups, which usually overlap with socially unprivileged people such as the elderly, housewives, ethnic minorities, the less educated.

In order to attain the territorially uniform computerisation of Slovenia and include the "less developed" groups in computerisation processes, policies of establishing local-regional information networks are very important in the long term. These public information networks must be open to users and content. The computerisation policies at different territorial levels should therefore derive from publicly accessible information networks which also facilitate the establishment of a non-profit cyberspace, the development of several cyber (sub)cultures and the promotion of local-regional "small" initiatives of electronic consumerism. The basis for including the "less developed" groups and for an integrated computerised Slovenia is: mass unlimited access including publicly accessible working stations for free use, free introductory courses in computer literacy, telephone help lines, local centres for telework, equipment rental agencies, subsidies on purchases of the necessary equipment for unprivileged groups, more information in the Slovenian language, and a greater number of more accessible, in terms of price and time, computerised and virtual (tele-)services.

Slovenia and human development

Apart from the calculations of HDI for Slovenia for 1992, 1994, 1995 and 1997, this year's report also presents new calculations of HDI for 1998, HPI-2 for the period 1994-1998 and GDI for 1998.

The Human Development Index for Slovenia was improving up until 1997 and so did Slovenia's ranking by this index. In 1998, like in 1997, Slovenia ranked 28th in the world. The improvement in 1997 can largely be attributed to a rising enrolment coefficient at all education levels. The growing enrolment was, however, the consequence - probably the only positive one - of rising unemployment: the young who fail to get a job decide to enrol in further studies. Life expectancy has also improved despite the fact that - of all three dimensions com-

prising human development - the state of health is the worst compared to other countries. Despite continuous improvements (in 1998, Slovenia ranked 33rd in terms of the health indicator), the state of health in Slovenia remains relatively poor. In 1997, Greece and Cyprus were ahead of Slovenia in terms of HDI, and they even improved their rankings in 1998 (Cyprus by 4 places, Greece by 2). Malta, which was behind Slovenia back in 1997, overtook it by 5 places in 1998.

In terms of the Gender-Related Development Index (GDI), Slovenia has a better position, ranking 25th (together with Greece). The value of the GDI is almost the same as the value of the HDI, which is not usually the case in other countries. This is largely due to the high share of women working, high share of incomes earned by women and the above-average participation of women in education. The HDI only reflects the development of a country in general, whereas the GDI captures inequalities between men and women. The Gender Empowerment Measure (GEM) was not incorporated in this year's calculations due to a lack of recent data.

The extent of poverty and inequity in a country is also an important indicator of human development. Poverty is measured by the poverty index, which is a multi-dimensional measure. It does not measure poverty only by material deprivation, but also by the deprivation of health, education and social inclusion. For the purpose of this report, we made a calculation of HPI-2, which we compared with 17 industrial countries. Slovenia ranked last - 18th. The reason why in last year's comparisons using this indicator Slovenia was ranked 6th was that the mean value (16.8) was taken into account for measuring functional illiteracy. The latest calculations, however, incorporate the actual value of functional illiteracy (42.2) and Slovenia is ranked accordingly. Apart from the highest functional illiteracy rate, Slovenia also recorded the highest percentage of people not expected to survive beyond the age of 60. According to the indicator showing a percentage of people living below the income poverty line, Slovenia is ranked 6th (together with Denmark) and, according to the rate of social exclusion, Slovenia is ranked 12th. Such a poor ranking of Slovenia in terms of HPI-2 was expected. Unfortunately, Slovenia cannot be compared with similarly ranking countries by other indicators, such as the HDI and GDI although, using only these two indicators, we could compare poverty in Slovenia with that found in similarly developed countries.

The Human Development Index (as well as other indices) does not change considerably over one year unless a country undergoes great social or economic changes. Over the nine-year period, the HDI for Slovenia has been progressively improving, indicating a slow but constant positive development trend.

Box 7: Calculation of Human Development Index

The Human Development Index (HDI) is a composite of three indices: health, education and economic development. The indicator of health is life expectancy, the indicator of education is composed of the indicator of literacy (two-thirds) and a combined enrolment ratio for primary, secondary and tertiary education (one-third). Economic development is expressed in terms of GDP per capita at purchasing power parities (US$ ppp). For each indicator, fixed minimum and maximum values have been established, which serve as a basis for calculating selected indices using the following formula:

$$\text{Indeks} = \frac{\text{(actual value - minimal value)}}{\text{(maximum value - minimal value)}}$$

For calculating the GDP index, the logarithms of these values have been used since 1999:

$$\text{Indeks} = \frac{\textit{log}\text{(actual value)} - \textit{log}\text{(minimal value)}}{\textit{log}\text{(maximum value)} - \textit{log}\text{(minimal value)}}$$

The indicators range between the following values:
·Life expectancy: 25 years and 85 years
·Adult literacy: 0% and 100%
·Enrolment coefficient: 0% and 100%
·Real GDP per capita in US$ at PPP: US$ 100 and US$ 40,000.
The Human Development Index is the composite of the three selected indices divided by 3.
The GDI (gender-related development index) uses the same variables as the HDI. The difference is that the GDI adjusts the average achievement of each country in life expectancy, educational attainment and income in accordance with the disparity in achievement between women and men.

Table 4: Human Development Index (1998)

HDI rank		LE	Lit	ER	GDPppp	LEi	Ei	GDPi	HDI	GDPppp rank-HDI rank
High human development countries										
1	Canada	79.1	99.0	100	23,582	0.90	0.99	0.91	0.935	8
2	Norway	78.3	99.0	97	26,342	0.89	0.98	0.93	0.934	1
3	United States	76.8	99.0	94	29,605	0.86	0.97	0.95	0.929	-1
4	Australia	78.3	99.0	114	22,452	0.89	0.99	0.90	0.929	9
5	Iceland	79.1	99.0	89	25,110	0.90	0.96	0.92	0.927	1
6	Sweden	78.7	99.0	102	20,659	0.90	0.99	0.89	0.926	15
7	Belgium	77.3	99.0	106	23,223	0.87	0.99	0.91	0.925	4
8	Netherlands	78.0	99.0	99	22,176	0.88	0.99	0.90	0.925	6
9	Japan	80.0	99.0	85	23,257	0.92	0.94	0.91	0.924	1
10	United Kingdom	77.3	99.0	105	20,336	0.87	0.99	0.89	0.918	13
11	Finland	77.0	99.0	101	20,847	0.87	0.99	0.89	0.917	8
12	France	78.2	99.0	93	21,175	0.89	0.97	0.89	0.917	5
13	Switzerland	78.7	99.0	80	25,512	0.90	0.93	0.92	0.915	-9
14	Germany	77.3	99.0	90	22,169	0.87	0.96	0.90	0.911	1
15	Denmark	75.7	99.0	93	24,218	0.85	0.97	0.92	0.911	-8
16	Austria	77.1	99.0	86	23,166	0.87	0.95	0.91	0.908	-4
17	Luxembourg	76.8	99.0	69	33,505	0.86	0.89	0.97	0.908	-16
18	Ireland	76.6	99.0	91	21,482	0.86	0.96	0.90	0.907	-2
19	Italy	78.3	98.3	83	20,585	0.89	0.93	0.89	0.903	3
20	New Zealand	77.1	99.0	96	17,288	0.87	0.98	0.86	0.903	7
21	Spain	78.1	97.4	94	16,212	0.89	0.96	0.85	0.899	9
22	Cyprus	77.9	96.6	81	17,482	0.88	0.92	0.86	0.886	3
23	Israel	77.9	95.7	81	17,301	0.88	0.91	0.86	0.883	3
24	Singapore	77.3	91.8	73	24,210	0.87	0.86	0.92	0.881	-16
25	Greece	78.2	96.9	81	13,943	0.89	0.91	0.82	0.875	9
26	Hong Kong, China (SAR)	78.6	92.9	64	20,763	0.89	0.83	0.89	0.872	-6
27	Malta	77.3	91.5	79	16,447	0.87	0.87	0.85	0.865	2
28	**Slovenia***	**75.0**	**99.6**	**82**	**14,800**	**0.83**	**0.93**	**0.83**	**0.864**	**3**
28	Portugal	75.5	91.4	93	14,701	0.84	0.92	0.83	0.864	3
29	Slovenia	74.6	99.6	81	14,293	0.83	0.93	0.83	0.861	4
30	Barbados	76.5	97.0	80	12,001	0.86	0.91	0.80	0.858	9
31	Korea, Rep. of	72.6	97.5	90	13,478	0.79	0.95	0.82	0.854	4
32	Brunei Darussalam	75.7	90.7	72	16,765	0.84	0.84	0.85	0.848	-4
33	Bahamas	74.0	95.5	74	14,614	0.82	0.88	0.83	0.844	-1
34	Czech Republic	74.1	99.0	74	12,362	0.82	0.91	0.80	0.843	3
35	Argentina	73.1	96.7	80	12,013	0.80	0.91	0.80	0.837	3
36	Kuwait	76.1	80.9	58	25,314	0.85	0.73	0.92	0.836	-31
37	Antigua and Barbuda	76.0	95.0	78	9,277	0.85	0.89	0.76	0.833	9
38	Chile	75.1	95.4	78	8,787	0.83	0.90	0.75	0.826	9
39	Uruguay	74.1	97.6	78	8,623	0.82	0.91	0.74	0.825	9
40	Slovakia	73.1	99.0	75	9,699	0.80	0.91	0.76	0.825	5
41	Bahrain	73.1	86.5	81	13,111	0.80	0.85	0.81	0.820	-5
42	Qatar	71.9	80.4	74	20,987	0.78	0.78	0.89	0.819	-24
43	Hungary	71.1	99.3	75	10,232	0.77	0.91	0.77	0.817	-1
44	Poland	72.7	99.7	79	7,619	0.80	0.92	0.72	0.814	10
45	United Ar. Emirates	75.0	74.6	70	17,719	0.83	0.73	0.86	0.810	-21
46	Estonia	69.0	99.0	86	7,682	0.73	0.95	0.72	0.801	7
Medium human development countries										
49	Croatia	72.8	98.0	69	6,749	0.80	0.88	0.70	0.795	7
52	Lithuania	70.2	99.5	77	6,436	0.75	0.92	0.70	0.789	8
57	Belarus	68.1	99.5	82	6,319	0.72	0.93	0.69	0.781	6
60	Bulgaria	71.3	98.2	73	4,809	0.77	0.90	0.65	0.772	19
62	Russian Federation	66.7	99.5	79	6,460	0.69	0.92	0.70	0.771	-3
63	Latvia	68.7	99.8	75	5,728	0.73	0.91	0.68	0.771	6
64	Romania	70.2	97.9	70	5,648	0.75	0.88	0.67	0.770	6
69	Macedonia, TFYR	73.2	94.6	69	4,254	0.80	0.86	0.63	0.763	19
70	Georgia	72.9	99.0	72	3,353	0.80	0.90	0.59	0.762	29
78	Ukraine	69.1	99.6	78	3,194	0.73	0.92	0.58	0.744	26
94	Albania	72.9	83.5	69	2,804	0.80	0.78	0.56	0.713	17

Source: HDR, 2000.

Note: *IMAD calculations.

Table 5: Gender-Related Development Index (1998)

Rank HDI		GDI		LE		Lit		ER		GDP		HDI-GDI
		rank	value	female	male	female	male	female	male	female	male	
High human developed coutries												
1	Canada	1	0.932	81.9	76.2	99.0	99.0	101	98	17,980	29,294	0
2	Norway	2	0.932	81.3	75.4	99.0	99.0	98	93	22,400	30,356	0
3	United States	4	0.927	80.2	73.5	99.0	99.0	97	91	22,565	36,849	-1
4	Australia	3	0.927	81.2	75.6	99.0	99.0	114	111	17,974	26,990	1
5	Iceland	5	0.925	81.4	76.9	99.0	99.0	89	86	22,062	28,127	0
6	Sweden	6	0.923	81.0	76.4	99.0	99.0	108	95	18,605	22,751	0
7	Belgium	7	0.921	80.7	74.0	99.0	99.0	107	104	15,951	30,801	0
8	Netherlands	8	0.919	80.8	75.1	99.0	99.0	96	99	14,902	29,600	0
9	Japan	9	0.916	83.0	76.9	99.0	99.0	83	86	14,091	32,794	0
10	United Kingdom	10	0.914	80.0	74.7	99.0	99.0	109	99	15,290	25,575	0
11	Finland	12	0.913	80.8	73.2	99.0	99.0	104	95	17,063	24,827	-1
12	France	11	0.914	82.1	74.4	99.0	99.0	94	91	16,437	26,156	1
13	Switzerland	13	0.910	81.9	75.5	99.0	99.0	76	83	16,802	34,425	0
14	Germany	15	0.905	80.3	74.1	99.0	99.0	88	90	15,189	29,476	-1
15	Denmark	14	0.909	78.4	73.1	99.0	99.0	95	90	19,965	28,569	1
16	Austria	16	0.901	80.3	73.8	99.0	99.0	85	86	14,432	32,190	0
17	Luxembourg	20	0.895	80.1	73.5	99.0	99.0	70	68	18,967	48,628	-3
18	Ireland	18	0.896	79.4	73.8	99.0	99.0	92	87	11,847	31,260	0
19	Italy	19	0.895	81.3	75.2	97.9	98.8	83	80	12,665	28,982	0
20	New Zealand	17	0.900	79.9	74.3	99.0	99.0	99	92	13,646	21,040	3
21	Spain	21	0.891	81.6	74.7	96.5	98.4	96	90	9,636	23,078	0
22	Cyprus	23	0.877	80.1	75.6	94.7	98.6	81	79	9,981	25,009	-1
23	Israel	22	0.877	79.9	75.8	93.7	97.7	81	79	11,660	23,034	1
24	Singapore	24	0.876	79.5	75.1	87.6	96.0	71	74	15,966	32,334	0
25	Greece	25	0.869	80.8	75.7	95.5	98.4	80	80	8,963	19,079	0
26	Hong Kong, China (SAR)	26	0.864	81.5	76.0	89.1	96.3	67	64	10,768	29,775	0
27	Malta	29	0.848	79.5	75.1	92.0	90.9	77	78	7,066	26,006	-2
28	**Slovenia***	**25**	**0.869**	**78.8**	**71.3**	**99.6**	**99.7**	**86**	**80**	**13,267**	**16,416**	**3**
29	Portugal	27	0.858	78.9	72.0	89.0	94.2	94	88	10,215	19,538	1
31	Korea, Rep. of	30	0.847	76.2	69.0	95.9	99.0	84	94	8,342	18,529	0
32	Brunei Darussalam	31	0.843	78.3	73.6	86.7	94.1	73	71	10,135	22,790	0
33	Bahamas	32	0.842	77.3	70.7	96.2	94.8	77	71	11,577	17,755	0
34	Czech Republic	33	0.841	77.7	70.6	99.0	99.0	74	73	9,713	15,153	0
35	Argentina	35	0.824	76.9	69.8	96.6	96.7	82	77	5,553	18,724	-1
36	Kuwait	34	0.827	78.4	74.3	78.5	83.2	59	56	13,347	36,466	1
38	Chile	39	0.812	78.4	72.4	95.2	95.6	76	78	4,011	13,660	-3
39	Uruguay	37	0.821	78.2	70.7	98.0	97.2	81	74	5,791	11,630	0
40	Slovakia	36	0.822	76.9	69.4	99.0	99.0	75	73	7,701	11,800	2
41	Bahrain	42	0.803	75.5	71.3	81.2	90.2	82	78	4,799	19,355	-3
42	Qatar	41	0.807	75.6	70.2	81.7	79.8	75	72	6,624	28,508	-1
43	Hungary	38	0.813	75.1	67.1	99.1	99.4	75	73	7,452	13,267	3
44	Poland	40	0.811	77.1	68.4	99.7	99.7	79	78	5,821	9,519	2
45	United Arab Emirates	44	0.793	76.7	74.1	77.1	73.4	72	66	5,398	24,758	-1
46	Estonia	43	0.798	74.7	63.4	99.0	99.0	87	82	6,076	9,492	1
Medium human developed countries												
48	Costarica	46	0.789	79.1	74.4	95.4	95.3	65	66	3,126	8,768	-1
49	Croatia	45	0.790	76.7	69.0	96.9	99.3	69	68	4,835	8,795	1
52	Lithuania	47	0.785	75.7	64.7	99.4	99.6	78	74	5,037	7,998	1
55	Mexico	50	0.775	75.7	69.7	88.7	92.9	69	71	4,112	11,365	-1
57	Belarus	49	0.778	74.0	62.3	99.4	99.7	83	79	4,973	7,839	1
58	Belize	60	0.754	76.3	73.5	92.5	92.9	72	72	1,704	7,368	-9
60	Bolgaria	53	0.769	74.9	67.8	97.6	98.9	75	69	3,691	5,984	0
62	Russian Federation	54	0.769	72.9	60.7	99.3	99.7	81	75	5,072	8,039	1
63	Latvia	51	0.770	74.5	62.8	99.8	99.8	76	73	4,951	6,655	5
64	Romania	55	0.767	74.1	66.5	96.9	98.9	69	69	4,169	7,178	2
78	Ukraine	63	0.740	73.9	64.2	99.4	99.7	80	74	2,327	4,191	4
94	Albania	77	0.708	76.0	70.1	76.2	90.5	68	67	1,977	3,594	2

Source: HDR 2000.

Note: *IMAD calculations.

Table 6: Human Poverty Index (HPI-2) for industrial countries

	Deprivation in survival	Deprivation in knowledge	Deprivation in income	Social exclusion	Human poverty index		
Countries	People not expected to survive to age 60 (%) 1995	People who are functionally illiterate[1] (% age 16-65) 1994-98	Population below the income poverty line[2] (%) 1995	Long-term unemployment, 12 months or more (as % of total labour force) 1995[3]	Human poverty index (HPI-2) for industrial countries values (%)	HPI-2 rank	Real GDP per capita (PPP$) rank
Norway	8.9	8.5	5.8	0.3	7.23	1	2
Sweden	8.5	7.5	8.7	2.7	7.54	2	13
Netherlands	9.2	10.5	6.2	1.9	8.17	3	8
Finland	11.1	10.4	3.9	3.1	8.64	4	12
Denmark	12.7	9.6	6.9	1.5	9.35	5	3
Germany	10.5	14.4	5.9	4.9	10.37	6	9
France	11.1	---[4]	8.4	5.2	11.15	7	11
Japan	8.1	---[4]	11.8	0.8	11.20	8	5
Spain	9.9	---[4]	9.1	10.2	11.59	9	17
Canada	9.2	16.6	10.6	0.8	11.78	10	4
Italy	8.9	---[4]	12.8	8.1	11.92	11	14
Australia	8.8	17	11.9	2.7	12.22	12	7
Belgium	9.9	18.4[5]	5.5	5.5	12.35	13	6
New Zealand	10.9	18.4	9.2[6]	1.5	12.76	14	16
UK	9.6	21.8	10.6	2.1	14.60	15	15
Ireland	9.8	22.6	9.4	4.4	14.96	16	10
United States	12.4	20.7	17.3	0.4	15.86	17	1
Slovenia[7]	**14.4**	**42.2**	**6.9**	**4.3**	**26.98**	**18**	**18**

[1]Based on prose level 1, as reported in the International Adult Literacy Survey (IALS), 1994-1998.

[2]Poverty is measured at 50% of the median disposable personal income.

[3]Standardized unemployment rates calculated by the International Labour Organisation.

[4]No data available. For calculating the HPI-2 value, the average of 15.1% of all countries (except Poland) included in the International Adult Survey has been used.

[5]Data refer to Flanders.

[6]The unweighted average of the indusrtial countries (excluding Eastern Europe and CIS).

[7]Source SORS and SIA, calculations IMAD.

Source: HDR 2000, column 1: UN 1994e; column 2: OECD, Human Resource Development Canada and Statistics Canada 1997; column 4: OECD 1997d.

Table 7: Human Development Index by regions

Year 1996	LE	LEi	Lit	ER	Ei	GDPppp	GDPI	HDI
Pomurska	72.1	0.79	0.99	0.716	0.899	10276	0.773	0.819
Podravska	72.1	0.79	0.99	0.771	0.917	10832	0.782	0.828
Koroška	72.7	0.80	0.99	0.780	0.920	11388	0.790	0.835
Savinjska	72.5	0.79	0.99	0.767	0.916	12479	0.806	0.838
Zasavska	71.9	0.78	0.99	0.809	0.930	11151	0.787	0.833
Posavska	71.4	0.77	0.99	0.768	0.916	11964	0.799	0.829
Dolenjska	71.9	0.78	0.99	0.799	0.926	12922	0.811	0.840
Osrednjeslovenska	74.5	0.83	0.99	0.826	0.935	16958	0.857	0.872
Gorenjska	73.9	0.82	0.99	0.803	0.928	12201	0.802	0.848
Notranjska	74.1	0.82	0.99	0.766	0.915	11192	0.787	0.840
Goriška	74.4	0.82	0.99	0.773	0.918	13015	0.813	0.851
Obalno-kraška	75.7	0.85	0.99	0.773	0.918	13499	0.819	0.860

Zasavska region

	Value	in % SLO=100	Index level; SLO=100	in % region=100	Rang	Slovenia value
Area (km^2)	264	1.3			12	20,273
Population (30/6/2000)	46,365	2.3			12	1,990,272
Population density (30/6/2000)	176		178.9		2	98
Ageing index** (30/6/2000)	100.2		114.1		10	87.8
Population growth rate, Jan-Jun 2000/1981, in %	0.1				9	5.2
GDP per capita 1997, in thousand SIT	1,205		82.4		11	1,463
Gross income tax base per capita, 1999, in SIT	797,741		96.2		6	829,340
Labour force, Jan-Jun 2000	20,008	2.3			12	877,425
Unemployment rate, Jan-Jun 2000, in %	15.7		126.5		10	12.4
Employment rate***, Jan-Jun 2000, in %	52.2		95		11	54.6
Area in ASDP* (km^2)	117	0.6		44.3	8	57.2
Population in ASDP*	29,221	1.5		63	7	48.7

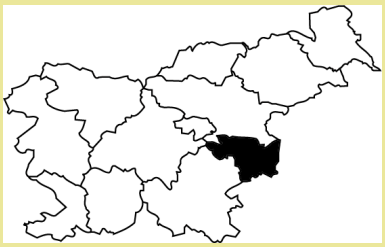
Savinjska region

	Value	in % SLO=100	Index level; SLO=100	in % region=100	Rang	Slovenia value
Area (km^2)	2,352	11.6			3	20,273
Population (30/6/2000)	256,834	12.9			3	1,990,272
Population density (30/6/2000)	109		111.2		4	98
Ageing index** (30/6/2000)	79.2		90.3		4	87.8
Population growth rate, Jan-Jun 2000/1981, in %	5.3				6	5.2
GDP per capita 1997, in thousand SIT	1,375		93.9		5	1,463
Gross income tax base per capita, 1999, in SIT	718,812		86.7		10	829,340
Labour force, Jan-Jun 2000	114,530	13.1			3	877,425
Unemployment rate, Jan-Jun 2000, in %	13.9		111.6		8/9	12.4
Employment rate***, Jan-Jun 2000, in %	54.6		99.4		8	54.6
Area in ASDP* (km^2)	1,788	8.8		75	5	57.2
Population in ASDP*	174,162	8.8		68.3	4	48.7

Obalno-kraška region

	Value	in % SLO=100	Index level; SLO=100	in % region=100	Rang	Slovenia value
Area (km^2)	1,045	5.2			9	20,273
Population (30/6/2000)	103,702	5.2			8	1,990,272
Population density (30/6/2000)	99		101.1		5	98
Ageing index** (30/6/2000)	110.9		126.3		12	87.8
Population growth rate, Jan-Jun 2000/1981, in %	11.4				1	5.2
GDP per capita 1997, in thousand SIT	1,507		103		2	1,463
Gross income tax base per capita, 1999, in SIT	951,805		114.8		2	829,340
Labour force, Jan-Jun 2000	44,709	5.1			8	877,425
Unemployment rate, Jan-Jun 2000, in %	9.4		75.4		2	12.4
Employment rate***, Jan-Jun 2000, in %	55.1		100.3		5/6	54.6
Area in ASDP* (km^2)	0	0		0	12	57.2
Population in ASDP*	0	0		0	12	48.7

Spodnjeposavska region

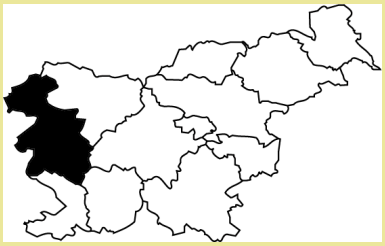


	Value	in % SLO=100	Index level; SLO=100	in % region=100	Rang	Slovenia value
Area (km^2)	885	4.4			11	20,273
Population (30/6/2000)	69,831	3.5			10	1,990,272
Population density (30/6/2000)	79		80.4		8	98
Ageing index** (30/6/2000)	92.8		105.7		6	87.8
Population growth rate, Jan-Jun 2000/1981, in %	-3.6				11	5.2
GDP per capita 1997, in thousand SIT	1,266		86.5		8	1,463
Gross income tax base per capita, 1999, in SIT	728,711		87.9		8	829,340
Labour force, Jan-Jun 2000	30,433	3.5			10	877,425
Unemployment rate, Jan-Jun 2000, in %	13.9		111.5		8/9	12.4
Employment rate***, Jan-Jun 2000, in %	54.7		99.6		7	54.6
Area in ASDP* (km^2)	885	4.4		100	1/3	57.2
Population in ASDP*	69,768	3.5		100	1/3	48.7

Notes: *ASDP - areas with special development problems, ZSRR (Ur. l. RS, 60/99);
**Ageing index = aged 65 and over / aged 0-14 * 100;
***Employment rate = persons in employment / working age population * 100.

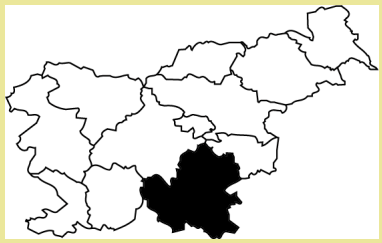
Goriška region

	Value	in % SLO=100	Index level; SLO=100	in % region=100	Rang	Slovenia value
Area (km^2)	2,326	11.5			4	20,273
Population (30/6/2000)	120,145	6			7	1,990,272
Population density (30/6/2000)	52		52.6		10	98
Ageing index** (30/6/2000)	104.8		119.4		11	87.8
Population growth rate, Jan-Jun 2000/1981, in %	1.5				8	5.2
GDP per capita 1997, in thousand SIT	1,446		98.8		3	1,463
Gross income tax base per capita, 1999, in SIT	925,405		111.6		3	829,340
Labour force, Jan-Jun 2000	50,172	5.7			7	877,425
Unemployment rate, Jan-Jun 2000, in %	6.4		51.2		1	12.4
Employment rate***, Jan-Jun 2000, in %	56.7		103.1		4	54.6
Area in ASDP* (km^2)	519	2.6		22.3	9	57.2
Population in ASDP*	21,907	1.1		18.3	9	48.7



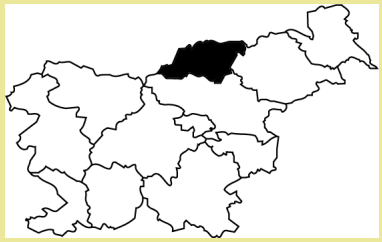
Jugovzhodna Slovenia

	Value	in % SLO=100	Index level; SLO=100	in % region=100	Rang	Slovenia value
Area (km^2)	2,685	13.2			1	20,273
Population (30/6/2000)	137,954	6.9			5	1,990,272
Population density (30/6/2000)	51		52.3		11	98
Ageing index** (30/6/2000)	74.6		84.9		2	87.8
Population growth rate, Jan-Jun 2000/1981, in %	7.3				4	5.2
GDP per capita 1997, in thousand SIT	1,430		97.7		4	1,463
Gross income tax base per capita, 1999, in SIT	766,029		92.4		7	829,340
Labour force, Jan-Jun 2000	61,185	7			5	877,425
Unemployment rate, Jan-Jun 2000, in %	10.9		88.1		6	12.4
Employment rate***, Jan-Jun 2000, in %	57.7		104.9		2	54.6
Area in ASDP* (km^2)	2,682	11		83.1	4	57.2
Population in ASDP*	87,334	4.4		63.6	6	48.7



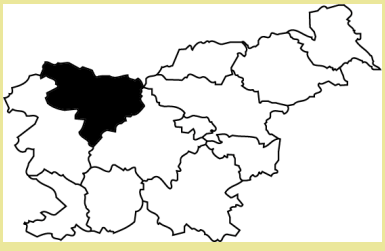
Koroška region

	Value	in % SLO=100	Index level; SLO=100	in % region=100	Rang	Slovenia value
Area (km^2)	1,040	5.1			10	20,273
Population (30/6/2000)	74,077	3.7			9	1,990,272
Population density (30/6/2000)	71		72.6		9	98
Ageing index** (30/6/2000)	74.2		84.5		1	87.8
Population growth rate, Jan-Jun 2000/1981, in %	5.9				5	5.2
GDP per capita 1997, in thousand SIT	1,272		86.9		7	1,463
Gross income tax base per capita, 1999, in SIT	721,184		87		9	829,340
Labour force, Jan-Jun 2000	31,624	3.6			9	877,425
Unemployment rate, Jan-Jun 2000, in %	10.8		86.9		5	12.4
Employment rate***, Jan-Jun 2000, in %	53.8		97.9		9	54.6
Area in ASDP* (km^2)	761	3.8		73.2	6	57.2
Population in ASDP*	48,444	2.4		65.5	5	48.7

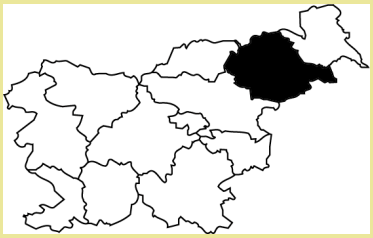


Gorenjska region

	Value	in % SLO=100	Index level; SLO=100	in % region=100	Rang	Slovenia value
Area (km^2)	2,137	10.5			6	20,273
Population (30/6/2000)	196,716	9.9			4	1,990,272
Population density (30/6/2000)	92		93.8		6	98
Ageing index** (30/6/2000)	79.1		90.1		3	87.8
Population growth rate, Jan-Jun 2000/1981, in %	9.7				3	5.2
GDP per capita 1997, in thousand SIT	1,356		92.7		6	1,463
Gross income tax base per capita, 1999, in SIT	830,199		100.1		5	829,340
Labour force, Jan-Jun 2000	84,099	9.6			4	877,425
Unemployment rate, Jan-Jun 2000, in %	10.4		83.9		4	12.4
Employment rate***, Jan-Jun 2000, in %	55.1		100.3		5/6	54.6
Area in ASDP* (km^2)	307	1.5		14.4	11	57.2
Population in ASDP*	34,962	1.8		17.9	10	48.7



Podravska region



	Value	in % SLO=100	Index level; SLO=100	in % region=100	Rang	Slovenia value
Area (km^2)	2,169	10.7			5	20,273
Population (30/6/2000)	319,694	16.1			2	1,990,272
Population density (30/6/2000)	147		150.1		3	98
Ageing index** (30/6/2000)	94.4		107.5		7	87.8
Population growth rate, Jan-Jun 2000/1981, in %	-0.2				10	5.2
GDP per capita 1997, in thousand SIT	1,208		82.5		10	1,463
Gross income tax base per capita, 1999, in SIT	694,447		83.7		11	829,340
Labour force, Jan-Jun 2000	138,568	15.9			2	877,425
Unemployment rate, Jan-Jun 2000, in %	19.2		154.4		12	12.4
Employment rate***, Jan-Jun 2000, in %	49.4		89.9		12	54.6
Area in ASDP* (km^2)	2,169	10.7		100	1-3	57.2
Population in ASDP*	319,139	16.1		100	1-3	48.7

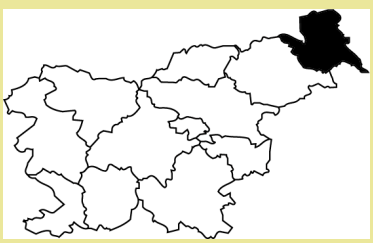
Notranjsko-kraška region

	Value	in % SLO=100	Index level; SLO=100	in % region=100	Rang	Slovenia value
Area (km^2)	1,456	7.2			7	20,273
Population (30/6/2000)	50,517	2.5			11	1,990,272
Population density (30/6/2000)	35		35.3		12	98
Ageing index** (30/6/2000)	99.1		112.9		9	87.8
Population growth rate, Jan-Jun 2000/1981, in %	1.9				7	5.2
GDP per capita 1997, in thousand SIT	1,253		85.6		9	1,463
Gross income tax base per capita, 1999, in SIT	833,026		100.4		4	829,340
Labour force, Jan-Jun 2000	22,261	2.5			11	877,425
Unemployment rate, Jan-Jun 2000, in %	11.1		89.4		7	12.4
Employment rate***, Jan-Jun 2000, in %	57.1		103.8		3	54.6
Area in ASDP* (km^2)	945	4.7		64.9	7	57.2
Population in ASDP*	25,624	1.3		51	8	48.7

Osrednjeslovenska region

	Value	in % SLO=100	Index level; SLO=100	in % region=100	Rang	Slovenia value
Area (km^2)	2,545	12.6			2	20,273
Population (30/6/2000)	489,676	24.6			1	1,990,272
Population density (30/6/2000)	192		196		1	98
Ageing index** (30/6/2000)	85.1		97		5	87.8
Population growth rate, Jan-Jun 2000/1981, in %	11.3				2	5.2
GDP per capita 1997, in thousand SIT	1,886		128.9		1	1,463
Gross income tax base per capita, 1999, in SIT	1,019,231		122.9		1	829,340
Labour force, Jan-Jun 2000	221,720	25.3			1	874,960
Unemployment rate, Jan-Jun 2000, in %	9.5		76.6		3	12.4
Employment rate***, Jan-Jun 2000, in %	58.3		106.1		1	55
Area in ASDP* (km^2)	533	2.6		20.9	10	57.2
Population in ASDP*	29,017	1.5		6	11	48.7

Pomurska region



	Value	in % SLO=100	Index level; SLO=100	in % region=100	Rang	Slovenia value
Area (km^2)	1,369	6.8			8	20,273
Population (30/6/2000)	124,761	6.3			6	1,990,272
Population density (30/6/2000)	91		92.8		7	98
Ageing index** (30/6/2000)	96.8		110.2		8	87.8
Population growth rate, Jan-Jun 2000/1981, in %	-4.4				12	5.2
GDP per capita 1997, in thousand SIT	1,136		77.6		12	1,463
Gross income tax base per capita, 1999, in SIT	668,991		80.7		12	829,340
Labour force, Jan-Jun 2000	55,783	6.4			6	877,425
Unemployment rate, Jan-Jun 2000, in %	17.7		142.5		11	12.4
Employment rate***, Jan-Jun 2000, in %	52.7		95.9		10	54.6
Area in ASDP* (km^2)	1,369	6.6		100	1/3	57.2
Population in ASDP*	124,989	6.3		100	1/3	48.7

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Chapter II
Cultural Aspects of Human Development

INTERNACIONALE

We're content to live in our country alone,
interest payments and condoms we don't need,
we're all the products of domestic seed,
they're ain't no foreigners in our home.

But because we're only a million strong,
we have to watch who lies side by side,
just in case incest might come along,
we carefully select who will be our bride.

But if we marry within our borders,
it's bound to happen soon or late
it's something that can't be avoided,
our seed's gonna spoil and degenerate.

But a confident ethnic group, oh no,
will not despair because our numbers are low,
we won't mix with other races
we'd rather risk gout, flat feet, Mongoloid faces,
our cousin might be our uncle and a cripple,
he might even have five pairs of nipples,
and maybe if God is good
a tyrant will be born among our brood,
he might have six eyes and six hands,
just so he doesn't carry the stench of foreign lands.

So at the very end of history,
when others have dissolved in the melting pot
and have lost their essential purity
our nation will have finally fulfilled its lot.

We'll have given birth to the future hero
for whom we all are waiting now,
the fruit of our millennial trauma:
none other than Mount Triglav.

OUR PEOPLE ARE THE CHOSEN PEOPLE
IT IS OUR BLESSING AND OUR CURSE
TO PLANT OUR FLAG IN THE TINIEST CORNER
OF THE WHOLE UNIVERSE.

Andrej Rozman - Roza

He who turns both love and hate inward
shall never know that he is alive,
the sweet kiss and sharp blow
in a world without echo.

(Božo Vodušek, The Enchanted Circle, Selected Poems, 1966)

The complex nature of development

The concept of human development emphasises the integral treatment of development which can only be achieved when economic indicators with the prevailing economic paradigm are taken into consideration along with complex social indicators with the prevailing social paradigm. Apart from economic and social factors, the third – cultural – aspect is also indispensable for the human development strategy. This is a relevant link, also representing the basis of two other development paradigms. Nevertheless, it is usually neglected in or entirely excluded[1] from economic and political science development strategies. In order to study development in more detail, an array of components has to be taken into consideration. Their delimitation, however, is complex due to the overlapping and interaction of various social spheres (social, political and economic) and cultural patterns. Therefore, the prevailing emphasis of the second chapter will be to provide an overview of cultural aspects (value orientations) within society and between societies, to determine their influence on economic, political and social factors, and vice versa: to establish to what extent other factors (economic, political, social) affect the cultural patterns of society.

The notion of culture is defined from many aspects. Values and beliefs form the core of culture, they offer orientation in decision-making and influence human action (Hofstede, 1984). In this chapter, the notion of culture will include everything that is passed from genera-

[1]The aspect of culture is not clearly obvious from EU accession programmes that will have consequences for EU member-states as well as for the countries that will join the EU. Cultural plurality, secularisation and post-modernisation processes are only starting to develop in some Central and Eastern European countries which are also not well prepared for multiculturalisation, identity fragmentation etc.

tion to generation through the everyday way of life – lifestyles, from symbols and value orientations to people's activities. The notion of culture is of a constitutively plural character. Each culture (e.g. Western, national, mass etc) is composed of several different, equally legitimate parallel cultures. As such, it can only have the function of a general notion: more or less it includes and connects different cultures which are also directed outward. We cannot speak only about one, all-encompassing dominant culture since each culture is far from being internally uniform, although it represents itself as such (in)formally; nevertheless, in this report we will generalise different cultures within countries into national cultures, because otherwise the analysis would become too complex. The declining importance of the state and its one-sided and monotonous influence (i.e. the processes of fragmentation, globalisation, multiculturalism, consumption etc) stimulate the pluralism of values, behaviours and lifestyles. Views, beliefs and values of the population influence the direction and pace of each society's development. Values indicate specific characteristics, controversies and conflicts within a certain society, while at the same time they enable their understanding and explanation within a society and between societies.

The welfare of the population can be shown by numerous indicators: material welfare, inequality, poverty, health, productivity, education, unemployment, etc, presented in more detail in Chapters 1 and 3; this chapter's objective is to analyse estimates of the personal satisfaction of the population (happiness, satisfaction with life, with one's financial situation etc), safety, intimacy (social contacts, informal help etc), control over the living environment, and participation possibilities (social activities, responsibilities, consultancies, participation in decision-making etc) and emotional welfare (self-creativity possibilities and required resources, comfort of living etc).

The purpose of Chapter 2 is to present characteristics, the differences between the population's values and standpoints, regional polarities, polarities according to income distribution, sex, age etc, and according to different spheres (economic, political, social, cultural) and their interactions, as well as to place Slovenia in the European and global contexts. Apart from the emphasised comparative dimension, the analysis of (negative/positive) deviations, the identification of factors influencing specific behaviour, the analysis of the state's functioning and activities of its inhabitants, our work will be aimed at finding possible concrete directions or solutions to avoid or eliminate negative development tensions, as well as finding responsible bodies.

Numerous theorists have already established the relevance of analysing the values and standpoints of respondents for studies in the field of human development; as a result, an array of different indicators has been developed to explain changes and the directions of the development of societies through different theoretic perspectives. Our analyses are based on **two theories**.

One of the most famous theories is certainly **Inglehart's theory of post-modernisation**, perhaps also because the author's work is based on the relevant comparative world study of people's values (WVS) he developed in co-operation with his colleagues and the main public opinion research centres in forty-three countries throughout the world[2].

The global database was also a basis for the empirical evaluation of many other theories, e.g. the **social capital theories**[3] which have been re-opening research within different scientific disciplines in the last fifteen years (Putnam, Coleman, Fukuyama, Bourdieu, Evans, Grootaert, Knack&Keefer, Woolcock,

[2]Australia and the majority of African countries are excluded from the survey, however the survey is relevant because it includes 70% of global population.

[3]The term "social capital" was used for the first time by Lyda Judson Hanifan in 1920 to describe group centres in rural schools; in 1961, it was used by Jane Jacobs to explain social networks in urban districts which created a form of social capital that promoted public safety. Glenn Loury and Ivan Light used the term social capital in the 1970s to analyse the issues of economic growth of towns and cities. In the 1980s, the term social capital was disseminated by sociologist James Coleman and political scientist Robert Putnam. Putnam spurred a series of discussions regarding the role of social capital and civil society in Italy and the USA.

Paldam, etc). In order to enable a thorough further analysis of development in Slovenia, the key emphasis of the above mentioned theories, also commonly used by many international organisations (UNDP, World Bank, etc) when analysing development, will be presented at the beginning.

Inglehart's definition of (post)materialistic values and orientations

Inglehart (1995, 1997), Harrison (1997) and Basanez (1996) proved that values are connected with economic as well as political development, and vice versa – that economic development and political culture influence the standpoints of inhabitants "in the long run". Economic development leads to certain changes in a system of generally accepted social values and beliefs – and these generate feedback effects which in turn influence changes in the economic and political systems of these societies.

Economic development is characterised by a syndrome of predictable changes (detours from traditional values, secularisation, multiculturalism etc) opposing absolute social norms and by emphasising post-materialistic values (rationality, equality, tolerance, trust, participation, quality of life etc). Cultural, social, economic and political components of different cultures/societies integrate into clearly recognisable combinations – coherent cultural patterns that determine many development phenomena (birth rate, economic growth, development of democratic institutions etc) and are connected with the economic development of these societies (Inglehart, 1995, 1997; Basanez, 1996). Inglehart distinguishes between four complexes of values characterised by two processes: **the modernisation process** *determines the transition from traditional values to the values of rational-legal authority*, while **the post-modernisation process** *determines the transition from scarcity values to security values*. Therefore, we talk about internally connected values which correlate significantly, and not individual values (indicators). The population is thus grouped according to three patterns of value orientations: **materialistic, post-materialistic,** and **combined**. These three categories are shaped on the basis of the attitude towards the stated goals. And post-materialism (as an in-

Box 1: Theory of modernisation and post-modernisation

The modernisation process is related to specific cultural changes characterised especially by the transition from traditional values to the values of legal authority. The "cultural modernisation" process (Inglehart, 1995) is taking place simultaneously with industrialisation, urbanisation, mass education, and rapid economic growth (somewhere up until the second half of the 20th century): a new system of values is developing which is no longer based on the family and religion institutions as centres of power, but on the state and political institutions.

The modernisation process is related to rapid economic growth, while the process of post-modernisation is more related to efforts to maximise the quality of life. In the last 30 years, the so-called post-modern cultural reversal took place in highly developed welfare countries – a syndrome of cultural changes characterised by a new system of values which were developed in the conditions of economic (social) and physical safety: **the modernisation process** determines the transition from traditional values to the values of rational-legal authority, while **the post-modernisation process** determines the transition from scarcity values to security values. This system is characterised by a post-materialistic orientation and the rejection of any kind of authority – its traditional forms as well as national authority. The emphasis is on the individual, their freedom, self-fulfilment and sensible work, leisure, social contacts, and participation in social life; there is also a higher level of awareness regarding environmental protection, women's and homosexuals' rights, higher tolerance towards foreigners and the variety of lifestyles in general. However, the development of such orientation is no longer directly influenced by economic growth – instead, it is influenced by the already formed democratic culture in these countries. It is a system of values and beliefs of an entirely different quality that is reflected in how people see and what they expect from their lives. Nevertheless, the new system of values is not only a consequence of social changes – to the same extent, it also contributes to the development of these changes.

The process of cultural post-modernisation is (as opposed to modernisation) characterised by the following processes:

1. Post-modern security values start to prevail. They replace the so-called scarcity values which developed in the period of industrialisation. For example, a growing share of the population gives priority to e.g. environmental protection over economic efficiency. On the personal level, people no longer emphasise material goods so much – the need for sensible work is more important. Work motivation is also changing – instead of one's salary, the quality of the work environment and possibilities for personal and professional development become more important.

2. Trust in the efficiency of bureaucratic authority is decreasing. Post-modernisation is shown as a general rejection of any kind of government and authority. The value system is no longer defined by religion or the state; an individual and quality of their life are the focal point, especially from the viewpoints of leisure, social contacts and self-expression. One of the most obvious and universal indicators of post-modernisation is less trust in all social institutions.

3. The "Western model" of development is rejected while the "socialist alternative" is simultaneously disintegrating. People express their distrust in the capitalist model and in the model of state socialism while, at the same time, the tendency towards democratisation is increasing on all levels of society, especially the need for the political participation of citizens.

4. Participatory values are increasingly stressed. Democratisation of a society is understood primarily in the sense of the increased opportunities of an individual to express themselves freely as a personality as well as in the area of politics.

5. Decreasing trust in the rationality of science and technology. An increasing share of the population is convinced that humanity's problems cannot be "answered" exclusively by the development of science and technology.

dex) is the most reliable announcer of the post-modern value pattern (high correlation).

Post-modernisation is connected with numerous changes at society's macro-level. On the global level, cultural post-modernisation is closely related to domestic product per capita (r=0.78) and not so much to economic growth; high rates of economic growth are even negatively related to the complex of post-modern values (r=-0.47). The formation of a post-modern value pattern is also related to the share of labour force in the service and information sectors (r=0.79) to the share of the population with at least a higher level of education (r=0.63) and, most closely, to the level and quality of democratisation of society (0.88) (Inglehart, 1995, 1996).

Inhabitants with a post-materialistic value orientation reject all forms of authority (state, traditional, church etc), demand active involvement and participation in decision-making in all social spheres and are familiar with the ways of achieving democracy. A post-materialistic value orientation is characterised by a high level of democratic culture (tolerance, trust, equality etc), tendencies towards the individual's social and emotional welfare (satisfaction, happiness, opportunities, leisure, self-realisation etc), active participation at all levels and autonomous individuals.

Social capital theories

Along with other forms of capital (material, human etc), social capital is an important development input. Most frequently it is defined as "social trust", which is one of the basic types of potential of a society to compete in the world market (Fukuyama, 1995). Although social capital functions separately from the economic sphere, it nevertheless has an important influence on it. Social capital is decisive for the development of civil society – organizations[4] and social networks somewhere between the family (private sphere) and the state (public sphere)[5].

