

COMPETITIVE REGIONS

PROJECT DESCRIPTION AND METHODOLOGY

MOLDOVA

Question to a tennis player: "How did you beat your counterpart?"

Answer of the tennis player: "With the racket."

Question to an analyst: "Why is the district of Sabinov poorer than the one of Trnava?"

Answer of the analyst: "Because quadruple GDP is generated in Trnava compared to Sabinov."

Both answers have two features in common:

1. They are correct.
2. They fail to explain the reasons.

The tennis player might have been successful when serving, he played well at the net, he returned balls to his counterpart's backhand so that the latter was struggling all match long. Perhaps qualified workforce is scarce in the district of Sabinov, local administration fails to offer investors appropriate premises, the district may lack adequate road infrastructure, or there is high local tax burden. It is evident that the district of Sabinov is characterised by low competitiveness in comparison with other regions. Growing competitiveness of districts in the Slovak Republic is the key to eliminating economic disparities among regions.

PROJECT GOAL

To create the comparative assessment model of Moldovan regions competitiveness in order to highlight the opportunities of particular regions and to identify their weaknesses that hinder their competitiveness. Further, the competitiveness analysis of regions should provide stakeholders with information about current state of business environment in the regions and about specific needs for economic development in the regions.

INITIAL SITUATION AND ARGUMENTS FOR PROJECT REALIZATION

Regional disparities are deemed by the EU, the World Bank, OECD and other institutions to be one of the major problems of a country. Public debates merely compare GDP, investments or unemployment in regions. Yet, this does not suffice for proper understanding of competitive disadvantages of districts and regions.

Leading international institutions apply from 200 (World Economic Forum) to 350 (Institute for Management of Development – IMD) various indicators in their analyses of competitiveness. Most indicators covered by the assessment may be applied also to the microregional level. It is essential to be aware of the quality and barriers of the local business environment affecting the performance of businesses and decisions of investors. Such assessment of the regional business environment may be only carried out on the basis of a detailed SWOT analysis of strengths, weaknesses, opportunities and threats applied to regions based on available statistics in combination with information resulting from surveys among entrepreneurs.

BAS has own experience with designing a model aimed at assessment of the business environment quality in regions and is available to assist to Moldovan partner to develop the assessment of competitiveness of regions in Moldova.

When assessing competitiveness Business Alliance of Slovakia (BAS) drew on its extensive expertise owing to its ten-year cooperation with the World Economic Forum (WEF) in preparation of the Global Competitiveness Report, where BAS features as a partner organisation of WEF in the Slovak Republic. Just like countries are compared in terms of competitiveness with the aim to point out at competitive advantages and disadvantages of the respective countries so as to make it easier for their governments to identify lagging areas of the economy, it is feasible to compare even regions and districts within individual countries as well as to formulate strategies for accelerated development of regions and mitigation of regional disparities.

ANALYSIS OF NEEDS ON THE INDIVIDUAL PROJECT

Although no state representative doubts about regional disparities, there is no complex analysis that could clearly explain why some regions significantly lag behind the average in regards with economic activity. Project is intended for local

administration representatives to give them useful tool for development of regions and for elimination of the local business environment barriers.

The most significant barriers of doing business will be analyzed and recommendations how to eliminate competitive disadvantages and how to foster competitiveness advantages will be prepared by the project team for local governments. Central government may expect more precise information about regional development needs thanks to outcomes of this project.

As a final consequence, growth of business activities in Moldovan regions may be expected which will deliver new jobs, higher competition on labour market, higher wages and better work conditions.

APPLICABILITY OF PROJECT OUTPUTS – TARGET GROUPS

Local administration in the capacity to affect a region's growth intensity is the key target of project outputs. Administration representatives will be provided with a tool describing competitive advantages/disadvantages of the respective region and formulating a development strategy aimed at intensification of economic activity in the region. Project outputs will be available to open public, from which the project team expects a higher pressure put on elected representatives in local administration as well as in central government and the parliament directed at enhancing the quality of local business environment as a key to higher growth of the population's living standard.

In line with project outputs it will be possible to differentiate regions better and to adopt regional development policy measures more adequately in favour of less performing regions (social and job market policy instruments, state aid, investment incentives...) on the public administration level. Extensive database of key indicators will be created for each region.

Entrepreneurs and foreign investors will gain the opportunity to apply project outputs in their decision-making on allocation of their investments. Database of analysed parameters will enable to filter those that are relevant for their business and to use them for own comparisons of regions. Project outputs will inform entrepreneurs about the conditions for doing business in neighbouring regions, and by doing so, strengthen competition among regions and put pressure particularly on local administration to improve local business environment.

Creation of an interactive web page will make it possible to update model values automatically, which will ensure the lifecycle of project outputs over several years and enable to monitor progress made by individual regions.

MAIN ACTIVITIES

1. Definition of data to be collected and collection of statistical data for need of drawing up the Regional Business Environment Index (hereinafter only RBEI)
 - index should be composed of as many regional parameters as possible (more than 50)
2. Survey of opinions of managers on barriers of business in regions and possible improvements of regional business environment
 - activity envisages development of database of entrepreneurs from all regions; addressing in the form of questionnaire; data will be used for needs of RBEI and formulation of basic visions of regions development; we will need at least 20 responses from each region
3. Processing statistical data and data from the survey to standardized form (xls) to be used in mathematical model.
4. Calculation of RBEI and its subindexes and pillars (*SK team*)
5. Description of economic situation in the regions, description of the key economic players, and identification of competitive advantages and disadvantages of the regions based on RBEI and its pillars results. Formulation of development strategies.
6. Preparation of the study (publication) on competitiveness of districts (in Moldovan / English languages) and preparation of investment map of Moldova by quality of local business environment.
7. Development of interactive web page (in Moldovan / English languages) to:
 - Visualize the project results – creation of web application, where all information about regions gained within previous activities will be displayed upon clicking to map

- Interactivity of the web page will enable users to adjust the weight of RBEI parameters to make individual assessments of region based on individual preferences (*SK team*)

TIMETABLE OF PROJECT REALIZATION

Activity number	2015		2016											
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Okt	Nov	Dec
1	x	x												
2			x	x	x									
3				x	x	x	x							
4								x	x	x				
5											x	x		
6													x	
7												x	x	

LIST OF INDICATORS USED IN SLOVAK ASSESSMENT MODEL

1st pillar: Economic environment

1.01 Population density

20 | + | inhabitants / km²

Proportion of the population of the district to its size.

Source: Database of Regional Statistics, Statistical Office of the SR | 2008

1.02 Urbanization

12 | + | %

The share of population in cities in the total population of the district.

Source: Database of Regional Statistics, Statistical Office of the SR | 2008

1.03 Impact of district location on doing business*

12 | survey

How does your district location (availability of motorways, railways, proximity to customers, relationship to neighboring districts ...) affect business opportunities?

1 – its position is a crucial competitive disadvantage

6 – its strategic location allows for greater success in the market

1.04 Impact of natural conditions on doing business*

4 | survey

How do the natural conditions in your region (climate, floods, terrain, ...) affect business opportunities?

1 – significantly increase business costs

6 – they are no obstacle

1.05 Area of agricultural land

5 | + | %

The share of agricultural land in a total area of the district.

Source: Database of Regional Statistics, Statistical Office of the SR | 2008

1.06 Current business conditions*

10 | survey

Assess your overall satisfaction with the current business conditions in your district

1 – maximum dissatisfaction

6 – maximum satisfaction

1.07 Change of business conditions in recent years*

4 | survey

Assess your overall satisfaction with the changes in business conditions in your district over the last three years

1 – maximum dissatisfaction

6 – maximum satisfaction

1.08 Barriers to improving business conditions*

8 | survey

Do you perceive any barriers to improving business conditions in your district?

1 – I see obstacles in many areas

6 – conditions in the region fully support the development of business environment

1.09 Impact of the minimum wage on doing business*

3 | survey

Does the level of minimum wage harm the business in your district?

