



# Limits of local authorities as key actors in local economic development: case of peripheral municipalities of Ljubljana's urban region

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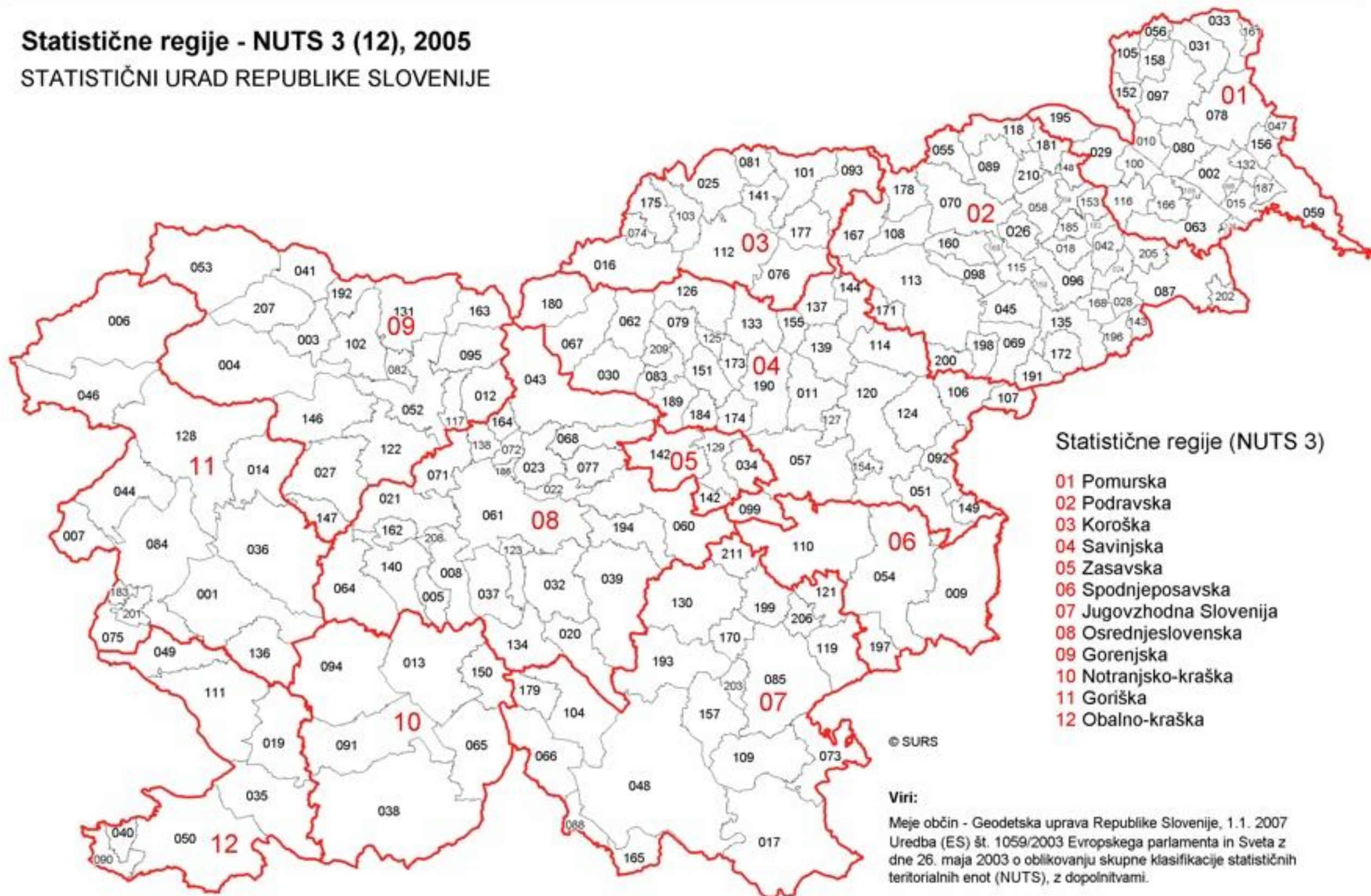
# Theoretical background

- concept of new localisms
- “search for roots” - attempts to identify particular local features and tacit knowledge
- success of new localism vitally depends on the development of local economies
- local authorities have been usually seen as central pillars in the process of promoting local economic development