Although social capital and a civil society are indispensable elements of democratic societies, monitoring of their behaviour is not pointless since each social capital and each civil society does not necessarily only bring socially positive effects (integrations, social contacts, informing etc). Co-ordination is necessary for all social activities. Counterparts of civil society are also the so-called hate groups[6], extremist social movements and the Mafia, which do possess social capital, however they are (except rarely) destructive and disintegrative elements of society. Material capital can be destructive as well, therefore legal control of all forms of capital and its transformations is necessary in order to prevent negative impacts (social disintegration, corruption, illegitimacy, violence etc).

Social capital is mathematically, theoretically and empirically hard to define which is indicated by the numerous aspects and high variability of the related research[7]. The basic and most common definitions of social capital given by the key social capital theorists are different, yet similar:

1. Social capital is a special form of social relations that enables individuals to co-operate and achieve their goals (Putnam, 1993).
2. Social capital means interpersonal relations, interactions and networks which are established between social groups, however social capital is also a level of trust within social groups. Social capital potential is reflected

Fukuyama quotes a story about a father (a "Mafia guy") who convinces his son to jump, promising to catch him. The son falls because his father does not catch him. The father tells him not to trust anyone, not even his own parents. Such norms lead to social distrust which also means non-co-operation.

Civil society, which contributed significantly to the success of democracy, is separated from the political as well as economic spheres; it is autonomous and reacts to events and processes in society. Organisations that build civil society are not concerned about gaining power or profit – they have other and entirely different interests (pacifism, tolerance, co-operation, social contacts, self-assistance, education, access to information, political participation etc). Social capital enables various organisations within complex societies to integrate and interconnect in mutual interests which would otherwise be ignored by the (powerful) state, or to warn against irregularities (e.g. the violation of human rights).

[4]The term "organisation" will be used in the report as a common term for all forms of (in)formal associations, groups, institutions, and non-governmental organisations - NGOs.

[5]Roughly generalised, social capital is largely being formed in the third sector, composed of voluntary (in)formal organisations, i.e. the non-profit voluntary sector.

[6]The term "hate group" includes all racist groups, movements or organisations, e.g. the Ku Klux Klan, neo-Nazis, the Aryan Nation, the Christian Identity etc. For more information here, see Gregorčič (2000).

[7]It is impossible to measure the absolute value of social capital of any country since it is impossible to include all factors, relations, and influences which (co)shape (positive/negative) social capital.

Box 2: Indicators of social capital and measuring issues

How do we measure social capital? Bourdieu emphasised back in 1986 that in order to understand the structure and functioning of global society, all forms of capital (material, human) have to be treated simultaneously and not separately as economic theories used to do. Various forms of capital and the processes of their transformation shape the basic strategies used by individuals and social groups to ensure the reproduction of capital. According to Bourdieu, social capital is the aggregate of actual or potential resources owned by networks of more or less institutionalised relationships, mutual acquaintances and identifications.

To measure social capital, two measures are used most frequently: a) information on (in)formal social groups and their members; and b) research on values and beliefs. However, various measurement problems are involved in both the first and second measures: social capital has an important quantitative dimension (for different organisations (e.g. clubs, churches), it is difficult to identify which kind of collective action they perform); a common problem is represented by the so-called "positive radius of trust" of group members – some organisations also build social capital outside of their membership; some groups do not build social networks despite their common values (e.g. vegetarians).

Fukuyama offers an alternative – instead of measuring positive social capital it is easier to measure the lack of social capital through traditional measures of social disfunctionality, such as: crime rate, divorces, drug abuse, suicides, law suits, avoidance of tax payment etc.

Social capital indicators will help us primarily in uncovering the "traps" of human development and the shortfalls in researching development in general – on a micro or macro level. In the analysis of Slovenia, indicators will be primarily used that explain important (dis)proportions in Slovenia and show the actual situation in the country and the development alternatives.

Organisations, (dis)integration and (dis)trust:
• Number and types of associations, societies, organisations, institutions, number of members, motivations for voluntary work; • Extent of participatory decision-making; possibilities to participate in all social spheres; • Degree of family, income and vocational homogeneity within an association; • Level of trust in fellow villagers and members of the household or family, inclusiveness (meetings, social ties, visits); • Level of trust in governmental institutions and other organisations; level of mutual trust; • Perception of the size of community organisation; and • Relying on support networks, share of household expenditures for gifts and money orders; level of voluntary work.
Civil society and political culture:
• Share of politically/economically discriminated people, index of intensity of political/economic discrimination; • Share of the population included in separatist/hate/militaristic and other extremist movements; • Intolerance rate, ethnocentrism index; intensity and functioning of new social movements; • Gastil index of political rights, Freedom House index of political freedoms; • Democracy index; political stability estimate, assassinations, political coups; • Corruption index; • Government inefficiency index; bureaucracy efficiency, voting participation, constitutional changes of the government; • Power of democratic institutions, estimate of political stability, government decentralisation rate; and • Human liberty estimate.
Social (dis)integration:
• Social mobility; ethnic-linguistic fragmentation[1]; • Estimate of the power of “social tensions”; riots and demonstrations, strikes; (in)formal social action; • Rate of murders and suicides; share of criminals, share of prisoners; • Rate of illegitimacy; and • Share of single-parent families, divorce rate; share of young unemployed people.

[1] *Ethno-linguistic fragmentation* – or commonly named ethnic heterogeneity index measures the possibility that two randomly chosen respondents from the same country will not belong to the same ethno-linguistic group.

through many areas such as education, social mobility, economic growth, political prominence, activity of the community etc (Wall, Ferrazzi&Schryer, 1998).

3. Social capital is perceived as a source of social actions. Some sociologists prove that social capital enables an individual (a family, a group) to get by or get ahead (Woolcock, 1998).
4. Social capital is defined by Fukuyama (1995, 2000) as an adequately arranged complex of informal values and norms between members of the community, enabling their co-operation. Social capital is established only when members of a group trust each other, functioning as a lubricant. A group maximises its efficiency. Common values and norms do not produce social capital by themselves; it is generated by certain values and norms and certainly not by all of them. Norms that generate social capital emerge from three "virtues": telling the truth, inter-relations, and reciprocity.

Social capital is a system of values, norms and social relations intertwined into a social structure, enabling people to act in coherently to accomplish the set goals.

Box 3: Methodology

The analysis was carried out with the help of Slovenian Public Opinion Poll data for the period 1990-1999. The source of information is databases of the Slovenian Public Opinion Poll from 1990-2000. The majority of research was devoted to the international survey of values, conducted under the leadership of the Social Sciences Faculty, Institute for Social Sciences, and the Centre for Public Opinion and Mass Communication Research, Ljubljana, in co-operation with the Institute for Social Studies at Michigan University, USA, and the Anton Trstenjak Institute in Ljubljana.

For international comparison, the publication Human Values and Beliefs: A Cross-Cultural Sourcebook was used where data for 1992 are used, including patterns from forty-three countries around the world, representing 70% of global population. In order to compare estimates of the Slovenian population with the global average, the missing values (no response or "I don't know") were excluded from calculations. Global and European averages are in some cases statistically less comparable since averages are calculated for 1992, however, only in a few cases were we able to use new data from the Eurobarometer (EB) or data from secondary sources (published professional papers) for comparison.

The three essential Slovenian Public Opinion Polls (SJM) used in the analysis and which included thematically similar (or entirely the same) groups of questions are as follows: SJM92/1 (N=1034), SJM95/2 (N=1007), and SJM99/3 (N=1006). Apart from the three mentioned surveys, databases of SJM97/1, SJM2000/2, and some other data were processed.

The analysis includes dependent variables related to subjective estimates of the quality of life and attitudes towards the key areas of life, social development, changes in lifestyle, goals of the state, governing of the state, political system and poverty, participation, social action, trust, voluntary work, human rights etc. Sex, age, education, income, political views of the respondents, in some cases also regions and numerous internationally established indices and economic indicators (UNDP, World Bank, WHO, etc) were used as independent variables.

Figure 1: Indicators of (post)materialistic value orientation

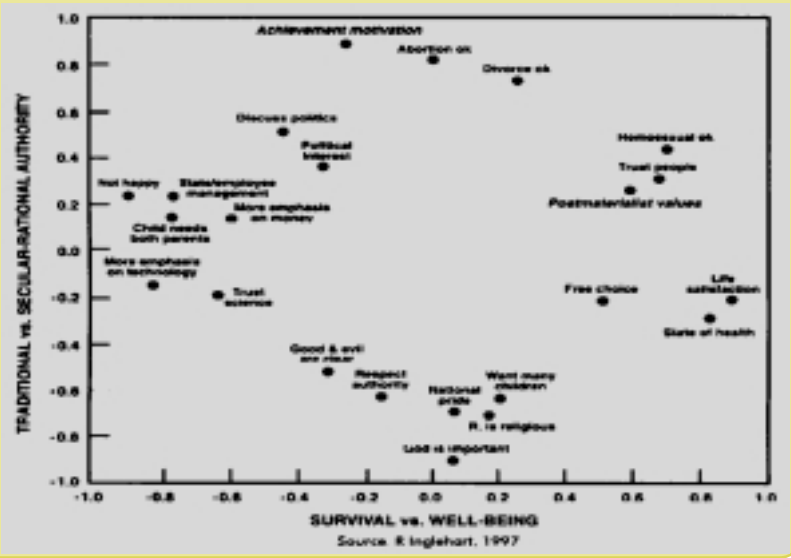
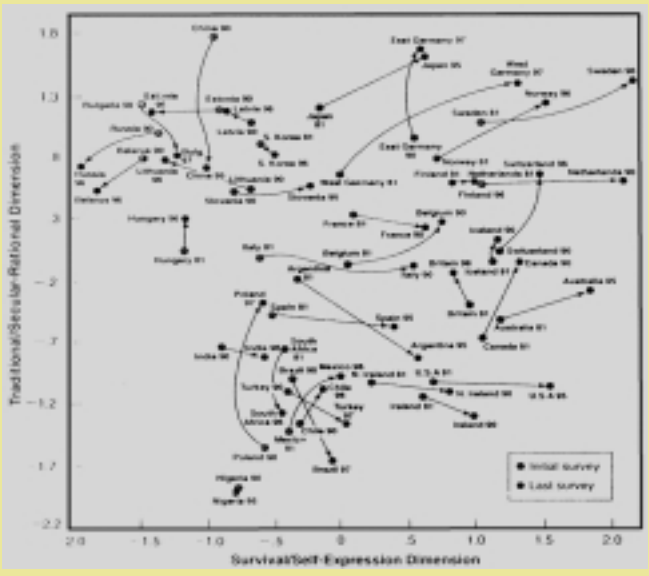


Figure 2: Shift in value orientation



5. Social capital is represented by "institutions, family ties and norms that shape the quality and quantity of social interactions." (World Bank, 1999).
6. Many authors point out the incompatibility and dark side of the term 'social capital' and offer new terms such as: 'social cohesion' (Ritzer, Easterly, Woolcock); similarly, the importance of social norms is emphasised by Knack and Keefer (informal regulation of social norms), 'perverted social capital' (Rubio, 1997, Fukuyama) etc.

In numerous analyses and researches various authors come to similar findings: a strong positive correlation between the level of education and the level of social capital on the individual and group levels (Putnam, 1995, Knack & Keefer, 1997, Onyx & Bullen, 2000, Hugher et al., 2000); a high correlation between employment and social capital – the employed more frequently join various organisations and more frequently cooperate in social life than the unemployed (Putnam, 1996); the degree of social and economic polarisation is related to the development of (non)co-operation and trust values (Coleman, Fukuyama, Baker); countries with a high level of social capital have lower mortality (Kawachi, 1997) etc.

Shifts in value orientations

A distinctive shift towards the post-modernisation process – from scarcity values to safety values – has taken place in various countries throughout the world. The time analyses in the framework of global research reveal negative shifts in value orientations only in certain countries of the former Soviet Union where scarcity values are distinctly emphasised, while traditional values are prevailing in some other countries. The influence of economic development on cultural patterns is also confirmed by systematic differentiation between cultural patterns of poorer and richer countries. Similarly as countries can be grouped according to various economic and social indicators, they can also be grouped (e.g. the Scandinavian countries, countries of the former Soviet Union, South American countries etc) according to values and beliefs. Slovenia is variably placed in different groups of countries (from the Balkans and neighbouring countries (Austria, Italy, Hungary etc) to Western European and South American countries), however when all indicators are taken into consideration, it more closely resembles Portugal. According to some indicators, it is ranked even above individual EU countries (especially Greece, Italy, Portugal, and Spain) or it falls within the EU average.

Regarding all dimensions, Slovenia is not far from the average – it unites elements of all dimensions and is ranked the closest to the centre. According to research conducted on two time cross-sections (1990 and 1995), it is gradually approaching safety values. The six key areas of Slovenia's cultural development are presented in this paper – our presentation will be based on the already defined theories (post-modernisation and social capital).

Between aggression, intolerance and non-co-operation

1. The quality of life

Quality of life at the micro level (an individual) means coping with the everyday living environment and universal satisfaction (personal, material, health and life in general), while at the macro level (society) it means benefits and (social, material, human etc) capital which are contributed to society through individuals' actions.

Despite the fact that the economic and social indicators for Slovenia show a relatively satisfactory level of welfare (economic growth, Slovenia is ranked among the 30 most developed countries in the world according to the HDI as well as

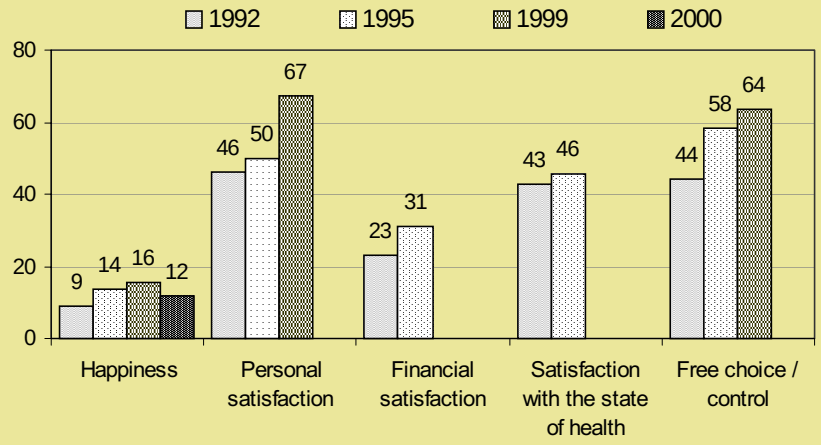
Analyses of people's estimates of the quality of life often show that, despite actual improvement of e.g. the financial situation, in all regions respondents declare themselves as less satisfied with their financial situation. Estimates frequently differ from actual changes in a country – also because subjective estimates are influenced by a wide range of factors – demands and expectations are growing, needs tend to change etc. An estimate of the financial situation is also largely related to competition. People estimate their financial situation not by their own needs but by other people's (neighbours, opponents, friends etc).

A general estimate – how good or how bad is the life of Slovenians – was based on the following indicators:

1. happiness: the share of respondents declaring themselves as "very happy";
2. health: the share of respondents describing their health condition in recent days as "very good" or "good";
3. satisfaction with life: the share of respondents evaluating their "satisfaction with life as a whole in recent days" with grades from 7 to 10 on a ten-grade scale;
4. satisfaction with financial situation: the share of respondents evaluating their "satisfaction with the financial situation in the household" with grades from 7 to 10; and
5. taking decisions about life: the share of respondents evaluating the possibilities of "taking decisions about their own lives" with grades from 7 to 10 on a ten-grade scale ranging from "absolutely none" to "to a large degree".

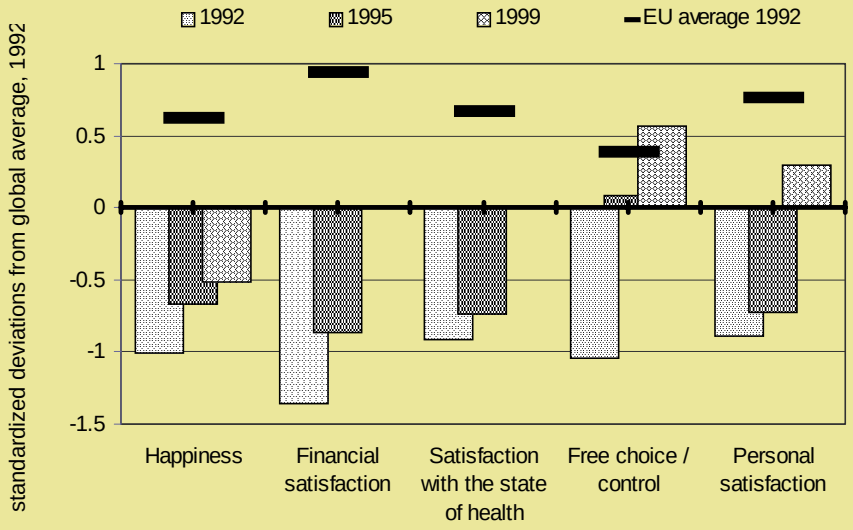
The selection of modalities takes international comparability into consideration.

Graph 1: The quality of life in Slovenia



Sources of data: SJM 92/1, SJM 95/2, SJM 99/3, SJM 2000/2.

Graph 2: The quality of life



Sources of data: WVS 92, SJM 92/1, SJM 95/2, SJM 99/3.

Table 1: The quality of life by regions

	1992	1995	1999
Goriška	0.07	0.11	0.38
Obalno-kraška	-0.03	-0.07	0.31
Osrednjeslovenska	-0.14	0.25	0.28
Gorenjska	-0.16	0.14	0.24
Koroška	-0.24	0.05	0.21
Notranjska	0.06	-0.11	0.21
SLOVENIA	**-0.17**	**0.04**	**0.20**
Zasavska	-0.44	-0.32	0.20
Savinjska	-0.27	-0.11	0.18
Podravska	-0.20	-0.04	0.16
Dolenjska	-0.40	-0.01	0.08
Pomurska	-0.17	-0.01	0.05
Posavska	-0.24	-0.28	-0.27

Note: The table shows the arithmetic mean of the variable the "quality of life" broken down by regions and years. The "quality of life" represents the quality of life of respondents. The variable is composed (Likert scale) of indicators representing one dimension of the quality of life. The categories taken into account are happiness, satisfaction with state of health, financial satisfaction, free choice/control, and general satifaction with life. All indicators have the same weightening. A lower value means a lower quality of life, a higher value means a higher quality of life.

Sources of data: SJM 92/1, SJM 95/2, SJM 99/3.

according to GEM and GDI and HPI, the unemployment rate is falling, inequalities are decreasing etc), the quality of life is estimated as relatively low by the population itself. In 1992, Slovenia was the most similar to Eastern European countries and the countries of the former Soviet Union regarding the population's estimate of the quality of life. Although the quality of life is gradually improving according to estimates of the Slovenian population (all indicators – happiness, health, satisfaction with their own life, possibilities to make decisions about their lives and satisfaction with one's financial situation – are improving), it remains low when compared to the global average (and even lower compared to the average of EU countries)[8]; in 1992, 1995 and 1999 it was below the EU average calculated for 1992.

The most recent research (SJM 2000/2) revealed that the level of happiness is dropping slightly (only 12% of the population declared as very happy), which is also the first indicator of the quality of life with a downward trend[9].

According to the most recent data (1999), Slovenia is ranked 31st among 43 countries regarding the people's satisfaction with their financial situation and health, while it takes 14th place in terms of people's estimates of the possibilities to make decisions about their own lives – here, a large step forward was recorded (a 43.6% relative change in the 1992-1999 period). The slogan of life in developed countries is "life is something I will make true" and individuals see themselves as protagonists directing their own lives, while citizens of the countries with a low level of democracy (or without it at all) take life as something "which happens to me and I have to accept it". According to recorded changes in their beliefs, Slovenians are gradually becoming autonomous individuals, protagonists that help shape their everyday life with the possibility and desire for active participation at all levels of society. However, the trend of improving estimates regarding the quality of life indicates a longer transition. The welfare estimate will be higher only when possibilities for co-operation and participation in decision-making are assured (strongly expressed demands for participation in the Slovenian sample are also evident in relation to many other indicators: stronger influence of professionals on governmental decisions, estimated level of democracy, human rights etc).

[8]Global and EU averages are calculated from 1992 data because this was the latest data available.

[9]In 2000, only happiness was measured as one of indicators of the quality of life, therefore we cannot give any preliminary predictions regarding the changing trend.

Figure 3: The quality of life by regions

Table 2: Correlation between indicators of the quality of life and socio-economic indicators (correlation coefficients)

	Ethnocentrism index 1992	Share of materi. 1992	LE 1992	Share of postmat. 1992	GNP 1990	GDP 1992	HDI 1990	Share of women in Parliament 1996	External causes[1] 1992	Infant mortality 1992
Happiness	-0.64	-0.61	0.37	0.62	0.50	0.62			-0.75	-0.72
Satisfaction with state of health	-0.68	-0.66		0.60	0.55	0.58		0.33	-0.80	-0.72
Free choice/ control	-0.68	-0.45				0.42		0.38		-0.61
Personal satisfaction	-0.81	-0.64	0.52	0.62	0.64	0.71	0.48	0.36	-0.67	-0.81
Satisfaction with financial situation	-0.69	-0.64	0.52	0.68	0.71	0.79	0.51		-0.70	-0.72

[1]Mortality due to external causes (car accidents, homocides, suicides etc)

Sources: WVS 92, UNDP.

Note: Correlation coefficients calculated on the basis of World Values Survey (cases represent coutries).

In 1992, Slovenia most closely resembled Romania in terms of all indicators of the quality of life, while according to the most recent data (1995, 1999), it is closest to Poland (also similar to Portugal, Spain, and Eastern Germany)[10].

Like with indicators of the quality of life (life expectancy, GDP, wages, unemployment rate etc), the analysis of the quality of life divides Slovenia into the western part (Goriška, the Obalno-kraška region, and Osrednjeslovenska) where the quality of life is estimated as relatively high, and the eastern part (Posavska, Zasavska, Pomurska, Dolenjska regions) where it is estimated as low. Estimates concerning the quality of life in Slovenia are strongly influenced by the education level, age and income of respondents: it is estimated as higher by people with a higher education level and

[10]According to cluster analysis – Ward method/Euclidean distances.

Table 3: Correlation between happiness and other indicators in 48 countries of the world (correlation coefficients)

Income per capita	0.64	Education	0.51
Percentage of murders	-0.39	Faith in god	0.38
Death accidents	-0.67	Individualism	0.69
Respect of political freedoms	0.35	Tolerance	0.58
Respect of human freedoms	0.41	Membership in volunteers' organisations	0.52
Acceptance of homosexuality	0.62	Percentage of urban population	0.48
Perception of one's own freedom in life	0.50	Number of telephone lines	0.64
Perception of one's own freedom at work	0.74	GEM	0.51

Source: Ruut Veenhoven (1998).

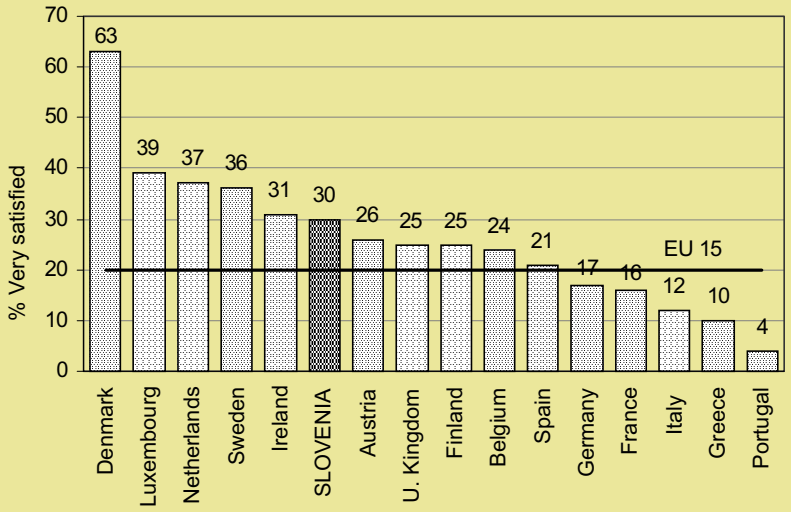
income, while it decreases with the increasing age of respondents.

According to the world database, there is a high correlation between a GDP indicator in terms of purchasing power and the indicators of the quality of life ($0.42<r<0.79$). For Slovenia, we have already established the relatively high quality of life of the population in terms of economic indicators and almost the opposite – unsatisfactory – picture regarding non-economic indicators, for which good reasons must exist. The most distinctive and most obvious are the following reasons:

1. The high percentage of the population with a materialistic value orientation is negatively related to people's estimates of welfare ($-0.45<r<-0.66$).
2. The high rate of ethnocentrism and intolerance is related to low welfare estimates ($-0.45<r<-0.78$).
3. The low level of democratisation of the state (indicated by many indicators such as a low share of women in Parliament, the number of democratic institutions etc) is highly related to low welfare estimates.
4. There is a negative correlation between closedness (insufficient flow of capital/information/people/goods) and people's estimates of welfare; it strongly influences satisfaction with life ($r=0.41$) and the possibilities to take decisions about one's own life ($r=0.51$).
5. The high mortality rates due to external causes (traffic accidents, suicides etc) also indicate the quality of people's lives. In countries with a higher share of deaths due to external causes (aggressive deaths), the quality of life is estimated as low by their population ($-0.67<r<-0.80$).

In Slovenia, the number of suicides per 100,000 inhabitants (28.5) is close to the total mortality rate in England due to external causes – murders, suicides, traffic accidents etc (28.2) (WHO 2000).

Graph 3: Satisfaction with life (EU 1999 and Slovenia 1997)



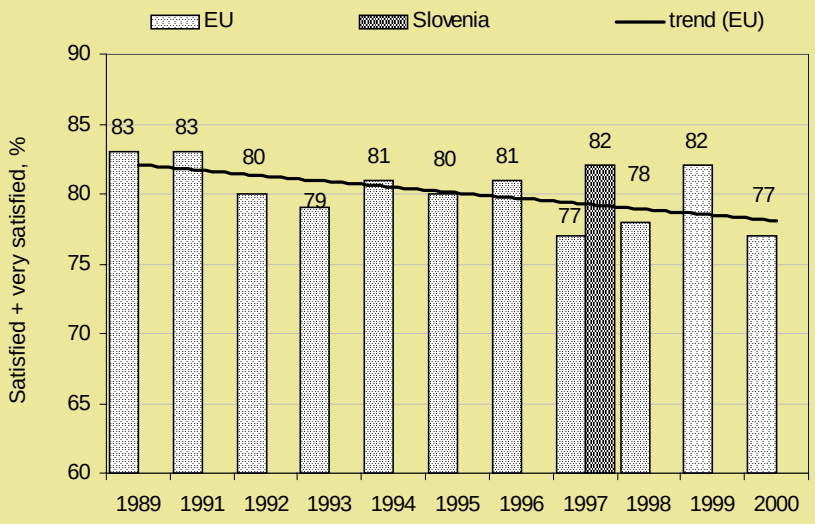
Sources of data: EB (1999), SJM 97/1.

In relation to one of the indicators of quality of life – satisfaction with life – (only the share of respondents declaring themselves "very satisfied" is measured), the most recent Eurobarometer data is available. It shows a slightly more optimistic picture for Slovenia. According to the Eurobarometer data (EB44 – EB53), satisfaction with life in EU countries fell considerably in 2000 (except in Ireland and Great Britain). The EU average dropped to 17%. The largest drop was recorded in Denmark, Luxembourg, and Germany (6%), the Netherlands and Belgium (5%). If the results of the SJM survey are compared to the EU average (for EU 1996-1999, for Slovenia 1997), the higher satisfaction of Slovenians is evident. From 1996-1999, the average satisfaction of EU citizens with their lives

was 20%, while the average for Slovenia was 30% in 1997 (SJM97/1). The data was measured using a four-level scale[11] and are not comparable to the World Values Survey – WVS (in which Slovenia was placed at the bottom because it was measured on a ten-level scale). In EU countries, a slightly decreasing trend in satisfaction of the population is evident (the share of "very satisfied" + "satisfied" was 77% in 1997 and 2000, which was the lowest value since 1981). If we compare satisfaction with life ("very satisfied" + "satisfied") with the EU member-countries for 1997, Slovenia is ranked 6th, which is 5% above the EU average. Here, we have to take into consideration that extremely large differences exist between the member-states in satisfaction estimates. The differences between the country with the highest position (Denmark) and the country at the bottom (Portugal) are 19-fold. In 2000, 57% of respondents in Denmark declared themselves as "very happy" (63% in 1999), while in Portugal the percentage is 19-times lower (3% of the respondents were "very satisfied" in 2000 and 4% in 1999). If Slovenia is compared to the country with the highest satisfaction estimate – Denmark, the general satisfaction of the citizens of Slovenia measured in 1997 (according to the EB) was 15% lower.

However, satisfaction with life itself does not show the whole picture of the quality of life of the population. Even after 1999, Slovenia remains below the 1992 EU average regarding three indicators: happiness, satisfaction with the financial situation, and the estimate of one's health condition. Self-estimate of the quality of life is a reflection of the social climate as a whole. Economic growth, growth of wages or reduction of poverty do not tell much about the feelings of the population except for a change of social position.

Graph 4: Decreasing of satisfaction in EU countries



Sources of data: EB, SJM97.

2. Feelings

Feelings of the population are related to indicators of the quality of life as well as to state development indicators. Correlations between indicators of the quality of life and indicators of positive feelings are stronger and statistically more significant than correlations between indicators of the quality of life and indicators of negative feelings. People who are most unhappy with their financial situa-

We are interested in how people feel these days. During the past few weeks, did you ever feel (YES/NO):

1. Particularly excited or interested in something;
2. So restless you couldn't sit still;
3. Proud because someone had complimented you on something you had done;
4. Very lonely or remote from other people;
5. Pleased about having accomplished something;
6. Bored;
7. On top of the world/feeling that life is wonderful;
8. Depressed or very unhappy;
9. That things were going your way;
10. Upset because somebody criticised you?

Table 4: Correlation between indicators of the quality of life and feelings (correlation coefficients)

	Excited	Proud	Pleased	Bored	"On top of the world"	Meeting goals	Upset
Happiness		0.56	0.34		0.74	0.39	
Satisfaction with the state of health		0.64	0.46		0.68	0.40	
Free choice/control	0.43	0.51	0.51		0.45	0.44	
Personal satisfaction		0.53	0.50		0.61	0.33	
Satisfaction with financial situation		0.56	0.39	-0.41	0.44		-0.40

Source: WVS 92.

Note: Correlation ceofficients calculated on the basis of World Values Survey (cases represent countries).

[11]The four-level scale is composed of the following statements: 1. very satisfied, 2. fairly satisfied, 3. not particularly satisfied, 4. not at all satisfied.

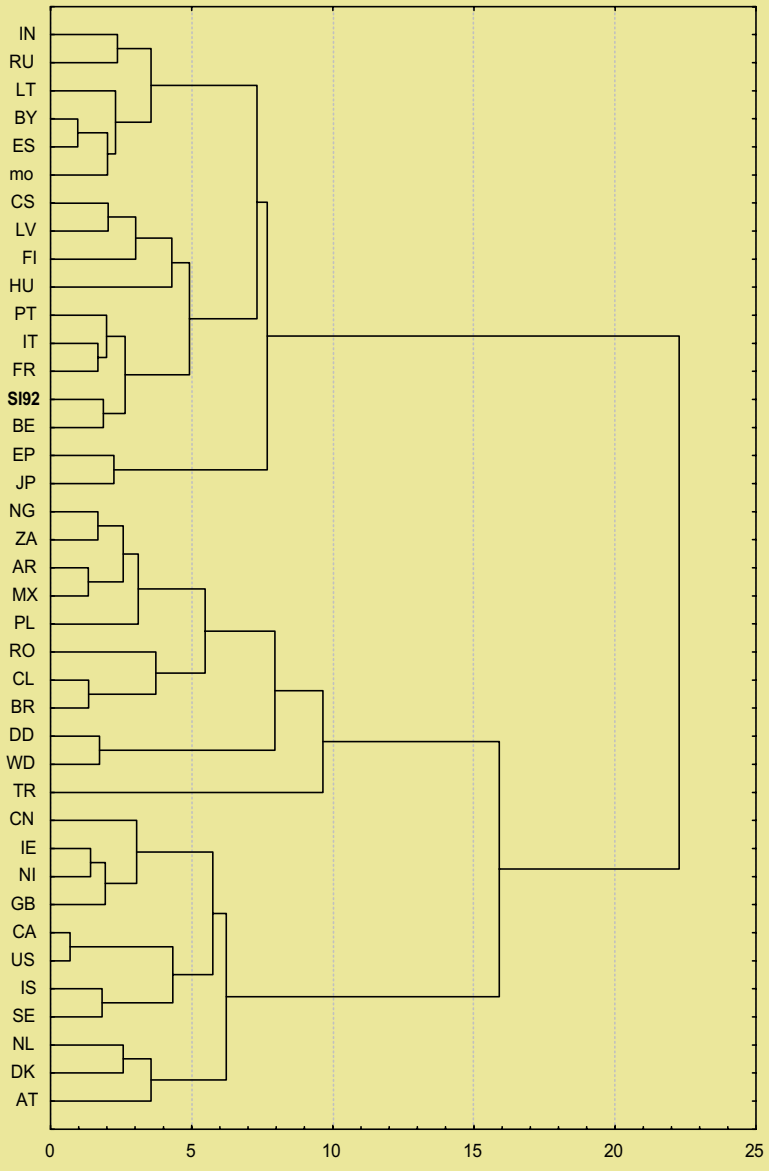
Table 5: Correlation between indicators of feelings and socio-economic indicators (correlation coefficients)

Feelings:	Share of materialists 1992	Share of postmaterialists 1992	GNI 1990	GDP 1992	HDI 1990	Ethnocentrism index 1992	Life expecancy 1990
Excited						-0.38	
Restless			-0.49				
Proud	-0.63	0.56		0.44		-0.42	
Lonely			-0.62	-0.50	-0.54		-0.51
Pleased	-0.62	0.48				-0.53	
Bored			-0.49	-0.44	-0.49		-0.48
"On top of the world"	-0.52	0.41				-0.40	
Depressed			-0.50	-0.45	-0.53	0.50	-0.52
Things going your way							
Upset			-0.46	-0.46	-0.48		-0.53

Sources of data: WVS 92, UNDP.

Note: Correlation coefficients calculated on the basis of World Values Survey (cases are countries).

Graph 5: Countries clustered by feelings



Ward's method / Euclidean distance

Source of data: WVS 92.

tion are also the most bored and hurt while, on the other hand, people who are satisfied with their financial situation are proud (statistically significant), satisfied and estimate themselves as being "on top of the world". Post-materialists evaluate their feelings higher (statistically significant) than materialists and ethnocentrics. There is also a correlation between positive feelings and the HDI, GDP and life expectancy.

According to statistical cluster analysis (Cluster analysis – Ward's method – Euclidean distances), ten different indicators of feelings can be placed into two groups: **positive feelings** (excited, proud, pleased, "on top of the world", and achieving goals) and **negative feelings** (restless, lonely, bored, desperate, hurt).

Although Slovenia is often described as a country of suicides and depressed people (the share of aggressive deaths in Slovenia is high), it is ranked among countries with a relatively high share of positive feelings according to people's own estimates of their feelings. In terms of indicators of positive feelings, Slovenia is (together with Romania) ranked close to the average or deviates slightly negatively from the global average; regarding the indicators of negative feelings, it is (like Denmark and Belgium) above the average which means that it has a low share of the population estimating their feelings as negative.

In terms of negative feelings, Slovenia was in 1992 ranked on the very top of countries with low estimates of negative feelings. Citizens of Slovenia feel by far the least lonely (Slovenia is ranked 3rd in the world), the least bored (4th place) and the least desperate or unhappy (4th place). Regarding positive indicators, Slovenia is ranked close to the global average.

Slovenia's excellent position regarding negative indicators of feelings shows that social relations (family, relatives, at work or among friends) and interactions are relatively good in Slovenia. Interpersonal ties and connections are an important source of social capital. Trust is negatively (statistically significant) correlated with negative indicators which are low in Slovenia. Trust is also correlated with the indicator of a wonderful life ("on top of the world"), placing Slovenia in the lowest position among all indicators (35th place); this indicator is typical especially of the Scandinavian countries and Turkey.

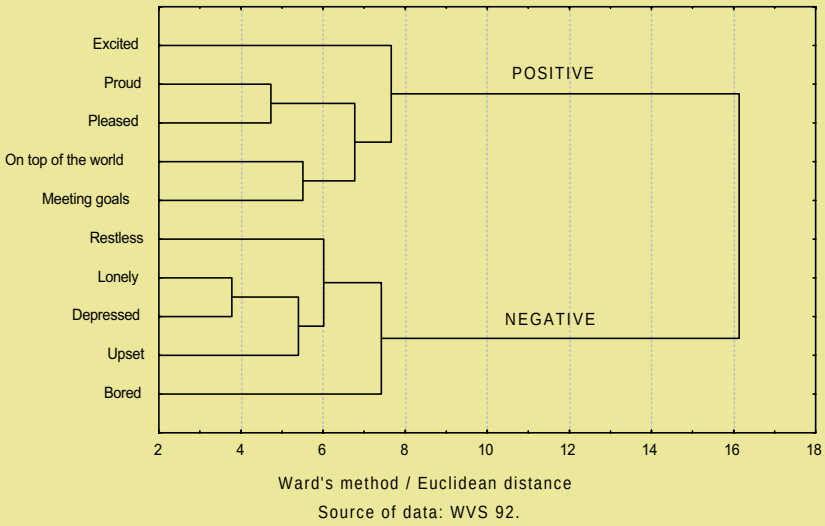
From data analysis we might conclude that the level of trust in Slovenia is high, however that appears not to be so. The research was carried out immediately after Slovenia became independent when expectations and trust in the new state and democracy were at their highest level. Belief in changes and the social state was also the strongest. Estimates of feelings also differ considerably from estimates of the quality of life. The discrepancies show disharmony in the estimates given by the population. Besides, no other comparable research exists to show or confirm any discrepancies from the 1992 research.

3. Key areas of life

One of the relevant indicators related to the value orientations of society is the importance attributed by people to the key areas of life. It is measured by the question "How important in your life is: work, family, leisure, friends, politics and religion?"[12].

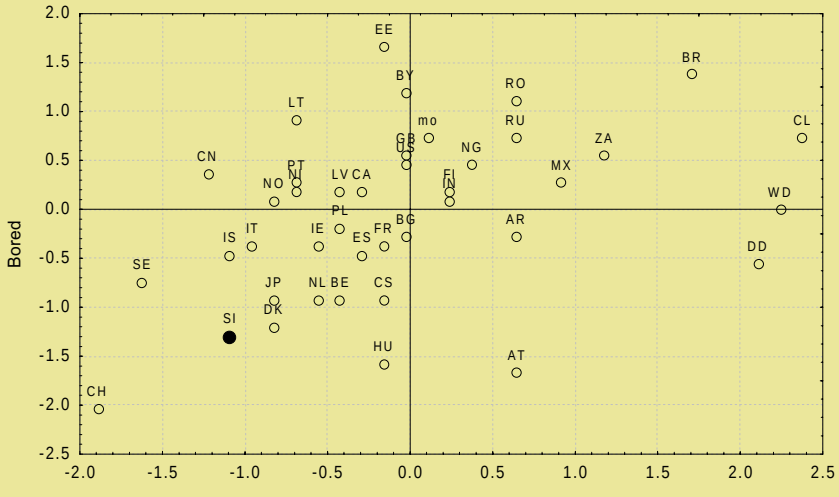
The family is a basic unit – the first potential building of social capital where

Graph 6: Feelings



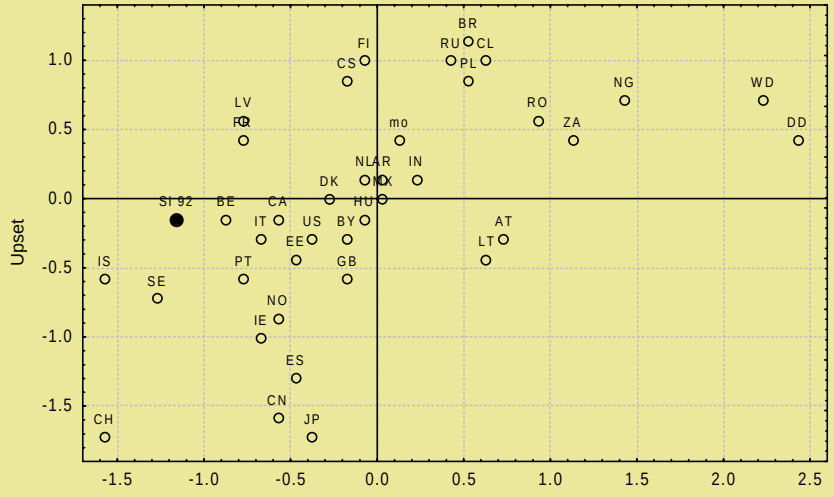
Source of data: WVS 92.

Graph 7: Negative feelings (bored + lonely)



Source of data: WVS 92.

Graph 8: Negative feelings (upset + depressed)



Source of data: WVS 92.

Box 4: A perception of the ideal child: culturally conditioned education models?

Attitudes towards the education of children are, as indicated by research of values and beliefs on the global level, an important segment of any culture. Values and beliefs reflecting "a perception of the ideal child" are key elements of coherent cultural patterns, placed by Inglehart (1995, 1997) in the processes of cultural modernisation and post-modernisation. According to the author (ibid.), these patterns form within interconnected values according to the (historical) orientation of societies into religion as a traditional source of authority (with a stagnant economy) or into state authority (and maximising economic growth) or emphasise the development of an individual (and try to maximise the quality of life).

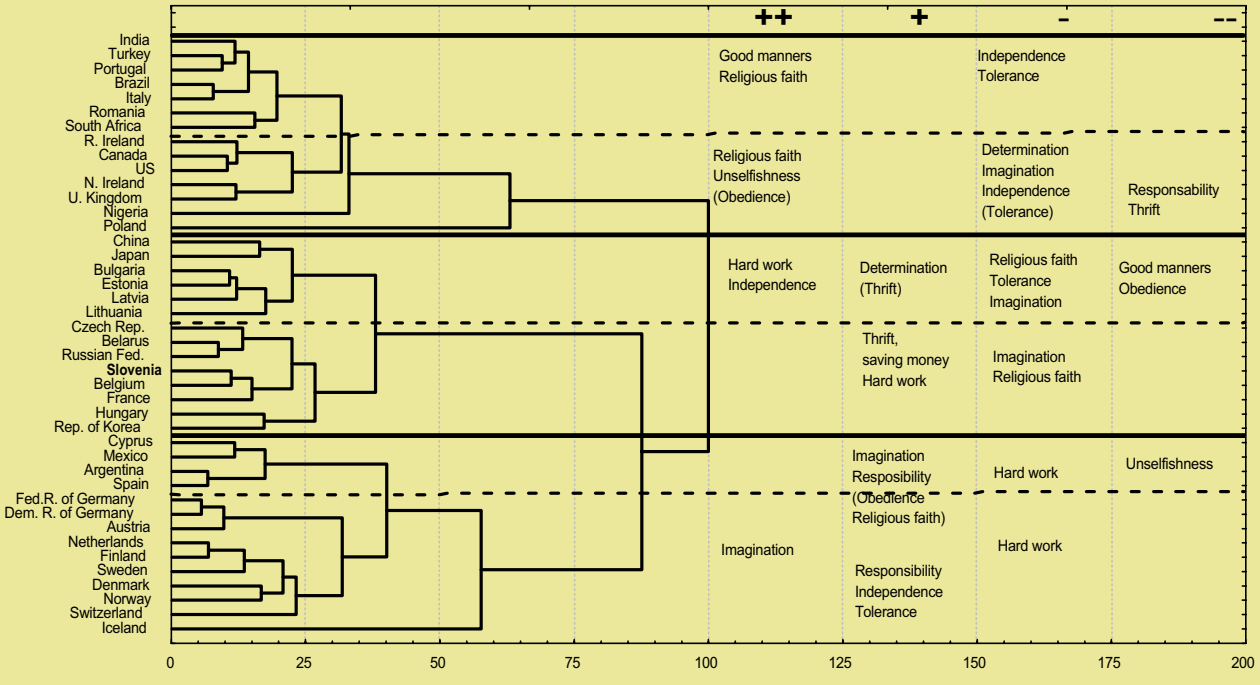
Our analysis of classifying into groups shows that education orientations or perceptions regarding the characteristics that should be gained by children in the home environment are also similarly formed. Patterns of characteristics promoted by different societies in the education of children reflect predominantly traditional/religious, state/legal or post-modern orientation (Figure 1 – cluster countries). We talk about predominantly religion-oriented education, education towards the functioning of state and production and post-modern education, oriented towards development of an individual and the quality of life.

A religious pattern of education values, integrating **religious beliefs** with **obedience** and **proper behaviour**, prevails in those countries where religion is an important component of culture in general, regardless of the religion (an entire array of religions is found in this group) and regardless of the level of their economic development. Education with a religious emphasis is typical of tradition- religion-oriented countries such as India, Poland, South Africa, as well as technologically highly developed countries such as Canada, Great Britain, the USA, Italy, which have many post-modern elements in their cultures as well. As it seems, religious beliefs are the fundamental dimension of a culture that essentially (more than the development level) defines attitudes towards children and education.

An education pattern integrating characteristics such as **determination**, **independence**, **thrift**, and **hard work** occurs in societies with a long-lasting state tradition (China, Japan) and in transitional societies (Eastern European, Baltic countries). The strong role of the state (in formation) and orientation of these societies primarily in economic efficiency obviously also determines priority tasks in education of future generations. In societies with a distinctive materialistic orientation (a large share of the population gives priority to economic efficiency over the goals related to the quality of life), education is primarily oriented towards achievement motivation. It gives priority to autonomy and economic success (thrift, determination) over conformity to traditional social norms (religious beliefs, obedience); (Inglehart 1997, pp. 22-223). This group also includes Slovenia – early in the transition period, thrift was highly valued in education (but not hard work), while later the situation changed considerably. It is interesting that the Slovenian education pattern is "closer" to the Belgian and French patterns than to the patterns of other Eastern European countries.

The third, post-modern education pattern which gives priority to characteristics such as **imagination**, **tolerance**, **respect towards others** and **responsibility** is prevailing in modern European countries of welfare and partially in some Spanish-speaking, less developed countries. (It seems that in the group of Latin American and/or Spanish-speaking countries such as Argentina, Mexico, Spain and Chile, religion does not have such a decisive influence on education. It is interesting that despite religious culture, a post-modern perception of education prevails in these countries). The post-modern value orientation adopted by members of these societies is characterised by a qualitative shift in what people expect from life, which is also reflected in education. The prevailing orientation towards the quality of life and development of the individual is largely reflected in education priorities.