1 – significantly impedes the employment of low skilled workforce

6 – its level is not a barrier to business

1.10 Impact of the informal economy on doing business*

8 | survey

To what extent does the informal economy (undocumented transactions) harm the business in your district?

1 – very adversely affects market conditions

6 – informal economy does not exist in the district

1.11 Level of competitiveness in services*

10 | survey

How well is competitiveness in services developed in your district?

1 – the district suffers from a significant lack of competition

6 – competition is very well developed

1.12 Level of competitiveness in industry*

8 | survey

How well is competitiveness in industry developed in your district?

1 – the district suffers from a significant lack of competition

6 – competition is very well developed

1.13 Reliability of business partners*

11 | survey

Do you consider your business partners in your district reliable and trustworthy?

1 – they often do not adhere to the agreed conditions

6 – I can totally rely on them

1.14 Availability of financial and capital resources*

8 | survey

How accessible are financial and capital resources in your district?

1 – the costs of obtaining necessary resources are intolerable

6 – we can secure the necessary resources very effectively

1.15 Availability of necessary materials and services*

7 | survey

How difficult is it for your company to secure the materials and services necessary for its operation?

1 – their acquisition is very demanding and requires a long time

6 – we can secure them very effectively

1.16 Development potential of the district*

8 | survey

How do you perceive the development potential of your district?

1 – will be the slowest developing district in the Slovak Republic

6 – will be the fastest developing district in the Slovak Republic

1.17 Potential for tourism development*

6 | survey

What is the potential for tourism development in your district?

1 – the district does not have conditions for attracting visitors

6 – favorable conditions in the region allow significant development of services in tourism

1.18 Economically active population

10 | + | %

The share of economically active population in the total population of the district, where economically active people are defined as persons aged 15 years or more who work in the civil sector, are unemployed or are members of the armed forces.

Source: Database of Regional Statistics, Statistical Office of the SR | 2008

1.19 Social benefit claims

8 | – | EUR

Average funds monthly drawn on social benefits per capita.

Source: Central Office of Labor, Social Affairs and Family of the SR | Nov. 2009

1.20 Share of foreign companies

5 | + | %

The share of foreign private enterprises in the total number of enterprises in the district, where foreign companies are defined as subjects founded and controlled by a foreign legal entity or a natural person – entrepreneur.

Source: Database of Regional Statistics, Statistical Office of the SR | 2008

1.21 Share of international companies

5 | + | %

The share of international private enterprises in the total number of enterprises in the district, where international companies are defined as subjects founded jointly by an inland and foreign legal person or a natural person – entrepreneur.

Source: Database of Regional Statistics, Statistical Office of the SR | 2008

2nd pillar: Economic output

2.01 Construcion output

48 | + | Sk

The volume of construction production done by own employees in domestic enterprises based on the construction site per capita – weighted average for the years 2006, 2007 and 2008, with weights 12, 16 and 20, respectively.

Source: Yearbook of construction in the SR 2009, Statistical Office of the SR | 2006 – 2008; Database of Regional Statistics, Statistical Office of the SR | 2006 – 2008

2.02 Construction of apartments

12 | + | no unit

Composite indicator. The first component with a weight of 6 represents a transformed number of apartments under construction in the district per capita as at December 31, 2008. The second component, also with a weight of 6, represents a transformed weighted sum of the number of completed apartments in the district per capita in the years 2006, 2007 and 2008, with weights of 0.75, 1 and 1.25, respectively.

Source: Database of Regional Statistics, Statistical Office of the SR | 2006 – 2008

2.03 Produced added value

30 | + | Sk

The average added value produced by one employee working in the district.

Source: Yearbook of industry in the SR 2009, Statistical Office of the SR | 2008

2.04 Employee productivity

45 | + | Sk

Composite indicator. The first component with a weight of 15 represents transformed average employee productivity in the district. The second component, also with a weight of 15, represents transformed average volume of production per employee. The third component with a weight of 15 represents transformed turnover per employee.

Source: Yearbook of industry in the SR 2009, Statistical Office of the SR | 2008

2.05 Level of industry development

4 | + | %

The share of the average recalculated registered number of employees in industry in the total economically active population of the district.

Source: Yearbook of industry in the SR 2009, Statistical Office of the SR | 2008

2.06 Environmental friendliness of production

15 | – | kg / Sk

Composite indicator. The first component with a weight of 6 represents transformed volume of particulate emissions produced in the district per produced value equivalent to 1 Sk. The next three components, each with a weight of 3, are transformed volumes of carbon monoxide, nitrogen oxides and sulfur dioxide emissions produced in the district per produced value equivalent to 1 Sk.

Source: Database of Regional Statistics, Statistical Office of the SR | 2007, Yearbook of industry in the SR 2009, Statistical Office of the SR | 2007

2.07 Air pollution

5 | – | kg / km²

Composite indicator. The first component with a weight of 2 represents transformed volume of particulate emissions produced in the district per 1 km² of district area. The next three components, each with a weight of 1, represent transformed volumes of carbon monoxide, nitrogen oxides and sulfur dioxide emissions produced in the district per 1 km² of district area.

Source: Database of Regional Statistics, Statistical Office of the SR | 2007

2.08 Tourism activity

15 | + | no unit

Number of overnight visitors in accommodation facilities in the district per capita.

Source: Database of Regional Statistics, Statistical Office of the SR | 2008

2.09 Tourism attractiveness

15 | + | no unit

Proportion of overnight visitors in accommodation facilities in the district to district area.

Source: Database of Regional Statistics, Statistical Office of the SR | 2008

2.10 Profitability and productivity of businesses*

8 | survey

How do you perceive the prevailing profitability and productivity of your enterprise?

1 – our revenues are insufficient even to cover the necessary costs

6 – our management enables the company to significantly expand

2.11 Level of corruption among private businesses*

6 | survey

To what extent, in your estimation, does corruption among private enterprises occur in your district?

1 – its presence significantly deforms market conditions

6 – corruption among private enterprises is not present in the district

2.12 Development potential of businesses*

6 | survey

How do you perceive the development potential of your business?

1 – I assume its bankruptcy

6 – I assume its distinctive development

3rd pillar: Legislation

3.01 Barriers to business development*

6 | survey

Do you perceive any barriers to the development of your business?

1 – barriers do significantly and often unnecessarily limit its development

6 – development of our business is by no means restricted

3.02 Perception of local taxes*

4 | survey

How do you perceive the level of local taxes?

1 – local taxes are extremely high

6 – local taxes are negligible

3.03 Business development prospects*

8 | survey

Will the current barriers to the development of your business be removed in the next two years?

1 – I expect substantial worsening of business conditions

6 – I am already noticing a significant improvement of business conditions

3.04 Non–construction land tax

5,25 | – | EUR / m²

Composite indicator. The first component with a weight of 1 represents transformed tax rate on arable land, hop gardens and vineyards. The second component, also with a weight of 1, represents transformed tax rate on permanent grassland. The third component, with a weight of 0.25, represents transformed tax rate on gardens. The fourth component, with a weight of 2, represents transformed tax rate on built–up areas and courtyards. The last component, with a weight of 1, represents transformed tax rate on other areas excluding building plot.

Source: Legally binding regulations of district centers | 2010

3.05 Building site tax

8 | – | EUR / m²

Tax rate on building site.

Source: Legally binding regulations of district centers | 2010

3.06 Housing tax and tax on ancillary facilities

2,25 | – | EUR / m²

Composite indicator. The first component with a weight of 1 represents transformed tax rate on buildings for housing and small buildings that have a function ancillary to that of the main building. The second component, with a weight of 0.25, represents transformed tax rate on recreational gardeners' cottages and houses for individual recreation. The third component, with a weight of 1, represents transformed tax rate on detached garage and separate garage buildings designed or used for these purposes, but built outside of residential buildings.

