



REPUBLIC OF SLOVENIA



STATISTICAL OFFICE OF THE REPUBLIC OF SLOVENIA

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## **Sustainable Development Strategy and SD Indicators in Slovenia**

New Slovenia's Development Strategy<sup>1</sup> was adopted by the Government of the Republic of Slovenia on 23 June 2005. It sets out the vision and objectives of Slovenia's development including **five development priorities** with the corresponding **action plans**. The forefront of the strategy is the **overall welfare of every individual**.

Slovenia's Development Strategy = Slovenia's strategy of sustainable development. Slovenia's Development Strategy (SDS) involves economic, social, environmental, political, cultural and legal issues – therefore it is in fact the **strategy for sustainable development**. At the same time it integrates Lisbon goals with Slovenia's specifics in view.

### Reasons for the new Sustainable Development Strategy

Slovenia's main objective in the last decade was to carry out the transition and to join the EU. Yet as an EU member Slovenia has to reassess its strategic position in a broader global perspective. Slovenia should find ways to achieve its national goals in a sustainable way and in line with the **common European rules, policies and strategies** above all the revised **Lisbon Strategy**. It must find an answer to the questions of how to speed up economic development, raise employment, ensure the necessary social security, improve its environment, conserve nature and use natural resources in a sustainable way within the EU.

### Slovenia's development objectives and key development priorities

In SDS eleven **national objectives** for the period 2006-2013 were defined:

1. Increase the welfare and quality of life if all individuals in a sustainable way.
2. Enhance every person's opportunities for a long, healthy and active life by investing in education, health culture, living conditions and other resources that individuals need to realize their potential.
3. Create a more dynamic and flexible society capable of responding swiftly to the challenges of globalization and the single European market.
4. Sustained increase of economic growth and employment according to the principles of sustainable development and the preservation of economic, social and environmental balances in the long run.
5. Increase Slovenia's global competitiveness by stimulating innovation and entrepreneurship, the spread of the use of ICT and effective modernization of and investment in learning, education, training and research and development.
6. Improve the efficiency of state and reduce its role in the economy.
7. Reduce social risks for the most vulnerable groups; lower the levels of poverty and social exclusion.
8. Create the conditions for sustainable population growth.
9. Accelerate the overall regional development and reduce the gaps of the least developed regions.

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<sup>1</sup> Institute of Macroeconomic Analysis and Development, Slovenia's Development Strategy, available at <http://www.gov.si/umar>

10. Sustainable environmental and spatial development.
11. Increase all forms of security; consistently respect human rights; prevent discrimination and actively ensure equal opportunities.

To achieve the set objectives **five key development priorities** were established:

1. A competitive economy and faster economic growth.
2. Effective generation, two-way flow and application of the knowledge needed for economic development and quality jobs.
3. An efficient and less costly state.
4. A modern social state and higher employment.
5. Integration of measures to achieve sustainable development.

The priorities are backed by specific **action plan** for the next two years.

### Implementation and monitoring

The new approach places considerable emphasis on the implementation and **constant improvement** of the SDS. Clearly defined goals and implementing bodies and transparent monitoring system are vital for success. Detailed **reports** will be used as the basis for a broad discussion on the achievement of the strategic goals and the necessary changes. The SDS is an open book intended to be systematically and regularly upgraded and modified in terms of its contents, objectives and measures.

### Development Report<sup>2</sup>

The role of the Development Report is to monitor the implementation of SDS and the progress towards stated goals and development priorities. It monitors the **realization of balanced economic, social and environmental development**. The report is based on the list of indicators. Selection of indicators is based on SDS content and data provided by Statistical Office of the Republic of Slovenia and other institutions. The selection of the **indicators** tried to achieve the maximum compatibility with structural indicators developed by EU to monitor Lisbon Strategy. The list of indicators tried to be stable through years. If necessary some new indicators are added to the list. The Development Report is published annually.

### List of sustainable development indicators

The list of sustainable development indicators (SDI) in the Development Report comprise **synthesized** development indicators (5), indicators of **economic** development (28), indicators of **environmental** development (6) and indicators of **social** development (5).