The emphasis on development of imagination is in accordance with the post-modern detour from materialism and the shift towards the development of the individual, their self-fulfilment, creativity and sensible work, as well as the increased impor-



Ward's method - Euclidean distance

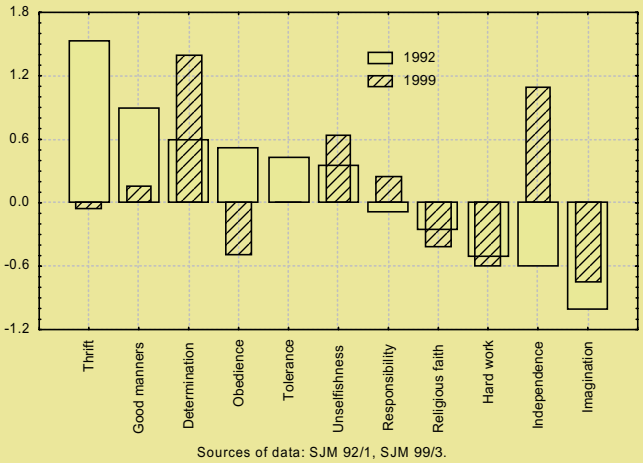
Source of data: WVS 92.

tance of leisure and social contacts in life. Another important post-modern characteristic is significantly higher tolerance towards minorities and sub-cultural social groups, and higher environmental awareness. Education for responsibility (towards oneself, others, the environment), tolerance, and respect for others reflects simultaneously enables such a vision of the development of a society.

Changes in the education priorities in Slovenia in the period 1992-1999 are characterised by a significant deviation from a materialistic orientation as well as a deviation from the traditional-collectivistic orientation. At the same time, there are indications of approximation to (liberal) individualistic education concept. It is interesting that the characteristics most commonly promoted in education and which were above the global average in 1992 are declining the most rapidly.

A materialistic concept of education towards productivity is losing importance (the share of people that value thrift is decreasing), while the importance of the traditional-collectivistic concept of education towards submissiveness and the fulfilment of collective requirements is also declining (the share of people who value obedience and good behaviour is decreasing). It seems that the (entirely liberal?) concept of individualistic education began to develop in 1999 since independence and determination have become increasingly valued characteristics of children. The share of people who value generosity as a distinctly social characteristic has slightly increased as well, which indicates an orientation towards "others". Although the importance of imagination and responsibility slightly increased in the same period, we cannot talk about a typical shift towards the post-modern model of education since the importance of education for tolerance and respect towards other people decreased at the same time. The said trends cannot be seen as a shift towards the post-modern education orientation which is characterised by combining individualistic characteristics and tolerance (respect towards others and those different), which indicates a high level of community awareness. However, this awareness is no longer based on submission (obedience, good behaviour) or altruist (generosity) tendencies; instead, it is based on democratisation and the plurality of relations between individuals and the community.

It seems that the shifts in Slovenians' attitudes towards children are more or less parallel to changes of other values and beliefs related to economic, political and cultural development of the society. Thrift as a characteristic of children that is supposed to assure accumulation loses its importance in education simultaneously with the deviation from the materialistic vision of the society and the actual improvement of the material and social security of the population.



Sources of data: SJM 92/1, SJM 99/3.

The shrinking importance of education for tolerance coincides with the general xenophobic and intolerant social climate typical of Slovenian society. The decreasing importance of tolerance in education can be attributed to the general increase of intolerance of Slovenians towards foreigners and different lifestyles, which was especially pronounced in the period 1992-1995 and slightly less between 1995-1999, however the intolerance rate is still very high compared to the global average.

Differences between the views of the inhabitants of Slovenia concerning education are large and significant. Education (and related income) and age largely determine the preferred characteristics of children and education orientations.

The "holders" of the liberal concept of individualistic education and/or democratic post-modern education which is increasingly being established in Slovenian society are people with a higher level of education (also with higher incomes), young and "post-materialist" people whose vision of social development is based on the improvement of the quality of life (the individual). It also seems that this orientation is slightly more preferred by men and political left-wingers.

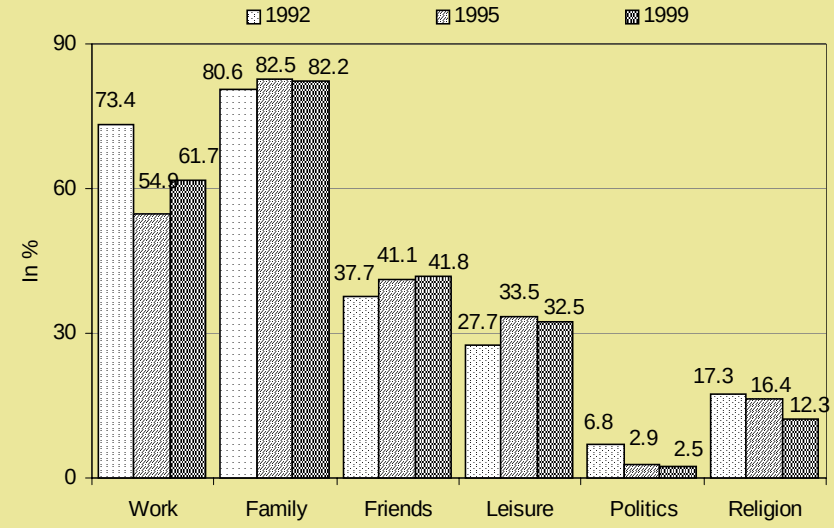
The "holders" of traditional and materialistic education perspectives which are obviously losing importance in Slovenian society are older people with a lower level of education (and lower incomes) and/or people whose vision of social development is limited to providing material benefits and powerful state authority. A religious component in education is more promoted by political right-wingers and slightly more by women.

Variance analysis (statistically significant)	Sex		Age		Education level		Income		Political orientation		m/p Index[1]	
	male	female	older	younger	lower	higher	lower	higher	right	left	mater.	post.
Good manners			←		←		←				←	
Obedience					←		←				←	
Religous faith		→	←		←		←				←	
Hard work			←		←		←					
Thrift	←		←		←		←				←	
Determination			→		→		→		→		→	
Unselfishness		→	→		→		→				→	
Independence					→		→					
Responsibility			→		→		→				→	
Imagination	←		→		→						→	
Tolerance	←		→		→		→		→		→	

Legend: → p > 0.01 → p > 0.05 → statistically insignificant

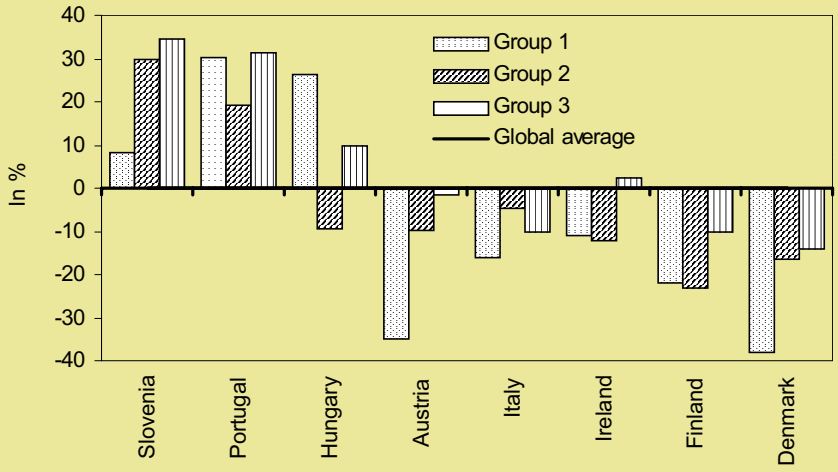
Note: [1]Value orientations index.

Graph 9: Importance of key areas in life - Slovenia



Sources of data: SJM 92/1, SJM 95/3, SJM 99/3.

***Graph 10: Three groups of motivation for work** - deviation from global average (1992)*



Source of data: WVS 92.

the level of trust and intensity of relations is the highest. A family can offer various commodities: cohesion/co-operation and material/emotional support, i.e. positive social capital. At the same time, a high level of trust in a family can also be a potential source of distrust towards or closing off from other social groups and the social environment, i.e. negative social capital.

Values stimulated in children by parents are an important indicator of value orientations and largely reflect the cultural patterns of the entire society. The analysis of preferred values of children in Slovenia in 1995 and more so in 1999 indicates a shift towards a post-materialistic orientation. In 1999, only one fundamental value – tolerance – falls out of the post-materialistic pattern. Tolerance is not promoted either in families or in the education system where success, achievements and competition are emphasised much more than co-operation, while co-operation and qualities of being special or different are given less attention. It is similar in the case of imagination which is one of the important elements of a post-materialistic orientation, however in the education system it is too commonly unwanted and accordingly sanctioned (suppressed).

Among the six key areas of life, a prevailing emphasis is also paid to the importance of family and work after 1999.

Table 6: Motivation for work selected as important by respondents (%)

Groups		Slovenia 1992	Slovenia 1995	Slovenia 1999	EU average 1992	Global average 1992
1. Working conditions	Good pay	82	89	87	68	74
	No pressure	48	73	71	60	35
	Generous holidays	29	48	46	26	29
	Good hours	39		41	41	46
2. Social climate	Job respected	59	77	77	34	40
	Pleasant people	82		90	69	67
	Useful to society	63		73	34	44
	Meet people	56		69	43	45
	Job interesting	76	91	92	63	57
	Meets abilities	61	87	86	53	56
3. Self-realisation	Job security	73	93	88	57	57
	Promotions	62		73	33	36
	Use initiative	55	78	78	48	46
	Achieve something	71	90	90	56	56
	Responsible job	53	64	73	43	42

Sources: VWS 92, SJM 92/1, SJM 95/2, SJM 99/3.

In 1995, the importance of work dropped significantly, which is typical of a post-materialistic value orientation, while in 1999 the importance of work again rose. Work seems to be an extremely important component of life of the Slovenian population[13]. As a thing that makes life sensible it is particularly emphasised by older and less educated respondents as well as by respondents with a lower income.

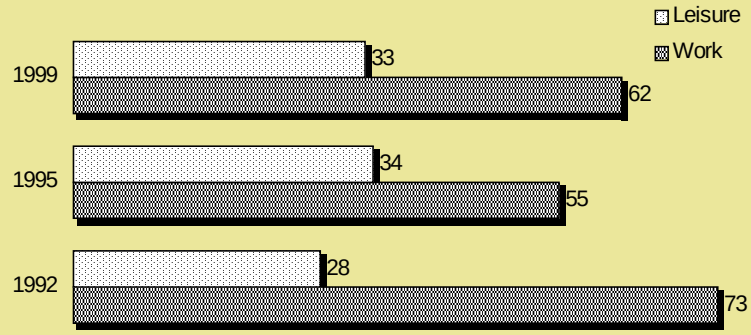
Statistical cluster analysis (Cluster analysis – Ward's method/Euclidean distances) divides the 43 countries studied into three groups in terms of work motivation. The first group consists of countries where respondents primarily emphasise demands for good payment and low pressure – for them, work is seen merely as a means to satisfy their desires and needs. In the second group, people emphasise responsibility for work (action) and the development of the whole society, strong emphasis is given to the social climate (mutual co-operation and friendly relations). In the third group of countries, responsible and reliable employment is most important; besides, people emphasise possibilities of promotion through their own initiatives and the achievement of the goals set – therefore, people see work as self-realisation and personal development.

Similar findings also resulted from the European Values Survey conducted by Harding & Hikspoors (1995, p. 446). Based on a factor analysis, they formed three groups regarding work motivation: a) material safety, b) working conditions, and c) personal development.

Correlations for all of the three groups were made between work motivation and importance attributed to the key areas of life (work, family, friends, leisure, politics, religion) by citizens of the surveyed countries. The results indicate that in the third group of countries where respondents emphasise work as self-realisation, the biggest importance in their

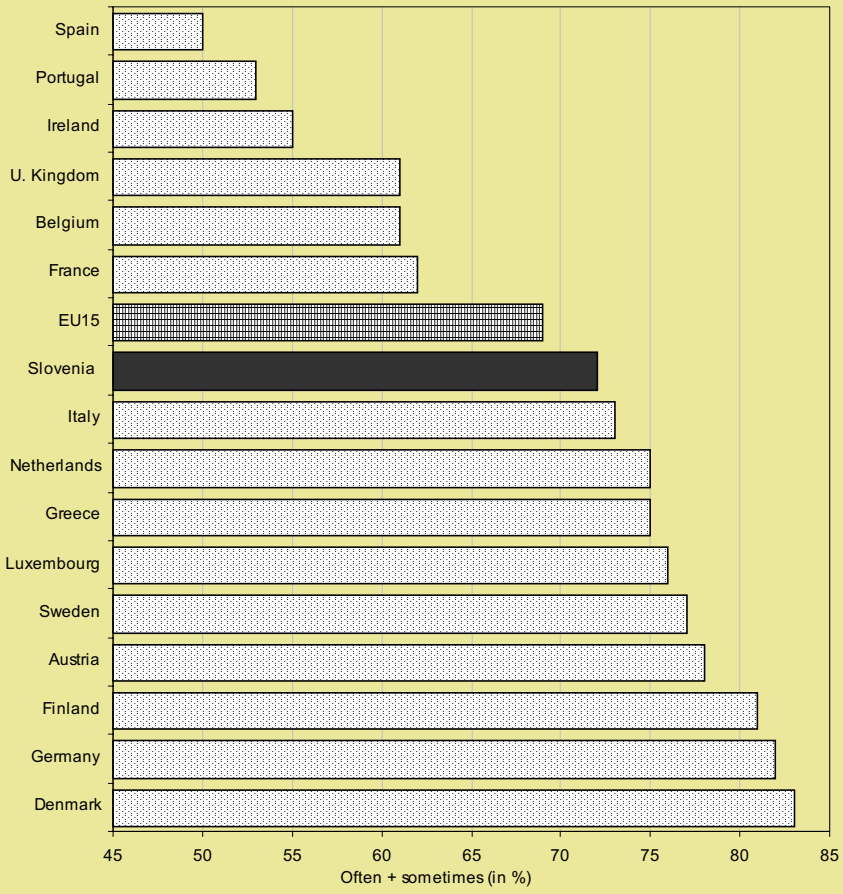
Box 5: To work because of work

In evaluating work, the estimates themselves given by the respondents regarding what is work and what is non-work or leisure are problematic. In 1995, as much as 43% of respondents in Slovenia stated that they work because of work (and not because of leisure or both). The share of respondents that give priority to work over leisure is three times higher. According to this indicator, work itself is a thing that makes life sensible, therefore it is not only an opportunity for other activities, social contacts or other ways of self-realisation. The loss of a paid job therefore much more seriously affects an individual's life and their estimate of the quality of life and feeling.



Sources of data: SJM 92/1, SJM 95/2, SJM 99/3.

Graph 11: Discussing politics with friends (1999)



Sources of data: EB, 1999; SJM 99/3.

[12]The answers "very important" were taken into account. When estimating politics, the share of the answer "relatively important" was also taken into account due to international comparison.

[13]Highly valued work is also evident from the most recent survey carried out in Finland, although Finland was ranked second among 43 countries around the world in terms of the share of post-materialists (29%) in 1992, and last in terms of the share of materialists (6%).

Box 6: Subjective attitudes towards the heritage of politics

Countries in transition are flooded with several magic words used to describe the gap which remained wide open for several decades. One of them is the term "political culture". The term has become part of the standard vocabulary of not only political scientists and sociologists but also journalists and politicians. The latter use the term most commonly as a synonym for political manners or at least for "political folklore" (Rohe) and, as such, it is used as a substitute for all kinds of conceptual and explanatory inconveniences. Defining and researching political culture within sociological professional and scientific circles is neither simple nor uniform. The well-known German political scientist Max Kaase (1983) is an author of a resounding metaphor whereby researching political culture was defined as an "experiment of pinning pudding to a wall". If we define political culture in the most abstract form as a comprehension of the world of politics, we actually have cognitive difficulties, while if we narrow the term down to its operational definition as a standpoint or attitude towards the political system and subjective (cognitive, affective and evaluative) orientation of system participants to political phenomena such as was done by Almond (Almond Verba 1980:26), we open up the possibility of empirical monitoring of the phenomenon. Of course, studying political culture cannot be equalled to establishing people's standpoints regarding specific regimes; instead, it should be regarded as the "cognitive strategies and measures of judgements" (Rohe 1996:1) which shape these concrete standpoints. However, by all means, empirical monitoring (the so-called "survey research") of political culture in a certain country is based on the assumption that it can be studied and recognised through the orientations and standpoints of individuals, in the sense of Almond's (Almond 1993:15) definition of political culture as a pattern of subjective orientations towards politics in a certain nation or its sub-groups.

In the majority of Eastern European countries, an additional problem when studying political culture is the fact that until the break practically no infrastructure was established that would enable long-term empirical monitoring of the dimensions of public opinion, standpoints and values that are related to the "subjective dimension of the politics". In this sense, Slovenia has a slight advantage because in the longitudinal research Slovenian Public Opinion Poll it has repeated several questions that are not related to the phenomena of political culture and are comparable to research elsewhere in Europe by its shape and methodological characteristics of data collection. In this way, it was at least partially possible to also follow the process of formation and changing of political culture patterns in the decades preceding democratic changes. In the years of the break, most Eastern European countries gradually shaped their continuous research with standard data sets, with relevant and comparable instruments, and were included in international research projects. On the basis of comparable data, researchers were able to develop various measurement instruments and indicators that measure the intertwining of the cognitive and emotional indicators of political culture. Especially interesting for Slovenia as well as for Central and Eastern Europe in general is Plasser's typology of democratic potential (Plasser/Ulram/Waldrauch, 1997). Plasser developed a robust, yet sufficiently discriminatory typology on the basis of two dimensions : a standpoint regarding the form of political government (democracy – dictatorship) and about a party/political choice (multi-party system – single-party system). By indexing the responses, he developed the following typology:

1. **Convinced democrats** are those people who always give priority to democracy and pluralism over dictatorship and a single-party system.
2. **Critical democrats** are those people who give priority to democracy, however they are slightly attracted to the single-party system due to their desire for political unity.
3. **Resignedly alienated** are those people who are indifferent to the form of political regime, however they do accept a multi-party system.
4. **Latent authoritarians** are those people who are indifferent to the form of regime, however they directly declare themselves to be in favour of a single-party system.
5. **Anti-democrats** are those people who give a dictatorship priority over democracy "under certain conditions".

According to both dimensions (preference of a single-party or multi-party system and favouring democracy or dictatorship), the following typology scheme was developed (see table).

At first sight, it is obvious that beyond the non-/democratic practices of specific regimes in Central Europe the differences are not significant. In each country in the above table, the three non-democratic orientations (resignedly alienated + latent authoritarians + anti-democrats) combined are below one-third. Along with Poland, Slovakia and Hungary, Slovenia in 1995 shows the highest anti-democratic potential, however the discrepancies with the Czech Republic and Slovakia are not big. However, some other countries, e.g. Russia, show much larger percentages with the category "pure anti-democrats" (i.e. against democracy and against pluralism) alone reaching 27% (which is three times more than in the Czech Republic). According to these results, Central European countries show lower democratic potential than developed European countries with a long democratic tradition, however they are not far behind Southern European countries (Spain, Portugal, Greece) which carried out the transition to a democracy much sooner. Central European countries lag behind the developed European democracies also in terms of the level of trust in system institutions (courts, public services, administration institutions and the parliament). The level of trust in these system institutions in Slovenia is slightly higher than in other Central European countries. However, what is perhaps surprising is that the level of trust in the media in all Central European countries is relatively high – higher than in developed democracies.

These and a whole array of other indicators reveal that the citizens of Central European countries, including Slovenia, despite a half-century "gap" during which time generations changed (during the time of transition at the beginning of the 90s most of the population was represented by individuals without a "democratic memory"), rapidly gained or renewed the democratic potential. Since the difference between Central European countries (despite other differences existing between them) and Eastern European countries with less democratic traditions is obvious, we can assume that regardless of the differences between regimes a kind of "latent democratic potential" was preserved through mechanisms of family socialisation. This assumption is also confirmed by the typical family's reproduction of values and political orientations. Empirically, studying value and political reproduction in the process of socialisation is relatively complicated and hard to accomplish. The easiest way is to verify the reproduction of political orientations. This is carried out in a way whereby a respondent gives their own political preference as does a previous or following generation within the family (parents – children). In the empirical study of values, value and political orientations cyclically carried out by the Centre for Social Psychology at the Faculty of Social Sciences, we verified that reproduction so that a political party chosen by a respondent was taken as a benchmark; afterwards, we tried to establish

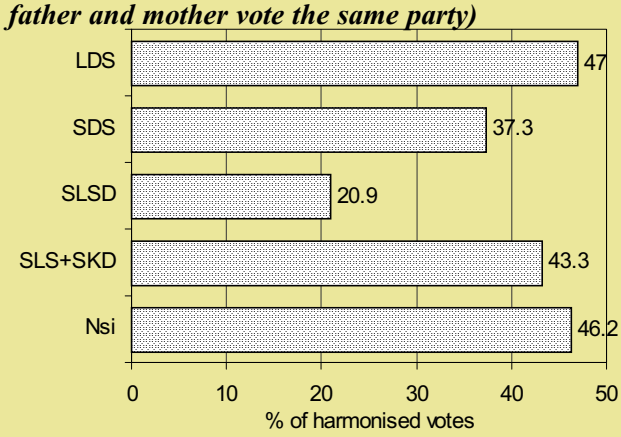
The questions posed in the Slovenian Public Opinion Poll are: (at the beginning of a question, original variable number is shown in brackets):

1. I will read three statements about democracy and dictatorship and you will tell us with which you agree the most;
2. democracy is always better than dictatorship;
3. in certain circumstances, dictatorship can be better than democracy;
4. for people like me it is irrelevant whether they live in a democracy or under a dictatorship;
5. I don't know.

What do you think is better for the state – only one active party to allow unity or several parties enabling the expression of different opinions?

1. one party;
2. several parties;
3. I don't know.

Political parties in "family package" (me, my father and mother vote the same party)



Source of data: Mladina 2000, field research.

concordance with the choice the person asked attributed to their father and mother (a respondent is asked which party is most probably voted for by their father and afterwards which party is most probably voted for by their mother). In this way, a high reproduction level of political preferences was already established in a study carried out on the population of students (Ule et al. 1996). In an extensive study carried out on a large representative sample (N = 1262) of the general population between 16 and 29 years of age in the autumn (October, November) of 2000, preliminary findings from the student population were confirmed. The reproduction rate at the level of specific parties is high. For example, as many as 47% of people claiming to have voted for or would have voted for the Liberal Democracy of Slovenia (LDS) share this choice in the "family package" (meaning that the LDS is elected by a respondent as well as their father and mother). The comparison with each of the parents separately even increases the consistency of choice. However, if the preferences are assembled into two typical blocs conditionally defined as left and right, the first one including the United List of Social Democrats (ZLSD), LDS and Desus (Pensioners' Party), and the second one the Slovenian Peoples' Party + Slovenian Christian Democrats (SLS+SKD), the New Slovenia – Christian Peoples' Party (Nsi) and the Social Democratic Party (SDS), with the Slovenian Youth Party (SMS) and the Slovenian National Party (SNS) defined as "others", it is obvious that reproduction or concordance is considerably higher. In particular, there is a negligible number of transitions between the defined left and right blocs: there are only about 6-8 percent of transitions between the blocs (i.e. when a child votes for a party of one political bloc while one of their parents votes for a party from the other political bloc). There are slightly more transitions in the "non- aligned" category of the SNS and SMS. The concordance between those choosing the ZLSD and their parents, often choosing the LDS, is also slightly lower.

The results evidently show that the within-the-family level of homogenisation and reproduction of values and political standpoints is high. In this typical relation, we can probably find the answer to the question of how is it possible that, despite fifty years of the absence of parties and party life, the famous Lipset – Rokkan's thesis for Europe in the 60s, saying that "party alternatives and even party organisations are older than the majority of the existing voting body" and that because of this "the party system in the 60s reflects - with rare significant exceptions - the structure of divisions in the 20s (Lepset/Rokkan 1967:50), appears to be largely correct. Thus, not only are classical divisions in democracies with a long tradition preserved even at the end of the century despite all post-materialistic perceptions – in new democracies, they are "instantly" revived after a long pause in a form surprisingly similar to that we used to know between the two world wars. Also in Slovenia.

The bond between subjective political choice and subjective political culture is of course only indirect. However, verifying the reproduction level of the first one shows and explains the power of family socialisation as a reproductive mechanism in the process of adopting relatively permanent political orientations, standpoints, values and enables an interpretation of typical differences which emerged soon after the disintegration of single-party non-democratic regimes.

Typology of democratic orientations	Democracy is always better then dictatorship	For people like me it is irrelevant whether they live in democracy or under dictatorship	In certain circumstances dictatorship can be better than democracy
Preference of multiparty system	**Convinced democrats**	**Resignedly alienated**	**Anti-democrats**
Preference of single-party system	**Critical democrats**	**Latent authoritarian**	

Source: Plasser 1997:224.

Distribution according to typology or democratic orientation (%)	CZ		SK		HU		PL		SI	
	1991	1995	1991	1995	1991	1995	1991	1995	1991	1995
Convinced democrats	75	71	61	61	63	57	53	54	n.a.	62
Critical democrats	3	4	7	5	10	14	10	14	n.a.	5
Resignedly alienated	13	15	17	21	11	10	15	10	n.a.	13
Latent authoritative	3	1	6	1	6	7	7	7	n.a.	5
Anti-democrats	8	9	9	12	10	11	15	15	n.a.	

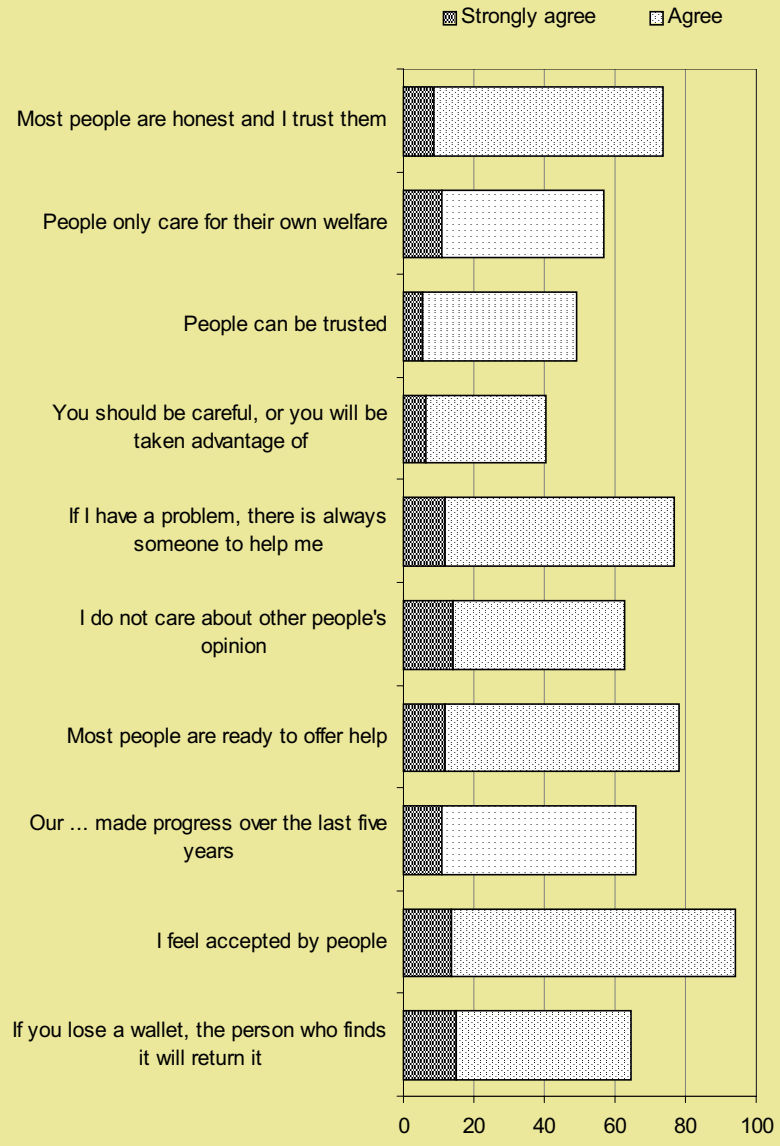
Source: Plasser 1997:224.

***Table 7: Social ties** – how often do you mix with: (Slovenia, 1999)*

in %	Friends	Colleagues	People in church	Association's members
Once per week	58	24.4	13.1	18.9
Never	2.6	21.9	54.7	48.9

Source: SJM 99/3.

Graph 12: Social contacts in the neighbourhood/village



Source of data: SJM 2000/2.

lives is attributed to work (r=0.35 to 0.55) and religion (r=0.49 to 0.72). The majority of respondents in these countries estimate themselves as free when taking decisions about their work, they are proud of their work and consider themselves fairly happy and healthy (r=0.36 to 0.50). For the first group of countries, the correlation coefficient shows a low level of trust in people and scarce possibilities to take decisions about one's own life (r=-0.41 to -0.48). The analysis shows that identification with work has important implications at the social level, especially in countries where respondents strongly identify themselves with work. Such an example is Slovenia which was ranked 7th in 1992 (ahead of all European countries). Identification with work remains high also after 1999; above-average emphasising of all work motivation is further increasing.

Slovenians have above-average demands and expectations related to work, which is in accordance with the high valuation of work as an area of life in general. This is confirmed by the deviation from the global average in all statements related to work in 1992; in 1995 and 1999 the demands further increased. According to factor analysis, none of the motivations for work stands out distinctively for Slovenians, the demands are high and unselective. In terms of work motivations, Slovenia most closely resembles South American countries, India and Portugal.

In recent times, all motivation types for work increased, especially motivation related to the possibility of personal development or accomplishment of personal potential at work (to show one's initiative, possibility of achievements etc). The importance of work is rising again, while the importance of leisure is on the

Table 8: Correlation between inter-personal trust and socio-economic indicators (correlation coefficients)

	Ethnocentrism index 1992	Share of materialists 1992	LE 1992	Share of postmaterialists 1992	Export/ import 1997	GNI 1990	GDP 1992	HDI 1990	Share of women in Parliament 1996
Inter-personal trust	-0.51	-0.61	0.54	0.43	0.72	0.74	0.70	0.54	0.60

Sources: WVS 92, UNDP.

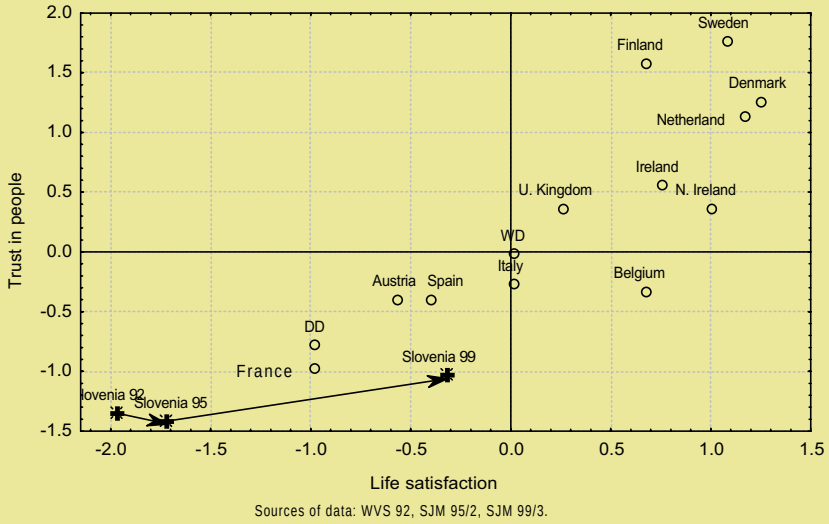
Note: Correlation ceofficients calculated on the basis of World Values Survey (cases represent countries).

decrease, although the 1995 research indicated a shift in the work:leisure valuation ratio. The ratio in attributing importance (to work or leisure) is decreasing, however it remains above 30%. Differences within the population are also characteristic: young and more educated people emphasise leisure more, while older and less educated people and people with a low income give priority to work. Older and less educated respondents emphasise employment security, since employment opportunities are related to higher uncertainty in this group.

Therefore, a shift towards a post-materialistic orientation is indicated after 1999 only by the "importance of friends" category which is growing very slowly but steadily. The quality of interpersonal relations has a decisive influence on the course of integration, reproduction and identity processes. Interpersonal ties represent social capital. Social relations also have an instrumental value for an individual since they enable access to sources managed by people connected to this individual (Coleman, 1990). When a circle of people expands, the extent of potential sources of an individual expands as well since a lot of useful information flows through social networks that can consult the individual, warn them of any upcoming crises and help them to alleviate the consequences. Social integration therefore has an economic meaning as well.

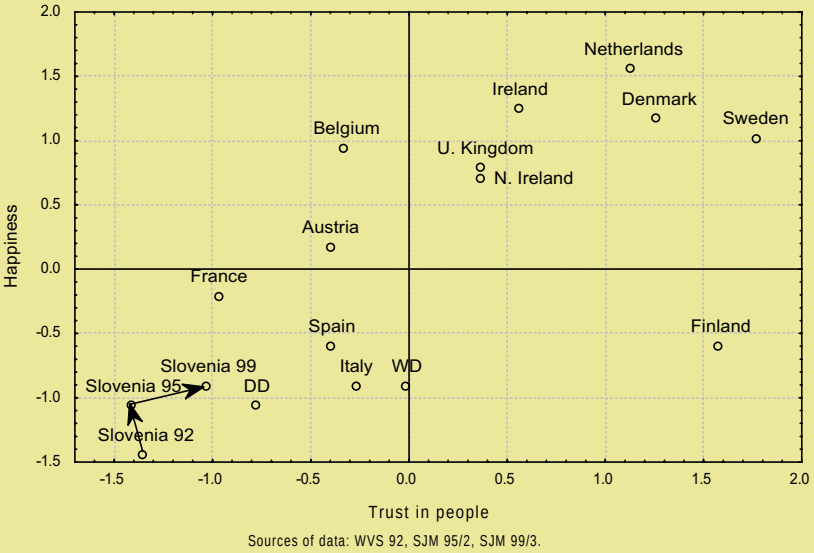
The importance of religion and politics is lowest on the Slovenian scale of values and is further decreasing. Every second citizen of Sweden and every fifth citizen of Slovenia (Finland, Portugal) estimates politics as an important part of everyday life. Despite the falling importance of the politics, it is commonly a subject of discussion among friends. Regarding the frequency of discussing politics with friends[14], Slovenia was ranked above the global average (like the Scandinavian countries, Russia, and Poland) already in 1992 (Slovenia 82%, global average 75%). In 1999, Slovenia was 3% above the EU average (EB) and 11% below Denmark which was at the top of the list[15]. The high engagement of the population in estimating and monitoring the functioning of politics again indicates the large need of the population for political participation, and participation in decision-making and shaping of the society/state.

Graph 13: Trust and satisfaction with life *(standardized deviation from EU average, 1992)*



Sources of data: WVS 92, SJM 95/2, SJM 99/3.

Graph 14: Happiness and trust

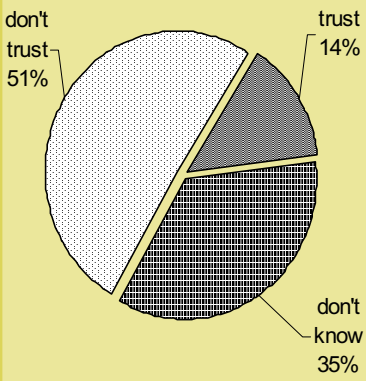


Sources of data: WVS 92, SJM 95/2, SJM 99/3.

4. (Dis)trust

Important indicators of social capital are interpersonal trust and trust in institutions. Interpersonal trust is a basis for building the social structure on which

Graph 15: (Dis)trust



Source of data: SJM 2000/2.

[14]When you meet your friend, how often do you discuss politics - frequently, sometimes or never (% frequently + sometimes)?

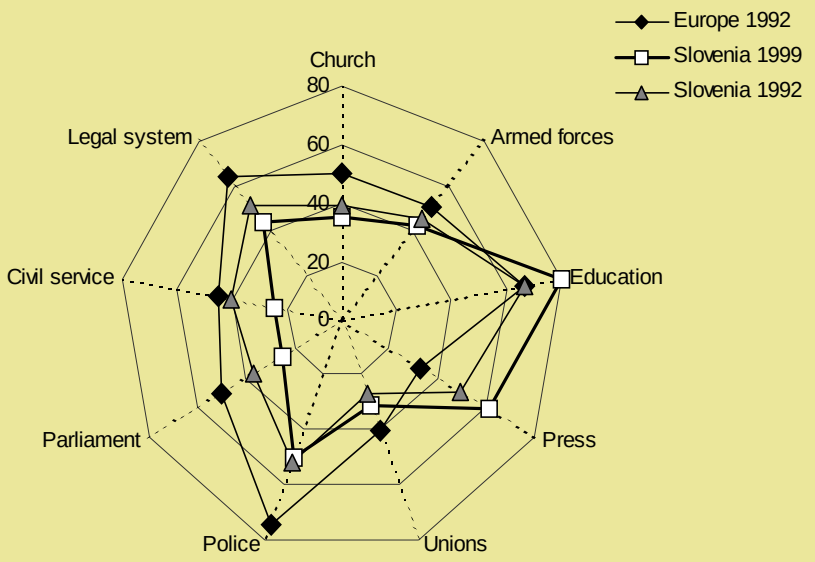
Box 7: Trust and democracy

The ability of a certain society to compete in the global market is related to social trust. Societies with a low level of trust ("low-trust societies") are in a less favourable position because they are less efficient in developing large and complex social institutions. According to Putnam (1993), the most successful democratic institutions in Italy exist in the regions where civil society was already well developed centuries ago. Numerous values defining post-materialistic value orientation were expanded and activated through civil society especially in recent decades (e.g. environmental, pacifist, women's and other movements, increasing demands for participation in decision-making related to economic and political development, etc). Referring to democracy and the demands of democracy is growing as well.

Inglehart established a high correlation among values that are characteristic of post-modernisation process and democracy. Cultural changes are strongly related to the existence of democratic institutions (Inglehart, 2000) measured by political and human rights and freedoms. Economic development leads to two types of changes that contribute to democracy. Firstly, it tends to change the social structure – it brings urbanisation, mass education, vocational specialisation, growth and expansion of organisation networks, it increases income equality and the number of organisations that mobilise mass participation in politics and in the public sphere. Secondly, economic development contributes to cultural changes that stabilise democracy, develop interpersonal trust, tolerance, and lead towards safety values. Economic development brings gradual cultural changes intensifying demands and desires of the public to establish democratic institutions, also being the desire of the people for greater support and participation in these institutions. The transition is by no means automatic, democratisation can even be suppressed (by elites, army, police etc). With economic development, safety values in all spheres of life, including the political sphere, develop and it becomes more and more difficult and expensive to suppress the demands for political liberalisation. The public persistently requires democracy and is increasingly resourceful in achieving it.

According to many indicators of democracy, Slovenia is similar to Italy and Northern Ireland among EU countries; all of the three countries express a low level of support for democracy. Slovenia shows a considerable resemblance to the European pattern – the highest support for the system is expressed by younger upper-class members, left- or central-left wingers and respondents who are the most market- and pro-Europe oriented.

Graph 16: Trust in institutions (%)



Sources of data: WVS 92, SJM 99/3.

democracy depends, and is a foundation of the development of complex social organisations (Coleman, 1990, Almond & Verba, 1963, Putnam, 1993, Fukuyama, 1995, Gambetta, etc). The level of interpersonal trust is significantly correlated with GDP at purchasing power parities in individual societies and religions (the level of trust is high among Protestants and low among Catholics) (Inglehart, 2000). The level of trust in interpersonal relations is also one indicator of the level of democratic culture.

The level of trust in interpersonal relations is measured as the percentage of respondents that agree with the statement "Most people can be trusted"[16]. Values range from 66% (Sweden) to 7% (Brazil). Slovenia was ranked 40th in 1992 regarding the level of interpersonal trust, while in 1995 it took last place. Although the level of trust has improved slightly (17% of respondents think most people can be trusted), according to recent measurements (1999) Slovenia lags 13% behind the global average of 1992 and 23% behind the EU average.

Interpersonal trust also largely indicates the level of trust in (state) institutions. The analysis of understanding of the attitude of people towards political institutions in Western Europe shows that trust in governmental institutions is more or less stable or on a slight decrease, while trust in private institutions is on a slight increase; nevertheless, people trust governmental institutions less than private institutions in most countries. When compared to Western European countries, the level of trust in institutions in Central and Eastern European countries is considerably lower (Toš, 1999: 36-37).

Slovenia largely differs from the European average in terms of the attitude towards political institutions in general, and partially also in terms of the attitude towards private institutions. A prevailing negative trend in expressing trust is obvious. State institutions enjoyed a relatively high degree of trust after independ-

[15]If only the share of "very frequently" is considered, Slovenia would be ranked last among EU member-states, together with Spain.

[16]Respondents chose one of the statements they agree with: 1. "Most people can be trusted", 2. "One should always be careful about people" (% of those agreeing with a statement).

Table 9: Trust in institutions (%)

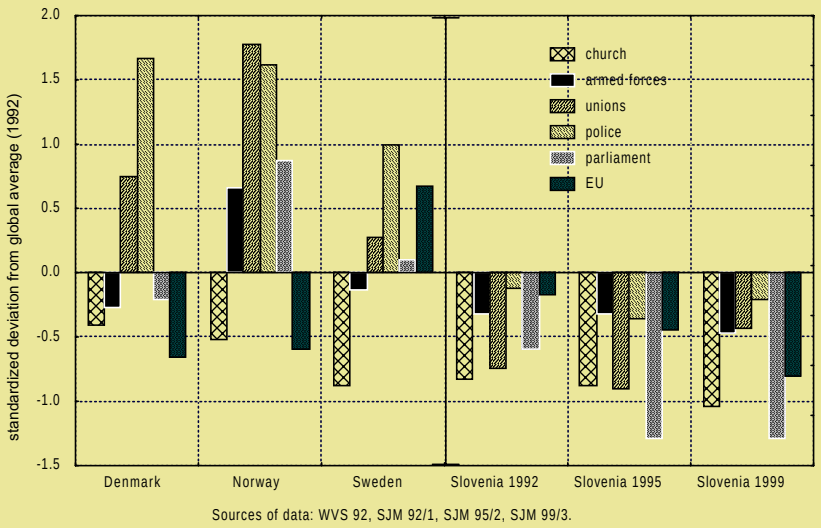
Institutions	Europe WVS (1992)	Slovenia 1992	Slovenia 1995	Slovenia 1999	Slovenia change 1992-1999
Church	50	39	38	35	-9
Armed forces	50	45	43	42	-8
Education system	67	67	72	80	19
Press	33	49	42	61	24
Trade unions	40	27	25	31	16
Police	75	52	47	50	-3
Parliament	50	36	25	25	-29
Civil service	45	40	29	25	-37
Legal system	64	51	36	44	-14
Companies	41	33	40		

Sources: WVS 92, SJM 92/2, SJM 95/2, SJM 99/3.

ence (from 68% to 37%); in eight years trust has fallen drastically. Institutions in the ideological sphere (state, church) retained their low starting positions on the scale of trust, some of them declined even further. In the current Slovenian circumstances, political parties, the parliament, and church with clergy represent the triad of institutions that are – according to the prevailing distrust expressed by the respondents, a low level of expressed trust and a negative trend or stagnation at a low level – at the bottom of the scale of trust among the institutions surveyed (Toš, 1999: 245). Positive trends are mainly related to trust in family and relatives, the education system and the economy (large enterprises) or three important life areas: private environment, cultural environment, and the economic sector.

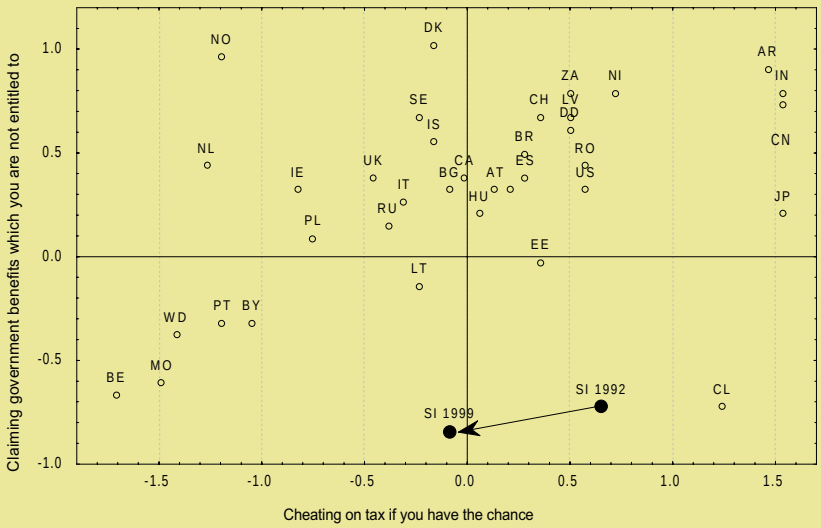
According to the comparison of the level of trust between the countries of Central and Eastern Europe for 1995 (Bulgaria, the Czech Republic, Slovakia, Hungary, Poland, Romania, Croatia, Belarus, Ukraine), Slovenia is rated higher regarding trust in all institutions: government, parliament, president of the republic, mass media, Bank of Slovenia, women's movements, environmental movements; the only exception is the church[17]. A low level of trust in the church is a consequence of secularisation, modernisation and a stronger Western European influence.

Graph 17: (Dis)trust in institutions - Slovenia and Nordic countries *(deviation from global average)*



Sources of data: WVS 92, SJM 92/1, SJM 95/2, SJM 99/3.

Graph 18: Cohesion of social norms *(can always be justified (on scale: 1-never, 10-always, 7-10 calculations taken))*



Sources of data: WVS 92, SJM 99/3.

[17]Data from Toš, N. (1999): Zaupanje Slovencev v demokratični sistem. Liberalna akademija in Znanstvena knjižnica FDV Ljubljana.

Box 8: Trusting the institutions

Although the issue of trusting institutions has never had a key position in modern sociological reflections, sociologists' interest in the phenomena relating to the decline of trust in certain central system institutions has increased considerably, especially in the last decade. The problem of trust is treated in a very complex way by sociologists, however their work is based on the simple and clear fact that the apparent self-evidence of everyday life is not possible without a basic level of trust.

In Slovenia, the problem of trust is observed in the context of the institutional changes that took place in the past ten years. These are especially changes in political and economic systems and have an explicit influence on standpoints and estimates as measured by Public Opinion Poll.

The population places the family and relatives among subjects enjoying the highest level of their trust. More than 90% of respondents trust their families entirely. Trusting a family is very pronounced and does not differ as regards the age and education of respondents. No system institution enjoys such a high and uniform level of trust as the family.