Source: Legally binding regulations of district centers | 2010

3.07 Agricultural and irrigation tax

2 | – | EUR / m²

Tax rate on buildings for agricultural production, greenhouses, structures for water management, buildings used for storage of own agricultural production, including buildings for own administration.

Source: Legally binding regulations of district centers | 2010

3.08 Industrial property tax

10 | – | EUR / m²

Composite indicator. The first component with a weight of 8 represents transformed tax rate on industrial buildings, power engineering buildings, construction, buildings used for storage of own productions, including buildings for own administration. The second component, with a weight of 2, represents transformed tax rate on other buildings.

Source: Legally binding regulations of district centers | 2010

3.09 Taxes on buildings for other business

10 | – | EUR / m²

Composite indicator. The first component, with a weight of 8, represents transformed tax rate on buildings for other business, storage and administration associated with business. The second component, with a weight of 2, represents transformed tax rate on other buildings.

Source: Legally binding regulations of district centers | 2010

3.10 Apartment and non–residential property tax

2,5 | – | EUR / m²

Composite indicator. The first component, with a weight of 0.25, represents transformed tax rate on flats. The second component, with a weight of 2, represents transformed tax rate on non–residential premises for business. The third component, with a weight of 0.25, represents transformed tax rate on business premises.

Source: Legally binding regulations of district centers | 2010

3.11 Motor vehicle tax

12 | – | EUR / m²

Composite indicator. The first component, with a weight of 4, represents transformed tax rate on passenger cars with engine capacity from 1500 ccm to 2000 ccm. The second component, also with a weight of 4, represents transformed tax rate on commercial 1– or 2– axle vehicles and buses from 2 tons to 4 tons. The third component, with a weight of 4, represents transformed tax rate on 3–axle commercial vehicles and buses from 19 tons to 21 tons.

Source: Legally binding regulations of self–governing regions | 2009

3.12 Charges for municipal waste

8 | – | EUR / l

Composite indicator. The first component, with a weight of 3, represents transformed fee for garbage collection from waste containers (dustbin) with a capacity of 110 liters. The second component, with a weight of 5, represents transformed fee for a garbage collection from waste containers with a capacity of 1100 liters.

Source: Legally binding regulations of district centers | 2009

4th pillar: Public administration

4.01 Fulfillment of tasks by local authorities*

10 | survey

Do the authorities perform their duties as expected by entrepreneurs?

1 – they perform their duties very poorly

6 – they perform duties beyond their obligations

4.02 Bureaucracy and delays in the offices*

10 | survey

Do you encounter bureaucracy and delays in the administrative proceeding with the authorities?

1 – everytime

6 – have not encountered yet

4.03 Availability of public information*

6 | survey

How do you perceive communication with the authorities and availability of public information (about the activities of the authorities, regulations, notices, ...)?

1 – I cannot obtain any information

6 – communication is prompt and information is easily available and comprehensible

4.04 Electronic communication with local authorities*

6 | survey

Are you satisfied with the level of electronic communication with the authorities?

1 – authorities do not support electronic communication

6 – they react objectively and expeditiously

4.05 Law enforcement in the district court*

20 | survey

Are you satisfied with the law enforcement in your district court?

1 – judges resolve disputes very slowly and act unfairly

6 – judges resolve disputes without delay and fairly

4.06 Impact of corruption on authorities' decisions*

12 | survey

In your estimation, how often are decisions made by the authorities affected by corruption?

1 – almost always

6 – corruption does not occur in the offices

4.07 Protection of private property*

10 | survey

Is private property in your district protected sufficiently?

1 – state and police fail to protect property

6 – property rights are fully respected

4.08 Interest of the state institutions in the district*

6 | survey

To what extent is the state (government ministries, Parliament, other institutions) interested in your district?

1 – the situation in our district is indifferent to state

6 – the state takes keen interest in solving problems in our district

4.09 Impact of authorities' activities on doing business*

9 | survey

To what extent do the authorities affect business environment?

1 – they create significant barriers

6 – they significantly contribute to its development

4.10 Economic management of local self-governments*

8 | survey

Do the local authorities manage your district effectively?

1 – their ineffective management generates significant debt

6 – their management promotes the development of the region

4.11 Impact of trade unions on doing business*

2 | survey

What is the impact of trade unions on doing business in your district?

1 – their activity significantly harms the business environment

6 – their activity significantly contributes to improving business conditions

5th pillar: Infrastructure

5.01 Availability of banks

12 | + | no unit

Composite indicator. The first component, with a weight of 3, represents a transformed number of branches of commercial banks in the district per 1000 inhabitants. The second component, with a weight of 1, represents a transformed number of other organizational units of commercial banks in the district per 1000 inhabitants. The third component, with a weight of 6, represents a transformed number of branches of commercial banks in the district per 1 km² area of the district. The fourth component, with a weight of 2, represents a transformed number of other organizational units of commercial banks in the district per 1 km² area of the district.

Source: National Bank of Slovakia | Sep. 2009

5.02 Availability of post offices

8 | + | no unit

Composite indicator. The first component, with a weight of 2, represents a transformed number of post offices in the district per 1000 inhabitants. The second component, with a weight of 6, represents a transformed number of post offices in the district per 1 km² area of the district.

Source: Slovak Post Office | Dec. 2008

5.03 Capacity of medical facilities

4 | + | no unit

Number of beds in hospitals in the district per 1000 inhabitants.

Source: National Health Information Center | 2008

5.04 Quality of road infrastructure*

15 | survey

How do you perceive the quality of road infrastructure?

1 – roads are in poor condition and their capacity is significantly underestimated

6 – road infrastructure is well developed and maintained

5.05 Density of motorways

35 | + | %

The share of the area of motorways and motorway feeders in the district in the total area of the district. This indicator is not defined for urban districts of Bratislava and Košice, for the purpose of our index, motorways and their feeders in the urban districts are categorized as 1st class roads.

Source: Slovak Road Administration | Dec. 2008

5.06 Density of 1st class roads

25 | + | %

The share of the area of 1st class roads in the total area of the district. In the case of urban districts of Bratislava and Košice, the area of motorways and their feeders multiplied by 1.4 is added to the area of 1st class roads.

Source: Slovak Road Administration | Dec. 2008

5.07 Density of 2nd class roads

15 | + | %

The share of the area of 2nd class roads in the total area of district.

Source: Slovak Road Administration | Dec. 2008

5.08 Density of 3rd class roads

5 | + | %

The share of the area of 3rd class roads in the total area of district.

Source: Slovak Road Administration | Dec. 2008

5.09 Utilization of roads

20 | – | %

Proportion of the number of passenger cars in the district to the weighted sum of the areas of highways and 1st, 2nd and 3rd class with weights of 7, 5, 3 and 1, respectively.

Source: Ministry of Interior of the Slovak Republic | Dec. 2008; Slovak road administration | Dec. 2008

6th pillar: Technology

6.01 Inflow of foreign direct investments

60 | + | no unit

Inflow of foreign direct investments into the district by the year 2008 per capita.

Source: Database of Regional Statistics, Statistical Office of the SR | 2008

6.02 Technology level*

24 | survey

How do you perceive the level of technological sophistication in your district?

1 – our district is one of the least technologically advanced in Slovakia

6 – our district is one of the most technologically advanced in Slovakia

6.03 Ability of businesses to use latest technologies*

6 | survey

Is your company able to use the latest technologies?

1 – latest technologies are of no benefit to our business

6 – our services/products are based on them

6.04 Usage of Internet services by businesses*

10 | survey

To what extent does your company use internet services?

1 – our company has no website or e-mail

6 – Internet and electronic communication are essential to our business

6.05 Information on the supply of goods and services*

3 | survey

Do you have enough information on goods and services available in your district?

1 – it is extremely difficult to obtain information

6 – information can be obtained very easily

6.06 Usage of personal motor vehicles

10 | + | no unit

Number of vehicles registered in the district used primarily for passenger car traffic per capita.

