

COPING WITH DEMOGRAPHIC CHALLENGES: CASE OF SLOVENIAN LOCAL COMMUNITIES

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In recent decades, some of the remote rural Slovenian communities that have been historically dependent on traditional economies have experienced the most drastic emigration processes. Among the particularly difficult challenges that they have faced are retaining their youth and attracting new inhabitants. At the same time, some rural exurbs have experienced population growth, which presents another set of leadership challenges for the local executives, i.e. mayors. The analysis of the statistical data reveals that a) the populations of more than half municipalities experienced emigration between 2010 and 2018; b) the populations of urban centres are growing; c) more than one fifth of population live in the three largest urban municipalities and d) the population is concentrated in Slovenia's centre, near the capital city, where we have seen a trend of dramatic population growth. Further analysis shows that the municipalities, which are relatively close to the highways, mostly experienced population growth during the last eight years. Most of the municipalities that are located farther from the highways, and therefore more difficult to access, have experienced population declines during the same period. We conclude that regardless of how local leaders tried to improve the attractiveness of their municipalities, the state and its public policies played a key role, directly impacting local efforts and, consequently, demographic changes.

Key words: demography; population movement; municipality; local leader; Slovenia.

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1 ORIGINS OF THE STUDY

In past decade, the number of people who live in cities worldwide has exceeded the number of people who live in rural areas. By 2050, the urban share is predicted to rise (Hambleton 2015) up to 75% (Newton and Doherty 2014). Even though urbanisation² affects many areas, has many facets and can cause severe societal problems (Sarzynski 2012), growth is still considered to be the key to an attractive future (Lombardi et al. 2010; Brorström and Parment 2016). This is why urbanisation has long been the subject of research and analysis, which have especially focused on how populations grow. However, the question of how and why communities shrink has only intermittently attracted interest (Brorström and Parment 2016, 74).

The local leadership plays a key role in setting policies and directing the local community. Local communities need active and innovative political leaders who promote investment in human capital, motivation and creativity (Brezovšek and Kukovič 2014, 218). Cooperation between various actors is necessary to solve complex social problems, requiring citizens to be active participants in defining the rules and policies of collective life (Wiatr 2016, 5–6). This is why Hambleton (2013, 11) identifies the six indicators of good local political leadership:

- Articulating a clear vision for the area: Setting out an agenda of what the future of the area should be and developing strategic policy direction. Listening to local people and leading initiatives.
- Promoting the qualities of the area: Building civic pride, promoting the benefits of the locality and attracting inward investment.
- Winning resources: Winning power and funding from higher levels of government and maximizing income from a variety of sources.
- Developing partnerships: Successful leadership is characterized by the existence of a range of partnerships, both internal and external, working to a shared view of the needs of the local community.
- Addressing complex social issues: The increasingly fragmented nature of local government and the growing number of service providers active in a given locality means that complex issues that cross boundaries, or are seen to fall between areas of interest, need to be taken up by leaderships that have an overview and can bring together the right mix of agencies to tackle a particular problem.
- Maintaining support and cohesion: Managing disparate interests and keeping people on board are essential if the leadership is to maintain authority.

The leaders of local communities are changing as they confront many challenges (Haček 2010, 45). The most important challenges include doing more for less, improving the quality of government services for citizens, adapting to changing demands and external influences, establishing horizontal relationships and networks and understanding the nature of the changes themselves (Brezovšek and Kukovič 2014, 219). Among the tectonic changes that affect local communities, demographic changes are one of most significant (Syssner 2015). These bring new and, for some communities, as-yet unknown challenges, due to either population growth or decline.

² Urbanisation implies that people are moving to urban areas (Brorström and Parment 2016, 75).

Cities have traditionally been regarded as »growth machines« (Logan and Molotch 1987), where growth is perceived as a purely positive phenomenon. Local leaders often view urban growth as a success and, conversely, view communities that do not grow as less successful or even failures (Leo and Anderson 2006; Brorström and Parment 2016, 75). The preoccupation with growth implies that shrinkage and demographic declines are tragic and deeply problematic. Shrinkage has the negative connotation of a symptom of an undesirable disease (Sousa and Pinho 2015) and usually carries a certain stigma (Martínez Fernández et al. 2012, 220).

Leo and Anderson (2006) emphasise that most cities cannot actually affect their growth rate, no matter which strategies or policies they enact. However, according to Sousa and Pinho (2015), a local government can use one of two approaches to deal with a shrinking population: reaction or adaptation. Reaction entails finding ways to change the course of development, while adaptation implies minimising its negative consequences. This is not static but a dynamic process (Brorström and Parment 2016, 75). Hospers and Reverda (2015, 39) claim that politicians, citizens and others react to population declines in four stages: (1) trivialising the numbers, (2) attempting to counteract the decline, (3) learning how to deal with it and (4) utilising the shrinkage as an opportunity to enact innovative policies (Syssner 2015, 13). In addition, Hoyt and Leroux (2007) have argued that the actions of shrinking cities follow several phases. The first phase is *shock*, which could stem, for example, from a business closure, and the second phase is *reaction*. It is important to remember that neither shrinking nor growing municipalities follow general patterns; rather, they often act according to different rationales (Sousa and Pinho, 2015; Brorström and Parment 2016, 75). Furthermore, it has been typically understood that unrealistic and biased ideas of growth have hindered proactive strategies for managing decline (Lang 2012, 1748) or even intensified the negative consequences of shrinkage because it is not possible to plan for shrinking cities if the plan presupposes urban growth (Wiechmann and Pallagst 2012, 261–263; Syssner 2015, 13).