Second place regarding the expressed level of trust is taken by both individual holders of state functions – the President of the Republic Milan Kučan and the Prime Minister Janez Drnovšek. In particular, the President of the Republic enjoys universal support of the voting body, while the Prime Minister enjoys above-average trust of the highly educated and younger population and those inclined to left-central parties.

How much do you trust:	Year	Entirely + considerably	A little + Not at all	I don't know
Family, relatives	96	86.9	12.5	0.5
	99	92	7.5	0.5
Slovenian government	96	28.7	63.7	7.6
	99	17.9	77.7	4.4
Church, clergy	96	22.2	73.1	4.6
	99	16.4	78.3	5.3
TV, radio, newspapers	96	28.2	68.5	3.2
	99	30.4	68.2	1.4
Police	96	34	60.4	5.7
	99	36.3	58.7	5
Parliament	96	11.2	79.9	8.9
	99	13.8	74	12.2
Slovenian army	96	33.1	59.1	7.8
	99	46.3	46.1	7.7
Prime Minister	96	34.7	57.7	7.6
	99	36.3	55.6	8.1

Sources: SJM 96/1 and SJM 99/1.

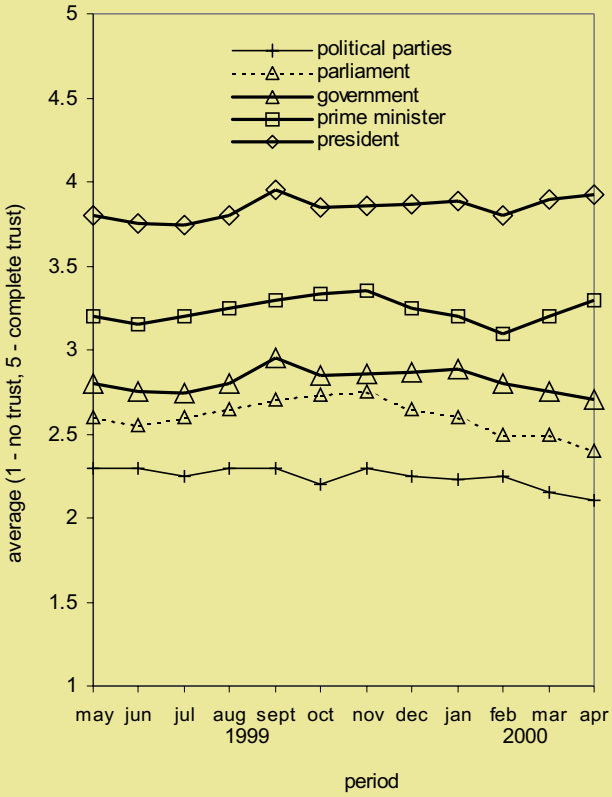
A high level of institutional trust is also enjoyed by health and education systems, the army and the police as well as the central bank and the Slovenian currency. In particular, the expressed trust in education and health systems can be observed and explained in the context of respondents' value definitions.

Lower levels of trust are enjoyed by some political institutions, however. Public frustration, especially regarding the functioning of the political system, is reflected in the level of trust given to the Government as a whole, the Parliament and political parties. All three institutions are placed by respondents at the bottom of the trust scale. Along with political institutions, the church and the clergy are assigned a distinctly low level of trust by respondents.

According to sociologists, the system's insufficient responsiveness to people's demands and expectations or the system's low efficiency are some of the most important causes for the low level of trust enjoyed by the political system.

This low level of trust can be explained not only by critical judgements of the way political institutions work, but by the respondents' high expectations as well. More than half of the respondents in the Slovenian Public Opinion Poll are convinced that the government is entirely responsible for providing jobs to anyone who wishes to work, for providing a decent standard of living to the unemployed and for alleviating disparities between the rich and

Trust in institutions



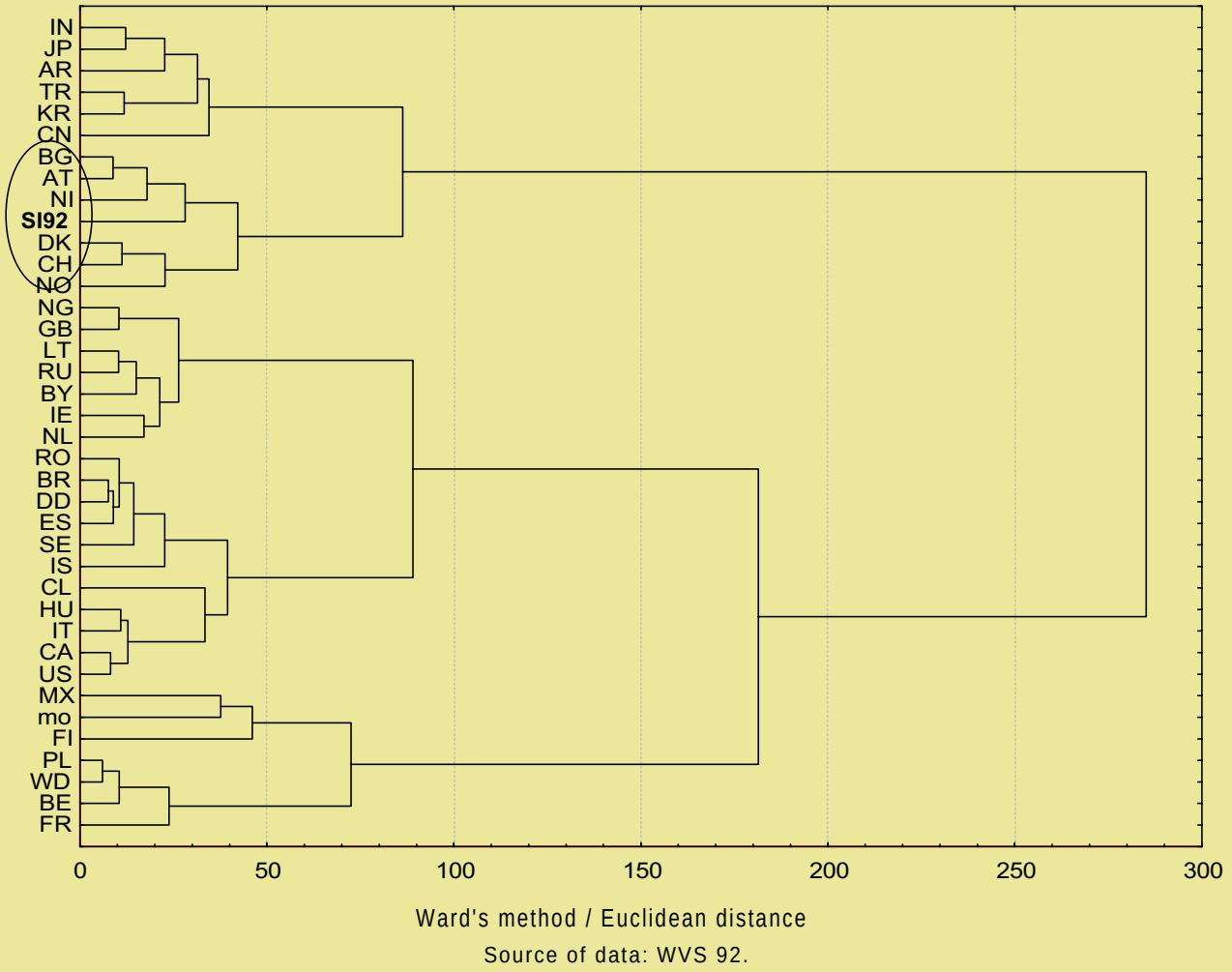
the poor. Besides, more than 70% of the surveyed population thinks that the government is wholly responsible for providing health services to everyone with health problems.

However, the relatively low level of trust in the political system's functioning does not mean a withdrawal from political participation. More than 70% of the respondents in the Slovenian Public Opinion Poll plan to participate in the elections and at the same time regard elections as the best way to choose a government, while 60% of the respondents think that elections are necessary and useful for the efficient functioning of democracy in Slovenia.

Responsibility of the goverment for ... (%)	Entire	Partial	None	I don't know
Providing jobs	50	38.5	7.7	2.8
Providing health services	76.2	19.8	1.5	2.5
Assured standard of living	49.2	40.6	6.6	3.7
Alleviation of social disparities	54.7	32.1	8.8	4.4

Source: SJM 99/1.

Graph 19: Countries clustered accoring to cohesion of social norms



Source of data: WVS 92.

Table 10: (In)justifiability of actions

Can never be justified	1991 in %	1998 in %
Claiming government benefits which you are not entitled to	49.4	49.3
Cheating on tax if you have the chance	68.4	60.0
Taking and driving away a car belonging to someone else (joyriding)	89.9	78.2
Taking the drug marijuana or hashish	86.6	67.9
Lying in your own interest	66.4	55.5
Married men/women having an affair	40.9	44.2
Someone accepting a bribe in the course of the their duties	79.2	73.5
Homosexuality	60.1	41.6
Abortion	14.1	19.5
Divorce	14.8	14.2
Euthanasia	44.7	27.5
Suicide	55.2	46.6
Throwing away litter in a public place	74.3	70.5
Driving under the influence of alcohol	70.8	67.5
Buy a thing or service without a bill to avoid tax		43.6
Have occasional sexual intercourse		38.4
Smoke in public buildings		45.9
Exceeding the speed limit		50.1
Sex under the legal age of consent	26.8	22.2
Prostitution	60.4	49.6

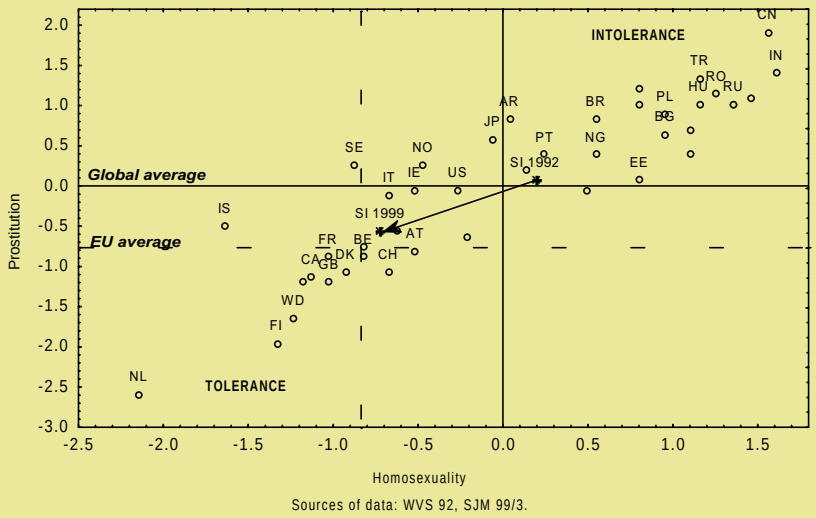
Sources: SJM 91, SJM 98.

Knack and Keefer (1997) were involved in controversy with several social capital theorists. The authors supplemented the measure of interpersonal trust from the World Values Survey (WVS) with five additional indicators used in determining the trust index or **social norms cohesion index**[18]. The index takes into consideration the shares of respondents who would never justify certain violations of social norms: a) tax avoidance if there is a chance; b) demanding privileges from the state one is not entitled to; c) not telling the owner of a car that you accidentally damaged it; d) avoiding paying for public transport; and e) keeping money that has been found.

According to the majority of social norms cohesion indicators, Slovenia was close to the global average in 1992, while in 1999 it approximated to the EU average. If the social norms cohesion index is extended to other indicators, it also shows (in)tolerance towards or (dis)approval of controversial social issues, such as: prostitution, abortion, suicide, euthanasia etc. In Slovenia, people's views regarding the majority of questions are moving towards tolerance. Estimated as the most tolerable by Slovenians are: divorce, abortion, and sex under the legal age of consent (18). In 1998, the most inexcusable remained "joyriding (taking and driving a car away belonging to someone else)" and "accepting a bribe in the course of one's duty".

In comparison with Europe, the citizens of Slovenia express above-average trust in the printed media, which is further escalating and has many consequences for preserving/changing cultural patterns, as well as for the people's perspective of society and the world. Trust in the media can have negative impacts – especially if the media is unselective, non-objective, if it reproduces intolerance etc, which is typical of Slovenia. Trust in the education system also remains above the European average, while all other kinds of trust are below the European average.

Graph 20: Never justifying (prostitution and homosexuality), *standardized deviations from global and EU average (1992)*



Sources of data: WVS 92, SJM 99/3.

Table 11: Membership in voluntary organisations and voluntary work

Organizations	Share of respondents %					
	Membership			Voluntary work		
	Europe's average 1992	Slovenia 1992	Slovenia 1999	Europe's average 1992	Slovenia 1992	Slovenia 1999
Sports/recreation	17.6	8.3	16.9	7.7	3.0	8.4
Education/cultural	10.1	3.3	9.2	4.5	3.2	6.7
Religious organisations	12.5	2.7	6.7	5.1	2.0	4.5
Social welfare	6.4	1.5	5.4	3.8	1.4	4.9
Community actions	3.0	5.8	9.2	2.1	2.7	5.8
Professional associations	7.4	5.9	6.7	2.1	2.1	2.7
Trade unions	27.5	19.2	16.9	4.6	1.7	3.3

Sources od data: WVS 92, SJM 92/2, SJM 99/3.

Note: The table does not include those organisations whose membership was lower than 5% in both research periods as the values are too low for statistical analysis; these organisations are: political parties, peace and medical associations, associations for environmental protection, for human rights, youth work, and women's groups.

[18]Indicators measure the statement: "I could never excuse" on a scale from 1 (never) to 10 (always). In the analysis, only the answers "I could never excuse" are taken into account.

5. Civil society – voluntary organisations and voluntary work

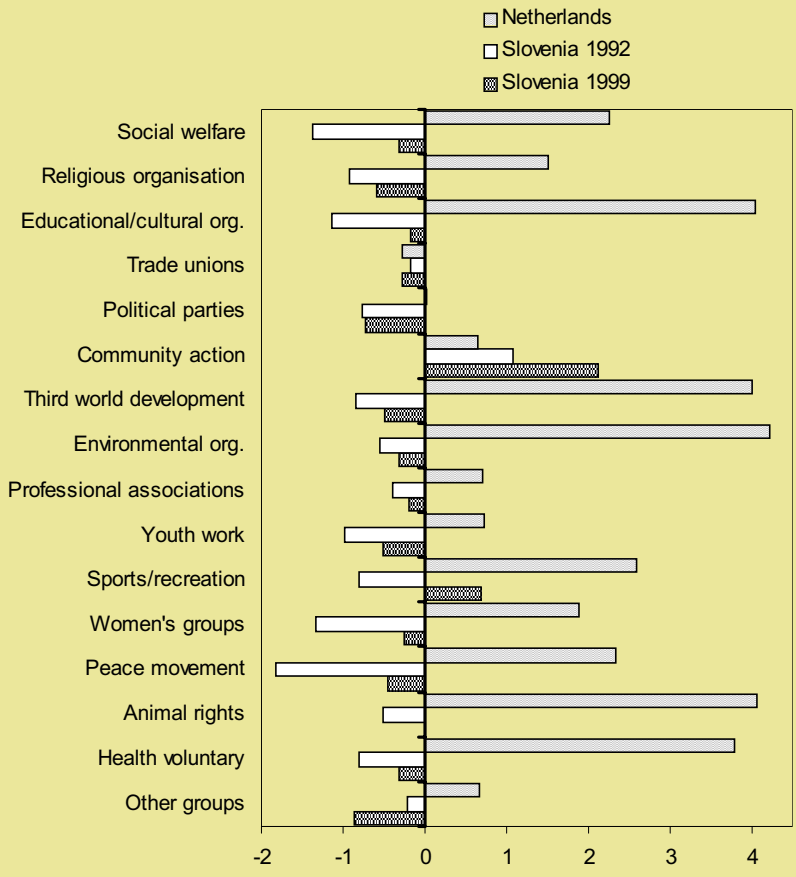
Voluntary organisations are independent, heterogeneous in terms of their organisation, and autonomous. Their activities cover a wide array of social interests and needs. They operate on a voluntary basis; active members are volunteers or semi-professionals, other members are usually only sympathisers or advocates of similar beliefs or views embodied by these organisations.

Putnam (1993) defines social capital, represented by social norms and social networks, as a precondition of economic development and efficient government. Social network stimulates harmonisation and communication and multiplies information by disseminating trust among members. If previous successful co-operation is rooted in a network, it serves as "cultural templates" for further co-operation (Putnam, 1993:37). According to Putnam and many other authors, voluntary organisations significantly influence the potential of social capital in society.

Slovenia is a country with the lowest membership in voluntary organisations and takes the last position in terms of voluntary work in general (regardless of membership). In 1992, it was ranked last among all countries regarding membership in the majority of organisations. It is above the global (and European) average only regarding membership in local communities where Slovenia is ranked 3rd among all countries, mostly thanks to numerous fire-brigades, a characteristic of Slovenia.

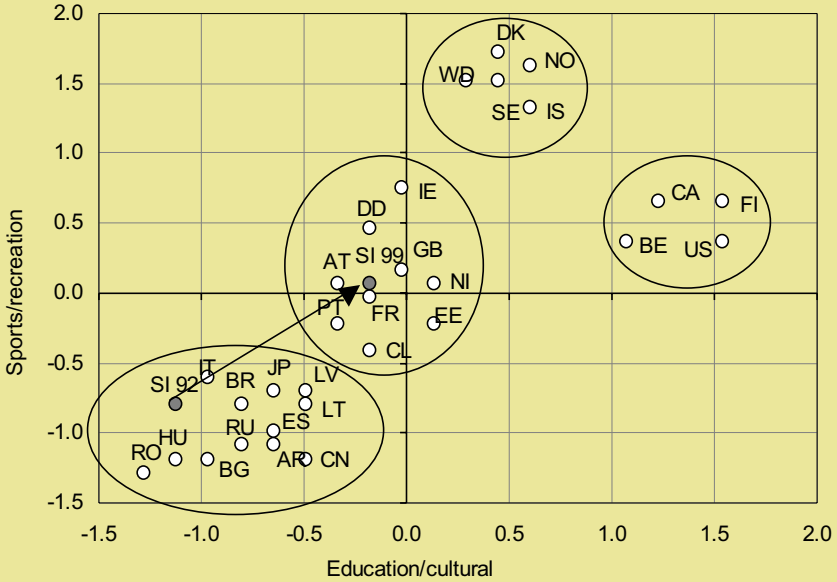
In the eight-year period (SJM 1992 and 1999), membership in almost all voluntary organisations doubled or tripled, except for trade union membership which declined considerably (relative change – 12%), while the decline of membership in political parties was negligible[19]. Voluntary work (people involved in voluntary work regardless of whether they are

Graph 21: Membership in voluntary organisations *(standardized deviations from global average, 1992)*



Sources of data: WVS 92, SJM 99/3.

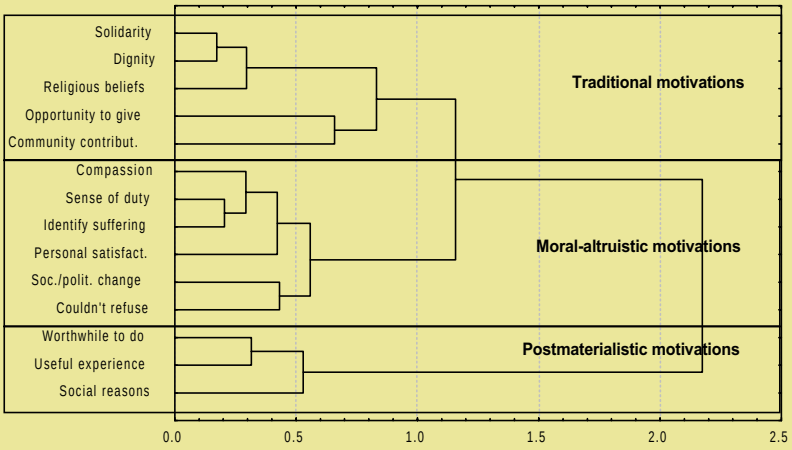
Graph 22: Membership in voluntary organisations *(standardized deviation from global average, 1992)*



Sources of data: WVS 92, SJM 93/3.

[19]Despite declining membership in trade unions, voluntary work in trade unions is increasing which, however, is not the case with political parties.

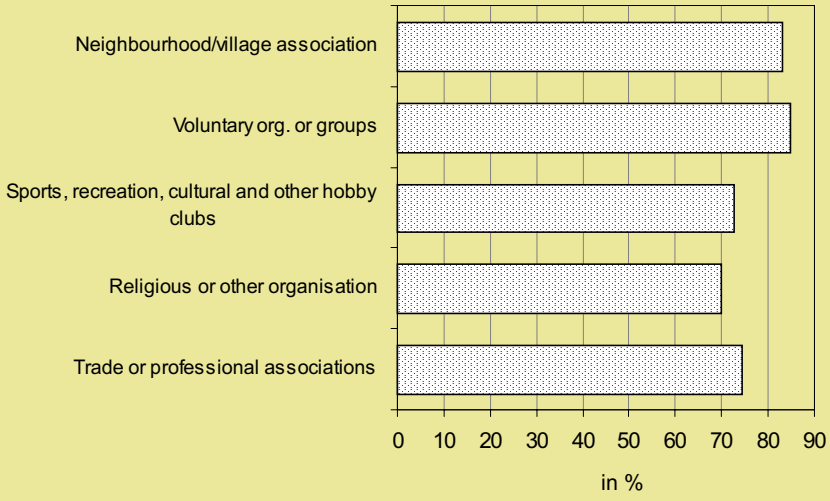
Graph 23: Three groups of motivation for voluntary work



Ward's method / 1-pearson-r

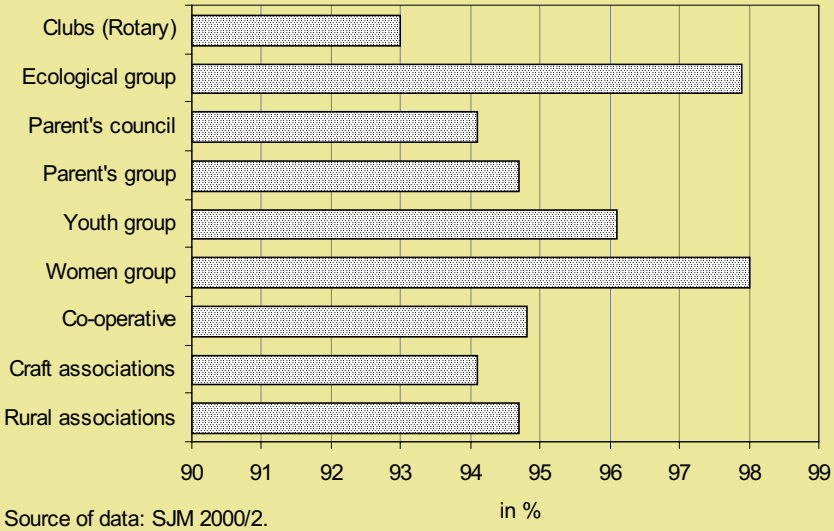
Source of data: WVS 92.

Graph 24: Non-belonging; Slovenia 2000



Source of data: SJM 2000/2.

Graph 25: Non-belonging; Slovenia 2000



Source of data: SJM 2000/2.

members of voluntary organisations) has been increasing at a slightly slower rate than membership. The highest increase was recorded in sports/recreation associations, social welfare, and education/cultural organisations. Active membership[20] is only half of the entire membership in voluntary organisations, while the percentage of voluntary work of non-members is negligible. Membership in sports/recreation associations, trade unions and education/cultural associations also prevailed in 1999.

Statistical cluster analysis shows that Slovenia most closely resembles Romania, Bulgaria, and Hungary in terms of membership and work in voluntary organisations. A statistical cluster analysis of motivation for voluntary work shows three types of motivation and two mutually excluding complexes. The first complex is characterised by traditional (solidarity, honour, religion, opportunity to give, contributing to community) and moral-altruist (compassion, sense of duty, personal suffering etc) motivations. An entirely different post-materialistic complex of motivations for voluntary work emphasises the individual's own need and awareness of other people's needs for social contacts and security (gaining of experience, personal satisfaction, social reasons), which is characteristic of countries with well developed social networks and civil society in general (especially the Scandinavian countries).

In Slovenia (like in Portugal and Iceland), moral-altruist motivations prevail, i.e. motivations involving egoistic sacrifice for others out of compassion. However, a co-operative form of voluntary work is only achieved when the people's goal is no longer "working for others" or "working for oneself", but "working for others and for oneself at the same time" i.e. when they shift from sacrifice and solidarity to gaining experience, self-fulfilment and the provision of stability and safety to oneself and simultaneously to others. Such an example is the Netherlands with membership and work in vol-

[20]Active membership represents the share of people who are members of certain organisations and are active outside of them (e.g. when they are volunteers at the same time).

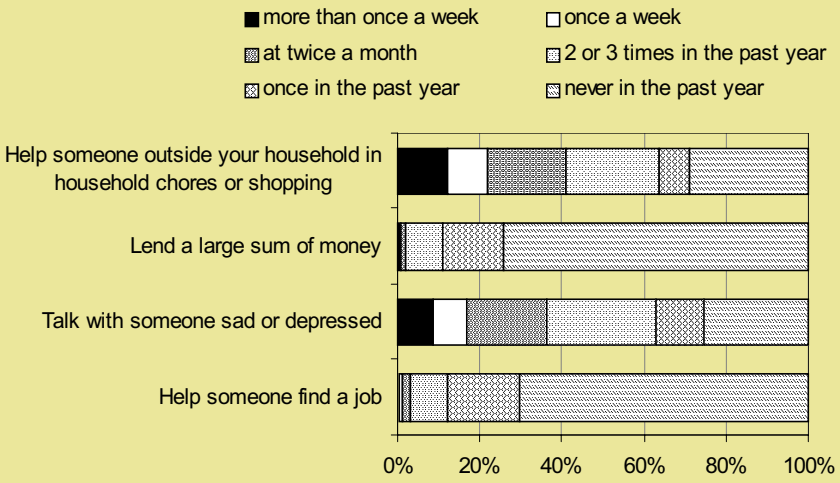
untary organisations high above the average and simultaneously the most distinctive post-materialistic character of voluntary work. In 1992, it was at the very top of 43 countries of the world regarding the share of its population with a post-materialistic value orientation.

It is not only important to distinguish between priority motivations for voluntary work – the level or intensity of motivations in a certain country has to be pointed out as well. In developing countries and countries with high inequality rates, the intensity of all motivations for voluntary work (e.g. India (90%), Lithuania and Brazil (over 80%)) is higher, i.e. all motivation types are highly emphasised. In Slovenia (like in the Netherlands, France, and Belgium), motivation types for voluntary work are less distinctly stressed (below 60%).

Slovenian beliefs are also characterised by the controversies related to organisations and voluntary work, such as: despite above-average environmental awareness of the people, they are not prepared to help finance environmental activities (SJM92/1); among the mentioned social movements[21] the human rights movement was the most appreciated by the respondents (71%) in 1999, however membership in the very organisations fighting for human rights and the development of the third world is the lowest (0.4%) among all memberships in organisations (SJM99/3). The general social climate for the stimulation and development of voluntary organisations in Slovenia is far from favourable, which is evident from a number of indicators and pointed out by numerous experts. Discrepancies and the denial of beliefs are surely also a consequence of the lack of power and disharmony between various spheres of society.

According to the World Values Survey, there is a high correlation between trust in people and work in voluntary organisations (r=0.57), as well as membership in voluntary organisations (r=0.69). Despite the increase recorded in member-

Graph 26: Readiness to help, Slovenia 2000



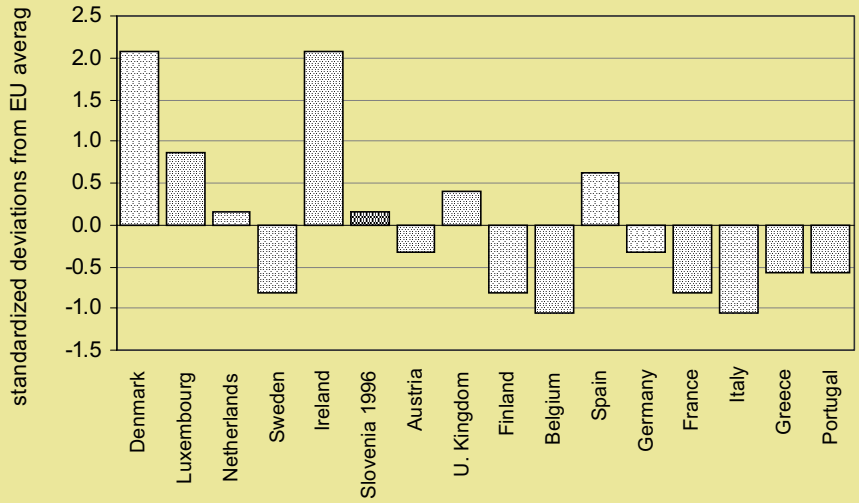
Source of data: SJM 2000/2.

Box 9: Interest groups and the EU

"The time has come when we clearly realise that Europe is not led only by European institutions but also by national, regional and local authorities – and the civil society" (Romano Prodi). In the European Commission, efforts are increasing to stimulate co-operation between civil society (NGOs) and the EU. NGOs operate especially in the areas that are not adequately managed by governmental and profit-based organisations. According to the European Commission, NGOs operate to the general benefit of individual groups of people or the entire society. On one hand, they try to ensure equality, justice and welfare, and on the other, they make the voices of powerless groups and individuals recognisable (Špilak, 2000).
Processes of European integration not only bring new knowledge, independent sources of information and a new way of thinking into the civil/social sphere, but also an entire array of other effects (reorganisation of Slovenian interest groups, changing perceptions about what kind of policies are "good" and how representatives of civil society and the government should co-operate in shaping and implementing public policies). Interest groups in the EU (Euro-groups and groups from the EU member-states resembling Slovenian interest groups) have an important influence on the 'Europeanisation' of Slovenian politics – they reinforce Slovenian interest groups by giving them support in the phase when issues are put forward on domestic institutional agendas, by developing the active participation of interest groups in all key phases of shaping and implementing the policies in Slovenia and by transferring knowledge, expertise and experience to Slovenian interest groups. Of 70 interest groups in eleven public policy sectors in Slovenia, 56% were connected with similar organisations abroad, especially organisations in the EU member-countries (20.9%) and European interest groups – the so-called Euro-groups (14.9%). In the area of international connecting, economic groups, trade unions and employers' organisations prevailed, while some other interest groups that cover numerous social areas (consumer protection, social welfare, health, education, the environment, agriculture, sports etc) also connected with each other intensively. The majority of support comes in the form of information, "know-how" inflows, and the authority of foreign recommendations. So far, European integration and co-operation has influenced the organisational component of political parties (Bibič, 1996: 300) as well as interest groups in candidate-countries (Fink-Hafner, 1998). International connecting and especially foreign support help shape the political culture of Slovenian interest groups. International connecting up supports the development of a participatory type of political culture in Slovenia as well as the internationalisation of solving conflicts related to the development of policies in Slovenia (Fink-Hafner, 2000: 86-87).

[21]Respondents could (dis)approve of the following movements: a) environmental or nature conservation movements, b) movements against the use of nuclear energy, c) disarmament movements, d) human rights movements, e) women's movements, f) anti-apartheid movements.

Graph 27: Satisfaction with democracy (Slovenia and EU)



Sources of data: EB 1997, SJM 96/2.

Box 10: Slovenia in the eighties

In the eighties, social movements (civil society) had a critical role, very important for the development of democracy, finally leading to the change of political system. These movements, however, have become drowned in political parties, resulting in the disappearance of a large part of the so-called "empty space" that had been independent of politics. In the previous system, the party primarily controlled the factors directly enabling it to hold power, while the remaining social space was largely left to the self-organisation of the people. Consequently, the economy and especially social activities enjoyed a relatively high level of autonomy. When social activities were nationalised in 1992, however, the power was transferred directly to politics, i.e. the issues related to the development of education, culture, science etc. became the subject of inter-party trade. In short, each individual party tries to control the entire area not only of the political but also of social and moral life of the people. However, this trade is not based on at least a partially agreed concept of social development of Slovenia, but exclusively on the criterion of whether an individual measure is beneficial for an individual political party or not.

Human Development Report – Slovenia 1998.

Graph 28: Comparison of life now and five years ago *(% of much better + better)*

Sources of data: SJM 93/1, SJM 97/3, SJM 98/3.

ship and voluntary work, Slovenia also remains a country with a poorly developed social network after 1999, which has many long-term and short-term consequences for individuals as well as for the entire society:

1. a low level of social integration of the population;
2. limited chances of participating and co-decision making at all levels of society;
3. (in)accessibility of useful information;
4. low intensity of interpersonal relations; and
5. low level of trust and rare social relations outside the primary groups.

Strict divisions into two poles: civil society on one hand and state totalities on the other, has negative consequences for both, the first and the other side: helplessness of individuals and an inefficient state. The state should stimulate and reinforce civil engagement – non-governmental social network and relations between the people and organisations. Organisations need appropriate legal regulation as well as regulation and definition of financial support, which are the largest problems they face in Slovenia. Interventions of the state are necessary, however civil society has to retain its autonomy at the same time, without the state interfering in civil society. Only in this way can the division into strong/week spheres of social life be bridged by the co-operation of all spheres, thus providing equal opportunities for active participation and the possibility of co-decision-making of all citizens who wish to contribute to the development of society as well as to their own creativity, personal development, and the ability to cope with the social environment.

6. Civil society – social action

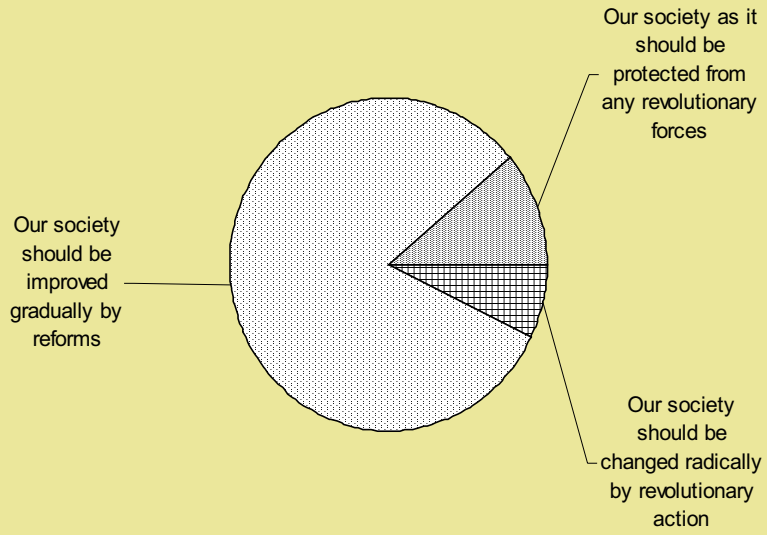
Apart from voluntary organisations, civil society is composed of many other groups, sub-cultures, movements that are formed because of special intentions/interests and represent an important source of social action.

New social movements are a key component of the post-modern politics which is reflected, produced and modified by the post-modern society; they demand new social values, they call for new political, economic, social and cultural changes, and they are frequently described as anti-party-oriented, anti-political and anti-state (for example Tarrow, 1994); they incorporate feminist, environmental, peace and anti-nuclear movements, various cultural and social marginal individuals, along with sexual, racial, religious and ethnical groups; they utilise the means of direct political action or civil disobedience; many of them use direct, destructive activities; they can be aggressive, however, they are usually not. They are formed due to some special interest and tend to undermine the old bases of politics, i.e. they cause the destruction, curtailment or even collapse of the party system. New social movements are too frequently idealistically represented as being a priori progressive, while they can be conservative and destructive for human development.

In the nineties in Slovenia we could not talk about evident social movements neither in terms of their activities and organisation nor regarding their action. Social movements of the eighties, which brought about changes to the system, sank in the political parties. The differences in standpoints, opinions, beliefs and lifestyles are particularly reflected through sub-cultures and sub-cultural scenes. Sub-cultures are the origins of fear and discomfort and are conflictual in relation to the dominant culture, while the sub-cultures of the nineties fascinate, entertain, fill with enthusiasm and are calming.

New social movements, sub-cultures, as well as non-governmental and voluntary organisations are, apart from other different groups (associations, offices, institutions), frequent stimulators and performers of social action. Social capital is frequently defined as "the source of social action". Social actions are important corrigenda in democratic societies, they call our attention to inequity, deprivations and proper interests. In Slovenia,

Graph 29: Changing society - Slovenia, 1999



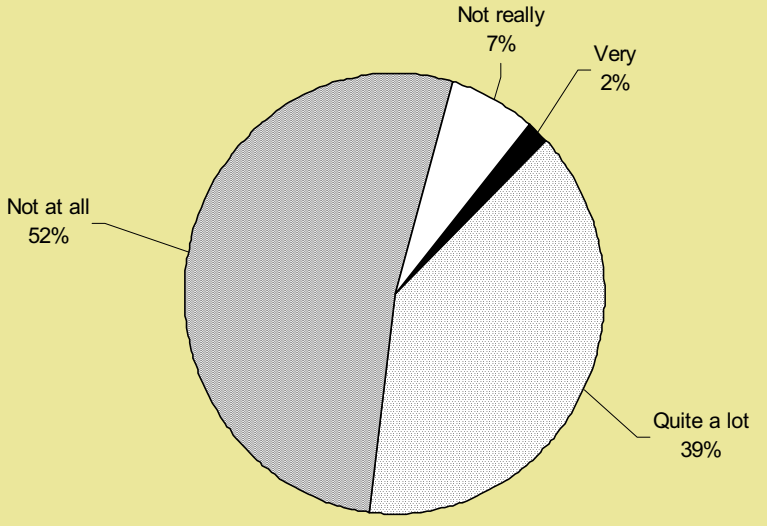
Source of data: SJM 99/3.

Table 12: Comparing life now and five years ago, are circumstances in the given fields much better, about the same or worse?

(% of much better + better today)	1993	1997	1998
Education possibilities	25.1	38.7	38.3
Cultural life	27.1	39.3	35.2
Respect of human rights and freedoms	33.8	34.7	28.1
Democratisation of decision-making	39.2	40.3	23.2
Health care	19	17.4	16.7
How people live	10.7	15.9	14.5
Respect of work	21.2	19.5	13.5
Lawfulness	13.3	14.9	11.6
Experts influencing government decisions	16.9	15.1	11
Posibility to have, bring up children	4.6	7.5	7.2
Posibility to get a flat	8.4	4.2	4.9
Posibility to get a job	1.8	2.8	3.3

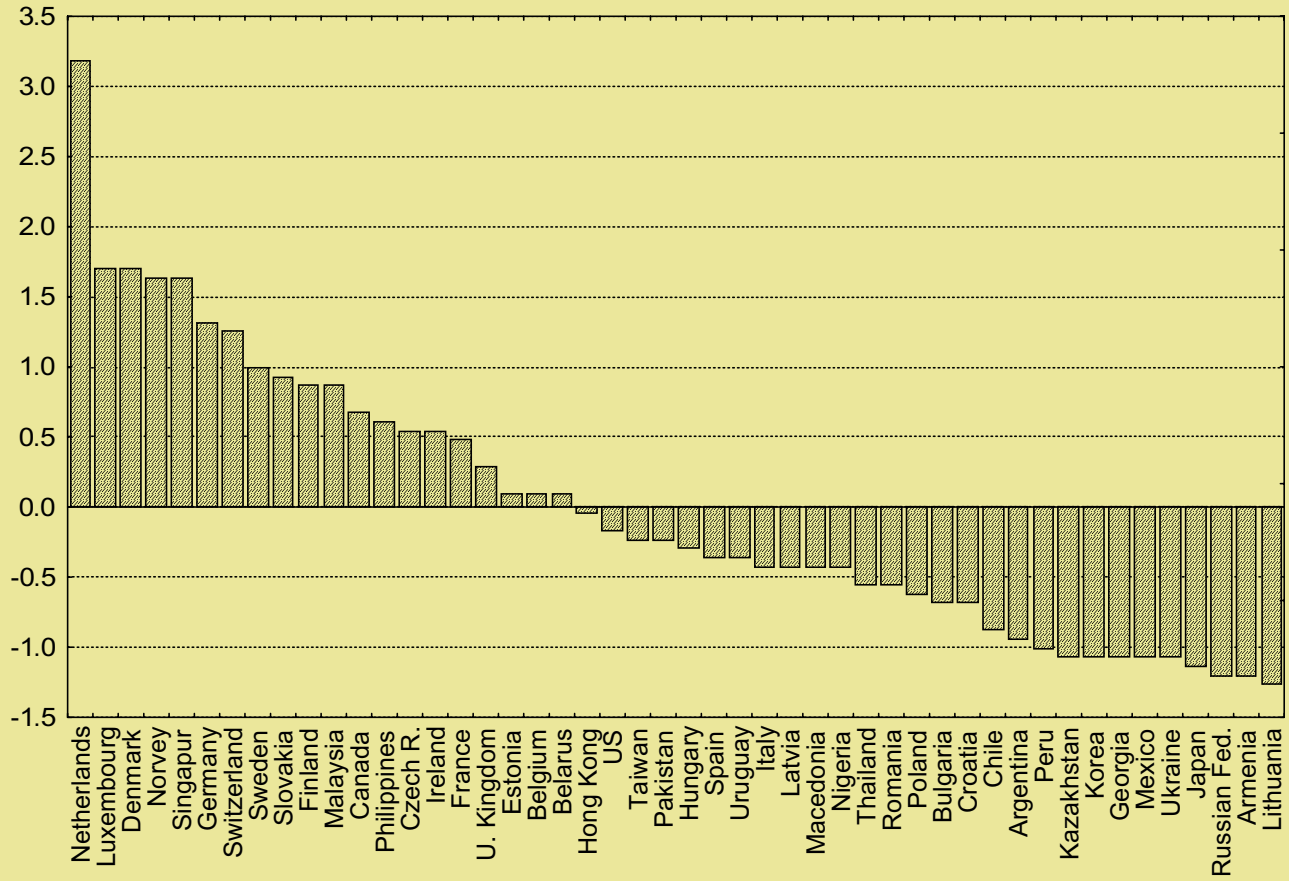
Sources: SJM 93/1, SJM 97/3, SJM 98/3.

Graph 30: Respect of human rights in Slovenia (1999)



Source of data: SJM 99/3.

Graph 31: Respect of human rights *(standardized deviation from global average, 1999)*



Source of data: The Gallup International Millennium Survey 1999

Box 11: (Non)democratic culture

The level of democratic culture is defined by the following attributes: **the level of trust in inter-personal relations**, the level of satisfaction with life, the level of ethnocentrism and extremism, the level of political participation and **income disparities** (Inglehart, 1997).

According to the indicator of the level of trust in inter-personal relations, Slovenia ranked one of the last among 43 countries worldwide in 1992, 1995 and 1999. The next indicator of the level of democratic culture is income disparities. Data analysis reveals that a society with large social disparities has no legitimacy in public opinion. Citizens of Slovenia are inclined towards the reduction of social disparities and to the concept of the social state in the reference period. Regarding the majority of indicators of the quality of life (possibility of decision-making, satisfaction with life, financial situation, happiness, health), estimates given by the respondents improved, i.e. the general estimate of welfare improved, however some of the indicators failed to reach the global or the European 1992 average.

The largest step towards a post-materialistic value orientation in the three-year period (1992-1995) was recorded in terms of low respect for the authorities and a low level of trust in social institutions, the parliament and the legal system, while the need for the participation of citizens in deciding about and influencing life and work, including **political participation**, is increasing.

A basic rule of democratic culture is also defined by the level of respect of human rights which form the basis of every democratic society. According to respondents' opinions, human rights in Slovenia are more often violated than respected.

we cannot talk about a high number of actions spurred on by new social movements, sub-cultures or non-governmental movements; higher rates are particularly recorded by strikes of different institutions (workers in the area of health care, the police, truck drivers etc).

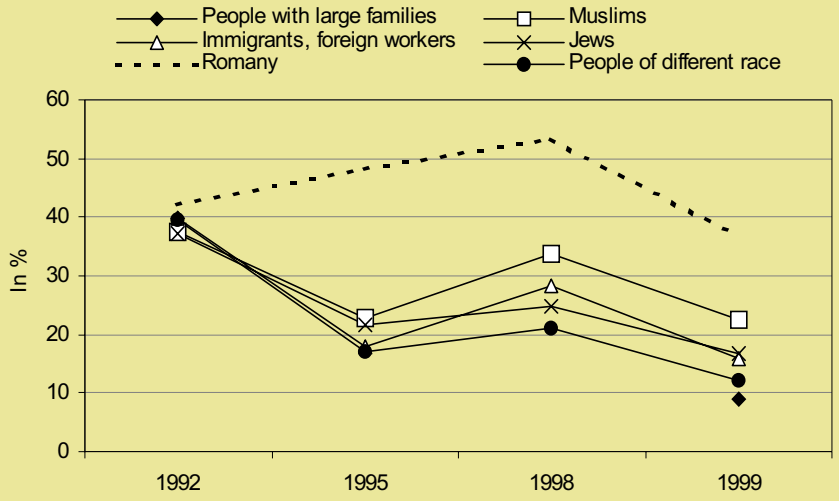
According to the Slovenian Public Opinion Poll, in Slovenia there has been an increase in all forms of social action: a) to sign a petition; b) to join a boycott; c) to participate in legal demonstrations; d) to take part in illegal strikes; and e) to occupy institutions and factories. In 1999 the highest increase was seen in readiness for an informal form of social activity (participation in illegal strikes, occupation of institutions and factories). The approval of aggressive, informal and illegal action is a frequent result of inability to accord the interests following formal samples, i.e. the inability to ob-

tain the set goals. The readiness of informal means to achieve the set goals is stressed by decreased demand, according to which "our society – as it is now – needs to be protected against all subversive forces" (in 1995, 24% of respondents agreed with the statement, in 1999, however, only 11%). The results show that informal social action is becoming more acceptable.

In spite of the fact that the independent and democratic Slovenia has existed for ten years, politics has not succeeded in carrying out its various reforms and promises. Numerous announced changes have been substituted for with priority reforms and negotiations concerning joining the EU. Among respondents, the demand for gradual improvement of the society with reforms has risen (in 1995, there were 69% of such respondents, in 1999, already 82%). Besides, many indicators point to the reduction of certain democratic elements.