Source: Ministry of Interior of the Slovak Republic | Dec. 2009

6.07 Usage of trucks

10 | + | no unit

Number of vehicles registered in the district used primarily for cargo transport per 1 Sk of produced value.

Source: Ministry of Interior of the Slovak Republic | Dec. 2009

6.08 Usage of technical motor vehicles

4 | + | no unit

Number of technical motor vehicles registered in the district per 1 Sk of produced value.

Source: Yearbook of industry in the SR 2009, Statistical Office of the SR | 2009

7th pillar: Human resources

7.01 Life expectancy

8 | + | year

Composite indicator. The first component, with a weight of 4, represents transformed life expectancy at birth of men.

The second component, also with a weight of 4, represents transformed life expectancy at birth of women.

Source: Database of Regional Statistics, Statistical Office of the SR | 2008

7.02 Natural population growth

4 | + | no unit

Difference between the number of live births and deaths of persons per 1000 inhabitants of the district.

Source: Database of Regional Statistics, Statistical Office of the SR | 2008

7.03 Ageing index

10 | – | no unit

Number of persons in productive age per 100 persons in pre-productive age. Methodology of the Statistical Office defines persons in the post-productive age as men aged 60 and over and women aged 55 and over.

Source: Database of Regional Statistics, Statistical Office of the SR | 2008

7.04 Registered unemployment rate

50 | – | %

The registered unemployment rate calculated according to the methodology of the Ministry of Labour, Social Affairs and Family as a proportion of available jobseekers to the total economically active population of the district.

Source: Central Office of Labor, Social Affairs and Family of the SR | Dec. 2009

7.05 Perception of unemployment*

8 | survey

How would you describe unemployment in your district?

1 – I find it alarming

6 – anyone who wants to work has already got the job

7.06 Share of long-term jobseekers

20 | – | index

The share of long-term jobseekers is evaluated on the basis of the index of a period of time a jobseeker needs to find work. This index is a function of the length of the period of unemployment of all jobseekers and is calculated from the number of people in 11 different groups according to the length of the registered period as follows: 1) based on twelve monthly data from 2009, the average number of applicants throughout the year for each group was calculated; 2) dividing the number of applicants in each group by the total population of district gives us the share of applicants in

all groups; 3) average share of applicants is calculated (arithmetic mean of 11 numbers); 4) dividing the shares in 11 groups by the above-mentioned average creates 11 coefficients, which compare the average number of applicants in each group; 5) the resulting index is defined as a weighted average of these coefficients, where the weight of each coefficient is equal to the square root of the center of appropriate interval, considering the center of the last interval to be 72 months. Note: if all groups contain the same number of jobseekers, the index equals 1. The less the index value, the shorter period of time the applicant seeks his job. Conversely, an index greater than 1 indicates the predominance of long-term unemployed jobseekers.

Source: Central Office of Labor, Social Affairs and Family of the SR | Jan. 2009 –Dec. 2009

7.07 Age structure of jobseekers

8 | – | index

Age structure of jobseekers is evaluated on the basis of similarly named index. This index is a function of the age of all jobseekers in the district and is calculated from the number of applicants in 10 different age groups, each containing a five-year interval, as follows: 1) based on nine monthly data of Jan. 2009 – Sep. 2009, the average number of applicants throughout the period for each group was calculated; 2) dividing the number of applicants in each group by the total population of district gives us the share of applicants in all groups; 3) the average share of applicants is calculated (arithmetic mean of 10 numbers); 4) dividing the shares in 10 groups by the above-mentioned average creates 10 coefficients, which compare the average number of applicants in each age group; 5) the resulting index is defined as a weighted average of these coefficients, where the weight of each coefficient is gradually (from the youngest to the oldest) {3.5; 1; 1.5; 2; 2.5; 3; 3.5; 4; 4.5}. Note: if all groups contain the same number of jobseekers, the index equals 1. The less the index value, the younger the average jobseeker. Conversely, the index greater than 1 indicates a predominance of older jobseekers.

Source: Central Office of Labor, Social Affairs and Family of the SR | Jan. 2009 –Sep. 2009

7.08 Availability of free labor*

4 | survey

Is there long-term availability of employable workforce in your district?

1 – we are forced to look for free workforce outside our district

6 – number of people applying for jobs far exceeds the demand

7.09 Labor market dynamics

10 | + | no unit

For each month in 2009, the sum of inflow and outflow of jobseekers in the district was calculated. This sum was then divided by the total number of jobseekers in the district at that time. Averaging this twelve monthly data gives us the average rate of labor market dynamics throughout 2009.

Source: Central Office of Labor, Social Affairs and Family of the SR | Jan. 2009 – Dec. 2009

7.10 Job vacancies in services

2 | – | no unit

Vacancies for each class of ISCO job classification, categories 1 to 5 – services and administration.

Source: Central Office of Labor, Social Affairs and Family of the SR | Dec. 2009

7.11 Job vacancies in industry

4 | – | no unit

Vacancies for each class of ISCO job classification, categories 6 to 8 – industry.

Source: Central Office of Labor, Social Affairs and Family of the SR | Dec. 2009

7.12 Unskilled job vacancies

6 | – | no unit

Vacancies for each class of ISCO job classification, category 9 – unskilled jobs.

Source: Central Office of Labor, Social Affairs and Family of the SR | Dec. 2009

7.13 Migration of skilled labor*

6 | survey

How do you perceive the movement of skilled labor from and to your district?

1 – district suffers from a significant outflow of skilled workers

6 – availability of attractive job vacancies motivates skilled workers to arrive

7.14 Net migration

10 | + | no unit

The difference between the number of immigrants and emigrants per 1000 inhabitants of the district.

Source: Database of Regional Statistics, Statistical Office of the SR | 2008

7.15 Average monthly wage

50 | + | Sk

The average monthly wage in industry (natural persons).

Source: Yearbook of industry in the SR 2009, Statistical Office of the SR | 2008

7.16 Wage expectations of jobseekers*

4 | survey

Do the jobseekers in your company have adequate expectations about their monthly wage?

1 – wage expectations are much higher than is the real benefit from employee

6 – wage expectations are significantly lower than offered by the labor market conditions

7.17 Discipline and diligence of employees*

8 | survey

How are you satisfied with the discipline and diligence of your employees?

1 – poor employee discipline significantly reduces the productivity of our business

6 – employees are willing to contribute to the enhancement of the company's performance

7.18 Duration of sick leave

16 | – | %

Proportion of the number of calendar days of sick leave due to illness or injury to the number of days covered by sickness insurance.

Source: Database of Regional Statistics, Statistical Office of the SR | 2008

7.19 Employee motivation for productivity increase*

4 | survey

Are employees in your company motivated to increase their labor productivity (e.g. by a remuneration system)?

1 – employee motivation is very low

6 – motivation system is one of the main sources of our business development

7.20 Fairness in employee selection*

10 | survey

How are employees in your district selected for their jobs (both management and regular)?

1 – positions are filled by close friends or family members irrespective of their quality

6 – employees are selected solely on the basis of best qualification

8th pillar: Education

8.01 Level of education*

18 | survey

How do you perceive the level of education of people in your district?

1 – as the lowest among all districts in Slovakia

6 – as the highest among all districts in Slovakia

8.02 Knowledge of foreign languages*

12 | survey

What is the level of foreign language skills of people in your district?

1 – their poor knowledge of foreign languages significantly complicates business and discourages investors

6 – their good knowledge of foreign languages greatly increases work efficiency

8.03 School leaving examination results – Slovak language

16 | + | no unit

Composite indicator. The first component, with a weight of 8, represents a transformed average success rate of students from gymnasiums taking examination in written Slovak language. The second component, also with a weight

of 8, represents a transformed average success rate of students from secondary vocational schools taking examinations in written Slovak language.

Source: National Institute for Certified Educational Measurements | May 2009

8.04 School leaving examination results – Mathematics

16 | + | no unit

Composite indicator. The first component, with a weight of 8, represents a transformed average success rate of students from gymnasiums taking examinations in the mathematics. The second component, also with a weight of 8, represents a transformed average success rate of students from secondary vocational schools taking examinations in the mathematics.