In recent decades, some of the remote rural Slovenian communities that have been historically dependent on traditional economies have experienced the most drastic emigration rates in Slovenia. Among the particularly difficult challenges that they have faced are retaining their youth and attracting new people. At the same time, some rural exurbs have experienced population growth, which presents another set of leadership challenges for the local executives, i.e. mayors. Therefore, we have chosen to emphasise demographic changes in Slovenian municipalities.

1.1 Aims of the Study

The first aim is to explore demographic changes in Slovenian municipalities and, on the basis of objective statistical data, discover which areas of the country are experiencing emigration and immigration. The second aim is to analyse and discuss how local leaders view the issues and challenges caused by demographic changes. The third aim is to understand how local governments respond to demographic changes and analyse how local leaders react when their municipalities shrink or grow in population and which public policies they develop to confront these ominous trends.

2 METHODS

For this article, we used a combination of quantitative and qualitative data.

When we chose particular municipalities³ to study, we used quantitative demographic data (SORS 2018). First, we calculated the difference between the population in 2010 and the present⁴ for each municipality and identified which municipalities are shrinking and which municipalities are growing in population. Second, we divided the 212 Slovenian municipalities into 12 statistical regions based on the Nomenclature of Territorial Units for Statistics (NUTS) model for categorisation introduced by European Union.⁵ Thus, we obtained data about which statistical regions are losing their inhabitants and which, according to the inhabitants' perspectives, are more attractive to live in. Third, we identified the municipalities that, according to the statistical data, lost the greatest share of their population and the municipalities that have gained the greatest share of their population. These municipalities were invited to cooperate with us for our study.

A qualitative case study approach was chosen because it is, arguably, the best method for identifying patterns and making conceptual contributions (Yu and Cooper 1983; Fox and others 1988; Siggelkow 2007; Dillman and Frey 1973). The data were collected through interviews⁶ with municipal leaders, i.e. elected mayors or directors of municipal administrations (DMAs), to identify which forces drive municipal activities related to population decline or growth. Extensive access to the local leaders was necessary to get first-hand information and real-life views into the research problems.⁷ We were particularly interested to learn about how the local leaders reacted and adapted to the challenges caused by oftentimes drastic population changes and if they developed or, at minimum, proposed any new public policies to address the issue. To form a complete picture of their responses, we systematically combined quantitative

³ We conceive of »municipality« as constituting the municipal organisation.

⁴ In both cases, the H1 data were used, i.e. the state of the population after 1 January in any given calendar year (SORS 2018). We chose 2010 as the starting point for the calculations because 2010 was the year of the regular local elections. The next local elections will be held in November 2018. The previous local elections were held in 2006, but the population statistics are not comparable with the current statistics because the national statistical office changed its methodology in 2008. In addition, we believe that the eight-year period is more appropriate for the analysis because it can show greater changes in the population than it would if we accounted for only a single term in office, i.e. 2014–2018.

⁵ Statistical regions are: Pomurska (27 municipalities), Podravska (41 municipalities), Koroška (12 municipalities), Savinjska (33 municipalities), Zasavska (three municipalities), Spodnje Posavska (four municipalities), South-Eastern Slovenia (21 municipalities), Central Slovenia (26 municipalities), Gorenjska (18 municipalities), Goriška (13 municipalities), Notranjsko-kraška (six municipalities) in Obalno-kraška (eight municipalities). We should emphasise that this division into statistical regions does not represent an autonomous level of authority and serves only as the territorial division of the country (for example, for the collection of statistical data).

⁶ As research was exploratory, we used predefined open-ended questions in the interviews. In some cases, we conducted interviews face to face; in other cases, we conducted them via phone and/or email. To gain a solid understanding of the particular local contexts, we also collected and examined materials provided by the municipalities. In total, we conducted 17 interviews with representatives from 17 municipalities; interviews were conducted in June 2018. All materials, identity of the interviewees and interview transcripts are with the author.

⁷ We express gratitude to the following Slovenian municipalities that provided valuable insights and data (municipalities are listed in alphabetical order): Cerklje na Gorenjskem, Divača, Dravograd, Jezersko, Kanal ob Soči, Loška dolina, Loški Potok, Luče, Mirna Peč, Osilnica, Podvelka, Radeče, Sevnica, Škofljica, Tolmin, Turnišče, and Vipava.

and qualitative data, using inductive and deductive reasoning and applying an abductive methodology.

3 DATA ANALYSIS AND EMPIRICAL FINDINGS

In political science and sociology, it is not difficult to find studies that explore urbanisation and urban growth in many different contexts and countries (Reckien and Martinez-Fernandez 2011; Brorström and Parment 2016). Only recently, however, has attention been given to studies that examine declining populations in communities and examine how planners and local decision-makers confront the resulting consequences (see Sousa and Pinho 2015; Wiechmann and Bontje 2015; Syssner 2015). It is difficult, moreover, to find studies on this problem in Slovenia or in its neighbouring Central and Eastern European countries. Even though rapid demographic changes have taken place in Central and Eastern Europe, they are rarely mentioned in international studies on demographic change in local communities.

