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### EFFECTIVENESS OF STATE AID FOR TRAINING

#### Summary

Training (state) aid has very favourable effects not only for aid recipients, but also for society as a whole; by its nature, it is very similar to R&D aid. Companies are frequently underinvested as far as knowledge is concerned, especially in specific knowledge which is not provided by the educational system. Based on individual company data for Slovenia in 1998–2006 and by using the matching method, we analyse the impact of training aid on wage and productivity growth in the recipient firms. We find that the aid contributed to the increase of average wages in the recipient firms, but it only has a low impact on their productivity growth. The reasons for the latter range from inadequately structured state aid programmes and a poor choice of recipients to an insufficient amount of aid per recipient. It also seems that recipient firms are not very successful in exploiting the new knowledge and skills of workers being trained.

**Key words:** state aids, training, efficiency, Slovenia.

JEL: H230, H250, H320

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### EVALUATION OF THE EFFECTIVENESS OF ACTIVE LABOUR MARKET POLICY MEASURES BY A MATCHING FUNCTION

#### Summary

With the aim of improving performance on the labour market, as well more effective functioning of the labour market, governments use active employment policies to quite a large extent. The broad acceptance of active employment policies has increased the need for evaluations of their effects. We want to present and analyse active employment policy and its effects on the level of registered unemployment and employment. For the estimates we have used a matching function, by which we estimated the effects of the largest active employment programmes in Slovenia: education and training programmes and public works. For the empirical estimation of the effects we used the Cobb-Douglas function. Positive coefficients related to the number of vacancies, unemployed persons and employment programmes show us the extent of the increase of outflow to employment if we increase the variables. Positive relations confirm the efficiency of the employment programmes. Our estimations confirm the positive impact of active employment programmes; however, these are small in scale. In conclusion, we need to add that the programmes usually follow other goals as well, which will potentially have a long-term impact on the outflow to employment and are particularly social in nature.

**Key words:** matching function, active employment policy, labour market, unemployment.

JEL: J080

**Jani Bekó, Timotej Jagrič**

### **DIRECT MAIL AND PERIODICAL DELIVERY SERVICES IN INLAND POSTAL TRAFFIC: THE CASE OF SLOVENIA**

#### **Summary**

A presentation of services of the Slovenian national postal operator is given for two market segments: the direct mail and periodicals market and the direct mail market. Three findings are highlighted in particular. First, the price elasticity of demand on both markets is below zero. Second, the analysis of demand functions for direct mail shows positive cross-price elasticity of demand with regard to price fluctuations for TV commercials, and with regard to price fluctuations for advertisements in magazines and daily papers. And third, coefficients of income elasticity of demand for direct mail services show that the total number of mail deliveries on the direct mail market increases faster than the retail revenue in real terms.

**Key words:** elasticity of demand, direct mail, estimation.

JEL: D400, L100, C510

**Andreja Jaklič in Marjan Svetličič**

### **LARGEST SLOVENIAN MULTINATIONAL COMPANIES OVERCOME SMALLNESS THROUGH HIGHER INTERNATIONALISATION**

#### **Summary**

The 25 largest Slovenian multinational companies (MNCs) are evaluated in this article. Compared to multinational companies from emerging transition economies as a whole, they are smaller but relatively more internationalised, with highly geographically and functionally diversified networks of affiliations. They are achieving constant high growth rates of sales and employment, as well as assets invested abroad. The high concentration of their investment in Central and Eastern Europe has been enriched recently by accelerated investment in Asia, particularly China. Among their weaknesses, the major one is perhaps the relatively low technology intensity. Some larger Slovenian MNCs have disappeared recently from the list, implying that they were not able to follow such intensive internationalisation any more, and that other medium-size firms are catching up faster. The major Slovenian MNCs are also old companies; not one company established after the transition qualified among the 25 largest MNCs.

**Key words:** multinational enterprises (MNCs), Slovenia, outward foreign direct investment (OFDI), transnationality index.

JEL: F230, F210, M210, L250

**Metka Špes**

### **WHAT ARE THE PROSPECTS OF SMALL SLOVENIAN TOWNS FOR SUSTAINABLE DEVELOPMENT?**

#### **Summary**

Compared to large towns and cities, small towns usually have greater opportunities for the desired and expected period of sustainable urban development, but they also have some greater risks. In this article we present the basic methodological points of departure and results for a bilateral research project, whose main objective was to study the condition of small towns in the Czech Republic and in Slovenia in light of their prospects for sustainable development. The level of sustainable development achieved by small towns was assessed using a range of accessible and mutually comparable indicators in three fields of urban sustainability: economic, social and environmental. Small towns were classified into three groups according to these fields of sustainability, based on the average values of the indicators. Parallel with the selection of the most relevant indicators (together 12, four for each field) of sustainable development of small towns, it was necessary to elaborate their typology as well. We anticipate that settlements with 5,000 to 15,000 inhabitants can be grouped into four characteristic types with respect to their demographics, functions, genesis, morphology and so on: industrial small towns, employment centres in rural regions, satellite and tertiary small towns.

**Key words:** small towns, sustainable development, typology of small towns, indicators of sustainability.

JEL: Q560

**Igor Vrišer**

### **SLOVENIAN INDUSTRY AFTER GAINING INDEPENDENCE**

#### **Summary**

On the basis of statistical data by settlement on persons employed in the industrial sector on 31 December 2005, the paper analyses changes that occurred in industry in the period 1989–2005. It examines the degree of industrialisation (based on the number of employed persons by place of residence and the number of employed persons by place of work), the structure of industrial activity, number, size and regional distribution of industrial settlements, and industrial agglomeration in Slovenia.

**Key words:** industry, employment, Slovenia.

JEL: O140