

### **Tanja Čelebič: Tertiary education in Slovenia – participation and quality**

#### **Summary**

Tertiary education benefits individual, economy and society. GDP per capita is, on average, higher in countries with higher share of population with a tertiary education. This is why it is not surprising that both participation in and quality of tertiary education are important goals of educational policy. In 2006, participation of young people aged 20–24 years in tertiary education in Slovenia was the highest among the European countries and it is still growing. High participation in tertiary education is affected by growing share of young people, aged 15–19 participating in programmes of secondary education, which enable enrolment into tertiary education, the growing number of enrolment places, and scholarships and transfers. Besides participation in tertiary education, its quality is also important. The ratio of students to teaching staff is an indicator of the quality of education. This indicator in Slovenia lags behind the majority of European countries and behind the European average. The reason for this lies also in the relatively low expenditure on educational institutions per student. Higher quality could be encouraged by increasing expenditure devoted to higher educational institutions, systematic evaluation of quality at the institutional level and by tying public expenditure to quality.

**Key words:** tertiary education, higher education, participation in education, quality, evaluation, ranking, expenditure, indicators.

JEL: I210, I220, I280, I290

### **Alenka Kajzer: Flexicurity in Slovenia – where we are and the road ahead**

#### **Summary**

The article presents the flexicurity concept and first attempts at measurement. We give an overview of labour market developments in 2000–2007 and of labour market problems using some flexicurity indicators. A review of measures taken in the four key areas of flexicurity is presented in the fifth part. This review has shown that changes in the last two years were primarily directed at greater flexibility of contractual relationships. In conclusion we point out the main challenges for Slovenia in the field of flexicurity policy.

**Key words:** flexicurity, labour market, Slovenia.

JEL: J400, J480

### **Tine Stanovnik, Miroslav Verbič: Analysis of inequality in active population income distribution in Slovenia, 1991-2005**

#### **Summary**

This paper analyses the dynamics of income inequality of wage earners in Slovenia from 1991 to 2005, using two different datasets. Both are derived from the personal income tax files. The first is obtained by the Statistical Office of Slovenia, extracting all full-time employees from these files by using the central registry of the active population and tabulating the results. The second source is a large simple random sample from this same personal income tax file; for the purpose of our analysis, employees were suitably extracted from this sample. Our results show that income inequality of wage earners has increased dramatically in the very first years of transition (1991-1993), followed by less spectacular increases up to 1999. Since 1999 changes have only been small. Our analysis also shows that important increases in income have been achieved by the top wage earners.

**Key words:** income inequality, income distribution, wages, Slovenia.

JEL: J310, D310

### **Tomaž Kraigher: Limitations of various measures to mitigate the economic effects of ageing of the population of Slovenia**

#### **Summary**

For a longer time, demographic analyses and population projections for Slovenia and other European countries have been pointing to the problem of the population's ageing. This phenomenon is being caused by longer life expectancy on the one hand, and on the other by declining birth rates, which are below the levels that would ensure sustaining of generations in most countries. The size of younger populations is shrinking, while older populations are growing at an accelerated pace. For quite a while these demographic trends in Europe have caused concern due to their impacts on public finance, particularly the financing of pensions, health care and long-term care, and the growing number of elderly people on the one hand, and on the size of the working-age population and the related economic growth potential on the other. In the article, we analyse some measures to master the sustainability of public finance in the context of population ageing and present some limits of these measures regarding the pension system – notably on the fields of fertility and migration, activity level, suitable retirement age and suitable benefit ratio between the average pension and the level of productivity.

**Key words:** population, demographic projections, population ageing, fiscal sustainability.

JEL: J110, J180

### **Nataša Kump, Tine Stanovnik: The socio-economic situation of pensioners and the elderly population in Slovenia**

**Summary:** This study, which investigates the social and income position of pensioners and the elderly for some length of time, is based on Household Expenditure Survey data. Besides the years 1997–1999, 1999–2001 and 2001–2003, it also includes the latest Household Expenditure Survey data for the years 2003–2005. The analysis shows a persistent growth of activity rates and diminishing share of pensioners in the "critical" age group 50–59, but in the last period between the years 2001–2003 and 2003–2005, these changes were only minor. There are signs that the income position of pensioners, especially pensioner couples, improved in comparison to the period 2001–2003. This can be ascribed to the so-called "structural effect", as the diminishing share of dependents in pensioner households led to more pensions and higher incomes of pensioner couples. However, the income position of pensioners has deteriorated in comparison to the pre-reform period 1999–2001. Relative poverty incidence for pensioners in pensioner households in comparison to poverty incidence for the total population was somewhat lower in the period 2003–2005 in comparison to 2001–2003, which is not the case for all pensioners.

**Key words:** pensioners, social and income position of pensioners, pension reform, period 1997–2005, Slovenia, inequality, poverty.