Consequently, in our own research, we have deliberately focused on Slovenian municipalities and studied the demographic changes that have occurred (and are occurring) in them. We limited our comparative analysis to 2010–2018. According to statistical data, Slovenia currently has 2,066,880 inhabitants (SORS 2018, data 2018H1), which means that the total population of Slovenia has increased by 1% over the last eight years. During the same period, the population of urban centres increased by 1.1%. Currently, more than a third (34.7%) of the Slovenian population lives in 11 urban municipalities. Further, more than a fifth of all Slovenian citizens (22.1%) lives in the three largest urban municipalities: Ljubljana, Maribor and Kranj.

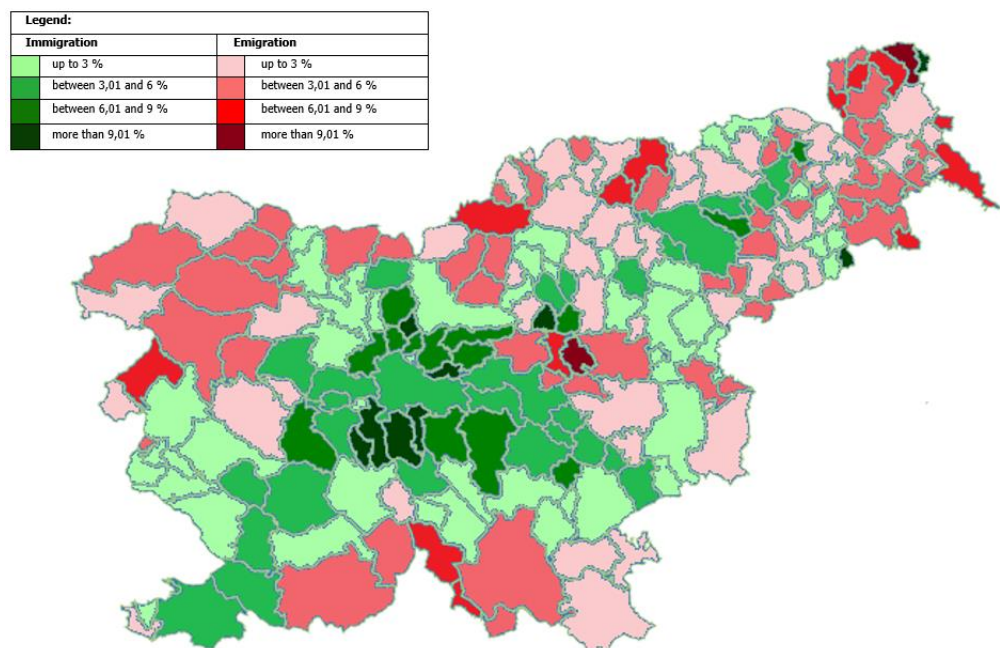
Calculations by individual municipalities show that the populations of more than half (115 of 210⁸) of the municipalities shrank between 2010 and 2018. The populations of the remaining 95 municipalities increased.⁹ We have produced a figure (see Figure 1) that illustrates these demographic changes. The red colour marks the municipalities that experienced population declines, and the green colour marks the municipalities that experienced population growth. We divided the municipalities into four sub-categories according to the intensity of the population growth or decline,¹⁰ which is indicated by the intensity of the colours.

⁸ Since two municipalities were established later (the municipality of Mirna in 2010 and the municipality of Ankaran in 2014), we have analysed them as units of the two municipalities (Trebnje and Koper) of which they were previously part.

⁹ According to the calculations, between 2010 and 2018, the population decreased the most in Šalovci (-11.3%) and increased the most in Škofljica (+28.1%).

¹⁰ In Category I, we included all municipalities with less than a +/- 3% demographic change. In Category II, we included all municipalities with a demographic change of +/- 3.01–6%. In Category III, we included all municipalities with a demographic change of +/- 6.01–9%. In Category IV, we included all municipalities with a demographic change of +/- 9.01%.

FIGURE 1: DEMOGRAPHIC CHANGES IN SLOVENIAN MUNICIPALITIES



Source: Author's own elaboration.

In Figure 1, some parts of Slovenia are markedly red, which means that their populations have shrank, while other parts are green, which means that their populations have grown. Facing these striking differences, we analysed the municipalities and combined them into the larger territorial units, i.e. the 12 Slovenian statistical regions, before comparing them.

The most dramatic population decline occurred in the Zasavska statistical region; the region lost 6.6% of its total population over the past eight years, with population declines in the three municipalities that comprise the Zasavska region. The Pomurska statistical region includes 27 municipalities, which altogether lost 4% of their population. Only one municipality in the entire Pomurska region—the smallest and most remote—experienced population growth, while all other municipalities experienced population declines over the past eight years. In the Koroška statistical region, all 12 municipalities experienced population declines over the past eight years, losing, in total, 3.1% of their population. The Goriška statistical region experienced population declines in nine municipalities and population growth in four municipalities; in this region, the population shrank by 1.5% between 2010 and 2018. A slightly less-pronounced population decline was observed in the Spodnjeposavska statistical region (-0.6%) and the Podravska statistical region (-0.4%).