Source: National Institute for Certified Educational Measurements | May 2009

8.05 Number of secondary school students

8 | + | %

Composite indicator. The first component, with a weight of 4, represents a transformed share of gymnasium students in the general population. The second component, also with a weight of 4, represents a transformed share of secondary vocational school students in the general population.

Source: Institute of Information and Prognosis in Education | Sep. 2008

8.06 Scores achieved in Monitor 9 test – Slovak language

8 | + | no unit

The average percentage of primary school pupils in Monitor 9 – score achieved in the test of the Slovak language.

Source: National Institute for Certified Educational Measurements | May 2009

8.07 Scores achieved in Monitor 9 test – Mathematics

8 | + | no unit

The average percentage of primary school pupils in Monitor 9 – score achieved in the test of mathematics.

Source: National Institute for Certified Educational Measurements | May 2009

8.08 Number of primary school pupils

4 | + | %

The share of primary school pupils in the general population.

Source: Institute of Information and Prognosis in Education | Sep. 2008

8.09 Connection of vocational schools and labor market*

12 | survey

How do you perceive the interconnection between vocational schools in your district and the labor market?

1 – schools produce graduates with low chances of employment

6 – the training fully corresponds with the practical needs

8.10 Qualification of jobseekers*

12 | survey

How do you perceive the qualifications of jobseekers in your district?

1 – candidates need additional training to increase their chances in job market

6 – qualification of applicants fully meets the needs of the market

8.11 Availability of highly skilled labor

8 | – | %

Composite indicator. The first component, with a weight of 5, represents a transformed share of unemployed with university degree in the total economically active population in the district. The second component, with a weight of 3, represents a transformed proportion of unemployed graduates with university degree to the total economically active population in the district.

Source: Central Office of Labor, Social Affairs and Family of the SR | Sep. 2009

8.12 Availability of skilled labor

10 | – | %

Composite indicator. The first component, with a weight of 4, represents a transformed share of unemployed with upper secondary education in the total economically active population of the district. The second component, with a weight of 3, represents a transformed proportion of unemployed with vocational education to the total economically active population of the district. The third component, with a weight of 2, represents a transformed share of unemployed school leavers with upper secondary education in the total economically active population of the district.

The last component, with a weight of 1, represents a transformed share of unemployed graduates with vocational education in the total economically active population of the district.

Source: Central Office of Labor, Social Affairs and Family of the SR | Sep. 2009

8.13 Availability of unskilled labor

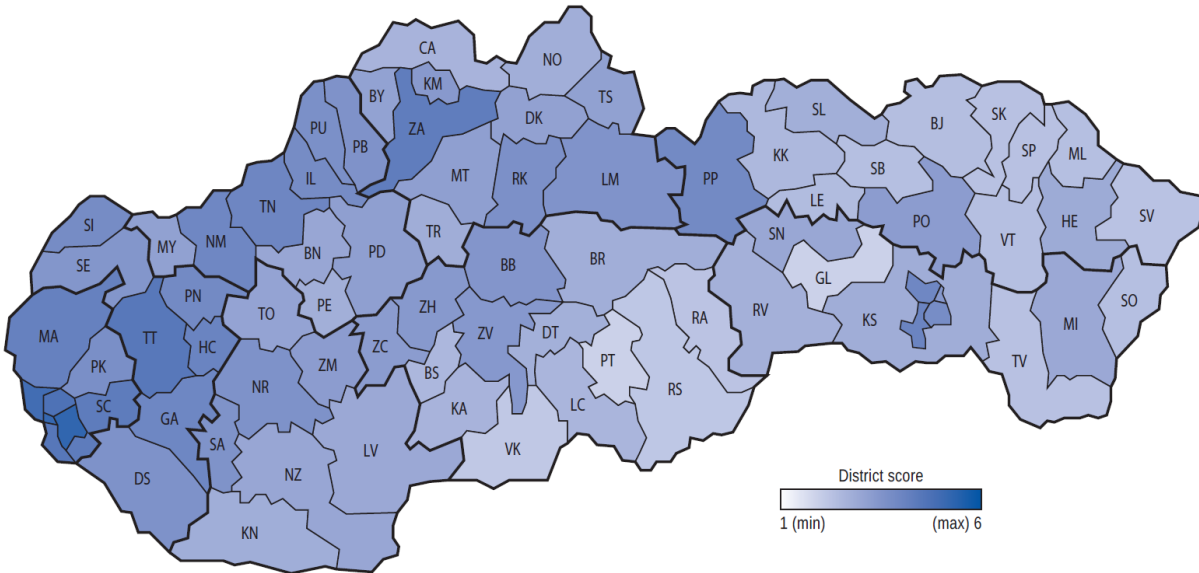
2 | – | %

The share of unemployed with primary education or no education in the total economically active population.