JEL: J140

### **Ana Murn, Anže Burger, Matija Rojec: Level and effectiveness of state aid for employment in Slovenia**

#### **Summary**

Employment-related state aid assists in resolving problems of labour market rigidity. They are especially appropriate for resolving the problem of people who are practically unemployable and of unemployment in less developed regions. In Slovenia, employment-related state aids were especially high in 1999 and 2000; more recently they have been on a downward trend. The data indicate that Slovenia has problems with the structure of this aid (domination of public services, and of low-tech and labour intensive industries as recipients of aid) as well as with their allocation (high concentration, on the one hand, and high dispersion of aid, on the other). Analysis of the efficiency of employment-related state aid, by applying the matching method, shows that they are a successful instrument of policy to increase employment. The impact of aid on employment is highest in the first year after the allocation of aid, but also remains positive and statistically significant in the next two years.

**Key words:** state aids, employment, efficiency.

JEL: H230, H250, H320

### **Pavle Sicherl: Delays in delivering Lisbon targets analysed by the novel time distance monitoring method**

#### **Summary**

This article demonstrates that the novel time distance monitoring method can provide a practical and understandable new view for monitoring implementation of targets. Here, for Lisbon and NRP targets, **the novel S-time-distance measure (expressed in time units) can function as an excellent presentation and communication tool which is intuitively understood by policymakers, professionals, managers, media and the general public.** It serves the proclaimed need for greater transparency and communication with the public. The actual attainment in a given year is compared with the time when such level was supposed to be reached on the line to target. The S-time-distance measure thus deals with a lead or lag in time against the specific line to target.

First we study the degree of implementation for two targets specified in the European Commission's report. The total employment rate for the EU-27 was in 2007 about 2.8 years behind the line to target. For the share of R&D expenditures in GDP, the time delay was more than six years; the value in 2006 was even lower than the starting value in 2000. Detailed results by country are shown in the text and in the annex. Extending the analysis of implementation to 12 selected structural and sustainable development indicators for the EU-15 across 7 SD themes shows that for four indicators related to long-term issues, no progress was shown: for the road share of inland freight transport, total greenhouse gas emissions, share of electricity from renewable resources and share of R&D in GDP. For four other indicators, the S-time-distance showed that the EU-15 was ahead of the line to target.

A free Web monitoring tool was developed by SICENTER that allows a variety of interested users, such as international and national organisations, NGOs, experts, managers, educators, students and the media, to monitor the implementation of Lisbon and NRP targets with S-time-distance.

**Key words:** monitoring, S-time-distance, Lisbon and NRP targets, free Web monitoring tool.

JEL: C490, C880, N100, O520

### **Aljaž Kunčič: The difference between Slovenia and Austria in the influence of crude oil prices on inflation**

#### **Summary**

Large increases in the crude price of oil in the last few years have been an important inflationary factor in Slovenia and other countries. Published empirical studies on this topic deal mainly with the strength of the impact of crude oil prices on inflation, while this paper tries to estimate the difference in the impact of crude oil prices on inflation between Slovenia and Austria using a reduced vector autoregression model. Furthermore, it tries to identify the underlying causes of this discrepancy. They can be substantiated with the difference in responsiveness of motor fuel and heating oil prices to crude

oil prices, with the difference in the weights of the CPI basket and with the difference in energy efficiency of the economy.

**Key words:** inflation, VAR, crude oil prices.

JEL: C320, E310

### **Martin Wagner: Economic Valuation of Environmental Problems using the Contingent Valuation Method**

#### **Summary**

This paper contains a description, critical discussion and example of the Contingent Valuation Method (CVM), which is the most controversial economic valuation method for evaluating environmental problems or assets. The example discussed is a study concerning the Kalkalpen national park in Austria. The guidelines of the National Oceanic and Atmospheric Association (NOAA) panel concerning the design of Contingent Valuation studies are also briefly reviewed. Concluding remarks and a few words on non-economic valuation methods for environmental problems and assets follow in the final section.

**Keywords:** Contingent valuation method, national park, material flows.

JEL: Q000, Q260

### **Janez Bešter: Dual-use technologies and economic development**

#### **Summary**

Dual-use technology is a term often used in politics and diplomacy to describe technologies that have both civil and military uses. While the question of the macroeconomic effects of military expenditures and military R&D remains at least to a certain degree an open topic – despite numerous studies – and there seems to be no empirical evidence that would contradict the hypothesis that one can expect better macroeconomic effects if military R&D is spent on dual-use technologies and not only on military specific technologies with no potential for civil uses. Military budgets can therefore be efficiently used to stimulate the technological advancement of the companies, to improve their competitiveness, while at the same time providing an adequate technological and industrial basis for the specifically military needs.

In this article, we start with a short overview of the empirical studies dealing with the analysis of dependencies between military expenditures and economic development in different countries around the world. Most of the text is dedicated to the phenomena of dual-use technologies in Slovenia. We have gathered a sample of 148 companies relevant from the viewpoint of dual-use technologies, to investigate to which sectors they primarily belong, and even more to identify the technological areas where their capacity to develop, produce and market dual-use technologies is the largest. The information & communication technology sector stands out as most promising.

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**Key words:** dual-use technologies, companies, research and development, economic impact, military.

JEL: O380, L600, L800, O140