In contrast, the populations of four statistical regions experienced slight growth, but, in every case, this growth was very minor (under 1%). For example, in the Savinjska statistical region, which includes 33 municipalities,¹¹ we observed population growth of only 0.1% over the past eight years. In the Notranjsko-

¹¹ The population decreased in 17 municipalities and increased in 16 municipalities.

kraška statistical region,¹² the growth was 0.2%; in the Gorenjska statistical region,¹³ it was 0.4%; and in Southeastern Slovenia,¹⁴ it was 0.5%.

TABLE 1: DEMOGRAPHIC CHANGES IN STATISTICAL REGIONS

Statistical region	Number of municipalities	Demographic changes/no. of municipalities		Population 2010	Population 2018	Difference (in %)
		-	+			
Zasavska	3	3	0	44,706	41,744	-6.6
Pomurska	27	26	1	119,548	114,776	-4.0
Koroška	12	12	0	72,812	70,550	-3.1
Goriška	13	9	4	119,080	117,260	-1.5
Spodnjeposavska	4	2	2	70,192	69,802	-0.6
Podravska	41	25	16	323,343	322,058	-0.4
Savinjska	33	17	16	260,025	260,317	+0.1
Notranjsko-kraška	6	3	3	52,217	52,334	+0.2
Gorenjska	18	9	9	202,903	203,636	+0.4
Southeastern Slovenia*	21	8	12	142,092	142,819	+0.5
Obalno-kraška*	8	1	6	110,412	113,961	+3.2
Central Slovenia	26	0	26	529,646	557,623	+5.3

Sources: SORS (2018, H1); author's own calculations and presentation.

More substantial population growth was observed in the remaining two statistical regions. The Obalno-kraška statistical region, which includes eight municipalities, experienced a population growth of 3.2% over the last eight years, with only one municipality experiencing a population decline. The largest population growth (5.3%) occurred in the largest statistical region, Central Slovenia (27% of the total population), where all 26 municipalities are marked in green.

When we look for causes of demographic changes in theory, we often encounter processes that might cause migratory flows. These processes are economic restructuring, de-industrialisation, globalisation, increased mobility and political changes (Reckien and Martínez-Fernández 2011, 1376; Haase et al. 2012, 10; Kotilainen et al. 2013; Hollander and Nemeth 2011, 352; Wiechmann and Bontje 2015; Syssner 2015). This means that the processes that trigger changes at the local level usually originate from higher levels of authority. Consequently, the next section is aimed at analysing the causes of Slovenia's demographic changes and discussing how local leaders have confronted the challenges caused by these changes.

4 DISCUSSION: MEETING DEMOGRAPHIC CHALLENGES IN SLOVENIAN MUNICIPALITIES

The fact that some municipalities are experiencing population declines while others are experiencing population growth has, in some cases, been interpreted as a result of the interdependent processes of peripheralisation and centralisation, which make an area or region more attractive, in terms of economic development, infrastructure capacity, proximity to the urban area, etc. (Lang 2012, 1749). Some regions benefit from this kind of regulation while

¹² The Notranjsko-kraška statistical region includes six municipalities, and there was population growth in three cases and population declines in the remaining three cases.

¹³ The municipalities in the Gorenjska statistical region experienced different trends. In nine cases, we found population growth, and, in the remaining nine cases, we found population declines.

¹⁴ Southeastern Slovenia includes 21 municipalities. Since the municipality of Mirna was established in 2010, we analysed it as a part of the previous municipality of Trebnje. This means that we observed population declines in eight cases and population growth in 12 cases in Southeastern Slovenia between 2010 and 2018.

others experience capital outflows, shortages in economic subjects and, in particular, declines in human resources, resulting in low levels of innovation and intellectual engagement (Martinez-Fernandez et al. 2012; Syssner 2015).

It should be noted, however, that emigration and immigration are not the only causes of changes in the population of a particular municipality. Population change is also connected with fertility. Emigration, especially by young people, produces a double consequence for the municipality: first, an immediate decrease in the population, and second, a long-term population decline from fewer new-borns. Of course, the obverse effect is also true; immigration results in higher fertility rates.

4.1 The Causes of the Emigration and Immigration of Slovenian Municipal Populations

Each municipality has its own characteristics—geographical, cultural, historical and social—according to which they differ. These characteristics can have positive or negative effects on the population. First, we asked the local representatives of the selected municipalities how they perceived the demographic changes taking place within their municipalities and who or what they believed was responsible for these changes.

The local leaders tended to believe that the demographic changes were caused by the national government's decisions, which have direct consequences for local communities, regardless of immigration or emigration. The municipal leaders that faced population declines emphasised that the centralisation process was the biggest problem.

An important reason is centralisation and the reduction of the supply of public jobs in rural areas (Tax Administration, Surveying Authority, Social Work Centres, Administrative Units) and the closure of the mail office and the rural bank branches (Interviewee no. 17).

In recent years, the municipality has had lots of problems with basic things such as the school, the ATM machine, the mail office, the grocery shop, etc. (Interviewee no. 3).

The departments for the state's services are being systematically abolished, and the analysis shows that the total number of employees in these services is not decreasing, but centralizing (Interviewee no. 16).