### Synthesized development indicators

- Gross domestic product per capita in PPS (EU=100%)
- Human development index (index value)
- National competitiveness – growth competitiveness index
- Variation of GDP across regions (coefficient of variation in %)
- Variation of unemployment across regions (coefficient of variation in %)

### Indicators of economic development

#### 1. Macroeconomic stability

- Gross domestic product growth (%)
- Unemployment rate (LFS)
- Employment rate (LFS)
- Inflation
- General government sector balance

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<sup>2</sup> Institute of Macroeconomic Analysis and Development, Development Report, available at <http://www.gov.si/umar>

- General government debt
- Balance of payments
- Gross external debt
- Country risk

## 2. Knowledge-based society

- Public education expenditures (public education expenditures as a % of GDP)
- Educational attainment structure of people in employment (average number of school years by LFS)
- Population with a completed secondary education (population aged 25-64 with completed secondary education in %)
- Internet use
- R&D expenditure (gross expenditure on R&D as a % of GDP)
- Researchers (number of researchers per 1000 labour force)
- Innovation active enterprises, number of patent application per million residents filed at the European Patent Office

## 3. Competitiveness of the economy

- Labour productivity (GDP growth per employee in %)
- Unit labour cost (rise in labour cost per unit of GDP in %)
- Market share (share of exports/imports in the main trading partners in %)
- Composition of merchandise exports according to factor intensity (high-technology-intensive products in %)
- Gross fixed capital formation (as a % of GDP)
- Foreign direct investment (inward investments as a % of GDP)
- Total assets of banks (as a % of GDP)
- Insurance premiums (as a % of GDP)
- Market capitalization (as a % of GDP)
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## 4. Developmental role of the state

- General government expenditure
- State aid
- Court backlogs

### Indicators of environmental development

- Share of industries in manufacturing (index of production volumes growth in dirty industries)
- Energy intensity (primary energy consumption toe/mill EUR)
- Renewable sources (renewable sources in total primary energy consumption in %)
- Environmental impact of transport (road transport in total freight transport in tkm in %)
- Agricultural intensity (use of NPK fertilizers in kg/ha)
- Tree-felling intensity (removal relative to wood increment in %)

### Indicators of social development

- Long term unemployment rate
- Life expectancy (men, number of years)
- Infant mortality (per 1000 live-born children in %)
- Poverty (population in jobless households in %)
- Poverty risk (risk of poverty after social transfers)

In the report overall **evaluation of development** achieved by the areas is evaluated. There is also the **evaluation of Lisbon Strategy** objectives and Slovenia's profile in terms of **Structural Indicators**.

### The process of preparing SDS

#### Preparation of the Draft Strategy

In July 2003 the government adopted the decision to launch the preparations to the draft Strategy and assigned co-ordination to Institute of Macroeconomic Analysis and Development (IMAD). Group of experts prepared first outline, next workshops for the broader circle of experts and ministries, discussion on drafts and public debate (participants of business, science, culture and other social stakeholders, debates in media) and broad public debate organized by the Secretariat of the Sustainable Development Council followed. Outcome of the public debate: written comments and recommendations to supplement the document. The "Discussion on the Future" was organized also by the President of the Republic of Slovenia.

The complete SDS text and supporting documents, copies of the public debates outcomes written comments were published on the IMAD's website.

#### Adoption of SDS

The relevant proposals arising from the public debate were incorporated in the text and the draft final version of the Slovenia's Development Strategy: Development Vision and Priorities were prepared. Next the discussion at the special roundtable on the future held by the President of the Republic was organized. On 23 June 2005 following extensive inter-ministerial co-ordination, the government adopted the Slovenia's Development Strategy.

### Sustainable development indicators and Statistical Office of the Republic of Slovenia (SORS)

The SORS experts monitor the initiatives and attempts of various national and international institutions connected with creation of SDI lists. As said before the majority of data used for calculation of SDI in Slovenia which are the essential part of the annual Development Report are produced by SORS. In spite of that SORS has not established "The list of SDI" of its own. There are some lists of indicators covering energy and environmental themes<sup>3</sup>.

SORS is familiar with the list of SDI created by UN Commission on Sustainable Development (UNCSD), EU Structural Indicators, SDI created by European Environment Agency (EEA) and International Agency for Atomic Energy in co-operation with International Energy Agency (IAEA and IEA), etc. The majority of indicators on various lists are repeated. The contents of the lists of SDI are also greatly dependent on the main institution - EEA emphasize the environment, IAE the energy part.

The variety of indicators on various lists could be quite disturbing for the statisticians and first of all for the users such as researchers, politicians, planners, general public, etc. Therefore the establishment of a stable and balanced set of sustainable development indicators that might become the core for international comparisons would be more than welcome.

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<sup>3</sup> Available at [www.stat.si](http://www.stat.si) in SI-STAT database.