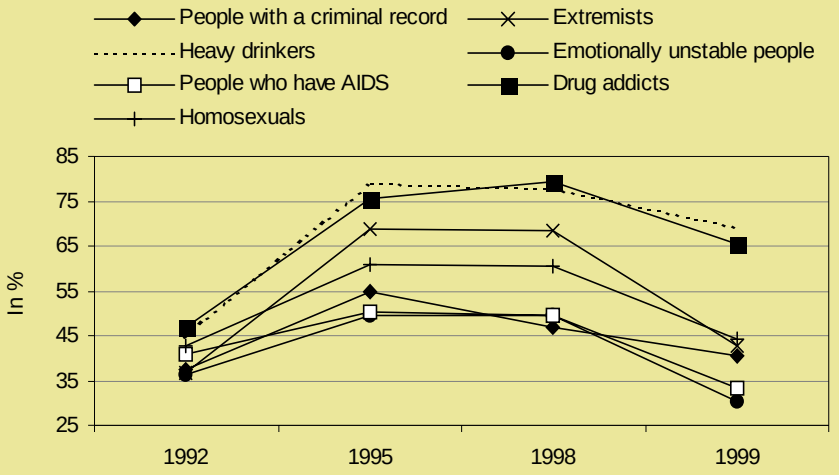
The estimate of respecting human rights and freedoms has been on a decrease, as well as the estimate of possibilities of democratic decision-making and the influence of professionals on governmental decisions (indicators are measured by the question: Comparing life in our country today with life of five years ago, are the conditions today much better, similar, the same or worse?) In 1993, 34% of respondents assessed that respecting human rights was much better or better than five years before, in 1992, however, only 28% of respondents were of the same opinion. In 1999, 59% of respondents thought that human rights were badly respected or not respected at all, while only 2% of respondents thought they were fully respected. In five years (in the period from 1993 to 1998), the sense of possibilities of democratic decision-making decreased by 10%, and the influence of professionals on governmental decisions has dropped by 6%.

Graph 32: I don't want "others" as my neighbours



Sources of data: SJM 92/1, SJM 95/2, SJM 98.

Graph 33: I don't want "the different" as my neighbours



Sources of data: SJM 92/1, SJM 95/2, SJM 98.

At the time of fundamentalisms (Mastnak)[22], thematisation of civil society in Slovenia is problematic and useful at the same time. Changes in dealing with the civil society especially from the political and economical spheres are more than necessary, as is the revival of some critical standpoints, confrontations and conversations. As long as the professional public remains silent and the media is full of partial, intolerant and non-democratic information to which no one responds, also the level of democracy in

The ethnocentrism index is based on the following interview question: "Who wouldn't you want as your neighbour?" The index is a sum of the following answers: "foreigners", "people with AIDS", and "homosexuals".

[22]Fundamentalists believe in the reality of words comprehending them to be something realistic, and they perceive in declarations and big gestures the climax of political activities. Political action is either straightening matters or righting a wrong from the past we personally perceive, or eliminating the evil personified by the opposing side. Political questions are personified and solved on the basis of selecting/eliminating the right people etc. Fundamentalist politics cannot be the politics of interests but of status etc (Mastnak, 1992: 73-74).

Table 13: Correlation between ethnocentrism index and estimates regarding life (correlation coefficients)

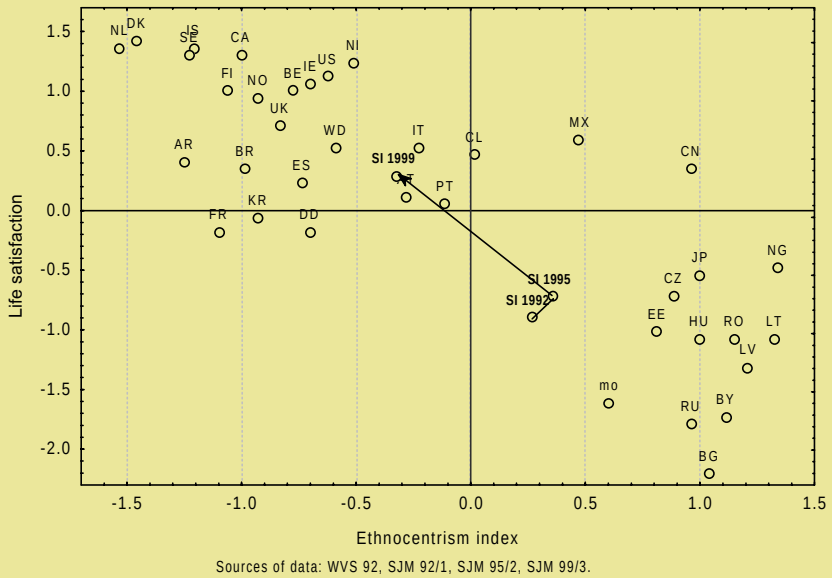
	Evaluation of key indicators of the quality of life				
	Happiness	Trust	Free choice/ control	Satisfaction with life	Health
Ethnocentrism index	-0.551	-0.453	-0.648	-0.787	-0.633
	Evaluation of one's own feelings				
	Proud	Pleased	"On top of the world"	Bored	Depressed
Ethnocentrism index	-0.500	-0.535	-0.404	0.420	0.325

Source: WVS 92.
Notes: p<0.05,
Correlation coefficients calculated on the basis of World Values Survey (cases represent countries).

Box 12: Hate speech in Slovenia

In Slovenia, especially in 2000 and at the beginning of 2001, a campaign was run against illegal immigrants, also reflected by 'hate speech' on the Internet:
"I'm a nationally conscious Slovenian, I can say I was raised in a pretty national spirit and I intend to continue with my family tradition! I'm going to have ten children, so honest Slovenians that will make something of this Slovenia! People! There is only a million of us left! Don't let Slovenians become extinct and forced out by some seemingly poor refugees, wanting to establish the second Kosovo here…"
"Let's put them behind barbed wire! Refugees, ministers, secretaries and other swindlers!"
"Let's infect them with mad cows!"
"They are horrible…OK, maybe the lives of 10% among them are really endangered in their home countries, but the others are smugglers who are after easy money! I recommend the Minister and the others to visit McDonalds in Šiška once and everything will be clear to them. They stink, they stalk Slovenian girls and other people, and each one of them has a cellular phone and full pockets of money… We Slovenians fought too much for our country to take others under our roof…let's first take care of our own people…besides, these people will never assimilate because of cultural differences. Not before long Slovenians will be a minority – if we allow this to happen, we will be cursed by our children."

Graph 34: Correlation of ethnocentrism and satisfaction with life
(standardized deviation from global average (1992)



Sources of data: WVS 92, SJM 92/1, SJM 95/2, SJM 99/3.

Slovenia is questionable. Thus, the prosperity of civil society is not only desirable but also necessary.

7. (In)tolerance and the index of ethnocentrism

Different types of discrimination can be illustrated through two aspects – discrimination towards "others" (as to sex, race, language, state etc) and discrimination towards "the different" (regarding their way of life, religious belief or sexual orientation etc). Besides the two determined types of discrimination of intolerance or intolerance, everyday discrimination within different social groups or structures (as to sex, income, education etc) is relevant, too.

For Slovenia a high level of ethnocentrism and xenophobia is characteristic, according to which Slovenia in ranked within the first third on the scale of 43 countries in all research periods. In 1995, the intolerance level towards "others" (apart from Romany) slightly decreased, while intolerance towards "the different", particularly alcoholics[23], drug addicts, the legally punished, homosexuals, the emotionally disturbed etc increased. Intolerance towards "others" slightly increased again in 1998, but was still below the 1992 level, while intolerance towards "the different" increased steadily. Even though according to the latest surveys (from 1999), all types of intolerance are decreasing, Slovenia remains one of the distinctly intolerant countries. Intolerance

[23] In this case, we use the same expression as the Slovenian Public Opinion Poll which is, however, somewhat intolerant.

is – more than through (racist) groups – evident through the underground roots in the Slovenian mentality, public, media, and through the so-called "drinking discourse"[24].

A characteristic of Slovenian general intolerance is that it was more general and undefined in 1992 (it ranged from 30% to 50%). Over a four-year period (1995-1999), intolerance disbursed and inhabitants became more selective as to who they wanted/did not want, a large intolerance scale appeared (from 10% to 70%). The shares of most types of intolerance towards "others" have decreased since 1992 and intolerance ranged from 10% to 25% in 1999, apart from intolerance towards Romany, which increased steadily up to 1998 and only in 1999 fell below the threshold level reached in 1992. All intolerance shares towards "the different" increased up to 1998 and they partially fell only in 1999, however they did not drop to the 1992 level, with the exception of intolerance directed at the emotionally unstable and drug addicts. According to the latest data, Slovenians are the most intolerant towards "the different", i.e. towards drug addicts (65%) and alcoholics (69%), while in terms of intolerance towards "others" they are the most intolerant towards Romany (36.6%). Even after 1999 intolerance towards alcoholics, Romany, Muslims, Jews, and right-wing extremists remains above the global average (global average of the intolerance level for 1992 exceeds the European average by 9%).

In the entire research period only intolerance towards the two groups was below the European average (intolerance towards alcoholics and drug addicts, i.e. it was below the European average during the first research period when intolerance of Slovenians was directed particularly at those "others" who might have "endangered" the Slovenian state (foreign workers, Muslims etc).

Box 13: Reproduction of intolerance

The intolerance problem does not develop overnight - it is entrenched, institutionalised, refined, and too frequently tolerated in Slovenia. The reproduction and preservation of intolerance are particularly the concern of democratic authorities and inappropriate and intolerant politics:

- During the entire period of its independence, Slovenia has failed to determine appropriate politics as regards immigrants and refugees. In certain areas, this fact caused public discussions and conflicts (Postojna, Šiška etc), intensifying and increasing intolerance and tensions among local inhabitants.
- Hate speeches of politicians or professional circles are tolerated.
- Concerning issues related to foreign refugees seeking asylum in Slovenia were solved by simple "intolerant" naming of centres "Centres for the removal of foreigners". The Ministry of Internal Affairs evaluated the situation as alarming only when the number of illegal immigrants from 1999 tripled already in October 2000.
- It was only the intelligentsia or foreign professional circles and not the Ombudsman who frequently (if at all) reacted to the violation of human rights.
- Stimulators and disseminators of intolerance include religious leaders.
- Inconsistency in employing foreign citizens causes many problems particularly in providing special services in the case of long-term and other types of co-operation.
- In Slovenia, values expected (demanded) from children by their parents and education systems still tend towards competition and intolerance more than towards co-operation and tolerance etc.

The following indicator of the level of democratic culture of a society is also **the level of ethnocentrism**, measured by the ethnocentrism index. The ethnocentrism index is high in countries with a low level of social welfare.

In countries with a high ethnocentrism level, the inhabitants are more unhappy, distrustful, indecisive and dissatisfied with their lives. They even assess their health condition as poor. The ethnocentrism index is low in countries where a large share of inhabitants feels proud, satisfied and "on top of the world"; while it is high in those countries where inhabitants judge themselves to be extremely bored and depressed. Among the six most important areas of life, a positive correlation emerges with ethnocentrism and religion, and a negative correlation between ethnocentrism and the importance interviewees attribute to their friends and leisure. A high index of ethnocentrism appears in societies with a low level of democratic culture.

[24]"The discovery of Slovenian drinking discourse in places where one can make statements "without getting caught" is, undoubtedly, something new, something typical of the Slovenian post-socialistic society. It is indubitably placed among the most revolutionary extremist discoveries, supported by - believe it or not - a large share of the public, even by the editorship of the main Slovenian (central-liberal oriented!) newspaper Delo." Kuzmanić (1999: 12-13). For more information, see Kuzmanić (1999).

According to data from the Public Opinion Poll, the ethnocentrism index is above the global average in Slovenia (the global average was 1.09 in 1992) and was rising (in 1992 it was 1.24, in 1995 it was 1.30, and in 1998 it was 1.35) up to 1998. In 1999, it fell for the first time below the global 1992 average (0.93). The ethnocentrism level remains relatively high, having a lot of effects on many areas of the lives of inhabitants. In terms of the ethnocentrism level and satisfaction with life, Slovenia – according to the most recent data (1999) - is approaching Austria, Italy and Portugal which reached this level in 1992.

More than the entrenched and institutionalised status of intolerance in Slovenia the legitimacy of intolerance is of concern since it is – unfortunately – an everyday (acceptable) public discourse. However, in this area no positive trends have been evident so far and if there are no incentives from the state or civil society, the openness of the country will drop and intolerance will even increase.

In spite of provisions and intentions of the UN General Assembly[25], even in 1999 only 16% of respondents from 60 countries of the world[26] on average estimated that human rights are entirely respected. Data from the Public Opinion Poll are not comparable, however they clearly show (although with no comparison) that respecting human rights is assessed badly by the respondents; 59% of them think that human rights are not really respected or not respected at all.

Values and development

According to the presented study of beliefs and value orientations of the inhabitants of Slovenia, most indicators (quality of life, ethnocentrism index, membership in voluntary organisations, trust etc) are improving, however they remained below the global average also in 1999 or they merely achieved the global average of 1992. According to Inglehart's definition of value orientations, the share of the population with a post-materialistic value orientation increased in 1995 in Slovenia. In 1992, there were 28% materialists and 7% post-materialists, while in 1995 the share of post-materialists increased to 19%, while the share of materialists dropped to 13%. According to new data, no substantial improvement has been achieved in comparison with the 1992 global average in spite of a reversal in value orientations.

In terms of post-materialistic value orientations, the 1995 data place Slovenia above the 1992 global average (15% in 1992), however the share of post-materialists in 1995 was half the share in the Netherlands which had the highest percentage of post-materialists (36%) in 1992.

The post-materialistic value orientation of the citizens of Slovenia in 1999 is shown by indicators related to participatory values, equality tendencies and cooperation: "to give the people a more decisive role when important decisions in the country are taken" (36.4%), "less emphasis on money and material assets" (in 1992 agreed to by 50% and in 1999 by 63%); the demand to decrease the importance of work is growing (12% in 1992 and as much as 20% in 1999), although the importance of work is growing. A smaller share of the population thinks that "larger income disparities are necessary", the share of respondents that agreed with the statement dropped by more than 50% (48% in 1992, only 20% in 1999).

A materialistic pattern is shown by emphasising respect for the authorities, competitiveness (only 10% of respondents in 1999 still perceived competition as harmful), demands are also growing for attributing more importance to fami-

[25]The General Assembly proclaimed the general declaration on human rights as the common ideal of all peoples and nations with an intention that all society authorities and individuals would – in accordance with the Declaration – develop a respect of these rights and freedoms in education processes and, with gradual state and international measures, ensure and protect their general, actual acknowledgement and respect among nations of member-states, as well as among the peoples from territories under their rule.

[26]The international Gallup survey covered approximately 1.25 million of the world population (in 60 countries).

ly life and a simpler way of life. In spite of growing demands for trust (most people can be trusted) that reached 22% in 1999, the prevailing share of respondents claims that "caution is necessary when contacting others" (78% of respondents agreed with this statement in 1999).

Despite the shift in the beliefs and values of Slovenia's population towards post-materialistic values, the materialistic component of the population remains very strong and intensive: unused potential of social capital (low level of social contacts, low level of interpersonal trust and trust in institutions, inability of citizens to participate, disorganised and passive civil society, low rates of membership and work in voluntary organisations etc) and a low percentage of post-materialistic population (the level of intolerance is still very high, the ethnocentrism index is high, the estimate of social welfare of the population is still unsatisfactory when compared to economic indicators and the human development index; highly emphasised work and family, but not friends and leisure etc).

In comparison with other development indicators, the analysis of values reveals a significantly less favourable picture. On the global and EU scale, Slovenia is ranked much lower than would be expected according to other (economic and social) indicators. This also draws our attention to the beliefs, demands or needs of the population that are the most problematic or even non-democratic.

In Slovenia, more attention has to be paid to development studies that do not exclude the cultural aspects, values and beliefs of the population or at least do not neglect their importance. After ten years of independence, issues such as tolerance, trust, and co-operation remain problematic. These issues should no longer be discussed in terms of their essence but in terms of how they should be achieved. According to Inglehart, individuals with post-materialistic orientations are also increasingly aware of how to achieve their post-materialistic goals. However, there is a lack of political as well as civil initiatives in Slovenia leading towards post-materialistic value orientations and contributing to the important potential of social capital for society. The social climate is inclined towards divisions, inequalities, competition, privileges, intolerance etc, which is also a reflection of the political climate where the following processes take place without compromise: employing people according to political and not professional criteria; "centres for the removal of foreigners"; corruption, competitiveness, aggression and intolerance etc. The media have a large influence on public opinion, on preserving or even accepting intolerance, competitiveness and materialistic demands. They are not regulated by a critical public, but by a non-selective, consumer society. Rigidity and inflexibility of systems (school, health etc) that represented a defence against rash and ill-considered changes desired by new politics at the beginning of transition today already represent an obstacle.

Therefore, it is not surprising that our analysis showed positive shifts in the beliefs and values of the population but, on the other hand, they are still far from the desired position among the countries that Slovenia can be compared with regarding other indicators (HDI, GEM and GDI etc). The prevailing positive trend should be encouraged and preserved. At the same time, it should also be accelerated since many values still prevail in Slovenia that were overcome or changed in Western European countries already in 1992.

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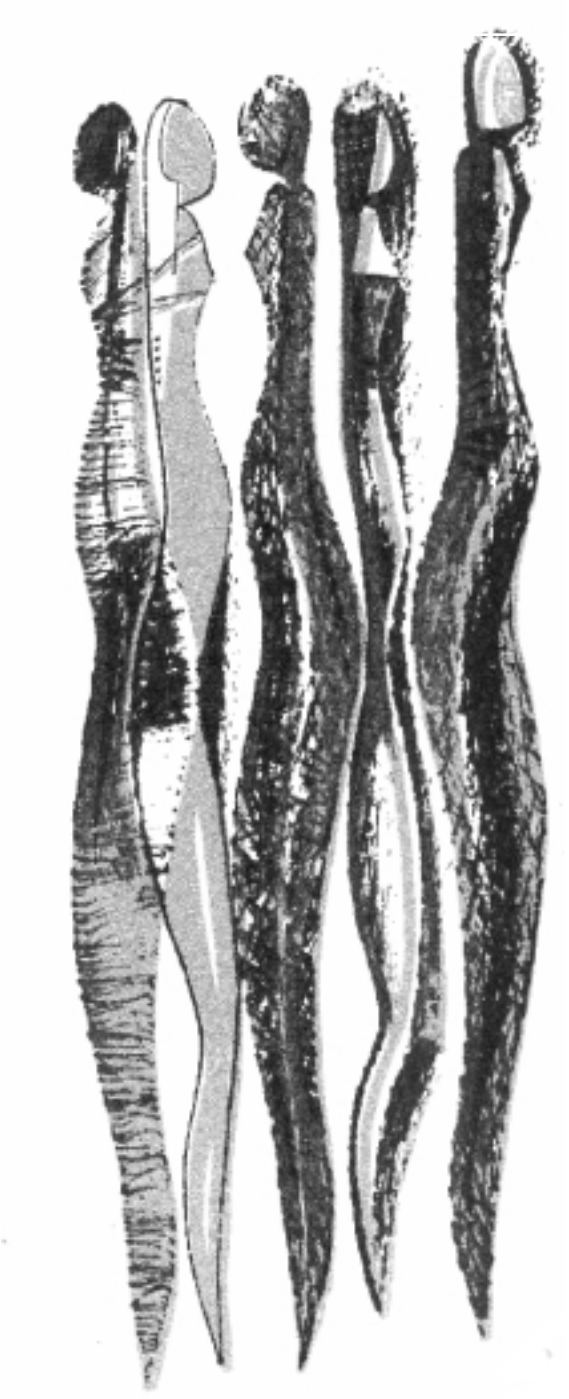
Chapter III

(In)equality: Achievements, Challenges, and Opportunities



I WORK

I have hands
I have a head
I'll sell a third of my life for the best offer.

But wherever I come to,
wherever I go,
wherever I turn,
there's no work for me.

But I can work,
work, work,
work, work,
work until I fall.

When I come home in the evening -
what should I say to my children?
Should I cut off my hand and say:
Here, eat this!

I'm young and I can stand
in line at offices and bureaus,
in front of social workers and counselors
and I can beg for help, hand-outs, money.

But I can work,
work, work,
work, work,
work until I fall.

From behind their desks and telephones,
they point their fingers.
- The world belongs to the young,
when we die, you'll get what's left over.

I don't ask for pity, don't listen to me,
I ask for nothing at all.
Only why are there always more of us on the street?
And why are there always more empty words in the
newspapers?

But I can work,
work, work,
work, work,
work until I fall.

Jani Kovačič

3.1 Economic development

Slovenia's economic development in the nineties falls within the developmental pattern of the more successful countries in transition. The dilemma over the pace of the reforms – gradualism versus "big bang" – no longer exists; Slovenia has generally opted for the gradualist approach. After ten years of transition, reforms are still to be completed in the areas of corporate sector restructuring (the state's direct involvement is too strong), financial sector restructuring, and public administration reform or efficiency of the public sector. Slovenia has received a low assessment from international institutions (IMF, 2000; EBRD, 2000; European Commission, 1999) for its implementation of competition policy. Like elsewhere in Europe, the low flexibility in the labour market is another setback. Over the last three years, transformation into a well-functioning market economy has been combined with preparations for accession to the European Union, including harmonisation with the legislation of the EU.

The transformation depression – falls in gross domestic product, employment and investment, mass unemployment and high inflation experienced at the beginning of the nineties – was followed by a pick-up in economic activity as early as in 1993. The stronger domestic demand, which turned economic activity upwards in mid-1993, was accompanied by an economic boost in the EU in 1994. After 1993, the average annual rate of economic growth was more than 4%; furthermore, Slovenia managed to keep its public finances in balance up until 1997 and preserve its external equilibrium up until 1999. Indicators of economic development show that Slovenia is closing the gap behind the advanced countries and the EU average. Its gross domestic product per capita at purchasing power parity was 71% of the EU average in 1999, up from 64% in 1995. Slovenia

The theory of transition from a socialist to a market economy proposes two basic approaches to economic reform: shock therapy and a gradualist approach. The former was based on the very liberal concept of economic policy formulated within the framework of the Washington Consensus, which propagated instant and fast stabilisation, liberalisation, privatisation, and the rapid implementation of other reforms. The proponents of the gradualist approach stress the need for progressive implementation of reforms and pointed out the role of institutions and their normal functioning for the success of the reforms. Ten years of transition have shown that neither of the approaches has been implemented in their pure form, so the prevailing opinion in the ensuing discussions was that a combination of the two is required to bring the reforms to a successful conclusion. Measures that need to be taken in the early stages of transition are the enforcement of fiscal discipline, price and trade liberalisation, and the reduction of inflation to low levels. However, their effectiveness crucially depends on the establishment and functioning of institutions (efficient state administration, corporate governance, an efficient banking sector, and the efficient provision of public services and social security by the state). At the same time, economists are aware of the political and geographical factors underlying the success of economic reforms.

has thus achieved a higher level of economic development than Greece, the least developed EU member-state, if measured by gross domestic product per capita at purchasing power parity. In 1996, Slovenia reached and exceeded its pre-transition level of economic development of 1990, while in 1998 it overtook the level of 1987, the year when economic crisis started looming in ex-Yugoslavia as shown in the falling gross domestic product. At the end of the nineties, Slovenia was one of the few countries in transition to have exceeded its pre-transition level of economic development. In 1999, the 1989 level of real gross domestic product was only exceeded by Poland and Slovenia (by 22% and 9%), while Slovakia reached the same level (EBRD, 2000, p. 65).

Compared to the other more developed countries in transition of Central and Eastern Europe, Slovenia has not taken full advantage of foreign direct investment. According to the Bank of Slovenia, foreign direct investment stock increased from EUR 1080.8 million, or 8.9% of gross domestic product, in 1994 to EUR 2477 million, or 14.2% of gross domestic product in 1998; however, this is considerably lower than in the Czech Republic (23.9% of GDP), Estonia (35%), Hungary (38.5%), and Poland (15.7%).[1] In 1999, foreign direct investment stock relative to gross domestic product hardly recorded any increase and totalled EUR 2676.1 million, according to the Bank of Slovenia. Since 1997, foreign direct investment inflows have nearly halved. Annual inflows in Slovenia are primarily related to acquisitions in a particular year; however, foreign capital in Slovenia has increased on account of the expansion and investment of existing foreign investors, while the number of new investors remains negligible. Despite the low inflows, foreign investment is gaining importance in Slovenia's non-financial corporate sector. At the end of 1998, foreign-owned companies (10% or higher foreign equity share) represented 4.3% of all companies in Slovenia, but they had 11.1% of equity, 11.7% of assets, employed 8.8% of all workers, and generated 27.6% of the exports of Slovenia's non-financial corporate sector.

Economic growth and external imbalance

As Slovenia's economy is open and small, economic developments in the nineties strongly depended on economic performances in the main trading partners. The economic slowdown in 1995-96 was due to the subdued growth in the EU, while the slowdown in 1998 was related to the Russian crisis and the recession in Croatia. The negative factors coming from the international environment in 1999 were more than offset by strong domestic demand. Achieving 5.2% real gross domestic product growth in 1999, Slovenia recorded the strongest economic growth among all candidate-countries for accession to the EU. Economic developments were favourable, even though they were strongly affected by changes in the economic conditions at home (the tax reform, implementation of the Europe Agreement, other systemic changes) and abroad (a slowdown in economic activity in Slovenia's main trading partners). Inflation trends were relatively favourable despite pressure arising from the introduction of value-added tax and the rising oil prices in

[1] Taken from Rojec and Stanojević (2000), p. 4, Table 2.

the second half of 1999. Developments in the labour market were equally positive: the number of persons in employment increased following many years of falls or stagnation, unemployment was reduced, and real wages rose below the rate of productivity growth. Company performance improved. The fiscal deficit, coming in at 0.6% of gross domestic product, was lower than projected or recorded in the preceding two years. On the other hand, the current account deficit increased substantially in 1999 and was largely financed by international borrowing given the lack of any significant foreign direct and portfolio investment inflows. After several years of increase, foreign exchange reserves shrank and the ratio of external debt to foreign exchange reserves fell. However, the level of reserves was still sufficient. Household borrowing from banks increased, while savings relative to gross domestic product dropped due to high household and government spending.

The relatively strong economic growth in Slovenia in 1999 was achieved at the expense of the external balance. The deficit in the current account of the balance of payments totalled USD 781 million, or 4% of gross domestic product, exceeding the upper limit of low macroeconomic vulnerability. Factors that caused the current account deficit were both external and internal. The main external causes of the balance of payments' disequilibrium were:

1. the economic recession in Croatia and the economic crisis in Russia;
2. the slowdown in economic activity in the EU;
3. the disappointing tourism season due to the war in the Balkans and the fall in day tourism to take advantage of cheaper prices in Slovenia; and
4. the worsening terms of trade, particularly in the second half of the year, caused by the rising oil and commodity prices.

The main internal factors were:

1. strong imports in anticipation of the introduction of value-added tax;
2. further worsening of the already unfavourable relationship between costs and export prices in comparison to the main trading partners (CEFTA, EU); this was related to the low internationalisation of Slovenian companies and modest investments in technological development over the last few years;
3. accelerated investment activity, causing strong imports of capital goods on the one hand and contributing to a lower surplus in income from services on the other: Slovenia became a net importer of construction services, with exports of those services remaining stagnant; and
4. strong imports of services related to the needs of the advancing economy and changes in household consumption.

Economic growth continues, but the deficit in the current account of the balance of payments is growing

Inflation

The problem of the current account deficit eased somewhat in 2000, but negative developments intensified in the inflation area. As indexation mechanisms are widely used in the economy (financial, accounting and wage systems), the negative effects of rising inflation could become evident in slowing economic activity and a wider fiscal deficit.

In 1999, inflation trends were primarily shaped by the introduction of value-added tax: falls in the rate of inflation in the first six months were followed by a leap

Table 1.1: Economic growth, external (dis)equilibrium, and inflation

	1996	1997	1998	1999
Economic growth (%)	3.5	4.6	3.8	5.2
Trade balance as a percentage of GDP	-4.4	-4.3	-4.0	-6.2
Exports of goods and services as a percentage of GDP	55.8	57.4	56.6	52.7
Imports of goods and services as a percentage of GDP	56.8	58.3	58.2	57.1
Current account balance as a percentage of GDP	0.2	0.1	-0.8	-3.9
Inflation (average annual rate)[1]	9.7	9.1	7.9	6.1

Sources: Statistical Office of the Republic of Slovenia, Bank of Slovenia, IMAD's calculations.

Note: [1]Up to and including 1997, inflation measured by the retail price index, in 1998 and 1999 inflation measured by the consumer price index.

The inflation rate pushed up by the introduction of value-added tax in 1999 and by external factors in 2000

after the implementation of the tax reform; those effects were exhausted in the first three months after its introduction. In the first half of 1999, consumer prices rose by 2.7% compared to December 1998; however, in the quarter following the tax reform prices climbed by 3.4%. Expectations of the extent of the impact of the introduction of value-added tax reflected in increased spending prior to its introduction proved to be overexaggerated. In the second half of 1999 (including the months after the introduction of value-added tax), inflation was pushed up by the rising oil and commodity prices in world markets. The inflation rate climbed to 8% by the end of 1999 (compared to 6.5% in 1998). The favourable price movements in the first six months helped the average annual inflation rate to be lower than in 1998. The downward track in inflation was maintained at the level of the annual average despite the tax reform, while the year-end inflation rate in 1999 was higher than that at end-1998. The downward trend came to a halt in 2000. Inflationary pressures driven by the strengthening of the US dollar against the European currencies and the rising oil and commodity prices in global markets, both of which appeared in the second half of 1999, gained strength in 2000. Inflation trends were largely influenced by external factors (the rising world petroleum product prices, the strong US dollar, and the growing inflation in the EU), while internal factors (price discrepancies and pressures from wages and the fiscal deficit) were weaker than the former, but not negligible.

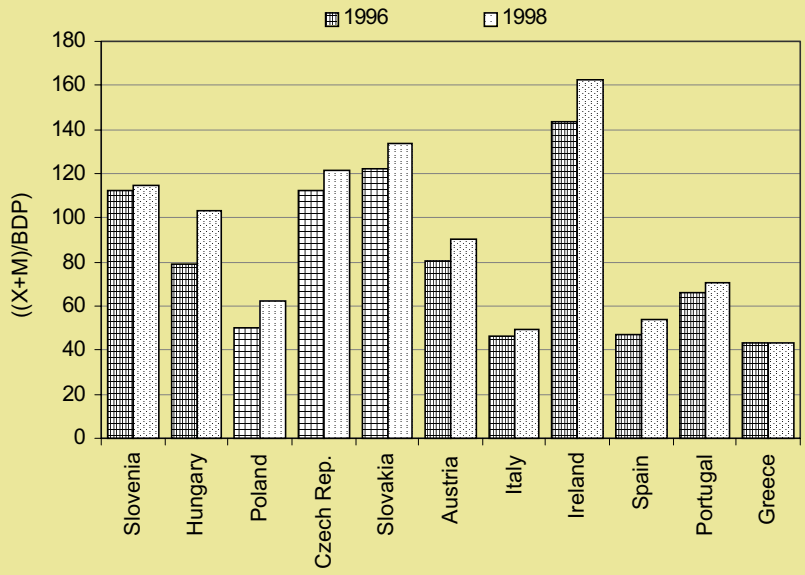
Registered employment is rising, unemployment is falling

Labour market

After years of decline and stagnation, employment trends were positive in 1999: the number of persons in employment increased by 1.8%. About one-third of that increase was due to the registering of those unemployed participating in public works schemes as being employed. In addition to the higher monthly numbers of participants in public works schemes, employment growth was due to the stronger economic activity. While employment continued to decline in agriculture and industry, employment rose in the service sector and construction. However, the percentage of people employed in agriculture and industry in the total labour force in Slovenia remains significantly higher than in the EU. Figures from the labour force survey for 1999 do not support those positive employment trends: the number of persons in employment fell by 1.7% in 1999 according to the survey. The same source reveals that both the employment rate and the activity rate declined in 1999. The main part of the discrepancy between the formal activity rate (monthly data) and that established by the survey is due to methodological differences, while some of that difference can be accounted for by the reduction of the grey economy brought about by the introduction of value-added tax and stricter labour inspection controls. In 2000, the employment rate as established by the labour force survey started climbing as well.

The number of registered unemployed dropped by 9.7% at end-1999 compared to a year earlier. The trend was maintained at the same pace in 2000. A significant contribution to the fall in regis-

Graph 1.1: The rate of economic openness



Sources of data: SORS, National Accounts of OECD Countries, Vol. II, 1998-1998, Aug. 2000, Main Economic Indicators, Nov. 2000, WIIW, Monthly Report, 10, 2000.

tered unemployment in 1999 was the implementation of the Act Amending the Employment and Insurance Against Unemployment Act, which introduced a number of changes: the status of an unemployed person is more clearly defined, those participating in the public works schemes are given the status of an employed person, the obligations of the unemployed in seeking a job or taking-up a job programme are higher, the supervision of the obligations of the unemployed is stricter. The implementation of those changes resulted in bigger deletions from the unemployment registers and a faster fall in the number of unemployed persons despite the fact that the flow from unemployment into employment was weaker than in 1998 and the influx into unemployment due to job losses stronger than a year earlier. Similar trends were seen in 2000. The number of registered unemployed declined from 114,348 in December 1999 to 104,508 in December 2000.

Any stronger reduction in unemployment is hindered by structural problems in the labour market. The proportion of the long-term unemployed is large, exceeding 60% for several years now, and the proportion of the unskilled unemployed remains obstinately high, ranging about 47% for many years. The age structure is equally problematic: those unemployed over 40 years of age account for more than 50% of total unemployment, while 27% of all unemployed are more than 50 years old. Structural problems are also evident at a regional level; disparities in regional unemployment rates are caused by the relatively low labour force mobility in Slovenia, but they are offset slightly by high commuting levels. Over the last few years, active employment policy measures have managed to slightly alleviate the pressing problem of youth unemployment; however, the rate remains high. In the early period of transition, almost entire generations of school-leavers joined the ranks of first-time job-seekers. In 1997, the co-financing of traineeship, one of the measures of the active employment policy to reduce youth unemployment, was stopped, but new programmes were introduced in 1999 and 2000 to address this problem. Even though young people have again registered at employment service offices in greater numbers since 1998, the average annual number of unemployed first-time job-seekers has declined. This has been due to demographic developments on the one hand and longer periods of education on the other. More and more young people decide to take up some form of further education, and they find a job earlier than older unemployed persons.

According to the labour force survey, the number of people de facto unemployed has ranged around 70,000 for several years now. The survey unemployment rate has been between 7% and 8% since 1995, while in the third quarter of 2000 the rate dropped to 6.7%. Unemployment in Slovenia is thus lower than in the European Union on average, and is close to the average unemployment level in OECD countries. Differences in registered and survey unemployment

Table 1.2: Main labour market indicators in 1997-1999

	1997	1998	1999
Unemployment rate[1]	7.4	7.9	7.6
• Men	7.1	7.7	7.3
• Women	6.3	8.1	7.9
Employment rate[2]	65.4	65.1	64.1
• Men	69.8	69.5	68.5
• Women	60.9	60.6	59.4
Employment in full-time equivalent[3]	-0.5	0.0	1.0
Average gross wage per employee – real growth	2.4	1.6	3.3
Labour productivity	5.1	3.8	4.0

Source: Statistical Office of the Republic of Slovenia, estimates by IMAD

Notes:

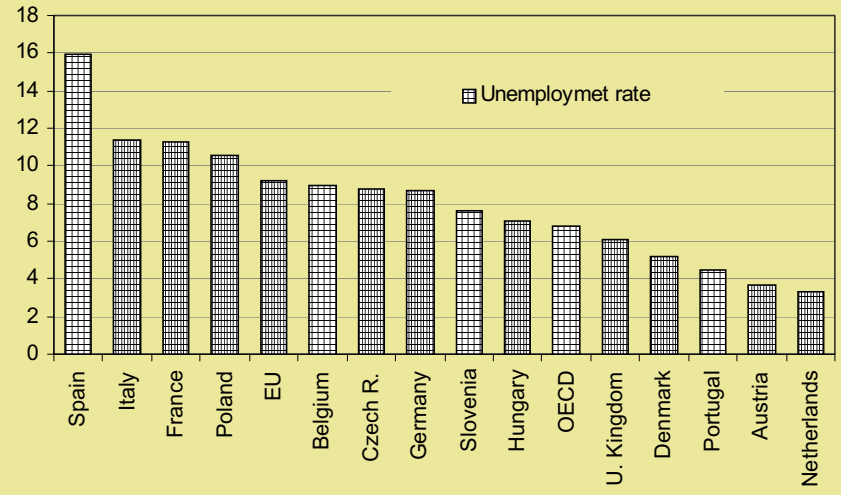
[1] SORS – taken from the Labour Force Survey.

[2] SORS – taken from the Labour Force Survey. Working-age population is population aged 15-64.

[3] SORS; IMAD's estimate for 1999.

In addition to **registered unemployment**, which defines the formal status of a person and tracks **registrations at employment** service offices, the Statistical Office has been conducting a labour force survey since 1993. The **labour force survey** establishes the actual scope of activity of the labour force in line with the methodology and definitions of the International Labour Organisation (ILO). Data collected by the labour force survey allow international comparisons, while figures on registered unemployment cannot be compared internationally because the number of the registered unemployed depends on legislation and the institutional framework in individual countries. According to the ILO, an unemployed person is over 15 years old, has not worked for payment in the week preceding the survey, has actively sought a job in the four weeks preceding the survey, and is ready to start working if offered a job within two weeks of the survey being conducted.

Graph 1.2: Unemployment rate, 1999



Sources of data: SORS and OECD (Economic Outlook, June 2000, Annex, Table 22).

rates are not only evident in Slovenia, they are, however, wider than in most advanced countries. The wide gap between the registered and ILO rates of unemployment in Slovenia is due to differences in the definition of unemployment or employment statuses, as well as to these factors:

1. a large proportion of the long-term unemployed who gradually become passive and no longer fall within the group of active job-seekers;
2. a large grey economy and a high proportion of informal employment;
3. the system of unemployment insurance and the system of benefits pertaining to the status of an unemployed person, which attracts a large number of registrations at employment service centres; and
4. a longer tradition of employment service centres compared to other countries in transition.

In view of the above and the fact that the labour force survey generally underestimates the scope of unemployment in rural areas (there is a strong possibility of people working for payment or family welfare), the survey unemployment rate slightly underestimates the real extent of unemployment in Slovenia. The registered unemployment rate, on the other hand, overestimates the actual scope of unemployment despite the lower shares of registered unemployed treated as active by the labour force survey criteria.

The main labour market indicators have become relatively positive over the last few years; however, a close look at the figures reveals no significant improvement for certain groups in the labour market. Both registered and labour force survey unemployment data point to the pressing problem of employing unskilled people, older people, and the disabled. Long-term unemployment (the percentage of those unemployed for over one year) shows no signs of decreasing despite efforts of the employment policy and falls in the number of the unemployed. The widening gap between the rates of unemployment for men and women shows that employing women is becoming increasingly more difficult. Current and potential problems in the labour market brought about by globalisation, a gradual transition to a service-oriented society, and accession to the EU require an active and co-ordinated strategy and employment policy.

First steps towards a new employment policy

At the end of 1999, the Government of the Republic of Slovenia adopted the Strategic Goals for Labour Market Development and Employment Policy up to 2006 and the National Employment Action Plan for 2000 and 2001. The Strategic Goals and Employment Policy state the following objectives: to raise the education level of the population, to reduce imbalances in the labour market, to increase employment and reduce unemployment, and to provide jobs or employment programmes for the unemployed within the shortest time possible. In order to raise the education level and reduce imbalances in the labour market, the Strategy envisages improving and diversifying vocational training opportunities, increasing the number of places for adults at all levels of the education process, stimulating lifelong learning, and setting up a system of national profes-

sional certificates. Employment growth will be further boosted by creating an entrepreneurial culture, an environment that attracts domestic and foreign investment, by promoting technological development and innovation in companies (help in penetrating foreign markets, a consultancy network for small- and medium-sized enterprises, co-financing training costs in small enterprises, creation of joint technological and innovation centres, establishing different types of funds, etc). In order to make the unemployed active again as quickly as possible, traditional employment programmes and employment services (private and public) will have to become more efficient.

The National Employment Action Plan for 2000 and 2001 follows the guidelines for employment policy proposed by the EU in 1998. The EU adopts European Employment Guidelines each year and changes them to reflect developments in the labour market and experience in conducting employment policy. In 1998, when the European Employment Guidelines were first implemented, four pillars of employment policy were formulated: I – improving employability, II – promotion of entrepreneurship, III – encouraging adaptability of businesses and employees, and IV – strengthening equal opportunities policies for men and women. Following the examples of good practice abroad and taking into account domestic problems, Slovenia took its first steps towards a similar approach to employment policy in 2000. The new approach is based not only on traditional active employment programmes, but also on the understanding of employment policy as a web of measures that include flexibility in business operations and employment, fiscal incentives, measures to stimulate entrepreneurship, steps to boost the qualifications of the unemployed and employed, including a higher level of formal educational attainment level, and measures to ensure equal access to work for all social groups.

Within the framework of the four-pillar employment policy, the traditional active employment policy remains an important part of the overall employment policy, however, it requires a more active involvement on the part of job-seekers. Programmes are becoming increasingly more individualised, while training programmes are gaining in importance. In order to quickly re-integrate the unemployed back into the labour market, the system of insurance against unemployment was changed at the end of 1998, which was reflected in the new Employment and Insurance against Unemployment Act.

Effective implementation of employment policy requires active and co-ordinated co-operation between government departments, social partners and institutions carrying out employment programmes. Implementation of the third pillar – encouraging the adaptability of businesses and employees – will require particularly close co-operation between employers and employees. Employment policy will bring the right results, thus creating economic and social cohesion, only if the barriers between government departments are removed and a constructive social dialogue at national and regional levels is created.

3.2 General government expenditure

Since Slovenia became independent from the former Yugoslavia in 1991, its policy on public finances has been aimed at encouraging economic activity. Its goal was to keep public finance as balanced as possible. As a result of certain measures of economic policy, the general government deficit has since then not exceeded 1% of gross domestic product.

The beginning of that period even saw a small surplus in overall balance of public finance, while public finances were balanced from 1994 to 1996. The balanced public finances played a positive role in stabilising the economy as they exerted no additional pressure on interest rates and the exchange rate through borrowing abroad. An imbalance in public finances emerged in 1997, the year in which general government revenues were affected by lower rates of social security contributions and certain customs and import duties which were not replaced by new tax sources. The most stable sources of public funding possible were sought with the help of the tax policy and tax reform. Despite these efforts, a slight general government deficit emerged after 1996.

General government expenditure had to be constantly adjusted to the available general government revenues. Pressure to increase general government expenditure was even more pronounced in the transition period. Measures of economic policy taken to limit expenditure have been employed throughout this period to alleviate the enormous pressures on general government expenditure.

Volume of total general government expenditure and its share in GDP

The general government expenditure ranged from 44% to 46% of GDP in the period from 1992 to 1999

Nevertheless, talks on balancing general government expenditure and the prioritising of expenditure were extremely demanding and difficult.

Slovenia is an advanced economy if measured in terms of what share its general government expenditure has in gross domestic product. Consolidated[1] general government expenditure[2] ranged from 44% to 46% of gross domestic product in the period from 1992 to 1999.

General government expenditure made up 43.7% of gross domestic product in 1992. After a substantial increase in general government expenditure which exceeded the growth of gross domestic product in 1993, the share rose to 45.5%. The policy of public finance was more restrictive the following year, and so the share of general government expenditure in gross domestic product fell by 0.6 of a structural point. In 1995, the share of general government expenditure in gross domestic product remained at approximately the same level as in 1994. In a bid to improve Slovenian companies' competitive abilities abroad, labour costs had to be reduced through cuts in social security contributions in 1996. Thus, the lower general government revenues once again called for a very moderate increase in general government expenditure, which fell to 44.1% of the gross domestic product in 1996. After 1996, however, general government expenditure began once again to grow faster than gross domestic product, increasing on a yearly basis only to reach as much as 46% of gross domestic product in 1999.

Slovenia faced a great deal of pressure to increase general government expenditure at the beginning of the period of its independence. Independence brought about the need to build up Slovenian state institutions, while structural problems related to the loss of markets had to be solved and losses from the past had to be compensated for. A small state implied a relatively expensive state administration, and the social security systems were quite well developed. These factors dictated a rise in general government expenditure as well as its restructuring.

In the first years after independence general government expenditure was adjusted to several priorities, including corporate restructuring, active employment policy, bank rehabilitation, the construction of motorways, the building up of basic defence systems, and social security of the most affected social groups.

Pay rises in the state administration and a higher rate of employment in the public sector exerted additional pressure on general government expenditure after

Table 2.1: General government expenditure

	1993	1994	1995	1996	1997	1998	1999
General government expenditure, SIT billion (current prices)[1]	653.3	831.2	999.9	1127.5	1304.2	1476.2	1672.5
General government expenditure as a percentage of GDP[1]	45.5	44.9	45.0	44.1	44.9	45.4	46.0
Real growth of general government expenditure %	11.0	6.2	6.8	2.8	6.0	4.9	6.8
General government surplus/deficit as a percentage of GDP	0.9	0.0	0.0	0.3	-1.2	-0.8	-0.6

Source: Ministry of Finance, calculations by IMAD.

Note: [1]General government expenditure is consolidated, social security contributions of the state as an employer included.

[1]To avoid some of the general government expenditure being listed twice, general government expenditure has been consolidated in harmony with the IMF's methodology, with social security contributions paid by the state as an employer not being excluded.

[2]General government expenditure consists of central and local government expenditure, expenditure on compulsory health insurance as well as expenditure on pension and disability insurance. In the period from 1993 to 1999, more than half of all consolidated general government expenditure (from 54% to 58%) was made up of central and local government expenditure, with expenditure on pension and disability insurance and that on mandatory health insurance representing from 28% to 30% and from 15% to 16% of all consolidated general government expenditure, respectively.

Table 2.2: Share of consolidated general government expenditure in GPD by economic purpose (%)

	1995	1996	1997	1998	1999
Total expenditure[1]	45.0	44.1	44.9	45.4	46.0
Wages, contributions, and other employee allowances	10.6	10.9	11.4	11.2	11.3
Purchases of goods and services	9.0	8.6	8.4	8.5	8.1
Interest payments	1.2	1.2	1.2	1.3	1.4
Subsidies	1.9	1.4	1.4	1.5	1.7
Transfers to individuals and households	17.6	17.4	17.9	17.6	17.8
Other current transfers	0.5	0.5	0.5	0.9	1.0
Capital expenditure and capital transfers	4.2	4.2	4.2	4.3	4.6

Source: Ministry of Finance, calculations by IMAD.

Note: [1]General government expenditure is consolidated, social security contributions of the state as an employer included.

1996. Rises followed in expenditure on the wages of civil servants and those employed in other government institutions and other providers of public services.

Wage increases increased expenditure for social transfers even more. The social security systems had systems of indexation of social benefits with wage increases built in. New rights to various forms of social benefits, particularly in childcare and social protection were introduced.

Also adjusted to wage increases were pensions and disability allowances as well as other benefits from pension and disability insurance, which not only resulted in a larger number of beneficiaries but generated a rise in general government expenditure on pension and disability insurance.