It is necessary to decentralise the state, which, unfortunately, is not happening. Just the contrary is (Interviewee no. 15).

Another area of concern is the uneven development of the state. A minority of the municipalities (and, consequently, the statistical regions) are experiencing above-average development, while the majority of the municipalities has not experienced this development.

The national development policy has a significant influence on the movement of the population in the country and, consequently, in the municipalities, which do not achieve proportional development. . . . Disproportionate development will be very difficult to stop, even if a number of positive measures are adopted in the municipalities. . . . These facts will, in my estimation, further increase the developmental disparities until enough measures are taken at the state level to ensure proportional development in

all areas, in transport, education, health, agriculture, social protection and others (Interviewee no. 16).

The third cause of population decline is job shortages in the municipalities. Our interviewees pointed out that young people go to larger towns for their high school and/or university education and find their first jobs there, start building their careers and, ultimately, settle near these urban areas.

The decline in the population is due, in part, to the lack of adequate jobs in the municipality. These jobs would pay decent wages for young, highly educated jobseekers (Interviewee no. 14).

In contrast, a representative from a municipality with a growing population stated the following:

The completion of the industrial zone with the arrival of entrepreneurs has created jobs and allowed people to stay in the local municipality (Interviewee no. 7).

In border municipalities, the problem is even worse as residents not only leave their municipality but also leave the state and move to larger towns and municipalities in other countries.

The problem is with emigration to the neighbouring Austria, where better-paid jobs can be easily obtained and where living conditions are better, from cheaper houses to more affordable kindergartens (Interviewee no. 6).

Transport infrastructure is also a major concern for the local leaders.

The most-used mode of transportation today is the personal vehicle. Unfortunately, our municipality is at least 30 minutes away from the nearest highway. Consequently, the municipalities with substandard accessibility to the highway network are experiencing demographic outflows. The middle part of the third development axis is only in the planning phase, which does not suggest that the situation will rapidly improve. The investments in the national road infrastructure are too modest. The inadequate road network affects not only the mobility of the population but also the freight transport of companies, especially those that produce products, which, due to their size, represent difficult transport. One of these companies, for example, points out that, due to high fees and the inability of adequate transports, it cannot expand production in our municipality (Interviewee no. 16).

Traffic inaccessibility is one of the key reasons why populations are declining in the remote areas of the Alps (Interviewee no. 17).

We attribute the population increase in particular to our favourable geographical position; we are very close to the highway and the railway. Our apartments are cheaper than the apartments on the Slovenian coast (20 minutes away), so many of our new inhabitants are from the coast (Interviewee no. 7).

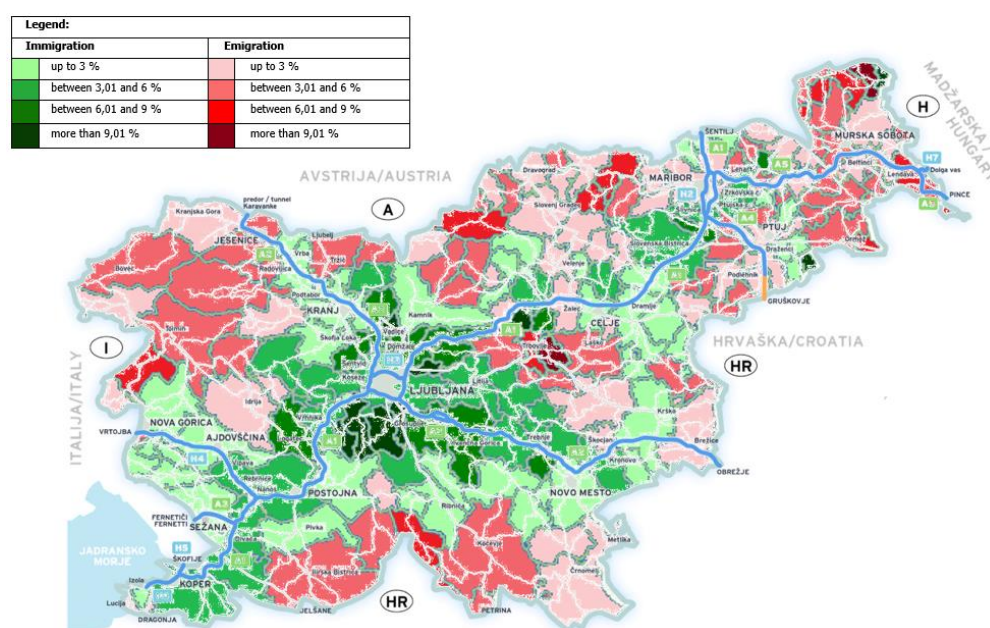
Our municipality has become interesting in recent years because a highway was built in the immediate vicinity (Interviewee no. 8).

. . . In 2009, the municipal council adopted an important document (the Municipal Spatial Plan) that outlined further municipal development. Since then, we have managed to connect our municipality to the highway. The

highway has created new development opportunities, and we constructed a large economic zone near the highway (Interviewee no. 2).

