

Aleksander Aristovski

### **Budget Deficit and Current Account Deficit**

Slovenia as a typical case of transition economy has been facing enlarged current-account deterioration and increased government budget deficits over the last few years. The relationship between budget deficit and current account deficit (i.e. twin deficits hypothesis) sparked a considerable amount of empirical work in recent years. However, there is no empirical investigation of the twin deficit phenomenon for the transition countries. The article aims to tests empirically the validity and rationale of the twin deficits hypothesis and the Ricardian equivalence hypothesis using quarterly time series data for Slovenian economy in the period 1992:1-2000:4. The econometric methodology is based on time series models with adhering tests (autocorrelation test, unit root test and test of cointegration). The results confirm significant relationship between government budget balance and current account providing some evidence in favor of twin deficits hypothesis in Slovenia. But due to short period considered and disregarding the distinction between temporary and permanent expenditures and output shocks we could not reject the intertemporal approach. This finding suggests that Ricardian equivalence might hold in longer term. In addition, the empirical results suggest evidence of low international capital mobility and moderate regulation of domestic financial markets in Slovenia.

Ana Murn

### **Role of the State in the Economy - between Industrial Policy and Competition Policy**

In the period of economic globalisation and the information society, theoretical and applied economic research is beginning to focus on the issues of the role of the state in the economy. Opinions diverge in line with the two main theoretical economic concepts propagated by neo-liberalists and post-Keynesians. The two concepts are reflected in two opposing policies: industrial policy underlined by the theoretical concepts of post-Keynesians and competition policy promoted by neo-liberalists. All countries, including the advanced ones, conduct both policies, which is creating a high degree of confusion and pretence. World associations (WTO, OECD and EU) attempt to resolve this problem through institutional rules in a way to satisfy both theoretical concepts and policies. We use the example of state intervention in the economy to exemplify this issue. However, institutional rules are too vague to satisfy both theoretical assumptions on which they are based.

Petar Beltram

### **Lifelong Learning: EU Memorandum and Slovenian Development Planning Documents**

Exceptional attention focused on the Memorandum on lifelong learning in EU member states indicates that developed countries are aware of the necessity of accelerating the development of learning capacities. Everything written down in recently adopted Slovenian developmental documents proves that major priority is given to this field in our country as well. The important difference between the two approaches is that whilst the "Europeans" are fully committed to carry also the financial burden of such initiative, we still think, that priorities can be given to almost every field of public financing. Without cutting somewhere, we simply will not be able to go further.

Marko Radovan

### **Motivation For Adult Education From The Financial Point Of View**

In modern society, the role of education has become an important determinant of active participation in social processes and also a factor of job acquisition. This same society should also lead to a type of society which is not founded on social origins, but on awareness of the possibilities and the capacity to make use of this possibilities. The purpose of this article is to draw some attention to the possibilities of access in adult education from the financial viewpoint. Results of many domestic and foreign studies shows that the possibilities to gain financial support for education is one of the key factors that motivate adults to participate in education. It is evident from the results of the presented study that the differences in access to financial funds do exists and that there can

be some underprivileged groups of adults identified in that concern. In this article it is established that the big part of participation in education is stimulated with willingness of the employer to finance the education for their employees and the capability of the individual to access this funds. It also turned out that active individuals have more opportunities for participation also in education that is financed from the state funds.

Angela Ivancic

#### **Job Preconditionness, Literacy and Education**

The article addresses the interrelation between workplace quality, educational achievements and literacy achievements of individuals. By analysing data from the national adult literacy survey, conducted in 1998 as a part of the Second International Literacy Survey, it investigates the opportunities for the development, maintenance and improvement of literacy skills provided by workplaces of various complexity in the Slovenian labour market. The results suggest that good opportunities for practising literacy skills are assured by the work segment on the upper part of the occupational hierarchy. This segment is occupied by the better educated population demonstrating higher level prose, documentary, and numeric skills. Low literacy achievements are associated with work segments which virtually do not demand literacy skill utilisation. These are mostly occupations in agriculture and forestry, and traditional production occupations in the construction and manufacturing industries.

Vida Mohorcic Spolr

#### **Regional Differences as Regard Literacy of Slovenian Population**

There was no systematic testing or monitoring of the extent and quality of literacy achievements of the Slovenian population in the past. The first national, a part of the international one, which researched the field presented a situation for the population aged between 16 and 65 which could have been suspected when analysing statistical data.