Structure of consolidated general government expenditure by economic purpose

The structure of general government expenditure by economic purpose in the period from 1992 to 1999 reveals a relatively sharp increase in expenditure on wages and other costs pertaining to employees in state institutions, other governmental institutions and other providers of public services. The share of expenditure on wages and other costs (together with social security contributions paid by employers) went up from 10.5% of gross domestic product in 1992 to around 11.3% of gross domestic product in 1999. The Act on Wage Ratios in Government Bodies was adopted in the middle of 1994, bringing about an increase in expenditure on wages in the public sector, as well as in the number of employees. A restrictive wages policy for the public sector slowed down the growth in general government expenditure on wages in real terms only as late as 1998.

Due to economic measures and restrictions, expenditure on goods and services of state institutions and other governmental institutions grew slower than gross domestic product, reaching 9.5% of gross domestic product in 1992 and gradually falling, only to reach 8.1% of gross domestic product in 1999.

A major increase in real terms was also recorded in the category of transfers to individuals and households, whose share in gross domestic product ranged from 16.5% in 1992 to 17.8% in 1999. Their internal structure changed to the benefit of unemployment benefits, childcare (introduction of a universal child benefit) and social security of war veterans and war victims (implementation of new laws) as well as pensions and disability allowances.

As much as 2.9% of gross domestic product was allocated to subsidies and transfers to the economy in 1992. The share dropped later on, and nearly halved by 1999 when it stood at 1.7% of gross domestic product. Much of these funds were used to carry out the active employment policy, and to cover the losses

The greatest share of general government expenditure was earmarked for social security

and insolvency of mainly large companies.

In that period, 3.4% to 4.6% of gross domestic product was allocated for capital expenditure and transfers. While capital expenditure and transfers are general government expenditure which is considerably more important for development than the classical general government expenditure (wages, material expenses, social transfers), pressures to increase the latter resulted in the elimination of the former during the process of harmonisation of general government expenditure.

Structure of consolidated general government expenditure by functional purpose

The pension system before 2000 alleviated the problems of those who lost jobs but at the same time led to a surge in the number of pensioners

Public finance is intended to satisfy different public needs. Through allocation and distribution, public finance has to be appropriately divided for various purposes to satisfy public needs to the greatest extent. This effort is reflected in the structure of general government expenditure by functional purpose, a framework offering an insight into the purposes for which the state spends general government revenue. The structure of general government expenditure by functional purpose[3] shows that the greatest share of general government expenditure was earmarked for social security - over 39% of total general government expenditure or 17.5% to 18% of the gross domestic product. A look at each year reveals that the structural share rose somewhat, namely from 38.1% in 1993 to 39.4% in 1999. Soon after 1992 there was pronounced pressure to increase expenditure on social security, chiefly pensions and disability allowances as well as other expenses from pension and disability insurance, which all together made up around three-quarters of the entire expenditure on social security. By the end of that period, expenditure on other social transfers increased as well.

Apart from providing social security to insured persons, pensioners, the disabled and their families, the system of pension and disability insurance took over a share of the consequences of economic restructuring after 1991. It assisted in cutting unemployment by offering redundant workers possibilities of early retirement and retirement after a full working period regardless of age, and the possibility to buy up the outstanding pension-qualifying period, which resulted in a considerable increase in the number of pensioners. A slight slowdown in retirement occurred after a new pension law was adopted in 1992. The law prescribed a gradual transition to higher retirement

Table 2.3: General government expenditure by functional classification as a percentage of GDP (the COFOG method – Classification of the Functions of Government)

	1995	1996	1997	1998	1999
Total expenditure[1]	45.0	44.1	44.9	45.4	46.0
Public administration	4.0	3.6	3.8	3.9	4.0
Defence and emergency measures	1.3	1.2	1.2	1.1	1.1
Law and order, security	1.5	1.6	1.7	1.6	1.7
Education	5.5	5.6	5.8	5.7	5.6
Health care system	6.1	6.1	6.1	6.2	6.1
Social security	17.7	17.4	17.7	18.0	17.9
Housing, spatial planning, environmental protection	1.5	1.6	1.5	1.5	1.6
Recreation, culture, non-profit organisations and institutions	1.2	1.2	1.2	1.2	1.2
Other economic activities	7.3	7.1	7.1	7.5	8.1

Source: Ministry of Finance, calculations by IMAD.

Note: [1]General government expenditure is consolidated, social security contributions of the state as an employer included.

[3]General government expenditure is classified according to its functions (COFOG), a special methodology adopted by international institutions which show the functional structure of general government expenditure. This classification is used by international institutions for their members, which enables the international compatibility of data as well as its comparability over time.

ages, abolished the possibility to retire regardless of age, and limited early retirement. 1991 saw an around 9-percent rise in beneficiaries in the system of pension and disability insurance, an additional increase of 5.8% was recorded in 1992, and of 1.9% in 1993. The number of beneficiaries increased somewhat more slowly in 1994, only to grow at an around 1-percent rate after 1996.

In addition to a substantial increase in the number of pensioners and other beneficiaries of pension and disability insurance, the system of pension and disability insurance contained indexation mechanisms favourable to the beneficiaries. Throughout that period, pensions were adjusted in line with the movement of average wages per employee. Wages increased in real terms after 1992, but their growth slowed down only after 1996 as a result of a successful incomes policy. Thus, the pension system retained a high relationship between average wages and the average pension.

The share of expenditure emerging from the law and other regulations on pension and disability insurance represented in gross domestic product increased from 10.8% in 1991 to 13.3% in 1995. However, after 1995 the share of expenditure on pension and disability insurance in gross domestic product began to drop slightly, only to stand at 13.1% in 1998 and 13.2% in 1999.

In a bid to adjust the pension and disability insurance system to changes in demographic trends as well as to the new economic and social situation, pension reform was completed at the end of 1999. The reform was designed to somewhat slow down the growth of general government expenditure on pension and disability insurance and, in the long-run, to bring about social security for pensioners, those who are currently insured, and those who are about to take out an insurance policy.

Measured according to functional classification, around 13.5% of all general government expenditure was allocated to compulsory health insurance in the period 1993 to 1999; if measured as the share it represented in gross domestic product then the expenditure ranged from 6.6% of gross domestic period in 1993 to 6.1% in 1999. The functional classification methodology does not count sickness benefits among expenditure on health insurance as they are classified under expenditure on social security. If one also includes sickness benefits, then expenditure on health insurance totalled 7.3% of gross domestic product in 1993. That share began to gradually decrease after 1993, dropping to 6.7% of gross domestic product in 1998 and 6.5% in 1999.

The fall in the share of health insurance expenditure did not reduce the rights stemming from compulsory health insurance

However, the fall in the share of health insurance expenditure in gross domestic product in that period did not reduce the rights stemming from compulsory health insurance since part of compulsory health insurance was, in line with the adopted policy, transferred to voluntary health insurance and private consumption. The share of voluntary health insurance in the entire revenues from health insurance (compulsory and voluntary insurance together) increased consistently, from around 6% in 1993, the year which saw the introduction of voluntary insurance, to around 12.5% in 1999. Resources from voluntary health insurance grew to about 0.9% of gross domestic product in 1999. All resources from compulsory health insurance (sickness benefits included) and voluntary health insurance amounted to 7.5% of gross domestic product in 1999. Moreover, funds allocated by members of the general public for health security also increased through time.

The range of rights from compulsory health insurance was quite extensive in Slovenia

The range of rights from compulsory health insurance, including the right to the sickness benefit, was quite extensive in Slovenia. Sick leave was not only related to sickness but to other factors in the working, living and social environments and was a particularly burning issue in the transition period. Thus, the funds that were available at the time called for a certain degree of streamlining in health care expenditure, a move which has considerably reduced access to medical services over recent years.

A share almost equal to that earmarked for compulsory health insurance went in the period from 1994 to 1999 to economic affairs and services (production and supply of electricity, agriculture, forestry, mining, manufacturing, transport, communications and others). Over 13% to nearly 15% of general government expenditure went for that purpose, or 7% to 8% of gross domestic product.

A somewhat smaller, but still conspicuous share went to education, namely slightly over 12% of general government expenditure. 5.3% of gross domestic product was allocated to education in 1993, while 1999 saw the share standing at around 5.6%. (According to COFOG, education consists of nursery school, all levels of education, including support services, other activities and research in the field of education.)

12% of general government expenditure goes to education

Around 9% of general government expenditure was spent on the public administration in the period from 1993 to 1999. While 4.6% of gross domestic product went to the public administration in 1993, this share gradually dropped later on to 4% of gross domestic product in 1999 due to some cost-effective measures.

Defence as well as public order and security took up some 6% of general government expenditure. 2.9% of gross domestic product was allocated for this purpose in 1993, with the share falling to 2.8% in 1999.

No drastic structural change could be achieved in a short period of time

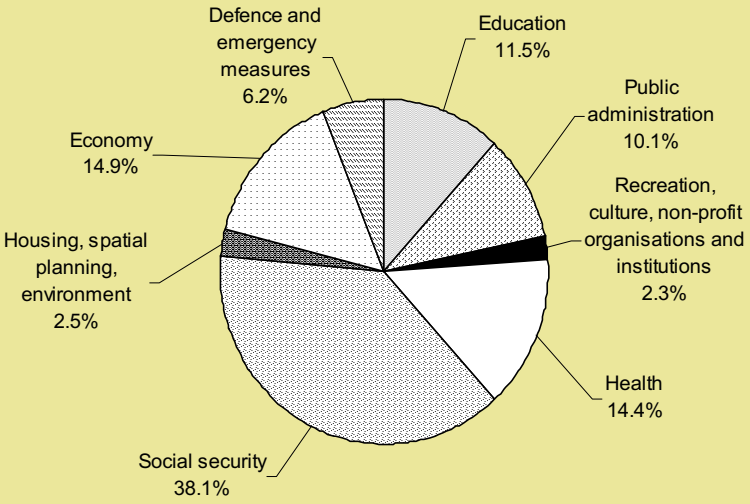
Some 3.5% of general government expenditure went to housing and spatial planning, with its share of gross domestic product standing at 1.2% in 1993. After 1995, when a greater deal of attention was drawn to this field, expenditure increased only to reach as much as 1.6% of gross domestic product in 1999.

On average, recreation and culture used slightly over 2.5% of all general government expenditure, or slightly over 1 percent of gross domestic product a year during this period.

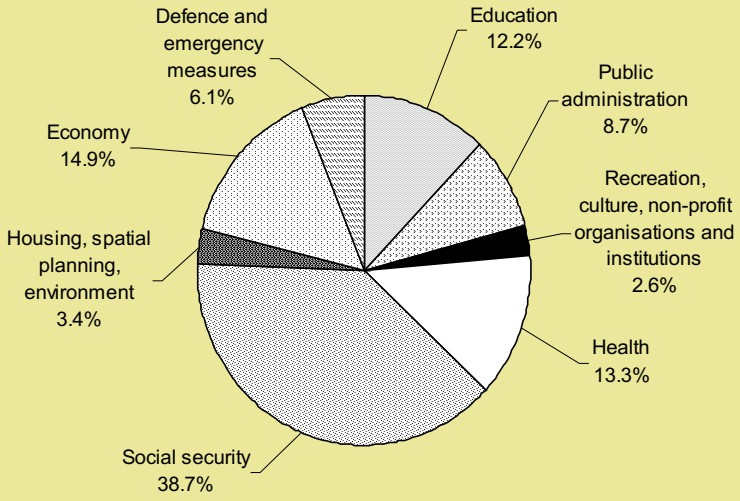
An analysis of the structure of general government expenditure by functional classification reveals that no drastic structural changes took place in that period. Minor changes to the structure did result from changes in society relating to transition proper, but no major change occurred. These minor changes in the structure of general government expenditure also show that drastic change cannot be made within a short period of time, but also that in such a sensitive area major change can only be made in the long run.

Graph 2.1: Composition of general government expenditure

1993



1999



3.3 Wage inequality

Wage policy in the 1991-1999 period

Wage policy is one of the macroeconomic policies that directs and guides economic development. It is an instrument that helps maintain the macroeconomic equilibrium and plays an important role in income distribution. The government can be a key player in income distribution in the public sector where it acts as an employer. The government contributes to social and economic (in)equality by setting the minimum wage, through which it regulates income distribution in both the private and public sectors. Slovenia's incomes policy has so far attempted to prevent any further increase in inequality.

From 1991 to 1999, incomes policy underwent significant changes caused by economic restructuring, new market conditions, privatisation etc. and it gradually adjusted to the new social and economic conditions. By setting a ceiling on wages the Pay Act of 1991 did not allow companies with over 50% social ownership to have a free hand in paying wages. As a result, the gross wage per employee dropped in real terms by one-third. In the following years, the role of controlling wages was given over to the general collective agreements signed for

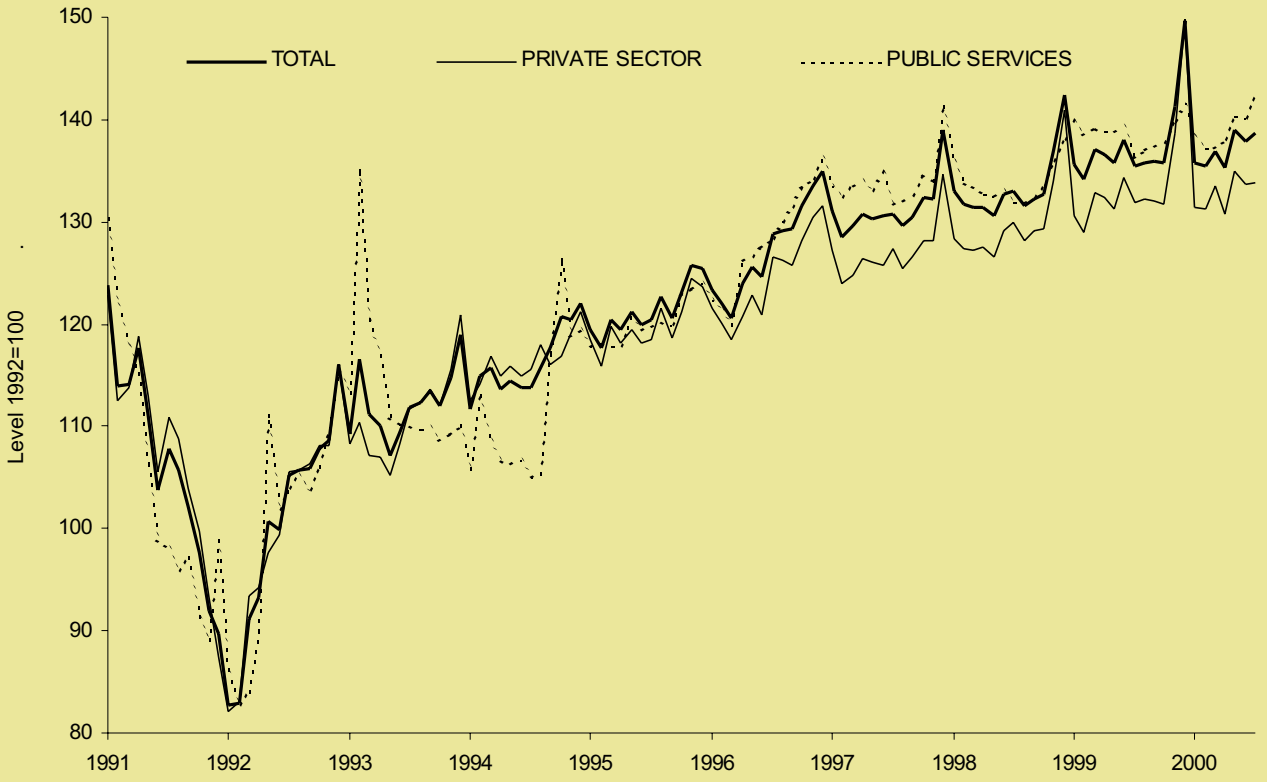
3.1: Annual wage growth (%)

	GDP	Gross wage per employee	Labour productivity	Registered unemployment rate
1991	-8.9	-24.0*	-3.8	8.2
1992	-5.5	0.7	-1.4	11.5
1993	2.8	11.7	4.6	14.4
1994	5.3	4.7	5.0	14.4
1995	4.1	5.1	3.3	13.9
1996	3.5	5.1	4.4	13.9
1997	4.6	2.4	5.1	14.4
1998	3.8	1.6	3.8	14.5
1999	5.0	3.3	4.0	13.6

*Net wage per employee. Up to 1998, inflation measured by the retail price index, since 1998 inflation measured by the consumer price index.

Sources: Statistical Office of the Republic of Slovenia, Employment Service of Slovenia.

Graph 3.1: Real wages



Sources of data: SORS, IMAD calculations. Note: the index of the real gross wage per employee (1992=100), deflatedby the consumer price index (December 1998=100).

both the private and public sectors (later for individual activities as well) as there was not enough political support for a tight wage policy. The mechanisms set out in the collective agreements did not bring about satisfactory results and the interests of workers were stronger than those of employers, whose role was weaker at that time. The same situation was seen in the public sector. In 1992, the gross wage per employee climbed by as much as it fell in the previous year. The real rise in wages and salaries primarily tried to compensate for the purchasing power lost in the preceding year, while labour productivity stagnated in the same period.

Despite a law that set an upper limit on basic wages and was in force for three months in 1993, the gross wage per employee rose by 2.5% in real terms in the same year. The setting up of the Social and Economic Committee in 1994 marked the start of the social partnership and tripartite bargaining over the wage policy. Efforts to devise an wage policy that ensures stable wage growth within the limits of labour productivity growth only bore fruit in 1997. Mechanisms to ensure that the real gross wage per employee would rise below the rate of labour productivity growth were built into the wage policy that year. The same mechanisms are still in force.

In 1980, the guaranteed wage was introduced, setting the lowest wage for the least skilled jobs. Its aim was to ensure the minimum material and social securi-

Statistics on employees' wages broken down by the size of the gross wage, which is published every March and September, reveal **changes in wage distribution**. The analysis in this chapter is based on information for September. Deciles show disparities between the selected points of wage distribution. We usually measure the difference between the ninth and the first deciles and the difference between the two most distant deciles from the fifth one (median). The ninth gross wage decile means that 10% of employees with the highest wages get a gross wage equal to or higher than the ninth decile. The first gross wage decile means that 10% of employees receiving the lowest wages get a gross wage lower or equal to the first decile. The fifth gross wage decile or the median means that 50% of employee get a gross wage higher than the median and 50% of employee lower than the median.

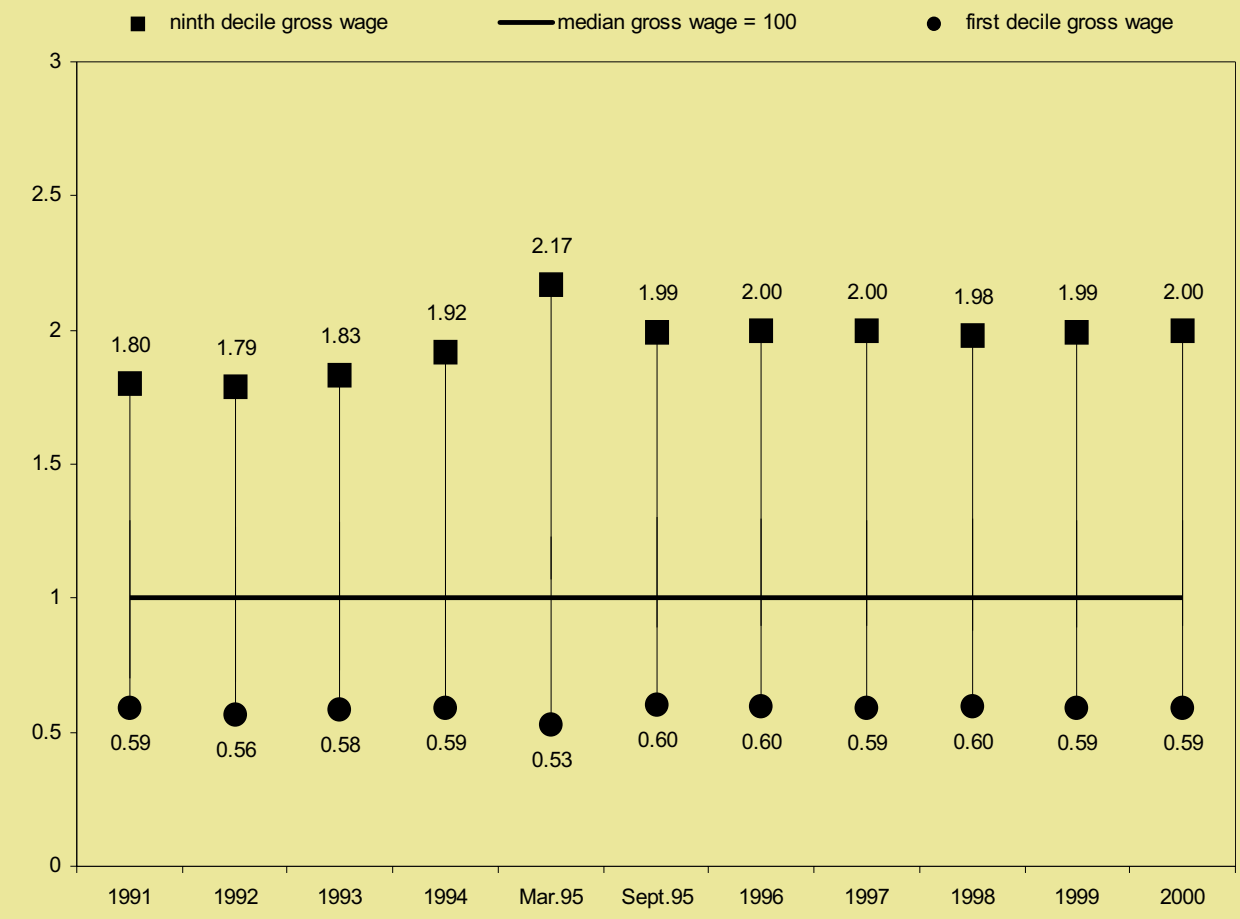
ty. The guaranteed wage gradually lost its function of providing social security because it began to be used as the basis for setting various types of social benefits. The level of the guaranteed wage was no longer adjusted to price increases for budgetary reasons. This led in 1995 to an agreement between the social partners about the system of setting the minimum wage as the lowest pay for the least skilled jobs. Its aim was to ensure social security for those workers with the lowest wages and to reduce wage dispersion. In 1995, the wage agreement set the minimum wage at SIT 45,000 (392 USD), which is to be adjusted to price increases in the same way as wages. In the Pay Act of 1997, the social partners agreed to introduce an additional adjustment of wages in line with the gross domestic product growth recorded in the previous year. The Pay Act for 1999 and 2000 stated that the minimum wage may be adjusted in line with gross domestic product growth only till the minimum wage of the previous year reaches a level below 58% of the average wage set in the collective agreement for manufacturing.

Wage inequality in Slovenia

Changes in wage distribution were primarily due to changes in the employment structure (those with the lowest income were hit hardest by the fall in employment) and the companies' internal wage distribution policies.

In September 1990, the ninth net wage decile was 2.8-times higher than the first net wage decile, while in September 1991 the former was 3.1-times higher than the latter. In 1991, the wage policy was restrictive for all wages, with the highest wages being limited by setting the high-

Graph 3.2: Deciles



Source of data: SORS, IMAD calculations.

Table 3.2: Real rise in the gross wage per employee in one year (December of the current year/December of the previous year) and gross wage per employee deciles

	9th decile/1st decile	9th decile/5th decile-median	5th decile-median/1st decile	Real rise in gross wage, current Dec/previous Dec
1991	3.06	1.80	1.70	-35.0
1992	3.17	1.79	1.77	29.0
1993	3.12	1.83	1.71	2.5
1994	3.24	1.92	1.69	2.7
Mar.1995	4.11	2.17	1.89	
Sept.1995	3.29	1.99	1.66	2.7
1996	3.36	2.00	1.67	7.6
1997	3.39	2.00	1.69	3.0
1998	3.34	1.98	1.68	2.4
1999	3.39	1.99	1.70	5.1
2000	3.40	2.00	1.70	0.1

Source: Statistical Office of the Republic of Slovenia, calculations by IMAD.

The ratio between the ninth and the tenth deciles and the median excludes the lower and upper ten percent of wage distribution because of the measuring method in scores. Because of that, two more indicators have been used to measure inequality: a comparison of the average and the median gross wage per employee, and the Gini coefficient.

est total sums. The increased wage dispersion should be attributed to the fact that the system of gross wages was introduced in 1991, while the calculation of wage distribution in 1990 was made on the basis of net wages. This was mainly due to the introduction of the personal income tax scale, which was applied to net wages. The difference between the ninth decile and the median increased, as well as the difference between the first decile and the median: higher wages rose while lower wages fell.

The rises/falls in the highest and lowest wages in Slovenia in the 1992-99 period are best illustrated by the changes in the ratios between the first and the ninth deciles that took place five time spans:

1. in 1992, the gross wage rose strongly, while low wages fell at the same time (the difference between the first decile and the median increased);
2. in 1993 and 1994, low wages rose slightly, but high wages rose significantly, particularly in 1994 (the ratios changed; changes were reflected in wider differences between the outermost deciles and the median);
3. figures for March 1995 show a significant fall in low wages and a further increase in high wages (the ratio of the ninth to the first decile increased to 4.1, the highest in the given period);
4. the introduction of the minimum wage and setting the upper limit on the highest wages, measures laid down in the Pay Act of 1995, improved wage distribution in September (the ratio of the ninth to the first decile fell to 3.3); low wages rose while high wages increased only slightly; and
5. in 1996, the gross wage per employee increased strongly again and the

Table 3.3: Gini coefficient

	Gross wage per employee (current Dec/previous Dec)	Gross wage per employee relative to the median	Gini coefficient
1990			0.232
1991	-35.0	113.5	0.251
1992	29.0	113.0	0.262
1993	2.5	114.1	0.259
1994	2.7	118.6	0.278
Mar.1995		122.8	0.304
Sept.1995	2.7	120.9	0.282
1996	7.6	120.4	0.278
1997	3.0	120.2	0.289
1998	2.4	119.9	0.287
1999	5.1	121.4	0.293

Source: Statistical Office of the Republic of Slovenia, calculations by IMAD.

The Gini coefficient measures the scope of wage distribution. It shows a deviation from a completely equal distribution. The Lorenz curve shows cumulative proportions in wage distribution. The Gini coefficient measures the space between the Lorenz curve and the hypothetical line representing absolute equality. The 0.00 value of the Gini coefficient means complete equality in wage distribution, the 1.00 value of the Gini coefficient means complete inequality.

pattern of low wages falling and high wages rising reoccurred. The ratio established this year remained the same up until 1999.

Figures on employees' wages broken down by the size of the gross wage allow a comparison since 1991. In 1992, the strong rise in wages was coupled by an increase in wage differentials. In 1993, 1994 and 1995, inequality increased further, so the social partners took measures which brought positive results as early as September 1995 (the ratio of the average to the median gross wage dropped and the Gini coefficient fell). The difference between the gross wage per employee and the median gross wage continued to narrow in 1996 and 1997, however, both the Gini coefficient and the ratios between deciles pointed to falls in the lowest wages. In 1998, high wages rose slightly less than total wages but a reversal of the trend was seen in 1999 when the highest wages rose more than the lowest wages. These changes in wage distribution were evident in inter-decile ratios. According to figures for March 2000, there were no changes in inequality indicators compared to 1999.

Purchasing power of the lowest decile of wage distribution

The nineties saw significant changes in wage distribution. We should examine the changes in the purchasing power of the lowest wages that took place along with the rise in the real gross wage. The first net wage decile relative to the minimum basket of consumer goods has been taken as the purchasing power. The value of the minimum basket of consumer goods was initially used as a criterion in setting the guaranteed wage. The net wage has been determined on the basis of the gross wage reduced by general tax reductions while excluding personal tax allowances.

In 1990, the first net wage decile was sufficient to cover the whole minimum basket of consumer goods. In 1991, with the strong drop in real wages, the net wage of the first decile only covered 81% of the minimum basket of consumer goods. The same occurred in 1992 despite the rise in the real gross wage per employee. This was in part due to a deterioration in wage distribution and in part due to higher rates of social security contributions deducted from the gross wage. The proportion of the net wage covering the minimum consumer basket rose to 83% in 1993 owing to an improvement in wage distribution to the benefit of lower wages. This was partly due to lower rates of social security contributions. The coverage of the minimum

Social partnership responds successfully to social circumstances

Table 3.4: Purachasing power of the first gross wage per employee decile of wage distribution

	Basket of minimum consumer goods, SIT	1st gross wage per employee decile, SIT	1st net wage decile, SIT	1st net wage decile relative to the basket, %
1990	3,434		3,490	101.6
1991	7,646	9,610	6,227	81.4
1992	22,852	29,212	18,462	80.8
1993	30,647	39,711	25,574	83.4
1994	38,140	49,407	34,190	89.6
1995	42,213	57,606	39,863	94.4
1996	50,526	66,341	45,908	90.9
1997	54,603	72,298	50,102	91.8
1998	59,056	78,405	54,256	91.9
1999	65,062	85,600	59,150	90.9

Source: Statistical Office of the Republic of Slovenia, MDDZS, calculations by IMAD.

consumer basket and wage distribution at the lower end continued to improve in 1994, with the ratio of the gross wage to the minimum consumer basket reaching 89.6%. As inequality in income distribution increased again, the minimum wage was introduced in mid-1995, which resulted in the rise in wages of the lowest decile. The first net wage decile covered 94.4% of the consumer basket, according to figures for September 1995, the highest ratio so far. In 1996, the proportion dropped to 90.9%. The Pay Act for 1997 introduced an additional adjustment of the minimum wage to gross domestic product growth, which is to be carried out once a year. This measure, whose aim was to ensure social security to workers with the lowest wages, resulted in a better ratio of the net wage of the first decile to the minimum basket of consumer goods, going up to 91.8% according to figures for September 1997. The proportion was roughly the same in 1998, but slightly lower in 1999, as revealed by figures for September 1999. The coverage ratio fell to 91%.

Figures on both inequality in wage distribution and the purchasing power of the lowest wages clearly show that Slovenia's wage policy is devised in a way to respond and adjust to social circumstances. So far, the social partnership has been fairly effective in the given environment by trying to find compromise solutions.

In the period of transition, wage inequality increased substantially and employment fell markedly. When the social partnership was set up in 1995, wage policy took measures to prevent wage distribution from deteriorating further. In 1995, the minimum wage was set as well as the upper wage limit, but the latter only for one year. As government measures continued to limit wages of executives in the public sector, the ratio of the median wage and the ninth wage decile has been fairly stable since 1995. The preliminary data on wage distribution from March 2000 show the same trend.

Wage inequality broken down by regions

Regional inequalities in wage distribution have been examined for 1991, 1996 and 1999. Like for Slovenia as a whole, changes in wage distribution between regions have been analysed on the basis of inter-decile ratios. We have followed the regional demarcation laid down in the Act on the Promotion of Balanced Regional Development passed in 1999, which laid down the regional structural policy in Slovenia. The Decree on the Standard Classification of Territorial Units (SCTU), passed on the basis of the Act, is harmonised with the NUTS classification used by EU member-states. At the SCTU 2 (NUTS 2) level, two regions were proposed: the Ljubljana Urban Region and the Rest of Slovenia. The SCTU 3 (NUTS 3) level is based on the existing twelve statistical regions. The analysis of wage distribution was made for the levels of SCTU 2 (two regions) and SCTU 3 (statistical regions). The data were available for the level of Administrative Units, which were then adjusted to the two selected regional levels.

Changes in wage distribution were most evident at the second level of regional division. In the period up to 1996, wage distribution witnessed major changes in the more developed Ljubljana Urban Region. Up until 1999, the gap between high wages and the median wage increased slightly, while the difference between the first decile and median wages remained unchanged. The opposite was the case in the Rest of Slovenia. Up until 1996, wage distribution deteriorated in the upper part, but the change was not particularly strong. Wage distribution worsened more strongly in the period up until 1999, with the distribution deteriorating markedly at the upper end and recording almost no worsening at the lower end. The lower end of the wage distribution has been much more stable because of the wage policy measures taken over the last few years.

At the third level of territorial division, the most developed Ljubljana Urban Region covers the same territory, while the less developed Rest of Slovenia is further divided into eleven statistical regions. Changes in wage distribution are more dispersed and therefore less pronounced. In order to get a clearer picture, we have excluded the Ljubljana Urban Region.

Broken down by eleven regions, the ratio of the ninth to the first decile shows some regional differences in 1991. Inequality increased the least in the Koroška and the most in the Savinja region. In 1996, the Obalno-kraška region saw the widest wage dispersion measured in deciles while the Koroška region saw the lowest wage dispersion, with the difference between the widest and narrowest dispersion reducing further. In 1999 Koroška again saw the lowest wage dispersion, while the highest dispersion was seen in the Podravje region, with the difference between the two extreme regions remaining the same.

Regional disparities in wage distribution are not wide thanks largely to the system of collective agreements. At the national level, two general collective agreements have been signed, one for the private sector and one for the public sector. The two general collective agreements set the wage rates for nine job-grading groups that reflect the nine educational levels and the complexity and responsibility of the related jobs. They determine the lowest level of the wage rates. In the private sector, collective agreements may be concluded at the level of a particular activity, which can set a higher wage rate for the given job groups. Collective agreements may also be concluded at the level of a company, but this is not common. Wages in the private sector are generally formulated on the basis of the wage rates set in the collective agreement for a given activity, the level of which has been negotiated. Basic wages are determined by the companies' rules governing wage systems. It was the collective agreements at the level of activities that prevented wider inter-regional wage dispersion.

Table 3.5: Gross domestic product per capita broken down by regions for 1997

		GDP per capita, SIT 1000	Index, Slovenia = 100
	Slovenia	1,463	100
1	Osrednjeslovenska	1,886	128.9
2	Obalno-kraška	1,507	103.0
3	Gorenjska	1,356	92.7
4	Goriška	1,446	98.8
5	Savinjska	1,375	94.0
6	Jugovzhodna Slovenia	1,430	97.7
7	Pomurska	1,136	77.6
8	Notranjsko-kraška	1,253	85.6
9	Podravska	1,208	82.6
10	Koroška	1,272	86.9
11	Spodnjeposavska	1,266	86.5
12	Zasavska	1,205	82.4

Source: SORS

Regional disparities largely arise from differences in the structure of activities and the levels of development in individual regions.

The system of collective agreements for individual activities and the institute of minimum wage prevent any greater wage disparities between regions

Table 3.6: Gross wage per employee and deciles of gross wage distribution by regions (SCTU 2 and SCTU 3)

		Gross wage	1991 D9 / D1	D9 / D5-Me	D5-Me / D1	Gross wage	1996 D9 / D1	D9 / D5-Me	D5-Me / D1	Gross wage	1999 D9 / D1	D9 / D5-Me	D5-Me / D1
	SLOVENIA	18,707	3.06	1.80	1.70	131,918	3.36	2.00	1.67	174,279	3.39	1.99	1.70

3.4 Inequality and poverty

Income inequality

Income inequality generally increases with transition into a market economy. The same has been the case in Slovenia. From 1983 to 1993, inequality in wage distribution increased (wages and salaries are the main source of income for most households in Slovenia), as did inequality in total income distribution. At the same time, the structure of household income changed significantly, with the share of income from work falling as a direct consequence of increasing unemployment in the period of transition.

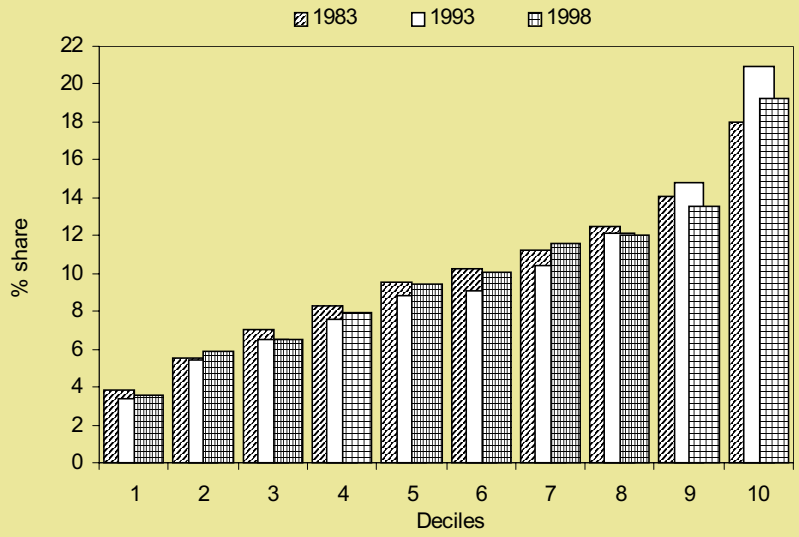
With the transition period gradually entering its final phase after having lasted for ten years, any comparison of pre- and post-transitional periods should be accompanied by an analysis of developments taking place within the transition period itself.[1] The main finding revealed by studies is undoubtedly the fact that income inequality dropped in the period from 1993 to 1998. This is supported by total household income distribution and the Gini coefficient, as well as by the real average income growth per adult equivalent. More evidence supporting this improvement is the analysis of the

Table 4.1: Distribution of all income sources

Quintile	1983	1993	1998
1	9.3	8.8	9.5
2	15.3	14.1	13.8
3	19.7	17.9	19.5
4	23.7	22.5	23.6
5	32.1	35.7	32.7
	100	100	100

[1]The Report is based on the Expenditure Structure of Slovenia's Poor Households, a study conducted by Tine Stanovnik and covering the period of the nineties. Figures were taken from the Household Budget Survey for 1997/1998 conducted by the Statistical Office of the Republic of Slovenia. Data was compared to the Household Budget Survey conducted by the Statistical Office in 1993.

Graph 4.1: Distribution of all household incomes sources, deciles



Source of data: SORS, IMAD calculations.

Statistical Office of the Republic of Slovenia of poverty in Slovenian households in 1997/1998, which reveals a reduction in the level of poverty compared to 1993.

Income trends and income distribution in 1983, 1993 and 1998 point to growing income inequality in the period from 1983 to 1993 and a fall from 1993 to 1998. Income distribution by quintile groups of households shows that income distribution was about the same in 1998 and 1983. The trend of increasing inequality seen in the first half of the nineties reversed and inequality gradually reached its pre-transitional level. Income from work did not seem to contribute to this improvement as wage distribution changed to the detriment of groups in the lower income brackets and to the great benefit of groups in the upper income brackets, the tenth decile. While wage disparity increased, other income, particularly social transfers, helped reduce income inequality.

Social tranfers helped reduced income inequality

Which types of income then contributed to the overall fall in income inequality to below pre-transitional levels? According to the income source structure, this was mainly due to a more equal distribution of income from holiday allowances and a larger share of income from agriculture, income from self-employment, cash grants and transfers to families in lower income brackets[2].

This is also supported by the horizontal structure of income. In 1998, the shares of wages and salaries, unemployment benefits, pensions, social benefits, and property income increased slightly in the horizontal structure of the population's total income compared to 1993. The horizontal structure of the lowest income decile (the poorest) shows that, out of all income, the share of wages and salaries fell slightly, the share of pensions dropped substantially, while the shares of unemployment benefits (which doubled), income from agriculture and self-employment, cash grants and transfers between families all increased. A comparison of the horizontal income structure of the pre-transitional 1983 with transitional 1993 and 1998 reveals a significant drop in the share of wages and salaries in the lowest income groups and a strong rise in the share of unemployment benefits and other social benefits. In 1983, wages and salaries represented 40.6% of the total first household income decile, 30.6% in 1993, and only 29.1% in 1998. At the same time, unemployment benefits and other social benefits represented 8.6% of the total first income decile in 1983, 16.2% in 1993 and up to 20.6% in 1998. The first decile households seem to be increasingly more dependent on social benefits, grants and transfers between families, while they have to be more active in finding other sources of income due to the shrinking proportion of wages and salaries.

There have been some positive outcomes of reducing income inequality and

Table 4.2: Distribution of income from work

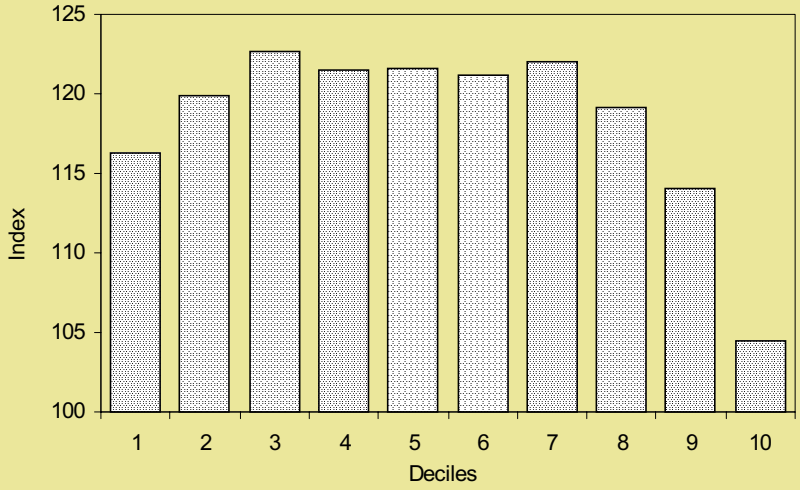
Quintile	1983	1993	1998
1	6.5	6.2	5.7
2	14.7	13.9	12.7
3	20.7	18.9	19.5
4	25.9	24.3	25.4
5	32.1	36.8	36.9
	100	100	100

[2]It also indicates that incomes from agriculture are concentrated in poor households.

positive shifts towards a larger share of income from self-employment; however, the rising share of income from social benefits in the lowest income groups raises concern. Without those types of income, income inequality and poverty would undoubtedly paint a completely different picture. What is critical is the fact that groups with high and long-term dependence on social benefits tend to become passive and caught in the cycle of poverty.

A reduction in income inequality from 1993 to 1998 is further supported by two indicators: real disposable income broken down by deciles and the Gini coefficient. The real income growth in the lower income brackets was stronger than the average growth, while the weakest growth was seen in higher income brackets. The value of the Gini coefficient for all income sources shows that inequality has been reduced since 1993 and has drawn close to the level of 1983.

Graph 4.2: Distribution of income from work, deciles



Source of data: SORS, IMAD calculations.

Concentration coefficients show the contribution of one income source to total income inequality. If the value of the concentration coefficient is negative, the poor benefit more from that income source in absolute terms; such an income source is called an absolute income leveller. If the value of the concentration coefficient is lower than the Gini coefficient, the poor get more of that particular income than the rich in relative terms; that income source has a larger percentage share in the household income of poor households than in rich households. Such an income source is called a relative income leveller. If the value of the concentration coefficient is higher than the Gini coefficient, the rich get a larger proportion of that income.

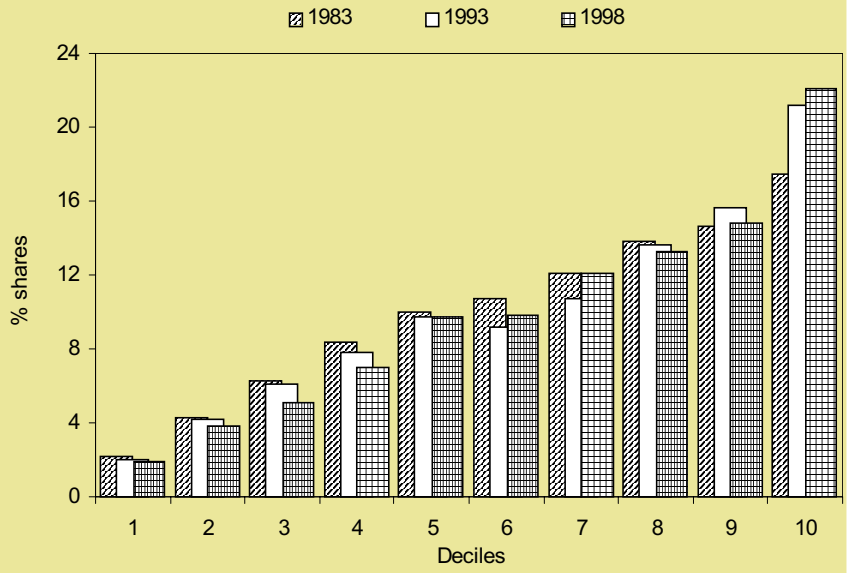
Poverty

Poverty is a mix of different types of deprivation (deficits) and limits on life's opportunities. Poverty is connected to a lack of education, poor health, poor housing conditions, unemployment, low income, etc. All of these factors exclude the poor from social life and prevent them from making full use of their cultural and societal possibilities. The poor are thereby exposed to violations of their basic human rights, while their human dignity is undermined. Efforts to reduce poverty and promote human development are therefore efforts to safeguard human, economic, social, and cultural rights.

Table 4.3: Concentration coefficient

Income source	1983	1993	1998
Income from work	0.2649	0.2987	0.3228
Holiday allowance, transport and meal allowances, grants	0.2857	0.3224	0.2093
Unemployment benefit	-0.0801	-0.2091	-0.0421
Pensions including allowances	0.0412	0.1019	0.1615
Social benefits (other)	-0.1278	-0.132	-0.1614
Income from temporary work	0.2976	0.4049	0.1346
Income from agriculture	0.0840	-0.0333	-0.3775
Income from self-employment	0.6439	0.6428	0.3400
Property income	0.1940	0.6990	0.5033
Income from copyrights, patents and trademarks	0.8041	0.8096	0.7972
Private transfers	0.4376	0.5758	-0.0872
Total	**0.2337**	**0.2716**	**0.2420**

Graph 4.3: Available income sources per adult equivalent, by deciles



Source of data: SORS, IMAD calculations.

Table 4.4: Gini coefficient (measured on the basis of income)

year	coefficient
1983	0.234
1993	0.272
1998	0.242

Measuring poverty

Poverty is such a complex notion that it cannot be studied from one aspect only. Different concepts and definitions of poverty, as well as methods of measuring, are used in individual countries. Due to its complexity, different methods and indicators should be applied when measuring poverty, which gives a clearer picture of its diversity.

Even though frequently associated with the lack of money or material goods, poverty is more than that. Furthermore, poverty is not a category fixed for all time and for all levels of development of a particular society. The definition of poverty proposed by the European Council (and adopted by the Statistical Office of the Republic of Slovenia) says that "the poor shall be taken to mean persons, families, and groups of persons whose resources (material, cultural and social) are so limited as to exclude them from the minimum acceptable way of life in the country in which they live". However, determining what is the level of minimum reasonable living is a more difficult task. One may feel poor if they cannot buy a second car because their neighbours already have three. For a beggar, "poverty means that you never have enough to eat", or "wealth is a blanket you can use to cover yourself. Poverty is when the blanket is taken away from you" (HDR 1997). In order to avoid such extremes in defining poverty and to be able to compare poverty levels in different societies, various measures have been devised which depend on how poverty is defined.