Following the concrete examples given by our interviewees, we also focused on how the highway system has impacted these demographic changes. Figure 2 presents the overlapped maps of the Slovenian municipalities and the motorway network. Note that the areas located along the highways are, for the most part, green, indicating that the population has increased over the last eight years. This growth is most evident in the country's centre, where the Slovenian capital Ljubljana is located. Note as well that the municipalities around Ljubljana are darker shades of green, which means that their immigration rates are even higher.

FIGURE 2: DEMOGRAPHIC CHANGES AND THE MOTORWAY SYSTEM IN SLOVENIA



Sources: DARS (2018); author's own presentation.

There are also numerous red areas that have experienced population declines during the last eight years. These areas tend to be more distant from the highway system, which makes them, as the local leaders emphasised, more difficult to access for both local residents and potential entrepreneurs. The lack of transportation infrastructure in turn causes these municipalities to be less attractive. The Pomurska statistical region is the only exception because it does have a highway connection. However, it is also the farthest statistical region from Slovenia's centre, near the Austrian, Croatian and Hungarian borders, and is also the least-developed region in Slovenia in terms of economic development and unemployment levels.

As we have noted, there are various factors (many of which are interdependent) that influence immigration and emigration to or from a particular municipality. Each of these phenomena has consequences that local communities and their leaders must address.

4.2 The Consequences of Emigration and Immigration for Slovenian Municipalities

Demographic changes produce positive and negative consequences. One of the most significant consequences is related to the municipal infrastructure and how it is used. Municipalities with decreasing populations have partially used or even empty public buildings that are becoming too expensive to maintain.

Reducing the number of inhabitants has a number of consequences: closures of school departments and subsidiary schools, the reduction of divisions in kindergartens, reductions in public transportation, and closures of post offices, banks, grocery shops and public offices (Interviewee no. 1).

Due to population declines, the existence of the school is jeopardised. We are fighting to hold on to the ATM, and we will have to fight for post office to remain open. We managed to bring back the grocery shop (Interviewee no. 3).

Due to population declines, we have difficulties keeping schools in the countryside open (Interviewee no. 17).

In contrast, municipalities with growing populations are upgrading their public infrastructure. In fact, they suffer from overcrowding and need to invest in new residential and industrial buildings.

Many new citizens are (at least according to the statistics) the 'sweet' concern of the municipality. But, in practice, we face numerous challenges that exceed the municipality's capabilities in many areas. First and foremost is the provision of suitable premises and other public infrastructure for social activities, i.e. for kindergarten care and public schools. . . And here is another statistical 'reality'. According to all official indicators, our municipality belongs among the most developed Slovenian municipalities and, for this reason, is not entitled to state co-financing for the construction of infrastructure for kindergartens and schools (Interviewee no. 9).

Immigration has positive and negative consequences. It is necessary to invest in increasing the kindergarten's capacity. Due to the increasing number of children, the subsidiary school has been reopened and will remain open for the foreseeable future, and we have also been able to renew two subsidiary schools. . . It is necessary to invest in basic infrastructure (Interviewee no. 8).

Due to the increase in the number of children in kindergarten, the subsidies that the municipality pays for educational care services (preschool education) have drastically increased; we have a municipality that has over 80% of the children enrolled in the kindergarten. We do not have any queues because we provide kindergarten care for all (Interviewee no. 2).

The biggest "problem" in positive sense is inadequate kindergarten and school infrastructure. Already, this coming autumn we won't have enough classrooms. For the upcoming school year, we will temporarily solve this problem by having two departments have their classes in the music school, but, in the future, it will be necessary to upgrade the school building itself (Interviewee no. 7).

In 2012, we completed a new elementary school and kindergarten buildings, and, in September 2017, we completed a new sports hall for the new school. Considering the fact that the number of preschool and school divisions was

recalculated according to demographic statistics from 2010, which were not encouraging for us. In 2010, we had 6 kindergarten departments and 13 departments in the elementary school, but, in 2018, we already have 10 or 11 kindergarten departments and 18 departments in the elementary school. We have already encountered spatial distress in the kindergarten, but we have adequately solved it (Interviewee no. 2).

In many of the responses from the leaders of municipalities with declining populations, we can see a clear link between emigration and ageing. Young educated people tend to leave (or do not return after completing their studies), so municipalities are forced to work hard to retain people in key positions. At the same time, the older population is gradually growing and requires different kinds of assistance.

Empty houses with untidy surroundings appear over time, especially in rural areas (Interviewee no. 5).

Young people tend to leave because there are no job opportunities. At the same time, the older population poses a problem. As the young people leave, youthful energy and the desire for change also leave. We are facing a human resources deficit (Interviewee no. 10).

As young people emigrate, there are fewer new families and children and more and more elderly people. Many of them live alone and need different kinds of assistance (health, social, and/or financial). The consequence of more people with disabilities and more sick people, who need more and more outside help, is the need for more financial support for the institutions that provide this assistance for the older population (such as assistance at home). Development in all areas (entrepreneurship, agriculture and elsewhere) is diminishing (Interviewee no. 13).

At the moment, the most important negative consequence is the shortage of human resources, which is felt by practically all companies and public institutions (Interviewee no. 17).

An important consequence of demographic changes is reflected in the distribution of state revenues. Municipalities with declining populations point out that:

With fewer state financial resources than planned, financial obligations remain largely unchanged, even though income is lower (Interviewee no. 12).