A great majority of the Slovenian population is reaching the first two levels of literacy measured on the five level scale which does not suffice for normal activity in everyday or working life. According to the expert opinion the third level of literacy enables people to do this. On average less than a quarter of the population reached this level in Slovenia with the exception of the quantitative literacy where 26% of the population achieved it. The data valid for the state as a whole is valid for its regions as well though there are significant differences among them.

The research results show white blurs in the regional distribution of literacy achievements and draw attention to the need of investment in human resource development. The extent of the problem is such that waiting for the change of generations will not bring the expected outcomes. A special strategy and a concerted action on the part of all social partners are required.

Jasmina Mirceva

#### **Some features of adults participation in Education**

The article considers the issues of adults involvement in education, seen from the view-point of its national and international context. Slovenia is ranked among countries having low rates of involvement of adults in education, which contrasts both the needs of the labour market and the policy of life-long learning. The analysis reveals that considerable differences appear by patterns (shares) of group involvement of the population in education and that the least active in education are the groups in underprivileged position: lower educated, elderly groups and those having lower work-place status. The inquiry entails also some content and organisational preconditions of adult education. The article is based upon the findings of the cross-national research 'Literacy and the Participation of the Population in Adult Education', conducted in twenty countries by the end of the year 1999.

Olga Drogenik

### **Some findings and recommendations from the Research Evaluation Programme 5000**

In the article some findings and recommendations derived from the first phase of research conducted by the Slovenian Institute for Adult Education are outlined. The subject under evaluation is the governmental Programme of Education of the Unemployed - Programme 5000, designed to implement the essential objective of the lifelong learning strategy, namely, raising the educational attainment of the least educated population.

Rational and empirical evaluation models were used to investigate the processes and impacts of the Programme 5000 at the micro level (the quality of the selection processes of the unemployed, educational programmes and organisations, the quality of preparation and realisation of educational programmes), and at the macro level (raising educational attainment, reducing structural disproportion).

The outcomes of the evaluation research provide the basis for assessing whether and under what circumstances the basic goals of the Programme 5000 can be achieved, and the quality of work of all partners collaborating in planning and carrying out the Programme 5000 can be enhanced.

Milena Bevc

### **Educational level of Slovenian Population in Comparison with EU Member and Candidate Countries**

Paper is concentrated on the comparison of the quantitative dimension of the "stock" of educational capital in Slovenia and the EU member and candidate countries as it is possible on the basis of available data and measurement. This comparison includes the actual and potential level of educational attainment of population. Besides this comparison paper includes also the analysis of some structural characteristics of educational attainment of population within Slovenia. Paper is based on the research project "Knowledge and education in Slovenia in the context of EU accession", prepared for the Strategy of economic development of Slovenia.

#### *Project Strategy of Economic Development of Slovenia*

Vlado Dimovski, Marko Kos, Miran Zagar, Rozi Azman

### **Slovenian Manufacturing industry in EU Market**

Practical experiences prove that directing the development of the Slovenian manufacturing industry did not give expected success. Industry policy was selective and arbitrary in the first half of 90s. Although the newly accepted Strategy of enhancing the competitiveness in 1996 was based on the non-discriminatory concept, it stuck at the beginning of the realization. The new Strategy of Slovenian economic development (SGRS2), which represents the basic development document, should be based on the principle, that Slovenian industry policy beside its own development aims takes into account the development frame of industry policy in EU. That makes sense, because Slovenian manufacturing industry realizes important share of export turnover on the EU markets, and above all, intensive structural changes that take place in the manufacturing industry of EU, surely will not miss the Slovenian manufacturing industry. The manufacturing industry in EU has been preparing on the enlargement of the single market and is going to maintain and to strengthen its own position in the new EU. The branches of EU industry are differently dynamic, but the common characteristics are the productivity growth and the decrease of employment. The main characteristic of the Slovenian manufacturing industry is relatively high concentration of employment, turnover and gross value added among and the inside of branches. Nearly all the sectors show the positive dynamics of the production (in value terms) and the negative dynamics of the employment, but this does not reflect in the higher profitability as this is the case in the EU industry. Although the managers are aware of the high importance of gross value added for the profitability, Slovenian enterprises in the gross value added per employee still lag behind the West-European companies 4-6 times. The priority in the enterprises is therefore the execution of microeconomic measures for the growth of gross value added per employee, where effective corporate governance will play a crucial role.