

# Table of Contents

<b>Foreword</b> .....	3
<b>Acknowledgements</b> .....	4
<b>Acronyms and Abbreviations</b> .....	11
<b>Assessment and Recommendations</b> .....	13
<b>Chapter 1. A Regional Approach for Development</b> .....	25
Introduction .....	26
1.1. Macroeconomic trends .....	26
1.2. Regional development gaps in Slovenia .....	34
1.3. Drivers of growth in Slovenian regions and areas for potential growth ..	55
1.4. Key policy and governance challenges .....	63
Notes .....	69
Bibliography .....	69
Annex 1.A1. OECD Regional Classification and Regional Typology ..	71
Annex 1.A2. Zipf's Law in OECD Countries .....	73
Annex 1.A3. Methodology for Decomposition of Factors of Growth ..	75
Annex 1.A4. Beveridge Curves in Slovenia's Regions .....	78
<b>Chapter 2. Regional Policy in Slovenia</b> .....	85
Introduction .....	86
2.1. Overview of regional policy reforms in Slovenia .....	86
2.2. Improving the quality of places and networks through regional policy ..	100
2.3. Upgrading skills through regional policy .....	126
Conclusion .....	143
Notes .....	145
Bibliography .....	147
Annex 2.A1. ....	151
<b>Chapter 3. Making the Most of Regional Policy Through Reforms</b> <b>in Multi-Level Governance</b> .....	159
Introduction .....	160
3.1. Three key challenges to effective multi-level governance .....	160
3.2. Addressing governance challenges for regional policy .....	180
3.3. Conclusion .....	216

Notes .....	217
Bibliography .....	220
Annex 3.A1. Dimensions of Slovenian Municipal Administrative Capacity, 2007 .....	225
Annex 3.A2. Indicators for Regional Capacity Building: Italy's National Performance Reserve (2000-06) .....	227
Annex 3.A3. Municipal Competencies in Slovenia .....	229

## Tables

1.1. Real GDP growth per capita compared to other Central and East European countries .....	29
1.2. Within-sector contributions to labour productivity growth, percentage average, 1997-2007 .....	30
1.3. Slovenia: Demand output and prices .....	34
1.4. Mutual dependence across levels of government: Multi-level governance challenges/gaps in OECD countries .....	68
2.1. Transition in regional policy: Where does Slovenia stand? .....	87
2.2. Assessment of the Strategy for Balanced Regional Development of Slovenia (SRDS) .....	89
2.3. Exceptional measures for the Pomurje region .....	97
2.4. Possible interactions between regional policy and selected sectoral policies .....	100
2.5. Spatial planning and regional policy programmes in Slovenia .....	101
2.6. Changes in spatial planning in OECD countries .....	103
2.7. Examples of spatial planning instruments in selected OECD countries .....	103
2.8. Budget for rural policy in Slovenia, 2007-13 .....	112
2.9. Possible complementarities between agricultural policy and regional policy in Slovenia .....	116
2.10. Breakdown of the Operational Programme on the Development of Environmental and Transport Infrastructure 2007-13 .....	119
2.11. Types of cross-border co-operation in OECD countries .....	122
2.12. Commodity diversity of Northern Adriatic ports (2010) .....	124
2.13. Port specialisations in the Northern Adriatic Sea (2010) .....	124
2.14. Competitors in the main commodities of the port of Koper (2010) ..	124
2.15. Financial allocation of OP HRD in Slovenia, 2007-13 .....	127
2.16. Top ten cities attracting more than 1 000 daily commuting schoolchildren .....	128
2.17. Universities in the regional innovation system .....	133
2.18. Financial allocation of OP Strengthening Regional Development Potential 2007-13 .....	134
2.19. SWOT analysis of regional policy in Slovenia .....	144