# Statistične regije - NUTS 3 (12), 2005

## STATISTIČNI URAD REPUBLIKE SLOVENIJE



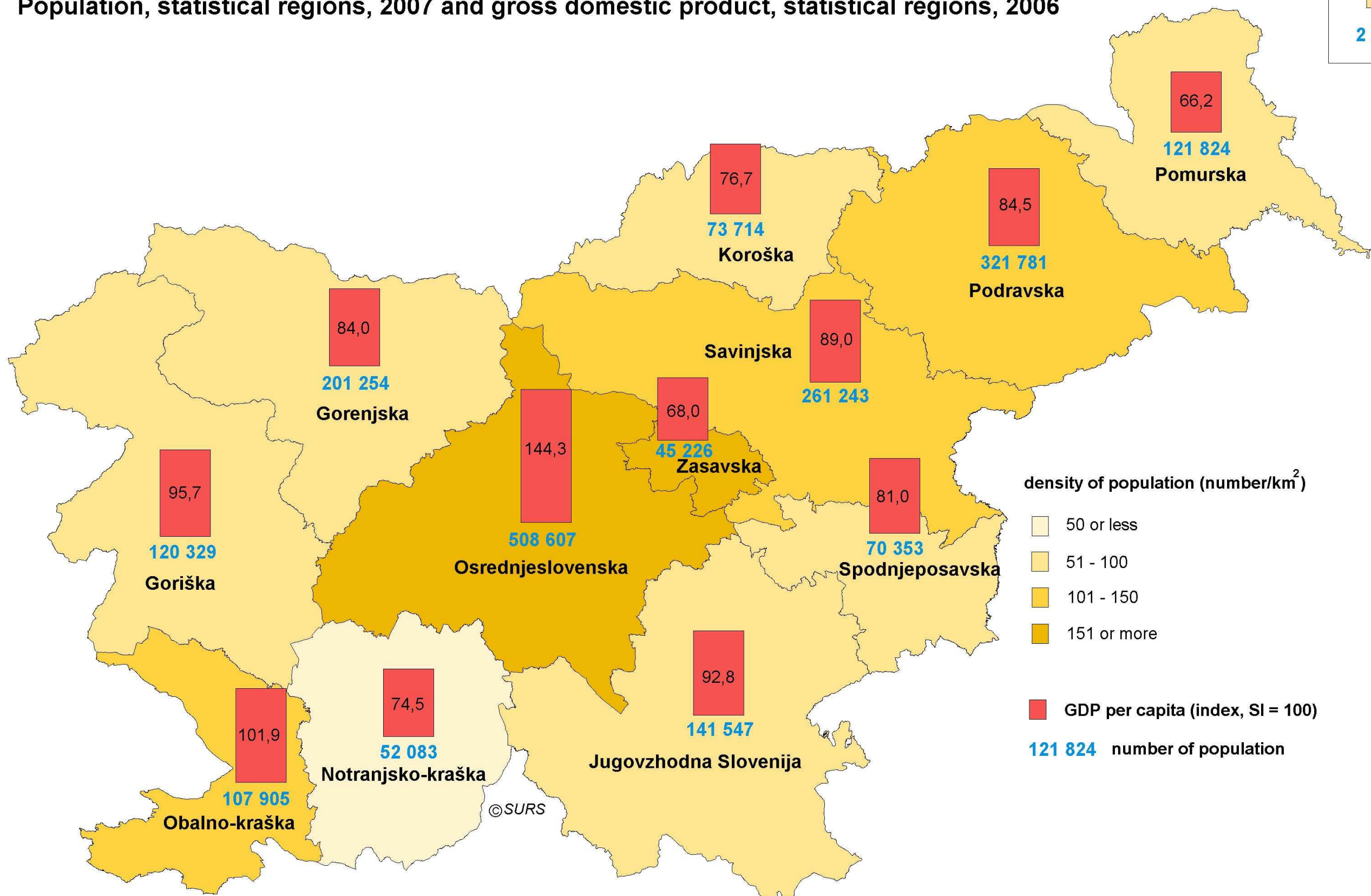


# Ljubljana's urban region

## Some statistical facts

- 2nd largest region
- 26 municipalities
- 36 % of Slovenian GDP
- 45 % of all companies in Slovenia had their headquarters within LUR
- 32,2 % of all economically active population
- Ljubljana is the central national employment pool (app. 100,000 daily commuters)