The negative effect of emigration, in particular, is a smaller budget for solving the same or even bigger problems. Resolving problems in the local community is inversely proportional to the density of the population (Interviewee no. 1).

We have an unfinished retirement home that could provide many jobs, contribute to municipal development and convince young families to return. Unfortunately, there is no money for it, and, at the same time, there are no public or private investors that are interested in completing the retirement home (Interviewee no. 3).

Municipalities with increasing populations agree that this process affects the distribution of financial resources. However, they have seen their budgetary revenues increase.

The positive effect of immigration is rooted in the fact that municipalities receive most of their financial resources based on the size of their population, which means that our financial resources are increasing proportionately (Interviewee no. 4).

The municipality is becoming increasingly financially independent as it receives more income from more inhabitants (Interviewee no. 8).

We can see that demographic changes bring different challenges, regardless of whether municipalities are facing emigration or immigration. Municipalities facing emigration experience the neglect of public infrastructure, the departure of young people and older populations. Municipalities facing immigration experience the opposite problems. Due to the rapid increase in the number of children, the municipalities' kindergartens and elementary schools have insufficient capacities, triggering the need for further investment. This means that the majority of a municipality's financial resources is invested to address the needs of its youngest inhabitants.

Both kinds of municipalities also highlight the financial implications of demographic change. Municipalities with growing populations receive more financial resources from the state, as well as more revenues from income taxes. Consequently, they are becoming more financially autonomous. However, what is alarming is the reduction of financial resources for municipalities with declining populations because this trend pushes them into even greater distress and increases their dependence on the state even as their problems continue to worsen.

4.3 Local Government Responses and Policy Solutions

Research data from the mayors of Slovenian municipalities (see Kukovič 2015, 145)¹⁵ show that the mayors' most important policy area (with 84% agreeing) is economic development. In larger municipalities (over 10,000 inhabitants), this proportion exceeds 90%. Mayors also want to focus on improving municipal infrastructure and transportation services (with 84% agreeing). This topic is more relevant for the mayors of smaller municipalities (under 10,000 inhabitants), with 87.3% agreeing, compared to the mayors of large municipalities, with 74.1% agreeing. In contrast, attracting new inhabitants to the municipality is far less important (with 29.2% agreeing). The data thus indicate that the mayors prefer to use indirect actions to improve the attractiveness of their municipalities.

The mayors' responses reveal that each municipality confronts demographic change in its own particular ways. Some municipalities have ordered expert studies, developed strategies to confront the issue and already implemented new public policies, while others are only now learning about the consequences of demographic change. Thus, municipalities use various policies within a legislative framework, but these policies often require state participation, which is frequently a serious problem because the implementation of these policies is delayed or even abandoned entirely.

For many years now, we have alerted those in charge at the state level, but nobody is actually prepared to deal with these kinds of problems. We have

¹⁵ The question was 'What do you wish the main themes of your accomplishments as mayor to be?'

also sent a number of initiatives and suggestions for more efficient policies to various state institutions (Interviewee no. 9).

The most common policy to fight emigration is financial transfers, especially subsidies for new-borns, which usually increase as the number of children in a family increases. Municipalities also subsidise preschool childcare.

We offer financial aid to every new-born in the municipality. In addition, as mayor, I personally visit the parents of every new-born in the municipality. This way, I show symbolically that we are really happy about their decision to have children (Interviewee no. 15).

Every year, we organise a special reception for the new inhabitants of the municipality. It is not only intended for people to have an opportunity to socialise but also to allow parents to talk to the mayor about the problems that need to be solved (Interviewee no. 11).

In some municipalities, people can get one-time financial assistance from the local government. Many municipalities also offer various other kinds of subsidies, including subsidies for new houses.

There is special support for young families who wish to build new houses in the municipality. It takes the form of a subsidy for half of the communal contribution fee. It exempts young families and investors up to 35 years of age from paying half of the communal contribution fee (Interviewee no. 16).

The municipality does not charge a communal contribution fee, and this attracts private investors for housing projects (Interviewee no. 8).

In accordance with our regulations, all young families who decide to build a facility in our municipality are exempted from paying communal contribution fees, which could otherwise be up to ten thousand euros, depending on the location of the new facility (Interviewee no. 15).

In addition to reductions to or exemptions from communal contribution fees for new housing, municipalities encourage immigration with other financial measures. The subsidies worth mentioning include the discount towards the building and land use fees, exemptions from public water and sewage fees, investments in renewable energy resources and co-financing small businesses and agriculture. Municipalities also invest in the restoration of abandoned trade and business premises and the expansion of trade areas. While planning and adopting new environmental plans, they account for rationally and effectively integrating them into the local environment.

According to the local leaders, they also heavily emphasise local infrastructure and have implemented a number of concrete policies. For example, they have invested in road networks not only in the municipality's centre but also in more distant places, which has encouraged citizens to settle in more remote places.

When our municipality was established, we didn't have a square metre of tarmac outside of the municipal centre, even though we have the highest number of municipal roads per capita in the country. Nowadays, all distant farms (three hamlets lie over 1000 m above sea level) are connected to the valley by tarmac roads. This is why many young landlords decide to stay on the farms (Interviewee no. 15).