Source: Central Office of Labor, Social Affairs and Family of the SR | Sep. 2009

COMPETITIVENESS MAPS OF SLOVAK REGIONS

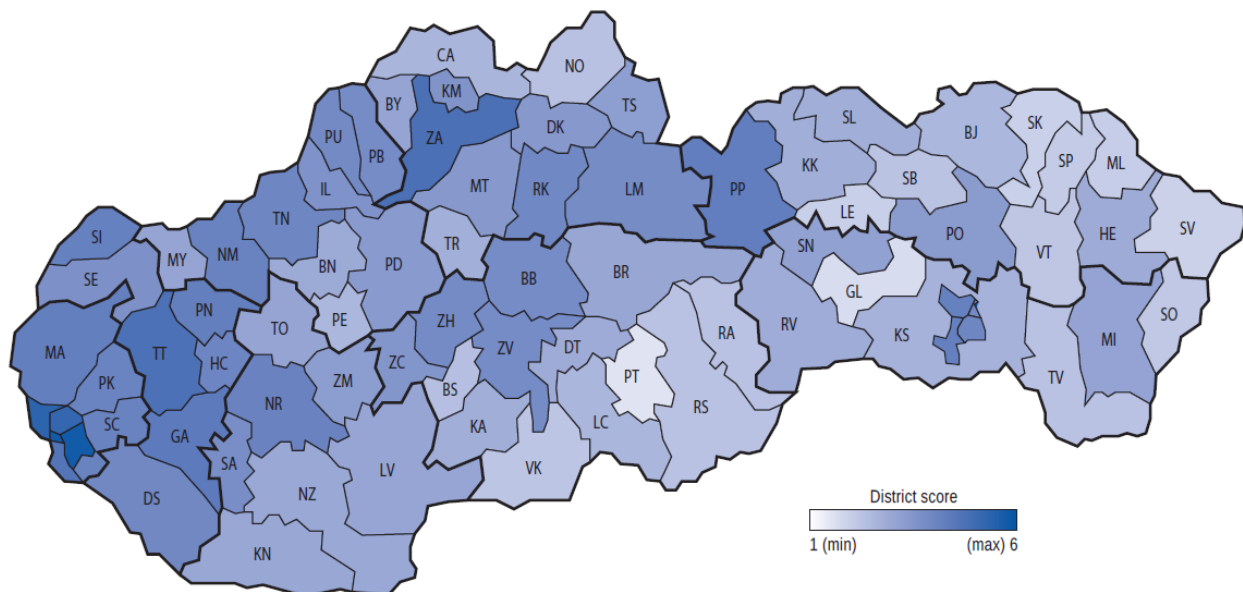
Regional Business Environment Index



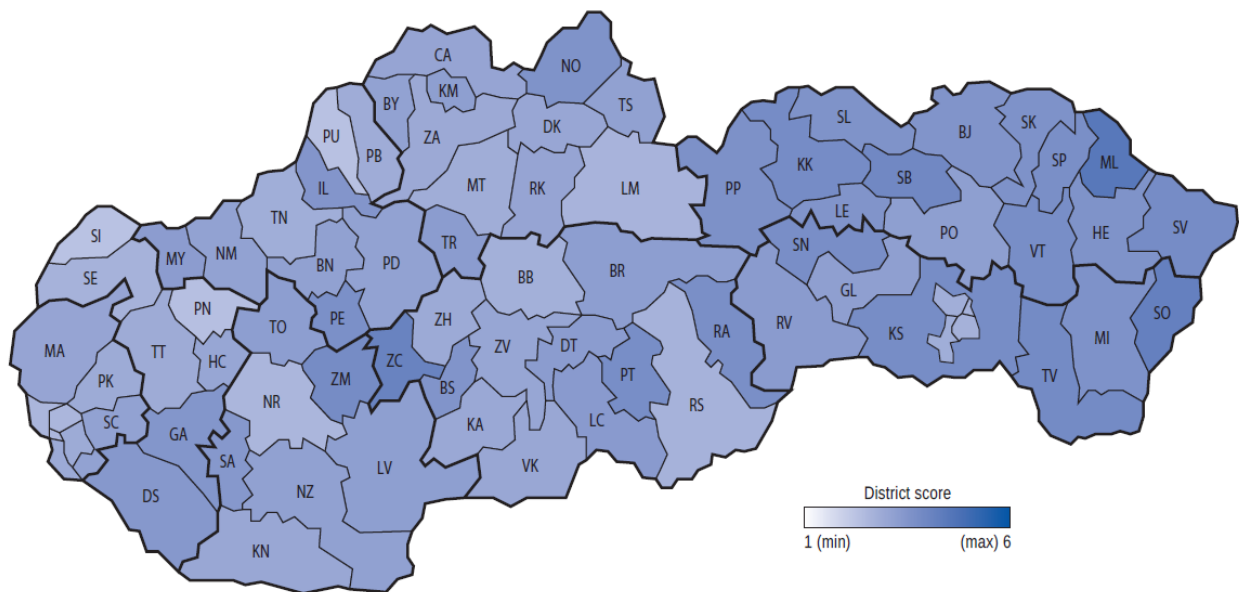
		RBEI	Sub.1	Sub.2	Sub.3	Sub.4
	District	Score	Score	Score	Score	Score
1	BA Bratislava II	4.48	4.95	3.18	4.73	4.46
2	BA Bratislava I	4.42	4.96	3.01	4.48	4.50
3	BA Bratislava IV	4.27	4.55	3.02	4.26	4.58
4	BA Bratislava III	4.14	4.43	3.02	4.20	4.34
5	BA Bratislava V	4.02	4.07	3.19	4.19	4.25
6	TT Trnava	4.00	4.14	3.17	4.16	4.13
7	SC Senec	3.92	3.80	3.31	4.12	4.20
8	ZA Žilina	3.90	4.17	3.20	3.93	3.95
9	MA Malacky	3.84	3.86	3.26	3.89	4.05
10	HC Hlohovec	3.78	3.75	3.25	3.94	3.96
11	KE Košice II	3.77	3.86	3.14	3.92	3.89
12	TN Trenčín	3.75	3.73	3.13	3.99	3.87
13	GA Galanta	3.73	3.94	3.48	3.38	3.89
14	KE Košice I	3.73	3.84	3.12	3.85	3.81
15	NM Nové Mesto nad Váhom	3.72	3.80	3.31	3.87	3.73
16	PN Piešťany	3.68	3.86	2.88	3.77	3.79
17	PP Poprad	3.67	3.89	3.56	3.64	3.51
18	SI Skalica	3.64	3.84	2.85	3.81	3.70
19	IL Ilava	3.64	3.53	3.49	3.76	3.75
20	KE Košice IV	3.62	3.73	3.09	3.88	3.60
21	PK Pezinok	3.58	3.79	3.17	3.00	3.97
22	PU Púchov	3.58	3.67	2.87	3.81	3.63
23	RK Ružomberok	3.56	3.71	3.27	3.44	3.64
24	NR Nitra	3.54	3.79	3.01	3.25	3.74
25	DS Dunajská Streda	3.54	3.70	3.46	3.27	3.61
26	PB Považská Bystrica	3.53	3.64	3.16	3.62	3.54
27	SA Šaľa	3.53	3.60	3.46	3.31	3.63
28	LM Liptovský Mikuláš	3.52	3.65	3.05	3.64	3.52
29	BB Banská Bystrica	3.48	3.64	3.11	3.21	3.70
30	SE Senica	3.48	3.56	3.07	3.71	3.44
31	KE Košice III	3.45	3.67	3.08	3.34	3.55
32	ZV Zvolen	3.45	3.63	3.25	3.14	3.57
33	ŽH Žiar nad Hronom	3.44	3.67	3.10	3.21	3.50

		RBEI	Sub.1	Sub.2	Sub.3	Sub.4
	District	Score	Score	Score	Score	Score
40	MY Myjava	3.33	3.28	3.38	2.98	3.62
41	TS Tvrdošín	3.33	3.37	3.33	2.90	3.59
42	DK Dolný Kubín	3.32	3.46	3.24	2.97	3.46
43	BY Bytča	3.31	3.28	3.45	3.44	3.18
44	TO Topoľčany	3.29	3.26	3.36	3.08	3.43
45	BN Bánovce nad Bebravou	3.24	3.18	3.33	2.87	3.50
46	NZ Nové Zámky	3.23	3.22	3.33	3.11	3.29
47	SN Spišská Nová Ves	3.23	3.32	3.60	2.80	3.27
48	LV Levice	3.21	3.26	3.36	3.01	3.24
49	MI Michalovce	3.21	3.28	3.55	2.95	3.16
50	HE Humenné	3.18	3.17	3.52	2.79	3.31
51	KS Košice – okolie	3.15	3.07	3.62	3.04	3.08
52	TR Turčianske Teplice	3.14	3.12	3.39	2.91	3.22
53	KN Komárno	3.14	3.23	3.23	2.98	3.12
54	BR Brezno	3.13	3.24	3.37	2.75	3.17
55	NO Námestovo	3.12	2.86	3.52	2.86	3.38
56	SL Stará Ľubovňa	3.12	3.13	3.52	2.70	3.21
57	PE Partizánske	3.12	2.99	3.58	2.95	3.15
58	DT Detva	3.11	3.17	3.40	2.71	3.19
59	RV Rožňava	3.09	3.15	3.40	2.99	2.96
60	KA Krupina	3.05	3.14	3.22	2.83	3.04
61	CA Čadca	3.05	3.03	3.27	2.68	3.23
62	LC Lučenec	3.03	3.02	3.41	2.81	3.01
63	BS Banská Štiavnica	3.00	2.88	3.50	2.73	3.07
64	KK Kežmarok	2.98	3.14	3.64	2.50	2.87
65	LE Levoča	2.94	2.65	3.50	3.03	2.91
66	BJ Bardejov	2.91	3.00	3.50	2.58	2.78
67	SO Sobrance	2.90	2.75	3.86	2.42	2.91
68	ML Medzilaborce	2.90	2.68	4.01	2.42	2.94
69	SB Sabinov	2.90	2.84	3.70	2.35	2.96
70	VT Vranov nad Topľou	2.89	2.79	3.61	2.57	2.89
71	TV Trebišov	2.87	2.85	3.66	2.67	2.65
72	SP Strakonov	2.86	2.72	3.50	2.50	2.94