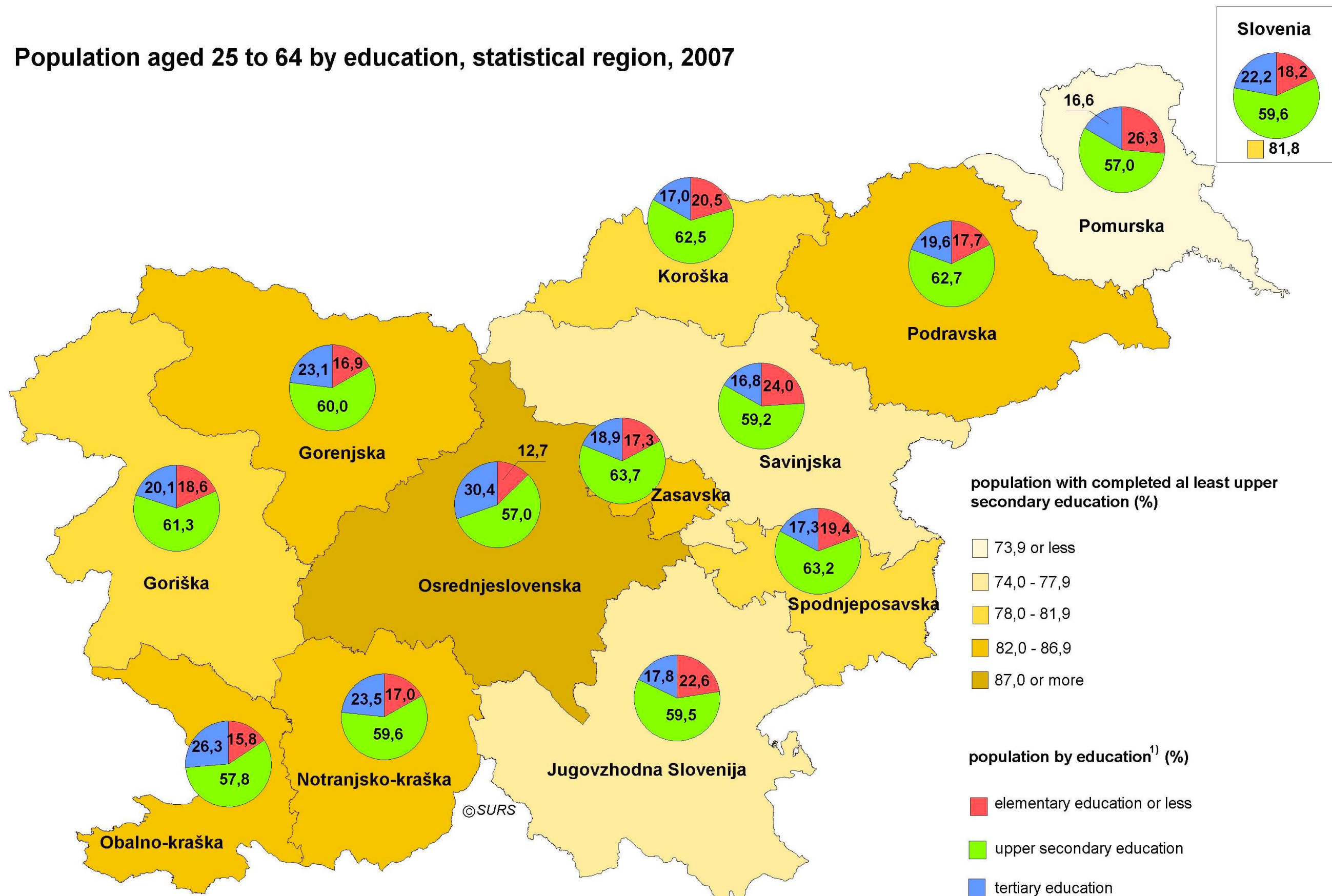
# Population, statistical regions, 2007 and gross domestic product, statistical regions, 2006



Sources: Statistical Office of the Republic of Slovenia and Surveying and Mapping Authority of the Republic of Slovenia



# Population aged 25 to 64 by education, statistical region, 2007



1) Because of rounding, the totals do not add up.