One is a *subjective* definition of poverty measured by surveys: people are asked whether they feel themselves that they are poor or not. This has a number of shortcomings: people are reluctant to give a clear opinion about such intimate issues and the feeling of poverty also varies between individuals. This is supported by information stemming from the Public Opinion Poll: over the last 20 years the proportion of those admitting they are poor never reached one percent, which of course is not a realistic number.

Other methods of defining poverty are considered *objective*. Poverty is usually measured by setting an agreed poverty line, which is usually done in two ways: the percentage of average expenditure or the percentage of average income of households in a given country.

All these measures are no more than technical tools used in taking appropriate steps and allowing comparison. They are based on the assumption that poverty only entails a lack of money. However, poverty is a more complex notion and includes other forms of deprivation (poor health, shortage of social contacts, information, knowledge, values, etc), so the United Nations has devised two complex indices of human poverty, one for poor and one for rich countries. They contain information about the health of people, (functional) illiteracy, income distribution, and unemployment. According to these calculations, the highest rate of poverty among the rich countries is recorded in the USA (16.5) and the lowest in Sweden (6.8). Slovenia with 18.1 points is ranked below the USA mainly because of its high functional illiteracy. The term social exclusion has become widely used with reference to developed countries, which

covers not only material deprivation, but also the shortage of social contacts (isolation), and the feeling of helplessness (anomy).

Equivalent income is the ratio of household income to the number of equivalent household members. Equivalent income can be calculated on the basis of two scales:

1. the OECD scale, which gives a weight of 1.0 to the first adult, a weight of 0.7 to other adult members, and a weight of 0.5 to a child below 16 years of age; or
2. the modified OECD scale, which gives a weight of 1.0 to the first adult, a weight of 0.5 to other adult members, and 0.3 to each child below 14 years of age.

The Gini coefficient measures the scope of income or expenditure distribution between persons or households. It shows a deviation from a completely equal distribution. The Lorenz curve shows cumulative proportions and it begins with the poorest person or household. The Gini coefficient measures the space between the Lorenz curve and the hypothetical line representing absolute equality. The 0.00 value of the Gini coefficient means that everyone gets the same income (complete equality), the 1.00 value of the Gini coefficient means complete inequality.

Poverty in Slovenia

In Slovenia, more attention began to be devoted to poverty in the second half of the nineties. The understanding of poverty and measures to deal with it were founded on studies made by the Statistical Office of the Republic of Slovenia, Public Opinion Polls conducted by the Centre for Opinion Research and Mass Media at the Faculty of Social Sciences, and the National Programme for the Fight against Poverty and Social Exclusion.

In 1997/1998, the majority of the poor were over 65 years of age, lived in a single household, their main source of income was a pension or social benefit, their education level was very low (had finished or not finished primary education), and they lived in poor housing conditions (tenants in non-profit or social housing). Households that are also poor are those with three or more children aged over 16 (the poverty rate in those households is 13.8%). In the 1997-98 period, poverty in elderly households reduced, while poverty in households with children increased compared to 1993. About 20% of poor households had no bathroom, 7.4% had no toilet, and 44% had no central heating. Up to 36% of their expenses went on food, compared to 25.9% in an average household, 18.7% of expenses was accounted for by housing costs, compared to 10.4% in an average household. They spent more than on average on alcohol and tobacco.

In 1997-1998, poverty in the households of elderly people decreased compared to 1993, whilst it increased in households with children

Relative poverty

Relative poverty showing relative deprivation measures inequality within a society rather than the actual poverty. One way of determining relative poverty is based on households' income or expenditure distribution; poverty is changing in step with changes in income distribution. The most widely used method has been the setting of the poverty line: a certain percentage (40%, 50%, or 60%) of the average or median income or expendi-

Box 4.1: Self-appraisal of material situation, in %

Could you say that you and your family:	1983	1986	1993	1997	1999
lack nothing;	7.7	9.1	9.5	6.9	11.6
economise more, particularly on less important things, luxury, etc.;	44.5	37.1	33.6	40.1	47.8
have to spend money carefully or limit your purchases of equipment, clothes, etc.;	41.2	47.0	45.7	37.1	33.3
limit your purchases of food;	3.1	3.9	6.7	2.8	3.5
lack basic consumer goods;	0.6	1.1	2.2	1.0	0.7
live in poverty;	0.6	0.6	0.9	0.6	0.4
undecided;	2.3	1.3	1.4	1.4	2.6

Sources: SJM 83, SJM 86, SJM 93, SJM 97, SJM 99.

Respondents' answers collected in the 1993-1999 period show a certain break. The impact of the Social Agreement of 1995 introducing the minimum wage can be felt. After that date, the percentage of people claiming that they lack basic consumer goods, i.e. live in poverty, declined. In 1999, the proportion of people claiming that they lack nothing increased.

Box 4.2: The risk of social exclusion

Social exclusion implies a lack at material and non-material levels and is therefore a wider concept than poverty. It incorporates three levels of a welfare deficit manifested as deprivation, isolation, and anomy. **Deprivation** means a shortage of material resources, **isolation** means a shortage of social contacts, and **anomy** a feeling of helplessness. There is a number of methods of measuring poverty (described above), but social exclusion has not yet been measured in Slovenia. In 1994, the Estonian Ministry of Social Affairs, together with Norwegian colleagues, devised a special method for measuring poverty and compiled a special questionnaire (NORBALT Questionnaire), which was also used in Slovenia in the 1998 Public Opinion Poll. Data obtained from the Poll enabled us to calculate the indices of deprivation, isolation, and anomy, which make up the **social exclusion index**. In fact, this index measures the risk of social exclusion and not social exclusion itself. The results show that Slovenians have the strongest feeling of isolation (a lack of belonging to a community, a lack of close family ties and friendship), the feeling of anomy comes next (helplessness, no sense in life, political apathy), while the feeling of deprivation is the weakest (shortage of material resources). The risk of social exclusion in Slovenia is lower than in the Baltic States.

ture of households in equivalent form is the poverty line. Households living below this line are considered to be poor.

International comparisons are most frequently based on relative poverty. Regardless of the measuring method, poverty declined in Slovenia in 1998 compared to 1993. The official poverty line in Slovenia is set at 50% of the average equivalent expenditure. In 1993, there were 13.6% of Slovenian households living below that line, and 11.2% in 1998.

Absolute poverty

Absolute poverty is a lack of basic goods and services essential to meet minimum needs (food, housing, clothing, etc.). Unlike relative poverty, absolute poverty is not determined on the basis of income and does not reveal its distribution; it shows the share of those who live below the line denoting the shortage of minimum goods and services essential to survival. This line is fixed and is independent of changes in the income position of households and individuals.

Slovenia has so far not fixed an official threshold of absolute poverty. One category that is closest to such a threshold is the minimum income. The minimum income category is intended to be introduced in the amended Social Security Act, which is before Slovenia's National Assembly. The minimum income laid down in this draft act is fixed as the amount of funds needed to meet the minimum needs allowing for survival. This amount should be provided to each person; if a person receives less for reasons beyond their control, they are entitled to income support.

The minimum income, which is a more appropriate mechanism for protecting the poorest, is to be introduced in 2001 by the amended Social Security Act. It will replace the two types of social benefit currently used: welfare allowance means-tested welfare allowance. Like the minimum income, the current system of social benefits aims to ensure social security, however, the statutory minimum level is so low that it no longer ensures survival. That level was fixed in 1992, but its real value gradually fell due to inappropriate indexation mechanisms. This was the main reason for launching the process to amend the existing law.

As the currently set minimum level of funds is no longer adequate to provide goods and services for one's survival, this level cannot be set as the threshold of absolute poverty. Even if the level were adequate, the recipients of social benefits cannot be seen as equals to people who live in absolute poverty because these recipients may have income that is not taken into account in the eligibility criteria or are entitled to relief or exemptions when paying for certain services. The number and structure of social benefit recipients may nevertheless be indicators of how the poor live and the basis for measures to be taken in reducing the number of the poor.

People entitled to a welfare allowance are those permanently incapable of working, those aged over 60 without any income or property, without anyone who should or could look after them and who live at home. People entitled to means-tested welfare allowance are those temporarily incapable of providing for themselves for reasons out of their control, those without any income of their own or with income below the threshold laid down by law. Means-tested welfare allowance is fixed as the difference be-

tween the means-tested level and the family's income level.

The number of recipients of welfare allowance (the elderly and those permanently incapable of working) is low and has been falling over the last few years. Trends in the number of means-tested welfare allowance recipients are different and the recipients are people in their active period of life. In the 1993-97 period, the number of recipients was gradually increasing by almost 20% a year. After that, the trend slowed down and the number even dropped. This was the result of the new policy of social work centres and employment service centres to adopt a more active approach in resolving the problems of people applying for a social benefit and to establish closer co-operation between the two services. A number of social benefit recipients were transferred to active employment policy programmes, particularly those of training and re-training, and public works schemes.

The socio-demogarphic structure of recipients is not changing, according to information collected by the Ministry of Labour, Family and Social Affairs. The only change is a slight increase in the share of single recipients compared to families. Single people account for the largest proportion of social benefit recipients, who are beginning to be followed by single-parent families. The latest analysis from 1999 shows that 58,555 people received a social benefit, 3% of Slovenia's total population (including the number of means-tested welfare allowance recipients, the number of children in those families, and the number of welfare allowance recipients). One-off recipients of welfare assistance are excluded.

Figures on this social benefit recipients broken down by regions in Slovenia show that the Pomurje region is the most socially deprived region (6.3%). This is the poorest region in Slovenia according to other indicators as well. The Celje and Maribor regions come next (5% each). The smallest proportion of social benefit recipients is found in the regions of

Box 4.3: Measuring poverty

The Human Development Report 2000 defines the threshold of income poverty in six different ways: at USD 1, USD 2, or USD 4 per day for poor countries, and at USD 14.4 for rich countries (measured by purchasing power). This defines the absolute threshold of poverty. In Mexico, for example, 18% of the population lives on less than USD 1 a day, 10% in Panama, and 44% in India. In Norway, 2.6% of the population lives on less than USD 14.4 a day, 3.7% in Japan, 2% in Italy, and 14.1% in the USA. Differences between rich countries are wide and they depend little on the level of GDP; the USA has almost 50% higher GDP, but the proportion of the poor is almost five times as high. Other definitions of the poverty threshold lie within the competence of each individual country. Poverty can also be defined in *relative* terms, depending on the distribution of (household) income or expenditure in each country.

Table 4.5: Poverty rate in Slovenia

Poverty line	Poverty rate in %	
	1993	1997/1998
Average equivalent income:		
40% of the average	5.2	4.9
50% of the average	11.2	9.0
60% of the average	20.5	17.4
Average equivalent expenses:		
40% of the average	5.7	5.7
50% of the average	**13.6**	**11.2**
60% of the average	24.6	19.8

Source: Statistical Office of the Republic of Slovenia, Analysis of poverty in Slovenian households in 1997-98, first report, October 2000 and Statistics in focus (third wave), Eurostat, April 2000.

Box 4.4: Poverty in Europe

Eurostat, the Statistical Office of the European Communities, uses a slightly modified method of calculating poverty in its latest analysis of poverty. Unlike in previous analyses, it examines household income rather than expenditure. The source of data is the European Community Household Panel and no longer the Household Budget Survey. Eurostat still uses the objective, i.e. relative, concept of poverty, however, the poverty line is no longer set at 50% of average expenditure but at 60% of median income. The unit of observation is a person instead of the household. Each person in the household is attributed the same equivalent income. Calculations are still made on the basis of the modified OECD equivalence scale.

Under this methodology, 11.3% of the population lived below the poverty line in Slovenia in 1997-98. This put Slovenia in the group of countries with the lowest level of poverty among twelve EU member-states. Such a good position was in part due to the fact that the figures for Slovenia include households' own production and benefits in total income. Eurostat does not include these types of income (yet).

Slovenia was ranked relatively well in 1993 as well, having a place in the upper half among twelve EU member-states as regard the poverty rate. A different method was used at that time. The poverty line was calculated on the basis of average expenditure, with the poverty line being drawn at 50% of average expenditure. The lowest poverty rates were recorded in Denmark, the Netherlands, Belgium, Luxembourg, and Germany.

Poverty rate for persons, 1999

	%
Belgium	17
Denmark	12
Germany	16
Greece	21
Spain	18
France	16
Ireland	18
Italy	19
Luxembourg	12
Netherlands	12
Portugal	22
United Kingdom	19
Slovenia	11
EU12	17

Source: Statistical Office of the Republic of Slovenia, Analysis of poverty in Slovenian households in 1997-98, first report, October 2000 and Statistics in focus (third wave), Eurostat, April 2000.

Nova Gorica (1.1%), Ljubljana (1.4%), and Kranj (1.6%).

3% of Slovenia's population receive social benefits

The problem of poverty becomes even more acute if we look at the structure of social benefit recipients. The majority of recipients are young, without education, without a job, and without any income. Almost half of them are below 26, while up to four-fifths are below 45. They are people in the most active periods of their lives. They generally have a low education level: one-fifth of recipients have not attained primary education (level I), one-quarter have attained primary education (level II), one-fifth have finished a two- or three-year vocational school (levels III and IV). Only 19% of recipients have finished a four-year secondary school (level V). Over half of all recipients are unemployed and one-fifth of them are first-time job-seekers. About 73% of them have no income and a mere 1.5% get any wages.

Active social policy for combating poverty and social exclusion has to focus on raising population's education

This lack of education seems to be one of the main reasons that these people find themselves in a dead-end situation. What is particularly worrying is the huge share of people without any qualification in the age groups belonging to the first half of the active period. This significantly reduces their employability and the opportunity to integrate into society. Measures to reduce the number of drop-outs, provide education and training to the unemployed and lifelong learning are the cornerstones of eradicating poverty. The envisaged raising of the level of social benefits intended to reduce poverty is no appropriate solution for those people. Social benefits should only provide a decent life in the period before their re-integration into active life. The active social policy aimed at preventing poverty and social exclusion should focus on the raising of education levels.

National Programme for the Fight against Poverty and Social Exclusion

The eradication of poverty and social exclusion is one of the main goals of Slovenia's social policy. Programmes have already been devised to deal with the causes of poverty and social exclusion and to reduce their consequences (the policies of employment, education, health, housing, family, and social security). Results can only be achieved through a comprehensive and co-ordinated strategy, so the government adopted a National Programme for the Fight against Poverty and Social Exclusion in February 2000. By signing the European Social Charter, Slovenia has joined the European and world communities in their efforts to deal with these issues. Combating poverty and social exclusion will not be effective unless the state sets clear priorities and ensures the co-operation of all departments responsible for the reduction of poverty and social exclusion. The Programme's aim therefore is to co-ordinate, integrate and upgrade programmes that only deal partially with these issues. Certain steps already taken under this Programme, and other laws and specific national programmes (to be described below) prove that the Government's Programme has launched a process of co-ordinated and comprehensive action to analyse and prevent the causes of poverty and to abate its consequences.

The Programme is based on the idea that steps to be taken in this area are urgent and that neither poverty nor social exclusion can be eradicated completely. It is important to reduce them by continuing activities and to prevent the long-term exclusion of individuals and families from everyday life in their social environments. This requires the joint action of all ministries responsible for particular areas, local communities, public services, and non-governmental organisations.

Table 4.6: Average monthly number of welfare allowance and means-tested welfare allowance recipients pursuant to the Social Security Act

Year	Average monthly number of welfare allowance and means-tested welfare allowance recipients pursuant to the Social Security Act	Index 1993=100	Chain index	Average monthly number of means-tested welfare allowance recipients	Index 1993=100	Chain index
1993	1,664	100.0	-	17,804	100.0	
1994	1,610	96.8	96.8	20,788	116.8	116.8
1995	1,558	93.6	96.8	24,908	139.9	119.8
1996	1,494	89.8	95.9	29,988	168.4	120.4
1997	1,402	84.3	93.8	34,242	192.3	114.2
1998	1,334	80.2	95.1	33,017	185.4	96.4
1999	1,230	73.9	92.2	31,966	179.5	96.8

Source: Ministry of Labour, Family and Social Affairs.

The Programme has two main goals:

1. help those facing the conditions of poverty and social exclusion to find a way out as soon as possible; and
2. prevent poverty and social exclusion of those from critical social groups.

In order to meet these goals, it is most important to:

1. provide a job that ensures social securiy to everyone;
2. reduce the number of dropouts and raise the level of qualification;
3. provide more non-profit or social housing and introduce subsidies for those who cannot cover the cost of high rent; and
4. raise the level of social benefits for those who cannot provide for themselves and introduce measures to ensure that social benefits are only used to bridge the period before going back to living independently.

1. Unemployment

The loss of a job is one of the main causes of poverty, so employment is a central issue of the Programme. The average poverty rate among households with one economically active member is 6.9% compared to 21.4% among households with no active members.

A new measure to reduce unemployment is long-term subsidised jobs (the

Table 4.7: Structure of means-tested welfare allowance recipients by type of family and the number of children

Means-tested welfare allowance recipients by the number of children	December 1996		December 1997		December 1998		December 1999	
	number	share, %	number	share, %	number	share, %	number	share, %
Single	18,929	64	23,422	66	21,165	66	22,941	67
Single-parent family with	4,157	14	5,066	14	4,728	15	5,253	15
1 child	2,525	9	3,128	9	2,875	9	3,201	9
2 children	1,127	4	1,336	4	1,245	4	1,394	4
3 children	326	1	398	1	409	1	438	1
4 and more children	179	1	204	1	199	1	220	1
Two-parent family with	5,480	18	5,912	17	4,924	15	4,771	14
1 child	1,616	5	1,723	5	1,386	4	1,372	4
2 children	2,426	8	2,492	7	2,013	6	1,916	6
3 children	932	3	1,080	3	943	3	884	3
4 and more children	506	2	617	2	582	2	599	2
Couple with no children	813	3	914	3	813	3	859	3
Not available	301	1	356	1	358	1	362	1
TOTAL	**29,680**	**100**	**35,670**	**100**	**31,988**	**100**	**34,186**	**100**

Note: data for December 1996 does not include figures of Social Work Centres in Kočevje, Kranj and Ptuj.

Source: Ministry of Labour, Family and Social Affairs, October 2000.

Table 4.8: Socio-economic structure of means-tested welfare allowance recipients, December 1999 (%)

Gender	
Men	45.3
Women	50.5
Not available	4.1
Age	
18 – 21	25.2
22 – 26	21.3
27 – 45	32.8
46 – 59	15.0
60 – 64	1.6
65 – 79	2.8
over 79	1.3
Education	
Level I (not finished primary school)	21.5
Level II (finished primary school)	26.8
Levels III and IV (two- or three-year vocational school)	22.2
Level V (four-year secondary school)	19.0
Levels VI and VII (higher education)	2.4
Not available	8.4
Social status	
Employed	3.4
Farmers	2.1
Self-employed	0.1
Part-time workers	0.2
First-time job seekers	20.8
Unemployed receiving unemployment benefit	1.8
Unemployed without unemployment benefit	55.0
Students	0.1
Pensioners	0.7
Housewifes	4.0
Incapable of work	3.8
Not available	7.9

Source: Ministry of Labour, Family and Social Affairs, October 2000.

Employment Service of Slovenia and the Ministry of Labour, Family and Social Affairs). The aim is to employ 1000 people experiencing long-term unemployment or low employment prospects in 2000 in non-profit services (looking after the disabled, helping school children, elderly people at home, restoring cultural monuments, etc). These jobs will be financed for three years. This will improve the shortcomings of the public works schemes, which offer a job for one or up to two years after which people usually go back to unemployment. This programme, and the changed status of public works (the amended Act on Employment and Insurance against Unemployment gives jobs under public works schemes the status of fixed-term employment), and other active employment policy programmes have increased the employability of people and reduced unemployment.

2. Education

The issues of dropouts and appropriate education are closely related to the flexibility and diversity of the education process, which should respond to the different needs, capabilities and interests of pupils, apprentices and students.

The new education laws passed in 1996-99 have enabled the introduction of various forms of education (a dual system, a system of certificates, vocational courses etc). The education system should ensure greater vertical and horizontal flexibility and facilitate re-entry into the educational process (lifelong learning). This should raise the general level of qualification. The share of pupils enrolling in the preferred programme is gradually increasing, which is one of the most important factors contributing to motivation and the successful completion of the education process. In 1997/1998, the share was 93.5% and increased to 96.3% in 1999/2000. The number of dropouts in secondary schools is still relatively high, but is gradually falling. Dropping out is most frequent in vocational education, there are no major differences between genders, and the number of dropouts is particularly high in the first years of schooling. 40% to 50% of pupils drop out from school in the first year, 30% in the second and 20% in the third year. There are almost no dropouts in the fourth year. The most important factors contributing to literacy are education (and the education of parents) and employment status. Raising the education level and enhancing employability should therefore be used to improve literacy and at the same time combat poverty.

3. Housing

In addition to employment, appropriate housing and subsidies for individuals and families who cannot cover the cost of high rent are the most important elements of ensuring good living conditions and combating poverty. The share of housing expenses (rent, water, gas, electricity, etc) of poor households in total

expenses is almost twice that in average households[3].

The provision of appropriate and affordable housing is therefore the key orientation of Agenda Habitat, which was endorsed by the National Housing Programme adopted in May 2000.

Access to housing has dropped since 1991 and the provision of non-profit and social housing has nearly come to a halt. In the 1973-1985 period, the average annual number of new social dwellings was 1,700 compared to 900 in the 1991-1998 period, according to figures from the National Housing Programme. Access to appropriate housing for the socially deprived has fallen dramatically; currently there are 7,000 rental applications for each non-profit flat available. The gap between the supply of and demand for housing continues to increase: 14,674 dwellings were built in 1981 compared to an estimated 6,200 in 1998.

During implementation of the National Housing Programme, covering the period up until 2009, about 2,000 non-profit dwellings will be provided each year. It will nevertheless take seven years to get a non-profit flat given the large housing deficit. The current system of subsidising rent is not very effective as it only covers a minor number of people. The material standing of tenants in non-profit flats is likely to improve with the new Housing Act passed in 1999, as rents in those flats will be lowered (the introduction of social rent). A system of building subsidies[4] has also been introduced, which will bring changes in land policy and provide a basis for more intensive construction of non-profit housing in municipalities. In March 1999, the Govenrment adopted a National Housing Savings Scheme, whose aim is to stimulate long-term saving and to provide long-term loans for housing projects.

Table 4.9: Recipients of means-tested welfare allowance who are single, have finished or not finished primary school, June 1999

Age	Total	Education levels I and II	Education levels I and II, %
up to 18	49	36	73.5
18-21	6924	2216	35.2
22-26	5349	1645	30.8
27-45	5368	2893	53.9
46-59	3150	2041	64.8
60-64	371	303	81.7
over 65	1148	830	72.3
Total	21779	9952	45.7

Source: Ministry of Labour, Family and Social Affairs, October 2000.

4. Survival benefits

The minimum level of income intended to ensure survival has fallen gradually since 1993 because of inappropriate indexation mechanisms. This and the situation in the labour market have led to a worsening of the material and social conditions of marginal groups. The amended Social Security Act plans to raise the level of minimum income sufficient to cover the minimum costs of living (Stanovnik. T., Stropnik, N., 1999). The new Act is harmonised with the EU's legislation and will enable the poor to survive and assume an active role in resolving their difficult situations.

Up to 40% to 50% of pupils drop out from school in the first year

The share of housing expenses of poor households in total expenses is almost twice that in average households

[3]These costs represent 10.4% of expenses on consumer goods in the average household and 18.7% in the poor household. The poor household spends 54.7% of available income on food and housing, while the average household spends 36.3%.

[4]Building subsidies are given for buying and renting a flat.

Table 4.10: Typical groups of registered unemployed in 1987-1999[1]

Year	Average number of registered unemployed	Shares of individual categories in 1987-1999					
		Aged up to 26	First-time job seekers	Women	Unemployed for over 1 year	Unskilled	Aged over 40
1987	15,184	50.6	30.1	48.8	33.1	57.7	17.0
1988	21,342	51.9	28.7	47.3	36.9	57.1	14.5
1989	28,218	51.5	29.1	48.9	42.7	55.4	15.0
1990	44,623	51.4	26.5	47.9	37.4	49.8	16.1
1991	75,079	47.8	22.2	44.7	47.3	45.9	19.0
1992	102,593	40.7	20.2	43.9	50.7	46.5	25.0
1993	129,087	38.0	19.0	43.8	53.0	45.3	28.2
1994	127,056	33.4	19.0	44.9	59.0	45.8	32.4
1995	121,483	32.2	19.7	46.7	62.1	46.7	34.1
1996	119,799	31.4	19.4	48.1	56.2	47.0	36.6
1997	125,189	29.1	18.3	48.8	57.1	47.1	40.8
1998	126,079	26.3	18.1	49.9	61.7	46.9	46.0
1999	118,950	25.8	18.7	50.6	63.7	46.0	48.5

Source: Employment Service of Slovenia

Note: [1]Shares of individual categories calculated as a percentage of average unemployment, shares of unemployed over 1 year and aged over 40 calculated as a percentage of year-end figure.

3.5 Adult literacy

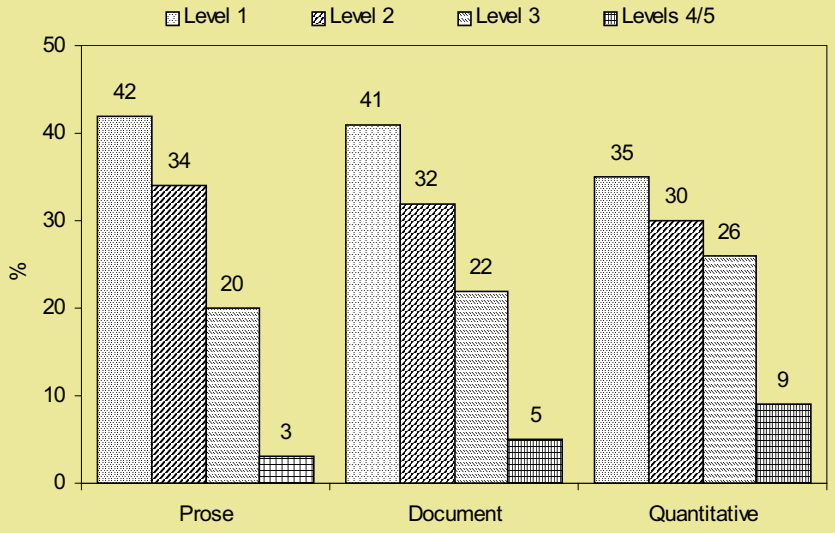
Adult literacy proficiency in Slovenia by levels and regions

Distribution of the adult literacy proficiency of the Slovenian population aged from 16 to 65 years according to five literacy levels has proven to be very uneven, thus pointing out the population's considerable stratification in the field of literacy. The majority of the population demonstrated low literacy skills in all three literacy domains. Three-quarters of the adult population attained Levels 1 and 2 in prose and document literacy, whereas quantitative literacy achievements are somewhat higher: Levels 1 and 2 were attained by about three-fifths of the population under consideration. Presuming that Level 3 presents the suitable literacy level for coping with the demands of the high-technology society, we can conclude that 60% to 70% of Slovenia's adult population lacks sufficient literacy skills necessary to handle information from various printed resources. The results of one survey show that we are mainly talking about the lack of skills which would enable individuals to locate and understand information from various sources, and to utilise it when faced with new circumstances. The highest levels (Levels 4 and 5 together) reported in three literacy domains were demonstrated by less than 10% of the adult population, the majority, i.e. 9% in the domain of quantitative literacy, 5% in document, and only 3% in the domain of prose literacy.

The literacy proficiency distribution in both of the most important urban areas (Ljubljana and Maribor)[1] follows the same unbalanced pattern previously discussed on the level of Slovenia as a whole. In order to facilitate a more real-

[1]Source: Kodelja, J. in Adult literacy in Slovenia, Slovenian Institute for Adult Education, 2000.

Graph 5.1: Adult literacy in Slovenia



Sources of data: Survey: Adult Literacy and Participation in Education, 1998.

istic estimation of literacy achievements in regions, two indicators were chosen to determine the position and level of development within a particular region, i.e. the amount of GDP per capita (the general indicator of economic power and position of a region) and the average length of schooling (a synthetic indicator of the educational attainment of a region's population). Similar to literacy proficiency results on the national level, relatively large portions of the population within particular regions demonstrated low literacy skills (at Levels 1 and 2), and this was found for all three literacy domains. The share of the population ranked at the lowest levels of literacy proficiency is for most regions similar to the Slovenian average (for prose literacy Levels 1 and 2 this is 77%), regions with markedly smaller shares at these levels (around 70%) are the Osrednjeslovenska, Gorenjska and Obalno-kraška regions.

The least developed regions of Slovenia present a special problem, particularly those located in the south (Notranjsko-kraška region), north and north-east (Koroška, Pomurska, Podravska regions). These are regions in which the amount of GDP per capita is usually lower than the Slovenian average, i.e. between USD 7,400 and USD 8,500 per capita. On average, inhabitants of these regions attended school for 8.5 to 8.9 years, the proportion of adults who completed primary school being relatively high and exceeding 50%, whereas the share of inhabitants who completed higher and tertiary education amounts to 5% - 7%. In this regard, the Podravska region presents an exception taking into account both indicators, the average length in years of schooling as well as the share of inhabitants who completed higher and tertiary education. Similarly to the Ljubljana[2] urban area, the Maribor[3] urban area could also be ascribed a certain influence on educational attainment within the region since findings have shown

Table 5.1: Population by literacy skills and statistical regions

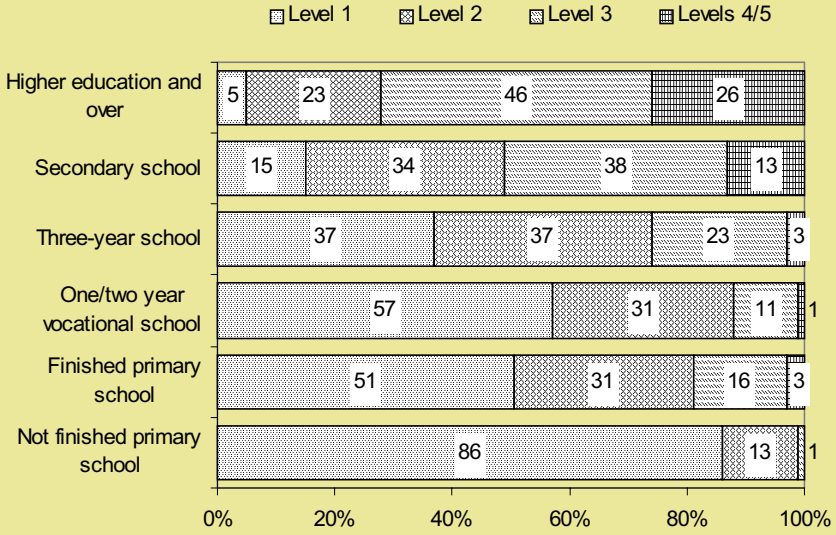
Statistical regions	GDP per capita in USD (1996)	Average years of schooling (1991)	Percentage Level 1 and 2 (from 0 – 275 points)			Percentage Levels 4 and 5 (from 326 – 500 points)		
			Prose	Document	Quantitative	Prose	Document	Quantitative
Pomurska	7,370	8.7	87.4	87.1	78.6	1.5	4.0	4.4
Podravska	7,770	9.2	79.8	77.9	69.6	2.5	5.0	8.9
Koroška	8,170	8.7	76.0	77.6	67.7	4.1	4.9	7.1
Savinjska	8,950	8.9	78.4	70.9	65.8	2.2	3.4	7.1
Posavska	8,580	8.5	82.7	72.9	75.7	0.0	1.1	4.6
Dolenjska	9,270	8.5	83.8	75.5	68.5	3.0	4.5	6.0
Goriška	9,340	8.9	74.6	70.1	63.7	4.2	3.8	6.5
Obalno-kraška	9,690	9.3	73.7	74.4	64.3	4.3	6.9	8.9
Notranjsko-kraška	8,030	8.7	85.6	82.1	74.7	0.9	3.6	5.2
Gorenjska	8,750	9.2	72.8	68.0	62.1	3.2	7.9	10.9
Zasavska	8,000	8.8	79.2	75.4	63.6	0.8	0.0	3.1
Osrednjeslovenska	12,170	9.9	70.4	65.2	57.7	4.9	7.4	12.1
Slovenia	9,470	9.2	76.7	72.7	65.3	3.2	5.3	8.6

[1] Source: IMAD, Human Development Report - Slovenia 1999, and Kodelja, J. (2000).

that in both urban areas literacy proficiency to some extent affects the literacy results of the entire region, although the latter are not influenced by the former. There are no large deviations among regions, the reason being the almost equal average length of schooling. In 1991, with the exception of the Osrednjeslovenska region, this figure amounted to 9.2 years of schooling.

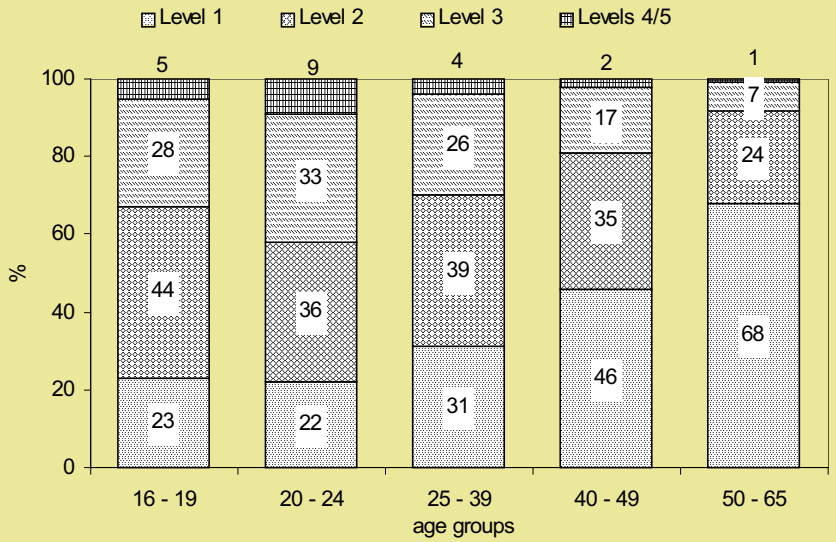
The literacy survey revealed some reasons for the low literacy performance of the adult population in Slovenia. According to expectations the most important predictor of literacy proficiency proved to be the educational attainment of the population or, in fact, the length and quality of initial education; the higher the educational attainment the better the results of literacy tests. However, educational attainment cannot explain all discrepancies in adult literacy. The analysis shows that more than 50% of the variance in literacy proficiency can be elucidated by four factors: in addition to educational attainment literacy skills are correlated with age, the educational attainment of the parents, and employment status. A considerable although smaller impact on literacy achievements in adulthood can be observed with regard to home and work backgrounds that stimulate the maintenance and strengthening of literacy skills to a variable degree. These circumstances involve the sphere of work and use of literacy skills in the workplace, participation in adult education and the use of literacy in the home. Literacy proficiency is an attained capacity which can be maintained and improved through regular use.

Graph 5.2: Adult literacy in Slovenia



Sources of data: Survey: Adult Literacy and Participation in Education, 1998.

Graph 5.3: Quantitative adult literacy by levels and educational attainment



Sources of data: Survey: Adult Literacy and Participation in Education, 1998.

[2]According to survey findings, in the Ljubljana urban area the following distribution of adult population literacy proficiency was attained: Levels 1 and 2 of prose literacy – 66.8%, document literacy 61.8%, quantitative literacy 54.8%. Levels 4 and 5 of prose literacy – 5.8%, document literacy 8.8%, quantitative literacy - 12.4%.

[3]According to survey findings, in the Maribor urban area the following distribution of adult population literacy proficiency was attained: Levels 1 and 2 of prose literacy – 71.9%, document literacy 74.9%, quantitative literacy 57.5%. Levels 4 and 5 of prose literacy – 4.8%, document literacy 5.4%, quantitative literacy - 12.4%.

Literacy, educational attainment and adult education

Schooling provides the essential foundations for literacy proficiency and educational attainment is its most important predictor. As expected, literacy achievements reported in particular literacy domains show a substantial positive correlation with the attained level of education. The higher the educational attainment, the higher the ranking on the literacy performance scales. In the literacy test, with each additional year of schooling literacy results have increased on average by some 10 to 15 points. In most cases (more than 80%), adults with little education (who had completed primary school or less, or had completed 1- to 2-year secondary vocational school) attained Levels 1 and 2 on all three literacy scales; the first two levels were also attained by more than 70% of adults who had completed a 3-year secondary school. It is important to know that, according to their average literacy proficiency (quality of knowledge and the capacity to make use of it), adults who had completed a 3-year secondary vocational school demonstrated performance levels closer to those achieved by adults who had completed primary school than to those attained by adults who had completed a 4-year secondary school. Only at the level of those completing secondary school can a turnaround be observed: a larger portion of adults attained Level 3 and also Levels 4 and 5. The majority of adults who completed higher and tertiary education were ranked at Level 3 with approximately the same shares on all three literacy scales (prose, document and quantitative). Surprisingly, among adults who completed tertiary education there are also some who attained literacy Levels 1 and 2. Presumably, right after completing education their literacy skills were at a higher level, however, due to the lack of activities that would foster their maintenance, the literacy proficiency of these adults dropped. On the other hand, we can assume for those adults with little education that their literacy scores will not reach the highest levels. In spite of that, the highest levels of literacy were attained by a smaller share of less educated people (around 11%) which leads to the conclusion that literacy skills are not acquired in school only, and that schooling does not guarantee literacy proficiency for one's whole life. After they have completed their schooling, adults are prone to lose their literacy skills if they fail to utilise them and, on the other hand, they can update them or acquire them anew by practising and training, in spite of their low educational attainment.

The development of literacy skills at the individual level is to a certain degree determined in childhood by one's home background, and it depends on the educational attainment of the parents and on reading habits in the family, later on literacy skills continue to improve while attending school. Higher educational attainment of the parents is positively correlated with the higher literacy proficiency of an individual. On average, adults whose parents have not completed pri-

Box 5.1: Defining adult literacy

Literacy is defined as the ability to understand and employ information stemming from various printed resources in adults' daily activities at home, at work and in the community – to achieve one's goals and to develop one's knowledge and potential. The key question explored in the survey is how well adults use their literacy skills in diverse circumstances and not whether they know how to read, write and calculate.

In the survey, literacy is investigated in terms of three literacy domains:

Prose Literacy – encompasses the ability to understand and use information in various kinds of texts, i.e. the locating, integrating and generating of information. The reader is required to understand and employ printed information, organised within sentences and paragraphs, special emphasis is given to distinguishing between the information contained and the information required.

Document Literacy – encompasses the ability to understand and use information from various graphical presentations of data and from forms. The tasks are given in a matrix format, that is to say in columns and rows. They include tables, symbols, indices, lists, schedules, maps, diagrams and forms.

Quantitative Literacy - encompasses the ability to understand and perform basic arithmetic operations found in various printed materials (i.e. completing order forms, cheques, etc.) The four fundamental arithmetic operations: addition, subtraction, multiplication and division are covered, appearing either alone or in combinations, in numerical or in some other printed format.

Literacy skills for each of the three domains are reported on literacy scales ranging from 0 to 500 points and divided into 5 levels, Level 1 corresponding to the lowest literacy proficiency.

[4]Estimate made on the basis of data from the Labour Force Survey, SORS, 1996.

mary school attained Level 1, whereas adults whose parents have completed at least secondary school attained Level 3 of literacy proficiency. Individuals with less initial social resources obviously lack the incentives and opportunities to acquire more of them during adulthood which increases the possibility that they will be excluded (from education, from the labour market).

Theoretical starting-points of educational capital encroach upon the educational potential of the population, thereby monitoring the quantitative and qualitative aspects of the educational capital stock and its flows. The quantitative criterion of the stock of educational capital is denoted by the educational level of the population (i.e. educational attainment or average length of schooling); the qualitative aspect is represented by the existing knowledge (demonstrated by the achieved literacy level, for example). The quantitative aspect of the educational flow is manifested by the participation of adults in education, whereas the qualitative aspect is revealed through the quality of the education system and education itself. A variety of standards and indicators have been designed based on these theoretical starting-points. (Bevc, 1999).

Results of the survey show that there is a substantial correlation between the literacy proficiency of the population as denoted by scores achieved in the literacy test on one hand, and the educational attainment as well as average length of schooling on the other. The educational threshold still assuring satisfactory literacy skills has proven to be the completion of 4 years of secondary school. Of Slovenia's adult population, less than 40% have completed at least 4 years of secondary school (1996 estimate)[4]. With regard to the average length of schooling of the adult population (i.e. 9.2 years), which represents a substantially large share (about 50%) of the population who have only completed primary school, no better results in the literacy test can be expected. In this respect, most adults who completed primary education attained Levels 1 and 2 in all three literacy domains. This reality not only explains the low general literacy proficiency of the population, it also affects its readiness to participate in education or intention to get involved in the future. Within the survey, data concerning all organised[5] forms of adult education and training within the period of 12 months prior to the beginning of the survey (from September 1997 to September 1998) were collected. With regard to data on the participation of adults in education and their willingness to learn, adults were classified into three groups: active, eventually active and inactive in education[6]. The results show that programmes of education and training rarely address adults with lower literacy skills, since most programmes are designed to meet the needs of those who are already well educated, and who attain higher levels of literacy proficiency. Unsurprisingly, the best literacy results in all three domains were demonstrated by active adults; the upper three levels of prose literacy were attained by 37% of them, whereas the upper three levels of quantitative literacy were attained by more than 50% of this group. Literacy achievements of the eventually active group and of the inactive group were considerably lower. Between 80% to 90% of these adults attained the first two levels of literacy proficiency. The results of the literacy survey assume considerable measures concerning the increase of the educational attainment of people who did not complete and those who did complete primary school, as well as secondary vocational school. However, the efficacy of these measures also depends among other things on the population's readiness to enter the education process.

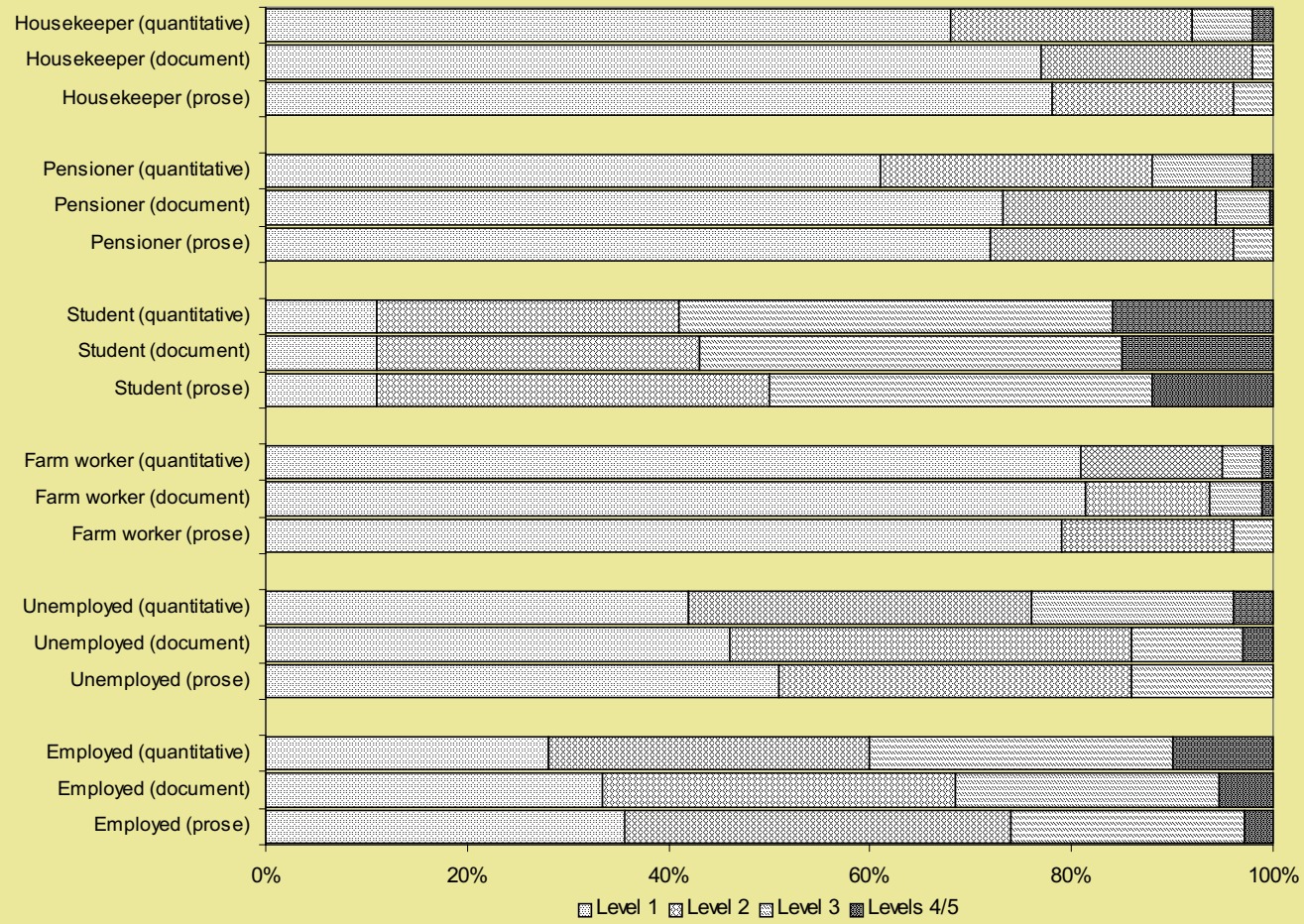
Literacy and age

There are substantial differences among the literacy attainments of younger and older generations in all three literacy domains; among the elderly there are at least three times as many adults who attained a low literacy proficiency in comparison with the young generation. In all

[5]The term "organised" means any form of education or training in which one person contacts another person or an institution.

[6]The definition stems from the survey on the Slovenian adult population in education by Z. Jelenc, 1998. The term "active participants" in education denotes adults who indicated that they were involved in education or training at the time of the interview or within 12 months preceding the interview. "Eventually active" participants are those who indicated that they were not involved in education, nor had they been involved in the past year, however, they would like to participate in the future. "Inactive" adults are those who indicated that they had not been involved, nor would they like to participate in the future.

Graph 5.4: Adult literacy by levels and participation in education



Sources of data: Survey: Adult Literacy and Participation in Education, 1998.

three literacy domains, the highest literacy skills were demonstrated by younger adults aged from 20 to 24 years; on average they attained Levels 2 and 3. The poorest literacy skills were observed in the group of adults aged from 55 to 65 years, their average results being Level 1 in all three literacy domains. This discrepancy among age groups could be attributed to disparities concerning the length of schooling and the process of forgetting one's knowledge acquired in school. With younger adults, literacy practices acquired at school are still retained and on average their schooling has lasted longer than for the older generations. With regard to the estimated stock of educational capital (i.e. the quality and applicability of the population's knowledge), it is important to note that discrepancies in literacy proficiency between the oldest and youngest portions of the population remain the same even where adults with the same educational attainment are being compared (for example, adults who completed secondary school by age groups).