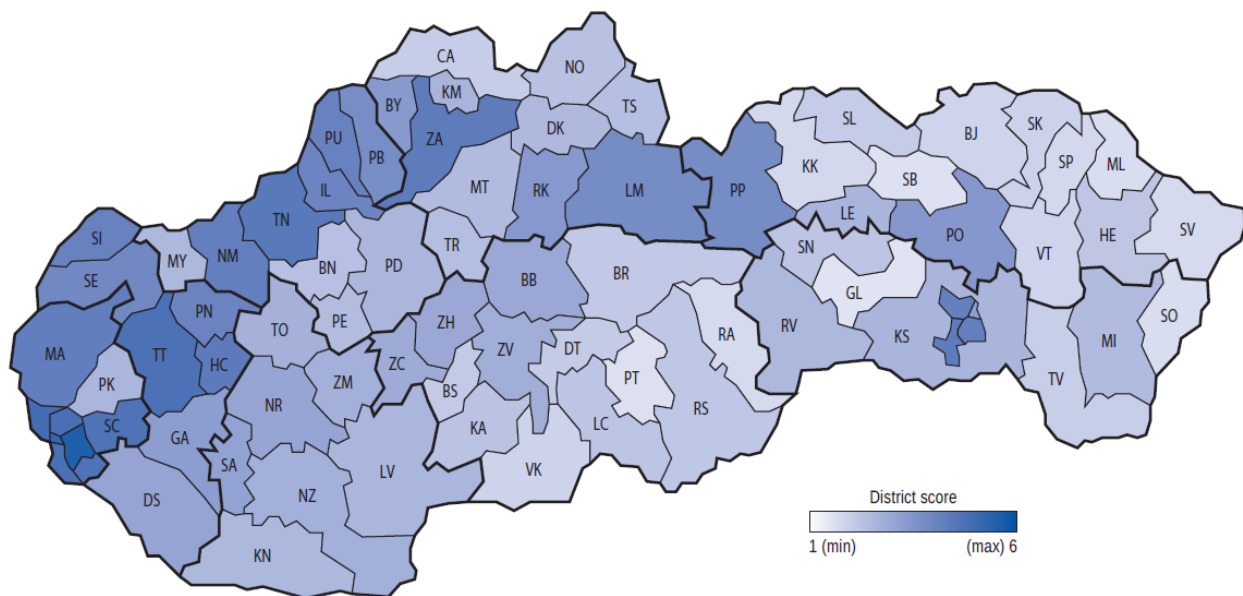
Subindex I: Economic activity



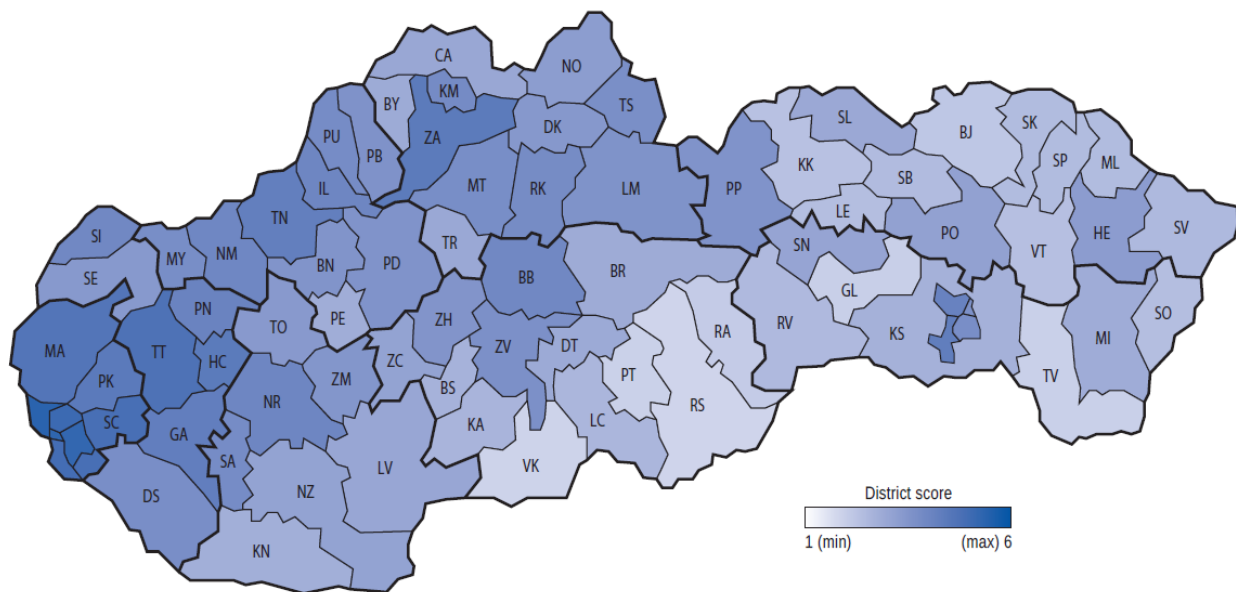
Subindex II: Public administration and legislation



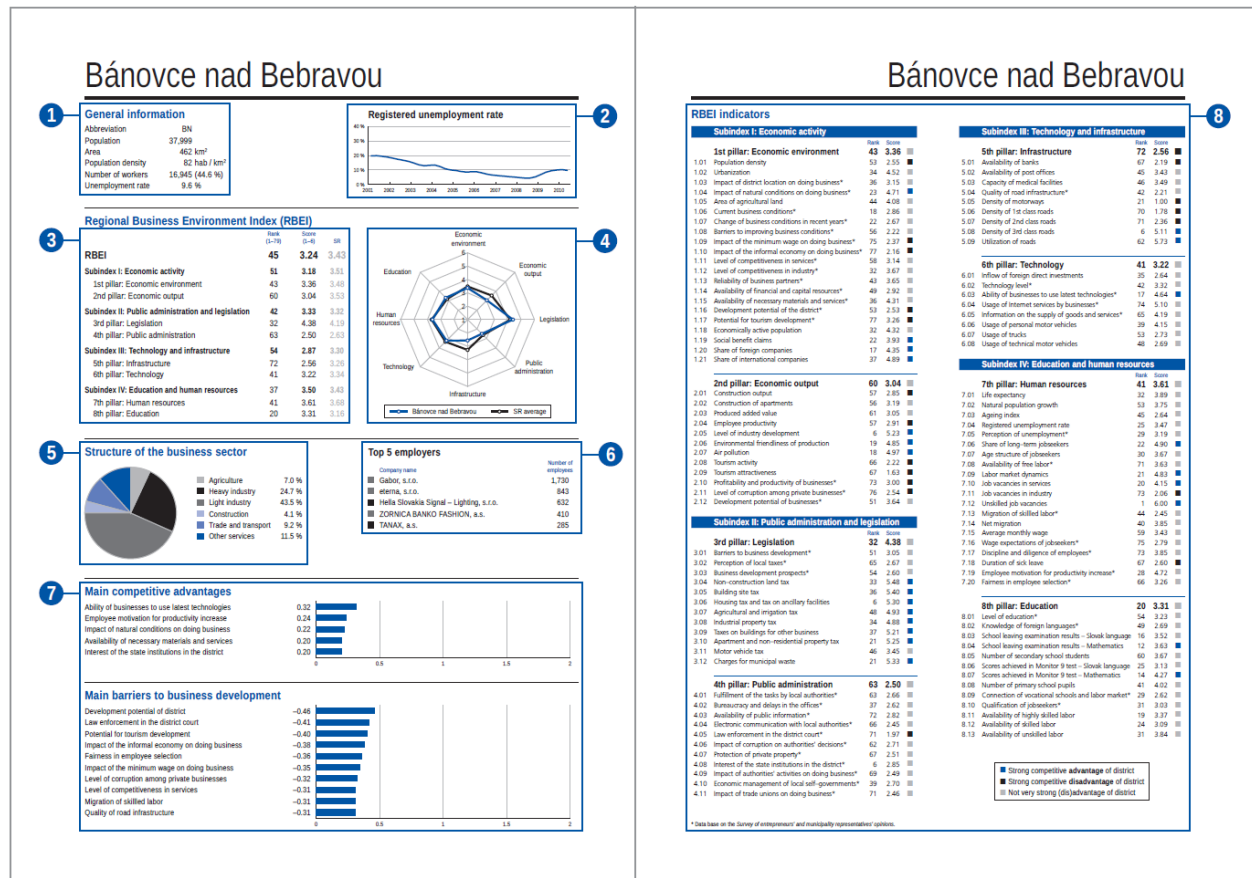
Subindex III: Technology and infrastructure



Subindex IV: Education and human resources



PROFILES OF THE REGIONS



3 Regional Business Environment Index (RBEI)

Main components of the Regional Business Environment Index. The first column represents the ranking in all 79 Slovak districts, the second column shows the absolute score on a scale from 1 (worst) to 6 (best) and the third represents the score of individual components for the whole Slovak Republic for better comparison of performance of individual districts.