It is most likely that the population is increasing due to improvements in communal infrastructure, such as regular road maintenance, the construction of sidewalks, the construction and renovation of public lighting and the construction of a waste collection centre and a sewer system, which are particularly important for the seven villages that are located high in the mountains (Interviewee no. 4).

In addition to road infrastructure, municipalities also invest in reliable optical Internet networks, which, according to the local leaders, are necessary for making a municipality attractive and functional.

Every municipality that participated in our study implemented policies that targeted young citizens. These included policies that improved living conditions and policies that encouraged young people to become more involved in public life. The municipalities created various strategies for youth, subsidised youth programs, created public spaces for socialising and provided sports and other infrastructure. At the same time, municipalities also created active economic policies.

Through various activities, we strive to bring back the young people who are studying in major cities. These activities are, above all, measures to create positive conditions to encourage young families to settle in our municipality. We also provide subsidies for their first jobs (Interviewee no. 7).

We are trying to purchase old buildings and land to provide new housing for people. With municipal regulations, we enable successful companies to expand in the entrepreneurial zone (Interviewee no. 17).

We strive to use part of the budget for the youth to create new jobs. We are subsidising deficient professions and giving grants to future farm owners. Our municipality has established an entrepreneurial incubator and has a fund for non-profit housing. We organise local employment fairs and various training workshops for young people. . . We also invest in the economy, agriculture and tourism. With all of these measures, we estimate that young people have more opportunities to stay and develop their potentials at home. At the same time, it is also a challenge for them to find and exploit existing opportunities in their home environment (Interviewee no. 16).

The local leaders pointed out that it is imperative to invest in the whole community, not just in the centre, because the countryside also offers possibilities for living and development that emphasises tourism and agriculture. They also note that, despite the need to invest in infrastructure, the municipality's basics should not be neglected, since rural municipalities can be well-organised and highly developed but also attractive with their natural, clean environments.

We are one of the most intensely developed agricultural municipalities, which means that we must balance between needs of the indigenous people and the new inhabitants. The needs of agriculture require the mandatory cooperation of all inhabitants (Interviewee no. 2).

The analysis of how municipalities respond to demographic changes is consonant with the results of previous research (see Haček 2007, 43; Kukovič 2015, 145). Municipal attractiveness is improved through indirect measures that try to attract new people and prevent people from leaving. We have identified the three interconnected pillars of local public policies that leaders believe are the most important: (1) policies for integrating young people,

including various social transfers, housing assistance, job search assistance and other subsidy measures; (2) policies for developing the economy, in particular (local) entrepreneurship, crafts, tourism and agriculture; and (3) policies to improve infrastructure (which refers to building and road infrastructure, as well as supporting infrastructure, e.g. water, sewage and Internet).

CONCLUSION

Our study highlights important insights about on-going demographic changes in Slovenian municipalities and identifies significant differences between the statistical areas. The analysis of the statistical data reveals that (1) the populations of as many as 115 of 210 municipalities experienced declines between 2010 and 2018. The remaining 95 municipalities experienced population growth. (2) The populations of urban centres are growing, with more than a third (34.7%) of the total population living in 11 urban municipalities. (3) More than one of every five inhabitants (22.1%) live in the three largest urban municipalities (Ljubljana, Maribor and Kranj). (4) The population is concentrated in Slovenia's centre, near the capital city, where we have seen a trend of dramatic population growth.

The analysis of the qualitative data shows that there is no »one-size-fits-all« approach for managing local government because managing growth differs from managing declines. Our study shows that municipalities face pressing issues, regardless of whether their populations are growing or shrinking. Some municipalities face overcrowding and spatial distress, which force them to invest in public infrastructure, while other municipalities are struggling to maintain partially occupied or empty real estate. This struggle is becoming too expensive and too demanding for them as they fight to maintain existing public services as well.

We should ask whether immigration automatically means that one municipality is more attractive and vice versa: whether emigration means that certain municipalities are unattractive. We argue that this is not the case because emigration and immigration are affected by external factors. In this study, we analysed one of the external factors (the national highway system). We should recall that the analysis showed that the municipalities, which are relatively close to the highways, mostly experienced population growth during the last eight years. Most of the municipalities that are located farther from the highways, and, therefore, are more difficult to access, have experienced population declines during the same period. Therefore, some municipalities became attractive due to the transportation infrastructure while other municipalities experienced population declines and lost potential business investors due to the lack of transportation infrastructure.

During the interviews, we found that, regardless of how local leaders tried to improve the attractiveness of their municipalities, the state and its public policies played a key role, directly impacting local efforts and, consequently, demographic changes. The leaders also highlighted the state centralisation and the absence of a regional level. They saw the occasional political aspirations to merge or even eliminate the smaller municipalities as profoundly unhelpful, and they are fighting to ensure that the municipalities beyond the Central Slovenia statistical region would not be merely leisure settlements but would be areas that are creative and offer opportunities for better living.

The residents of Slovenia are able to choose between living comfortably in the country's urban municipalities, which have significantly developed infrastructure, and living in the somewhat more remote rural municipalities that offer clean natural environments but also more demanding living conditions. The choice, of course, depends on the people who will continue to dictate these demographic changes. However, these challenges will not be the problem of municipalities alone, but, increasingly, the problem of the state.

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