Sources: Statistical Office of the Republic of Slovenia, Surveying and Mapping Authority of the Republic of Slovenia

# Localisms within the LUR

- growing tendency toward double emancipation
  - municipalities within the LUR strive to emancipate themselves from the City (Municipality) of Ljubljana, Ljubljana itself strive for emancipation from its “LUR surroundings”
- double emancipation already cause bottlenecks that obstruct development initiatives on the LUR level



# The development (in)capacity of LUR peripheral municipalities

- criteria of the Development Deficiency Index (values above 0.5) + (in)accessibility by transport and the location - 9 municipalities
- 5 of them are located along the LUR edges and have less favorable infrastructure and traffic connections
- 4 of them are formerly predominantly rural regions which have become desirable countryside getaways for urban population



# Basic traits (year 2007)

Municipality	Population	Area km <sup>2</sup>	Density of population	Total pop. growth	Aging coefficient	Tertiary students per 1000 resid.
Borovnica	3921	42	93	18	43.5	61
Brezovica	10283	91	113	218	44.7	67
Doberpolje	3705	103	36	-11	50.3	43
Dobrova-Polhov Gradec	7120	118	61	89	51.3	57
Ig	6098	99	62	108	40.3	60
Litija	14667	221	66	60	40.8	65
Lukovica	5257	75	70	82	43.4	50
Šmartno pri Litiji	5278	95	56	41	43	31
Velike Lašče	4093	103	40	37	49	56

Source: The Statistical Office of the Republic of Slovenia



# The state of local economies (year 2007)

Municipality	No. of companies per 1000 residents	Company size*	Gross investment**	Commuting index
Borovnica	34	3	969	30.8
Brezovica	58	3.2	580	48.4
Doberpolje	41	4.1	281	57.9
Dobrova-Polhov Gradec	47	3	323	38.8
Ig	53	2.4	251	46.5
Litija	45	3.5	834	51.4
Lukovica	39	5	465	42.6
Šmartno pri Litiji	36	4.5	459	49.1
Velike Lašče	44	2.4	80	30.5

\* The average number of working people per company.

\* \* Gross investment in fixed assets per resident in euros.

Source: The Statistical Office of the Republic of Slovenia



# The (in)capability of local leaders to stimulate development in peripheral LUR municipalities

- local economies of peripheral LUR municipalities are underdeveloped
- they provide jobs for just 1/3 to 1/2 of the economically active population
- 8 of 9 municipalities analyzed here were established during the mid 1990s or later
- the major part of municipalities budgets is dedicated to financial obligations



# The (in)capability of local leaders to stimulate development in peripheral LUR municipalities

- the growing scope of legal obligations additionally reduce the already modest municipal funds designated for development
- ill-fated reform of local self-governance - imposed financial obligations on municipalities but failed to secure financial sources for their development
- municipalities' administrations consist of only a few administrators



# The role of local political leaders as main driving force of local economies development in peripheral LUR? municipalities

- a narrow selection of possible strategies - primarily 2 operating strategies
- lobbying on the national level using political links to obtain resources needed for local development
- to apply for national and EU funds for local development



# The role of local political leaders as main driving force of local economies development in peripheral LUR? municipalities

- the acquisition of external (co)founding sources is often unsuccessful for 2 main reasons
- 1st is the lack of local personnel + of knowledge needed to complete application procedures
- 2nd municipalities are not able to co-found projects from their internal sources



# Conclusions

- recent data shows that at the end of the 2nd quarter of 2009 the budgets of SLO municipalities were already in deficit, which was not the case in the past
- an ideal utopian solution -the linking of peripheral municipalities and their transformation into larger municipalities
- realizable solution - intra-linking of peripheral municipalities in a wider intra-regional economic network



# Conclusions

- That acting locally is not necessarily at variance with acting regionally, or that to act and think locally is also to act and think regionally, is a developmental challenge as well as a indispensable mental and conceptual framework for the future development of LUR peripheral areas and LUR in general.

Thank you!



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