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

Vir:
Meje občin - Geodetska uprava Republike Slovenije, 1.1. 2007
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)

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
<table>
<thead>
<tr>
<th>Municipality</th>
<th>Population</th>
<th>Area km²</th>
<th>Density of population</th>
<th>Total pop. growth</th>
<th>Aging coefficient</th>
<th>Tertiary students per 1000 resid.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borovnica</td>
<td>3921</td>
<td>42</td>
<td>93</td>
<td>18</td>
<td>43.5</td>
<td>61</td>
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<tr>
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<td>113</td>
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<td>67</td>
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<tr>
<td>Doberpolje</td>
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<td>103</td>
<td>36</td>
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<td>Ig</td>
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<td>Litija</td>
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<td>40</td>
<td>37</td>
<td>49</td>
<td>56</td>
</tr>
</tbody>
</table>

Source: The Statistical Office of the Republic of Slovenia
## The state of local economies (year 2007)

<table>
<thead>
<tr>
<th>Municipality</th>
<th>No. of companies per 1000 residents</th>
<th>Company size*</th>
<th>Gross investment**</th>
<th>Commuting index</th>
</tr>
</thead>
<tbody>
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<td>Borovnica</td>
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<tr>
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<td>2.4</td>
<td>80</td>
<td>30.5</td>
</tr>
</tbody>
</table>

* 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 funs 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 an indispensable mental and conceptual framework for the future development of LUR peripheral areas and LUR in general.
Thank you!