The generation of younger adults (from 16 to 24 years) attained outstanding literacy proficiency in all three literacy domains; on average pupils (16 to 19 years of age) attained Level 2, whereas students (20 to 24 years of age) attained Level 3. The figures show that there are considerable discrepancies among the young themselves. As expected, pupils and students scored higher than their peers who are not included in the education process. Level 1 of prose literacy was attained by 17% of pupils aged from 16 to 19 years and by 54% of young people of the same age who are not pupils. For those young people in Slovenia who do not continue their schooling at secondary level, the initial education at

primary school level does not assure the maintenance of literacy skills at a level sufficient for learning and education in subsequent years.

Literacy and work

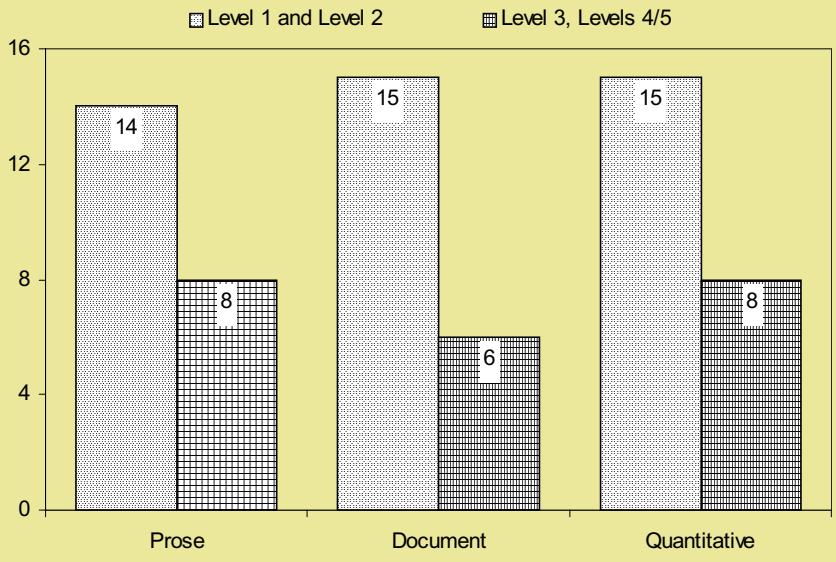
Educational attainment is an important factor affecting one's position in the labour market and one's occupation. Results of the survey also show that literacy skills are related to employability and competitiveness in the labour market. Literacy proficiency is reflected by labour market outcomes at the individual level as well as the national level. This is because an individual's higher literacy proficiency implies a greater probability that they will have work and vice versa, a smaller chance of becoming unemployed. At the same time, it positively affects the likelihood of being in a white-collar, highly-skilled position and vice versa, negatively the chances of being in low-skilled occupational categories, i.e. in a blue-collar position. The active part of the population (the employed and unemployed) attained higher literacy skills than the inactive part. However, the stock of literacy skills among the unemployed (the reserve labour force) is lower than among the employed, the only exception being pupils and students who demonstrated by far the best literacy achievements – half of them attaining the upper three levels of prose literacy and almost 60% of them attaining the same levels of quantitative literacy. Among the employed, only 26% attained the upper three levels of prose literacy and 40% the upper three levels of quantitative literacy. The majority of the employed scored on the first two literacy levels. Mostly adults read and write in relation to their work therefore those who are not employed and those who do not attend school usually read less. The lack of reading and writing practice presents a problem for the unemployed since, in comparison with the employed, their literacy skills have proven to be relatively poor. Among the unemployed, the upper three levels of prose literacy were attained by only 14%, in the case of quantitative literacy these results were achieved by about 24%. As adults with low literacy proficiency entering the labour market they have to face a greater risk of becoming unemployed. This chance is doubled among adults with low literacy skills.

One of the consequences of the rapid technological development seen in the past decade is the swift loss of employment in branches that in developed economies used to employ a low-skilled labour force. In line with technological development and the ever greater automation of production, several occupational categories demanding low-skilled employees are being abolished, thus certain skills and occupations are becoming superfluous. On the other hand, due to the increasing provision of a highly-skilled labour force the conditions for entering the labour market have become more and more demanding. Therefore, individuals with low educational attainment have difficulties in finding proper employment.

The adults with low literacy skills face much grater risk of becoming unemployed

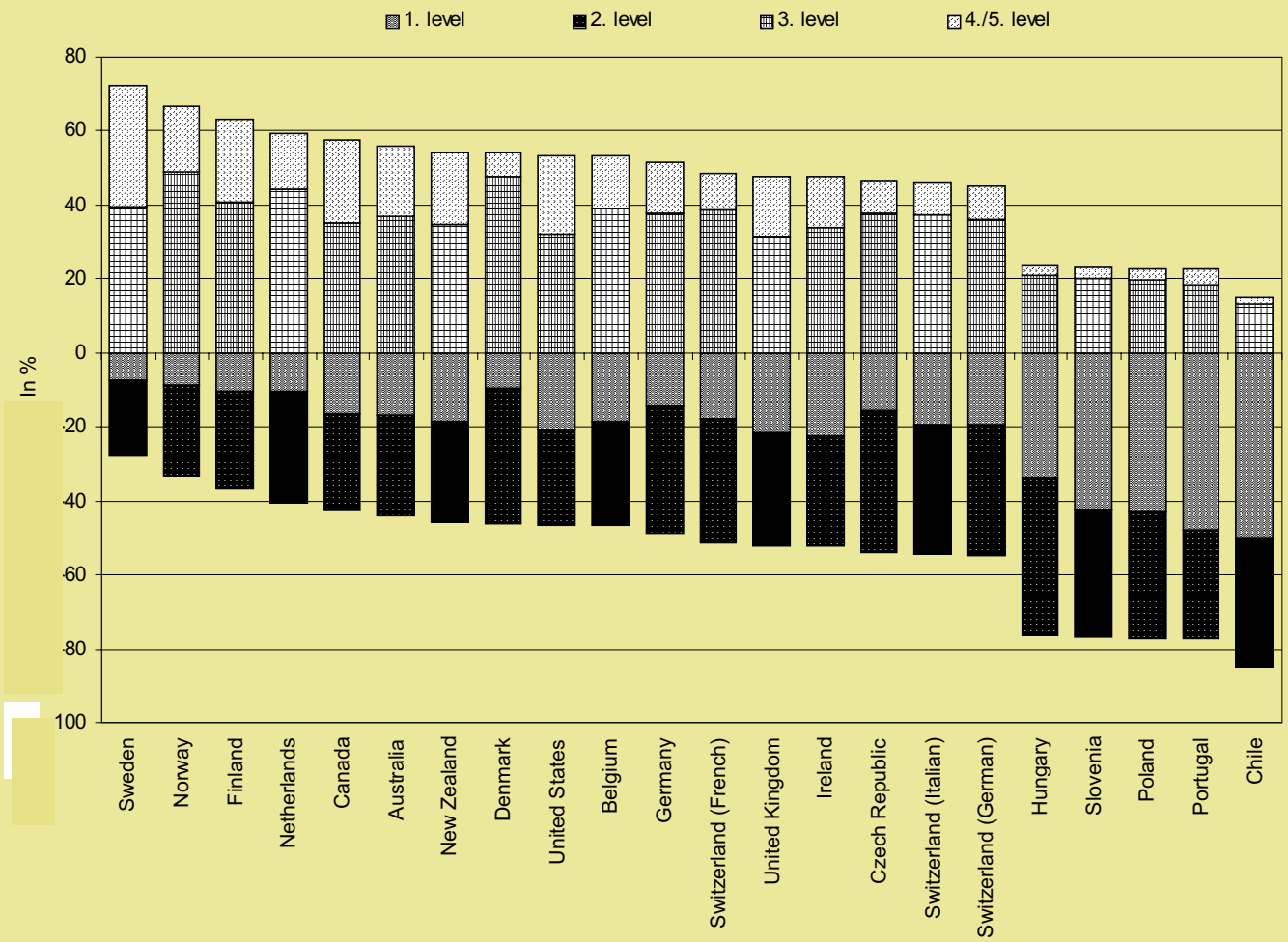
Occupations created by fast growing industrial sectors are based on knowledge and high skills. In all fields of the economy, demand for highly-skilled labour has grown, and the need for the transferability of skills, their constant upgrading

Graph 5.5: Share of the unemployed by literacy levels



Sources of data: Survey: Adult Literacy and Participation in Education, 1998.

Graph 5.6: International comparison of literacy



and development during the whole working life of an individual has also arisen.

Adults who in the observed time period were employed in sectors with the largest employment growth, such as the business and financial sector, education and public administration, attained the highest average literacy proficiency. On the other hand, those employed in sectors where the number of employees has been decreasing, that is in the agriculture, construction and manufacturing sectors, attained the lowest levels of literacy proficiency. This situation is unfavourable from at least two points of view. If the number of employees within these sectors continues to fall, the labour market will have to face the reentrance of low-skilled people unable to meet the qualification demands of growing industries. Even if the shrinking of low-skilled occupational categories does not continue, it may happen that due to the fast growth of knowledge-based sectors demand will exceed the provision of highly-skilled labour. In this case, it is not expected that newcomers to the labour market will be able to fill this demand. Literacy skills of the reserve labour force (the unemployed and inactive) are on average lower than those of the employed, especially as far as sectors with high growth rates are concerned, therefore this stock of labour will probably not be able to satisfy the needs of the labour market.

Literacy skills are demanded by many occupations, especially by the more favourable ones, therefore high literacy proficiency does enhance career prospects. Unsurprisingly, the literacy achievements of various occupational categories differ substantially. Managers, professionals and technicians attain considerably higher literacy levels than other occupational categories. The findings

show that about one-half of them attained the upper three levels of prose literacy; the same quantitative literacy levels were achieved by 70% of this population group. At the same time, Levels 4 and 5 of prose and document literacy were attained by a negligible proportion of individuals from these occupational categories. Results are different for quantitative literacy where Levels 4 and 5 were attained by 20% to 24% of these occupational categories. In most cases, adults employed in clerkship, services and trade achieved Levels 2 and 3 in all literacy domains. Other occupational categories such as craftsmen, engine-drivers and other occupations related to simple work most often attained Levels 1 and 2. In the main, peasants were ranked at Level 1.

Comparing adult's literacy skills in Slovenia with other countries

The comparison of adult literacy proficiency in 20 countries shows that, according to the survey results, Slovenia shares a place with countries such as Chile, Portugal and Poland where the lowest two literacy levels were attained by more than 60% of the adult population. On the other end of the ranking, countries with the smallest shares of population ranked at Levels 1 and 2 (of prose) literacy are Sweden (28%), Finland (37%) and Norway (33%), as far as quantitative literacy is concerned the same goes for the Czech Republic (31%).

However, Slovenia fits into the first group of countries not only according to the literacy proficiency of its inhabitants but also according to some other social and economic criteria. Countries with the largest share of the adult population with poor literacy skills are also characterised by the largest proportion of the population with little education, by a smaller amount of GDP per capita, shorter life expectancy, the smallest share of women holding seats in parliament, and a lower share of the population active in volunteer activities.[7] Naturally, the survey did not confirm any direct link between literacy proficiency and the above criteria.

Among the 20 countries under consideration, Slovenia features some striking indicators of literacy proficiency:

1. Out of all countries the Slovenian share of adults aged from 56 to 65 years who attained literacy Levels 1 and 2 is the largest, which also means that the differences concerning average literacy proficiency of the oldest and youngest generations under observation are among the most substantial.
2. Slovenia is at the very end of the scale as far as discrepancies among average literacy achievements of younger and older adults who have completed secondary education are concerned. In Slovenia, older adults who completed secondary education did not succeed in maintaining their literacy proficiency which would then be comparable to the literacy skills of younger age groups. In some countries such as Chile, the United States, New Zealand, United Kingdom, the Czech Republic and Canada, there are hardly any differences among the literacy skills of various age groups of adults who completed secondary school.
3. In Slovenia differences between the average literacy proficiency of the least and most educated adults are also among the largest.
4. The largest differences between Slovenia and other countries relate to the literacy skills of pupils and students aged from 16 to 24 years on one hand, and their peers who are not involved in education on the other.
5. Slovenia has one of the lowest shares of adults who have not attained the secondary education level but achieved the upper literacy levels

In Slovenia participation of adults in all forms of education is extremely low

[7]The Czech Republic is an exception since the educational attainment of its population is higher than in other countries of this group (80% of its inhabitants completed at least secondary education), however, according to other criteria the Czech Republic fits into the group.

(11%). In Sweden, these levels were attained by more than 60% of adults who did not complete secondary school.

Table 5.2: Socio-demographic characteristics of adults by participation in education, 1998 (12 months prior to the interview)

Level of educational attainment	Participation YES	Participation NO	Total
Primary school or less*	9.2	90.8	100
1- to 3-year secondary vocational education	22.2	77.8	100
4-year secondary education	41.4	58.6	100
Higher education or above**	71.5	28.5	100

Source: Participation of the Slovenian population in education, SIAE 2000

Remarks:

*Some years of primary school, completed compulsory education, completed primary school.

**Higher school, college/university degree, master's degree/specialisation, Ph.D.

Table 5.3: Educational attainment of the population

Completed upper secondary education* and above, 1995		
Country	Age 25 – 64 years	Age 25 – 34 years
Austria	69	81
Denmark	62	69
Czech Republic	83	91
France	68	86
Greece	43	89
Ireland	47	64
Italy	35	49
Canada	75	84
Germany	84	89
The Netherlands	61	70
Norway	81	88
Poland	…	88
Portugal	20	31
Spain	28	47
Switzerland	82	88
Sweden	75	88
United Kingdom	76	86
United States	86	87
SLOVENIA		
Labour Force Survey, 1996		
- first version	39	50
- second version	66	79
Census, 1991; estimate 1996		
- first version	36	44
- second version	55	54

1st version: 4-/5-year secondary education, higher, and tertiary education were taken into account;

2nd version: 3-year secondary vocational education, 4-/5-year secondary education, higher and tertiary education were taken into account.

Source: for countries other than Slovenia: OECD at a Glance, OECD, Indicators 1997: 38, 98; for Slovenia: Kraigher, Expert Foundations for the National Adult Education Master Plan, 2nd Part: 390, SIAE 1999.

*Completed upper secondary education has the following meaning in individual countries: in Belgium, Canada, Czech Republic, Finland, France, Greece, Hungary, the Netherlands, Norway, Portugal, Spain, Sweden, and in the United States it means 12 years of schooling; in Australia, Austria, Denmark, Germany, Italy, Luxembourg, New Zealand and Switzerland it means 13 years of schooling, and in Ireland, Iceland and the United Kingdom it means 14 years of schooling.

Conclusion

The results of the prose, document and quantitative literacy survey provide a relatively precise scale for presenting the quality of the educational capital stock. The survey thoroughly encompassed all educational segments of educational capital (primary education and less, secondary vocational and secondary general and professional education, higher and tertiary education) which enabled a full insight into the actual demands for education. Taking into account the qualitative viewpoint (measured by adult literacy proficiency) as the basis for including adults in education in Slovenia, five times more adults should be included than according to the quantitative criterion (i.e. the educational attainment of the population).

In addition, the survey reveals that, from the viewpoint of literacy, some parts of the population are in jeopardy far more than others; measures for improving the literacy skills of the adult population in Slovenia will be more efficient if they are goal-oriented and take into account the characteristics and needs of these groups. The latter encompass less educated people who at the most completed secondary vocational school; they are not involved in education and do not demonstrate any readiness to become involved, they do not exploit the learning opportunities provided by their life and work environment to a satisfactory degree. Certainly, these groups of adults differ according to their position, the roles they play as adults etc.; among them there are young adults 25 years of age who do not attend school and have not attained the secondary education level; there are the unemployed; parents of school-age children, employed in industrial sectors where the employment rate is dropping rapidly; people older than 40 (45) years; inhabitants of certain regions in Slovenia (Pomurska, Notranjsko-kraška, Spodnjeposavska regions) employed in certain industrial sectors and occupational categories.

National adult education master plan, expert foundations

Expert Foundations for the National Adult Education Master Plan (NAEMP), the fundamental document designed for implementing the strategy of lifelong learning and its basic principles, can be summarised by the following four statements[8]:

1. Learning is a process that takes place at all stages of life.
2. The diversity of learning modes and contents enables the individual to develop intellectual, emotional, spiritual, aesthetic and physical capacities (according to the four pillars of learning by Delors: learning in order to know, in order to know how to work, to coexist in the community, and learning to be).
3. In addition to schooling, there are other important sources of learning, such as the family, the workplace, and the living environment.
4. In the coming millennium it is possible to stimulate and meet the varying needs for education and learning by implementing the strategy of lifelong learning only.

Within the framework of the National Adult Education Master Plan, the foundations to be provided and the conditions to be fulfilled in order for adults to be able to learn throughout the course of their entire lives have been identified. Educational attainment, participation of adults in education, and investments in adult education in Slovenia present serious obstacles to realisation of the lifelong-learning strategy.

Educational attainment of the Slovenian population: In Slovenia the share of the population with lower educational attainment is considerable. International comparisons referring to educational attainment of the population aged from 25 to 64 years fail to reflect this problem since they are made at the global level. However, a thorough look at national statistics taking into account those who have finished 4 and 5 years of secondary education (but excluding 3 years of secondary vocational education) clearly shows that Slovenia lags behind in educational attainment in comparison with other countries.

Table 5.4: Structure of education expenses (all levels of education, by %), 1998 (in the preceding 12 months)

Level of educational attainment	Participants, households	Employers	State
Primary school or less	42.2	35.7	19.9
1- to 3-year secondary vocational education	30.0	62.8	13.6
4- and 5-year secondary education	27.9	64.7	15.2
Higher and tertiary education, postgraduate studies	17.7	69.5	25.0

Source: SIAE, 2000.

Results of the International Adult Literacy Survey have added a qualitative dimension to the quantitative presentation of Slovenia's educational attainment. Adults who have completed 3 years of secondary vocational education significantly enhance Slovenia's educational attainment in comparison with other countries, however, their literacy skills are considerably lower than those demonstrated by adults who have completed 4 or 5 years of secondary education.

Adult education participation: With regard to developed countries, especially the Scandinavian ones, the inclusion of adults in all forms of education is markedly low. Characteristically, there is a strong correlation between the motivation of adults for education on one hand, and their educational attainment on the other. In the group of adults who continue to learn in spite of the fact that they have already completed their schooling, the share of those who have completed upper secondary or tertiary education is nearly 8 times greater than the share of individuals who have completed primary school or even less. Moreover, the share of individuals who have completed a 4- or 5-year secondary school is nearly twice the size of those

[8]Slovenian Institute for Adult Education (SIAE).

with 1- or 2-year vocational education. The development of educational infrastructure in the field of adult education follows the same pattern: high-quality networks of educational programmes and institutions as well as guidance and information services are being developed in areas where demand and consequently financial returns are greatest, i.e. in developed urban areas for well-educated participants.

In order to eliminate shortages resulting from insufficient exploitation of human capital in Slovenia, an agreement at the national level should be put in place so as to achieve deliberate stimulation of adult education and to introduce appropriate measures.

Within the framework of the National Adult Education Master Plan, incentives and measures are classified into four groups:

1. Increasing the demand for education - by individuals, enterprises, local communities;
2. Ensuring larger investments in adult education – by individuals and social partners;
3. Co-ordinating agreements and measures at the national and regional levels, and among social partners; and
4. Developing and sustaining the fundamental adult education infrastructure, thereby eliminating obstacles to education and stimulating the evolution of needs and demands for education.

In addition, three priority fields in adult education are defined, while three global aims with predictions up to 2010 are identified.

The first priority field refers to general, non-formal education designed to meet personal needs and aspirations.

Global aim: inclusion of at least 60% of adults in non-formal education.

The second priority field relates to increasing educational attainment along the whole vertical so as to:

1. diminish, abolish and preclude the social neglect of less educated adults aged from 15 to 49 years;
2. bring forward the cultural and civilisational role of education by raising awareness about the linkage of individual life situations with social processes, greater self-actualisation in various roles of the individual; and
3. bring about a reduction of structural imbalances.

Global aims:

1. to make it possible for at least one-third of the population aged from 15 to 49 years without fundamental education and qualifications to participate in education with the aim to acquire, renew and develop basic knowledge and competencies; and
2. to provide opportunities for at least one-quarter of the adult population aged from 15 (or 19) to 49 years who have not completed primary (or secondary) school to participate in programmes designed for the completion of either primary, secondary vocational, professional or general education, and for one-tenth of the adult population to participate in programmes of higher professional education.

The third priority field refers to education of the labour force, to the development, preservation and upgrading of their skills and competencies so as to enhance their adaptability and capacity to direct the socio-economic and technological evolution, as well as to the development of key qualifications for the future.

Global aims: to assure education and training within the range of 60 to 120 hours per year at least to all the employed without a basic education, and to 70% of the unemployed without a basic education. At least 40% of them are expected to continue their education in programmes and forms designed to improve educational attainment. All of the employed will have the right to devote at least 45 hours per year on education according to one's free choice.

In Slovenia priority is given to regulation and development of the third priority field, that is to education in the productive role, which can be measured by financial returns. In the Expert Founda-

tions, however, all three priority fields are ascribed equal importance:

1. education as a fundamental and not only an instrumental value;
2. education as a form of "consumption" where financial and non-financial returns are difficult to quantify, since they can be denoted in the family and/or in the individual's life, by tolerance and understanding, enrichment of tradition and culture, by the way of spending one's leisure time, by greater inclusion of the older population; the notion of education as a productive investment with high returns is excluded from this context; and
3. education as an investment for achieving higher competitive capacity in the global market.

The National Adult Education Master Plan also determines the amount of money needed for realisation of the master plan. Slovenia has not been allocating enough public funds to adult education, especially in fields and in periods where and when this should not have happened (as far as expenditures for delivering secondary education programmes for adults are concerned, the share of participants in the period 1989-1994 increased from 42% to 70%, whereas state and enterprises' contributions fell: the share of the state decreased from 7% to 6%, the share of enterprises from 52% to 24%). Figures show that with 6% of GDP designated for education in Slovenia, we share a place with the developed European countries, however, considering the share allocated to adult education (estimated at 0.1% of GDP) we are lagging far behind. In the 70s and 80s, the developed countries allocated 6% - 8% of GDP to education and training, in Slovenia this share was only 3.5% - 4.5%.

Results of the International Adult Literacy Survey reveal not only the low share of public expenditure on adult education, but also the characteristics of its beneficiaries. The state co-finances 25% of employees' education expenses if they have completed higher or tertiary education; they themselves cover 18% of their educational costs. Adults who have completed primary education or less receive state support in the amount of 20%, they themselves contribute 42% of their education expenditures. It is worthwhile mentioning that data show only shares and not absolute amounts; as a rule, educational expenditures (as shaped by the market) for adults with higher education are higher. In countries where educational programmes are attended by a markedly higher share of employed people (50% or more) than in Slovenia (20%) and where the results of the Adult Literacy Survey are considerably better, the shares of state funds allocated to education are higher than the share of individuals (like in Norway, Denmark etc.). In Slovenia, the state has been ranked third – with employers and individuals covering larger shares of education expenditure.

By adopting the National Adult Education Master Plan the state will accept the prompt responsibility for investing in adult education considerably more than in the past decade. This step also implies the political decision about whether or not the completion of 4 years of secondary education will become the basic educational standard for the majority of the adult population. At the same time, the state will take on the responsibility to provide excluded social groups with adequate life and work conditions for the attainment, maintenance and development of fundamental knowledge and qualifications. The latter has been denoted by the developed part of Europe as "key knowledge and skills" encompassing reading, numerical and writing skills, social skills, the capacity to learn, entrepreneurship, foreign languages and information-communication skills. Both decisions (the first concerning basic education attainment and the second concerning "key knowledge and skills") indicate that within the 2001-2005 period 100,000 (low scenario) up to 140,000 (high scenario) individuals without education aged from 15 to 49 years should be included in the process of acquiring the educational attainment standard. As far as programmes for the attainment

and development of "key knowledge and skills" are concerned, 230,000 individuals who achieved the first level of literacy skills, and 185,000 individuals who were ranked at Level 2 of literacy proficiency, both groups aged from 15 to 49 years, should be included. The state must not postpone the adoption and realisation of measures imperative for mass and high-quality education of adults, its main responsibility being people with the lowest educational attainment. The consequences of postponements and interruptions in adult education have already been shown by the experience of the middle of the 80s when nearly 30,000 adults were involved in programmes for educational attainment at all levels; as a result of premature and ill-considered systemic measures, the number of participants has halved whereas the need for this kind of education has grown considerably. Projections of the Expert Foundations of the NAEMP have shown that a lot of time will have to pass before the same level of participation is reached again. For this purpose, measures will have to be taken for the revival or development of an appropriate educational infrastructure consisting of a network of programmes, information and guidance services as well as research and development work. Not acting immediately would bring about an additional gap in adult education in comparison with the developed world. One must keep in mind that the developed countries in Europe have taken advanced measures concerning adult education since, in the opinion of OECD ministers, this is the one field where the biggest obstacles to implementation of the strategy of lifelong learning seem to be.

Estimates have been made concerning expenditure to ensure the fundamentals of lifelong learning: for initial education (education of children and youth), that would be 1% of GDP, whereas the education of adults who have completed primary school or less would require 1.3% to 3.3% of GDP; the education of adults who have been ranked at the lowest level of the literacy scale would require 3.7% to 5.7% (according to Expert Foundations of the NAEMP, 2nd Part: 91). Let us not forget that two-thirds of the Slovenian population are ranked at the lowest level of literacy skills! Among the six key areas of measures for implementing the strategy of lifelong learning as defined by the European Commission, there is a mention of a "considerable increase of investments concerning the development of human resources, since in the European knowledge-based society people are and will be the most important asset" (Memorandum 2000, European Commission; 12, Brussels).

By adopting the NAEMP the state will take on the responsibility for equal and equivalent consideration of educational needs – personal, social and entrepreneurial – and for developing opportunities for their satisfaction. In Slovenia, the first and second priority fields lag behind markedly, they are still on the margins of speculation and operation. In the NAEMP however, education which stems from individual needs and aspirations and is not related to one's professional or social role has been ranked first. Similarly, in international documents education for the individual's personal development has been identified as one of top priorities. International organisations and particular states have accredited it the same attention as education for the enhancement of employability, and this time more than on a declarative basis. The OECD and the European Commission are in the process of establishing indicators for the purposes of comparative monitoring of the development of non-formal education for personal and social development reasons. In this field, Slovenia will first have to remove the considerable shortfalls of the past – for example, in the period 1982 – 1995 the number of those included in educational activities dropped five times (see Drofenik: General non-formal education). Furthermore, conditions for the sustainable development of education will have to be established, thus meeting the individual's spiritual, aesthetic, emotional and physical needs, creating and maintaining our culture, helping the older popu-

lation to remain healthy and active, and contributing to the growth of social welfare. It is this particular field of education that enables individuals to partake in social processes leading to personal and corporate prosperity.

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Chapter IV
Statistical Appendix

Profile of human development

Year	Life expectancy at birth (years)		Infant mortality rate	Maternal mortality rate (per 100.000 live births)	Population per doctor	Scientists and technicians (per 1000 inhabitants)	Enrolment ratio for all levels (% age 7-24)	Tertiary full time equivalent gross enrolment ratio		Daily newspapers (copies per 100 people)	Televisions (per 100 people)	Real GDP per capita (PPP USD)	GNP per capita (USD)
	Male	Female						Total (%)	Female (%)				
1990	69.54	77.38	8.36	8.84	487	3.44			55.62	15.15	22.5		8700
1991	69.45	77.25	8.25	4.63	481	3.49		21.2	55.39			9,878	6331
1992	69.40	77.29	8.86	5.00	478	3.52	76.67	21.8	54.76		22.1	8,847	6275
1993	69.58	77.38	6.80	5.07	493	3.01		23.6	55.46		22.8	10,900	6366
1994	70.27	77.76	6.47		457	3.55	76.95	25.3	56.29		22.9	11,600	7233
1995	70.79	78.25	5.59	5.32	470	3.63	79.10	26.4	56.86	20.75	22.9	12,500	9431
1996	71.01	78.62	4.76	16.04	468	3.72	80.95	28.6	56.57	17.11	23.1	13,200	9481
1997	71.05	78.68	5.21	11.09	446	3.50	82.30	34.2	56.56	17.28	23.7	14,000	9163
1998	71.16	78.99	5.28					36.9	55.70	17.19	23.8	14,800	9878
1999	71.34	78.75									23.5		10078

Profile of human distress

Year	Unemployment rate			Adults with less than upper-secondary education (as % of age 15-64)		Ratio of income of highest 20% of households to lowest 20%	Female wages (as % of male wages)	Consumer price index (change, %)	Years of life lost to premature death (per 1.000 people)		Injuries from road accidents (per 100.000 people)	Intentional homicides (per 100.000 people)	Reported rapes (per 100.000 women age 15-59)	Sulphur and nitrogen emissions (kg of NO_x and SO_2 per capita)	
	Total (%)	Youth (16-24 %)	Female	Male	Female				Male	Female				NO_X	SO_2
1990	4.7							552.0	8.54	4.26	35.2	2.32	1.27	28.30	97.60
1991	8.2			72.3	80.6		0.89	115.0	8.83	4.43	37.0	2.44	7.61	26.88	90.49
1992	11.5						0.88	207.3	8.69	4.65	39.6	2.75	8.09	27.62	94.89
1993	14.4	24.2	13.5				0.86	32.9	8.82	4.48	41.3	1.47	9.99	30.68	91.49
1994	14.4	22.2	13.7			5.15	0.85	21.0	8.57	4.48	42.3	2.59	6.34	32.98	88.34
1995	13.9	18.8	13.7			5.35	0.85	13.5	7.94	4.22	42.3	2.54	7.29	33.33	59.71
1996	13.9	18.8	14.0			5.87	0.85	9.9	7.70	4.06	41.1	2.08	7.77	35.23	55.27
1997	14.4	17.6	15.3			5.49	0.87	8.4	7.89	3.83	45.6	2.14	8.09		
1998	14.5	18.6	15.7			5.80	0.89	7.9				1.47	8.09		
1999	13.6	18.1	15.0			5.86									

Trends in human development

Year	Total health expenditure (as % of GDP)
1990	5.36
1991	5.01
1992	7.15
1993	7.49
1994	7.14
1995	6.90
1996	6.61
1997	6.58
1998	6.65
1999	6.54

Female - male gaps

Year	Life expectancy	Population	Secondary enrolment	Upper secondary graduates	University full-time equivalent enrolment	Natural and applied science enrolment	Labour force	Unemployment	Wages
1990	1.113						0.88		
1991	1.113				1.12		0.89		0.89
1992	1.112		1.01		1.20		0.91		0.88
1993	1.114	1.06	1.00	1.31	1.23		0.92	0.84	0.86
1994	1.112	1.06	1.02	1.35	1.26		0.93	0.88	0.85
1995	1.107	1.07	1.02	1.34	1.30	0.44	0.93	0.97	0.85
1996	1.105	1.05	1.01	1.39	1.32	0.44	0.95	0.93	0.85
1997	1.107	1.05	0.99	1.32	1.26				0.87
1998	1.104	1.05				0.38		1.03	0.89

Status of women

Year	Life expectancy at birth (years)	Average age at first marriage (years)	Maternal mortality rate (per 100.000 live births)	Secondary net enrolment ratio (%)	Upper secondary graduates (as % of females of normal graduate age)	Tertiary natural and applied science enrolment (as % of female tertiary)	Women in labour force (as % of total labour force)	Administrators and managers (% females)	Parliament (% of seats occupied by women)
1990	77.19		4.47	83.8			46.80		
1991	77.38		4.63	85.1			47.10	23.7	14.4
1992	77.25	26.1	5.00	85.3			47.70		
1993	77.29	26.7	5.05	86.1	53.7		48.20	26.0	
1994	77.38	26.9	5.14	86.8	48.4		48.70		
1995	77.76	26.9	5.27	87.3	50.8	16.3	48.90	28.3	
1996	78.25	27.2	5.32	87.7	51.9	15.9	48.80		7.8
1997	78.68	27.6	5.51	89.9	52.2		48.60		
1998		27.8	5.60						

Demographic profile

Year	Estimated population (millions)	Annual population growth rate (%)	Total fertility rate	Fertility rate over time (1995 as % of 1960)	Dependency ratio (%)	Population aged 60 and over (%)	Life expectancy at age 65 (years)	
							Male	Female
1990	1.999945		1.46	66.97	45.89	15.6	13.5	17.3
1991	1.998912	-0.05	1.42	65.14	45.45	16.0	13.4	17.0
1992	1.994084	-0.24	1.34	61.47	44.98	16.4	13.4	17.3
1993	1.989408	-0.23	1.33	61.01	44.68	16.7	13.2	17.1
1994	1.989477	+0.00	1.32	60.55	44.27	17.1	13.8	17.4
1995	1.990266	+0.04	1.29	59.17	44.32	17.4	13.9	17.9
1996	1.986989	-0.16	1.28	58.72	43.88	18.1	13.9	18.1
1997	1.984923	-0.10	1.25	57.34	43.29	18.4	14.1	18.0
1998	1.978334	-0.33	1.23	56.42	42.95	18.7		
1999					42.8	19.0		

Health profile

Year	Years of life lost to premature death (per 1000 people)	Deaths from circulatory system diseases (as % of all causes)	Deaths from malignant cancers (as % of all causes)	AIDS cases (per 100.000 people)	Alcohol consumption (litres per adult)	Tobacco consumption (pieces per adult)	Population per doctor	Health bills paid by public insurance (%)	Private expenditure on health (as % of total public expenditure)	Total expenditure on health (as % of GDP)
1990	6.7	46.96	22.10	0.10	10.2	1875	487		0.0	5.63
1991	7.0	45.80	22.38	0.35	9.2	2153	481		0.0	5.17
1992	7.0	43.60	22.70	0.15	10.3	2287	478	16.99	0.0	7.22
1993	7.0	44.70	22.87	0.35	9.3	1674	493	17.11	6.9	7.84
1994	6.8	43.90	22.86	0.30	11.2	1860	457	16.46	9.1	7.81
1995	6.4	41.45	24.50	0.81	11.67		470	16.01	10.6	7.69
1996	6.2	41.55	24.65	0.40			468	15.59	11.4	7.47
1997		39.99		0.10			446	15.22	11.9	7.48
1998				0.73				15.19	12.0	7.56
1999								14.74	12.4	7.47

Education profile

Year	Enrolment ratio for all levels (% age 7-24)	Upper secondary full-time equivalent gross enrolment ratio (%)	Upper secondary technical enrolment (as % of total upper secondary)	19-year olds still in full time education (%)	Tertiary full-time equivalent gross enrolment ratio (%)	Tertiary natural and applied science enrolment (as % of total tertiary)	Expenditure on tertiary education (as % of all levels)
1990					18.4		
1991		81.8		25.6	20.9	39.6	
1992	76.67	82.3		25.1	21.4	36.6	5.1
1993		81.4	43.1	26.9	23.1		5.3
1994	76.95	81.7		27.2	23.8		5.0
1995	79.10	66.5	42.1	28.2	26.1	30.2	5.5
1996	80.95	67.2	42.4	28.3	28.6	29.2	5.6
1997	82.30	67.8	44.6		36.2	26.4	5.8
1998					41.7		5.7
1999							5.6

Human capital formation

Year	Mean years of schooling	Scientists and technicians (per 1.000 people)	R&D scientists and technicians (per 10.000 inhabitants)	Expenditure on research and development (as % of GNP)	Upper secondary graduates (as % of population of normal graduate age)	Tertiary graduates (as % of population of normal graduate age)	Science graduates (as % of total graduates)		
							Total	Female	Male
1990		3.40			67.1	18.8			
1991	9.6	3.50			72.5	17.3			
1992	9.7	3.52			75.2	19.3	35.5		
1993	9.7		44.54		75.8	21.2	26.6	7.9	18.7
1994	9.8	3.53	49.90	42.8	71.6	21.0	28.8	10.1	18.7
1995	9.8	3.60	49.71	40.8	73.1	23.4	27.3	7.2	20.0
1996	9.9		44.61	43.5	78.4	26.7	23.0	6.2	17.6
1997	10.0		40.20	44.1	79.1	27,4	20.9	5.1	14.9
1998	10.0			50.7	81.5	29.8			
1999	10.1			58.9	95.3	31.9			

Employment

Year	Labour force (as % of total population)	Percentage of labour force in			Future labour force replacement ratio	Earnings per employee annual growth rate (%)	Earnings disparity: ratio of earnings of upper half to lower half of labour force	Percentage of labour force unionized	Weekly hours of work (per person in manufacturing)	Expenditure on labour market programmes (as % of GDP)
		Agriculture	Industry	Services						
1990	48.0	8.2	49.7	42.2		-26.2	1.94			
1991	45.8	8.4	48.5	43.1	97.6	-15.8	2.06	62		
1992	44.8	7.8	47.1	45.1		0.7	2.11	60		1.3
1993	45.1	7.6	44.7	47.7	89.7	11.7	2.24	58	41.1	1.0
1994	44.2	6.9	43.6	49.4	86.9	4.7	2.20	60	41.0	0.8
1995	43.8	6.4	43.0	50.7	86.3	5.1	2.61	49	41.2	0.6
1996	43.4	5.9	41.8	52.3	83.2	5.1	2.27	48	41.0	0.5
1997	43.7	5.7	40.7	53.6		2.4	2.24	44	40.7	0.4
1998	43.9	5.6	40.5	53.9		1.6	2.26	43	41.1	0.3
1999	44.2					3.3	2.29			0.3

Unemployment

Year	Unemployed persons (thousands)	Unemployment rate (%)				Unemployment benefits expenditure (as % of total government expenditure)	Incidence of long term unemployment (as % of total)		Regional unemployment disparity (25% worst regions versus 25% best)
		Total	Female	Youth (16-24)	Male youth (15-19)		More than 6 months	More than 12 months	
1990									
1991									
1992						1.97			
1993	85	9.1	8.3	24.2	41.7	2.57	74.5	54.1	
1994	85	9.0	8.4	22.2	27.9	2.39	75.6	56.5	
1995	70	7.4	7.5	18.8	25.4	1.75	70.2	52.9	
1996	69	7.3	7.0	18.8	31.4	1.56	71.0	52.2	
1997	72	7.4	7.6	17.6	18.3	1.97	70.8	56.9	1.85
1998	77	7.9	7.8	18.6	27.6	2.04	74.0	57.1	
1999	73	7.6	7.9	18.1			72.6	57.5	

Natural resources balance sheet

Year	Land area (thousands of km^2)	Population density (people per km^2)	Arable land and permanent cropland (as % of land area)	Permanent grassland (as % of land area)	Forest and wooded land (as % of land area)	Irrigated land (as % of arable land area)
1990	20.25473	98.7	15.1	10.4	50.6	0.55
1991	20.25410	98.7	15.0	10.45	50.2	0.52
1992	20.25462	98.5	14.9	10.5	50.2	0.70
1993	20.25396	98.2	14.9	10.4	50.4	0.82
1994	20.25469	98.2	9.7	7.3	54.0	1.20
1995	20.25245	98.3	9.7	7.4	54.2	0.67
1996	20.27300	98.0	9.4	8.2	54.2	
1997	20.27300	97.9	8.5		54.7	
1998	20.27300	97.6	8.5		54.8	
1999	20.27300	98.0				

National income accounts

Year	Total GDP (USD billions)	Agricultural production (as % of GDP)	Industrial production (as % of GDP)	Services (as % of GDP)	Consumption		Gross domestic investment (as % of GDP)	Gross domestic savings (as % of GDP)	Tax revenue (as % of GDP)	Central government expenditure (as % of GDP)	Exports (as % of GDP)	Imports (as % of GDP)
					Private (as % of GDP)	Government (as % of GDP)						
1990	17.382	5.0	37.8	47.8	53.2	17.4	17.2	19.5			90.8	78.5
1991	12.673	5.2	39.7	45.4	54.8	19.0	16.9	25.4			83.5	74.2
1992	12.523	5.2	35.9	48.2	55.1	20.3	17.6	24.9	40.5	21.4	63.1	56.2
1993	12.673	4.5	33.4	49.9	58.5	21.1	19.3	21.5	42.0	22.3	58.8	57.7
1994	14.386	4.0	34.4	49.0	56.7	20.2	20.9	24.8	41.7	22.1	60.0	57.8
1995	18.744	3.9	32.6	50.2	58.5	20.1	23.3	22.8	41.2	22.5	55.2	57.2
1996	18.878	3.9	32.7	50.6	57.5	20.1	23.4	23.5	40.4	23.3	55.8	56.8
1997	18.206	3.7	32.9	51.5	56.4	20.4	24.1	24.1	39.8	25.4	57.4	58.3
1998	19.585	3.6	33.0	51.2	55.7	20.3	25.6	24.9	40.0	26.1	56.6	58.2
1999	20.011	3.2	32.8	51.4	55.7	20.6	28.2	24.2	41.2	26.5	52.7	57.1

Trends in economic performance

Year	Total GDP		Inflation growth rate (%)	Exports as % of GDP (% annual growth rate)	Direct taxes as % of total taxes	Overall budget surplus/deficit (as % of GNP)
	USD billions	Annual growth rate (%)				
1990	17.4	-4.7	549.7			
1991	12.7	-8.9	117.7			
1992	12.5	-5.5	201.3	5.9	40.5	0.2
1993	12.7	2.8	32.3	-2.2	42.0	0.3
1994	14.4	5.3	19.8	5.3	41.7	-0.2
1995	18.7	4.1	12.6	8.1	41.2	0.0
1996	18.9	3.5	9.7	2.4	40.4	0.3
1997	18.2	4.6	9.1	13.3	39.8	-1.2
1998	19.6	3.8	7.9	9.2	40.0	-0.8
1999	20.0	5.0	6.1	2.7	41.2	-0.6

Weakening social fabric

Year	Prisoners (per 100,000 people)	Juveniles (as % of total prisoners)	Intentional homicides (per 100,000 people)	Reported rapes (per 100,000 women age 15-59)	Drug crimes (per 100,000 people)	Divorces (as % of marriages contracted)	Births outside marriage (%)	Single-female-parent homes (%)	Suicides by men (per 100,000)
1990	41.90	5.25	2.32	1.27	10.46	21.82	24.50		46.3
1991	41.52	4.58	2.44	7.61	10.27	22.37	26.40	15.4	54.15
1992	45.13	5.00	2.75	8.09	13.43	21.56	27.70		46.64
1993	44.69	5.51	1.47	9.99	14.29	21.75	27.97		51.49
1994	41.47	5.81	2.59	6.34	20.70	23.13	28.77		50.36
1995	31.91	4.41	2.54	7.29	23.04	19.22	29.81		45.31
1996	32.66	4.31	2.08	7.77	34.33	26.53	31.85		47.64
1997	38.79	4.16	2.14	8.09	49.03	26.61	32.70		48.27
1998	42.86	3.42	1.47	8.09	50.25				
1999	49.30	2.75							
2000 (31.3.)	56.53	2.49							

Wealth, poverty and social investment development

Year	Real GDP per capita (PPP USD)	Income share		Social security benefits expenditure (as % of GDP)	Total health expenditure (as % of GDP)
		Lowest 40% of households (%)	Ratio of highest 20% to lowest 20%		
1990					5.63
1991	9,878				5.17
1992	8,847			16.49	7.22
1993	10,900			17.20	7.84
1994	11,800	20.1	5.15	17.67	7.81
1995	12,600	20.2	5.35	17.64	7.69
1996	13,200	19.0	5.87	17.38	7.47
1997	14,100	19.7	5.49	17.86	7.48
1998	14,800	19.1	5.80	17.64	7.56
1999		19.3	5.86	17.58	7.47

Communication profile

Year	Radios (per 100 people)	Televisions (per 100 people)	Annual cinema attendances (per person)	Annual museum attendances (per person)	Registered library users (%)	Daily newspapers (copies per 100 people)	Book titles published (per 100,000 people)	Letters posted (per capita)	Telephones (per 100 people)	Passenger cars (per 100 people)
1990	30.2	22.5	1.42		15.70	15.15	92.65	122.3	21.1	28.9
1991	29.5	22.2	0.896	0.52			123.02	122.9	23.0	
1992	29.2	22.1	0.796				107.12	132.2	24.7	
1993	30.0	22.8	1.18				122.65	138.0	26.4	37.3
1994	29.8	22.9	1.38	0.91	21.05		146.07	145.4	29.0	33.0
1995	26.6	22.9	1.47		21.45	20.75	160.48	142.4	30.9	35.1
1996	26.7	23.1	1.37	1.03	21.44	17.11	173.18	177.9	33.3	36.6
1997	27.2	23.7	1.26		22.27	17.28	183.74	185.2	35.8	38.5
1998	27.0	23.7	1.30				188.14	177.0	39.0	40.3
1999		24.3							39.3	

Energy consumption

Year	Commercial energy consumption		Share of world commercial energy consumption (%)	Annual rate of change in commercial energy consumption (%)	Commercial energy efficiency (energy consumption in kg of oil equivalent per 100 USD GDP)
	Total (billion kg of oil equivalent)	Per capita (kg of oil equivalent)			
1990	5.78	2890	0.07	-2.58	33.47
1991	5.56	2781	0.07	-3.81	43.99
1992	5.19	2602	0.07	-6.68	41.96
1993	5.48	2757	0.07	5.71	43.28
1994	5.71	2872	0.07	4.20	39.72
1995	6.09	3062	0.07	6.64	32.51
1996	6.28	3161	0.07	3.08	33.27
1997	6.47	3258	0.07	2.94	35.52
1998	6.38	3224	0.07	-1.35	32.67

Environment and pollution

Year	Major city with highest concentration of SO_2		Sulphur and nitrogen emissions (kg of NO_x and SO_2 per capita)		Letni ustvarjeni komunalni odpadki (kg na prebivalca)	Delež prebivalcev oskrbljenih z odvozom komunalnih odpadkov (%)
	City	Micrograms of SO_2 per m^3	NO_x	SO_2		
1990	Trbovlje	100	31.7	98.2	620	64.0
1991	Trbovlje	138	28.9	89.8		
1992	Trbovlje	74	29.3	93.3	426	75.8
1993	Trbovlje	76	31.7	91.7		
1994	Zavodne	59	33.1	88.8		
1995	Kovk	5858	33.5	62.8	426	
1996	Veliki vrh	57	35.4	56.0		
1997	Ravenska vas	82	35.6	59.5		
1998	Veliki vrh	63	32.1	61.9		
1999						88.0