4. Graphical summary of the RBEI

Graphic representation of the section 3 – score of all eight pillars in the RBEI. The blue line represents the eight pillars of the district, the black line represents the average of the whole Slovak Republic.

5. Structure of the business sector

The figure represents the share of individual areas of the business sector in the district. These areas were formed by a grouping of sections and divisions of the classification of economic activities SK NACE Rev. 2 based on the Register of economic entities published by the Statistical Office of the Slovak Republic, where related activities are in one area, one area does not contain unrelated activities and the number of areas is the least possible. The share of each area is based on the number of employees working in all companies in the area at the time of the latest available data.

6. Top 5 employers

A list of five companies with their headquarters located in the district, with the largest number of employees and the best availability of information. Colored square to the left of the company name indicates one of the six areas of the business sector to which it belongs. The number of employees is mostly taken from annual reports for the years 2008 and 2009. In some cases it was not possible to determine the exact number of employees, but only the category of number of employees. For such companies only the geometric mean of extremes of the interval was taken into account.

7. Main competitive advantages and main barriers to business development

A list of factors that respondents perceive as the biggest competitive advantages or disadvantages of the district business environment. A total of 38 factors were selected from 47 survey questions so that they would not include questions about specific companies and the overall business environment. The exact list of factors can be found in the first part of Chapter 2, which describes main problems of regional development. Score of each factor for each district, which was used to rank the factors from the most negative (the largest barrier to business development) to the most positive (the biggest competitive advantage), is calculated by comparing the score achieved in the survey with its reference value taking into account the importance of a particular factor set by the survey respondents. Let $a_{ij1}, a_{ij2}, \dots, a_{ijk}$ be the answers of respondents 1, 2, ..., k from i-th district to the question about j-th factor and $v_{ij1}, v_{ij2}, \dots, v_{ijk}$ be the importances, which respondents 1, 2, ..., k assigned to this factor. Answers are from the set {1; 2; 3; 4; 5; 6} and importances from the set {small importance, high importance}, which can be translated into numerical values {0; 1}. If the respondent did not specify the importance, it was set as an average of all responses from the same district. Since all the respondents have equal weight, the average achieved score a_{ij} and the importance v_{ij} of j-th factor in i-th district.

8. RBEI indicators

A detailed list of all 106 indicators that constitute the Regional Business Environment Index. The indicators are grouped under the respective pillars and subindexes. For each indicator and the pillar, its position among the 79 districts of Slovakia, its achieved score in the range from 1 to 6 and a sign, whether it is a significant competitive advantage, a significant competitive disadvantage or falls into the average, is displayed. Indicators marked with an asterisk come from the Survey of entrepreneurs' and municipality representatives' opinions. Indicators and pillars are divided into three categories – strong competitive advantage of district, strong competitive disadvantage of district and not very strong (dis)advantage of district – based on comparing the achieved score with its reference value, similar to the procedure used in the section 7.

EXAMPLE OF THE REGION PROFILE

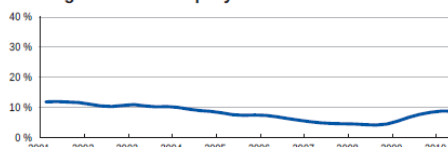
Banská Bystrica

General information

Abbreviation	BB
Population	110,908
Area	809 km ²
Population density	137 hab / km ²
Number of workers	59,082 (53.2 %)
Unemployment rate	8.6 %

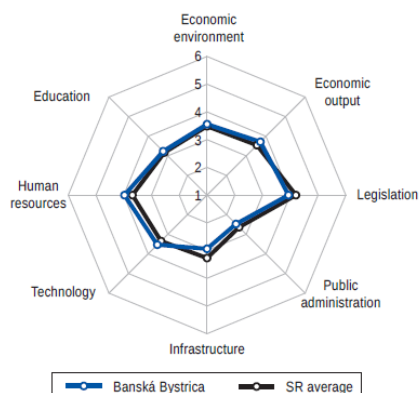


Registered unemployment rate

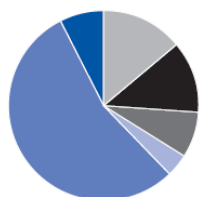


Regional Business Environment Index (RBEI)

	Rank (1-79)	Score (1-6)	SR
RBEI	29	3.48	3.43
Subindex I: Economic activity	29	3.64	3.51
1st pillar: Economic environment	29	3.55	3.48
2nd pillar: Economic output	25	3.71	3.53
Subindex II: Public administration and legislation	67	3.11	3.32
3rd pillar: Legislation	56	3.92	4.19
4th pillar: Public administration	71	2.47	2.63
Subindex III: Technology and infrastructure	32	3.21	3.30
5th pillar: Infrastructure	33	2.93	3.26
6th pillar: Technology	24	3.52	3.34
Subindex IV: Education and human resources	21	3.70	3.43
7th pillar: Human resources	20	3.96	3.68
8th pillar: Education	27	3.23	3.16



Structure of the business sector



Agriculture	14.0 %
Heavy industry	12.3 %
Light industry	7.7 %
Construction	3.8 %
Trade and transport	54.7 %
Other services	7.4 %

Top 5 employers

Company name	Number of employees
Slovenská pošta, a.s.	15,080
LESY Slovenskej republiky, š.p.	3,702
Stredoslovenská vodárenská prevádzková spoločnosť, a.s.	1,232
CHEMLON, a.s.	707
KÜSTER Automobilová technika, s.r.o.	588

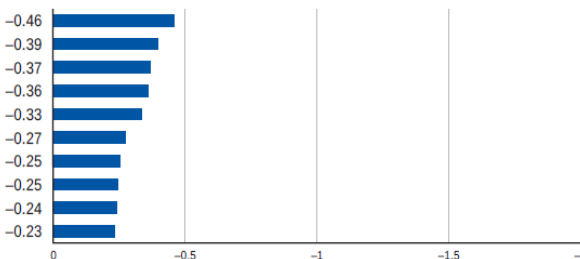
Main competitive advantages

Potential for tourism development	0.36
Availability of necessary materials and services	0.27
Employee motivation for productivity increase	0.19
Availability of free labor	0.17
Impact of natural conditions on doing business	0.16



Main barriers to business development

Bureaucracy and delays in the offices	-0.46
Economic management of local self-governments	-0.39
Law enforcement in the district court	-0.37
Perception of unemployment	-0.36
Protection of private property	-0.33
Availability of public information	-0.27
Impact of the informal economy on doing business	-0.25
Impact of authorities' activities on doing business	-0.25
Fulfillment of the duties by local authorities	-0.24
Impact of district location on doing business	-0.23



Banská Bystrica

RBEI Indicators

Subindex I: Economic activity

	Rank	Score	
1st pillar: Economic environment	29	3.55	■
1.01 Population density	27	3.03	■
1.02 Urbanization	10	5.21	■
1.03 Impact of district location on doing business*	38	3.04	■
1.04 Impact of natural conditions on doing business*	29	4.60	■
1.05 Area of agricultural land	62	3.56	■
1.06 Current business conditions*	52	2.51	■
1.07 Change of business conditions in recent years*	52	2.34	■
1.08 Barriers to improving business conditions*	31	2.49	■
1.09 Impact of the minimum wage on doing business*	25	3.11	■
1.10 Impact of the informal economy on doing business*	68	2.42	■
1.11 Level of competitiveness in services*	30	3.78	■
1.12 Level of competitiveness in industry*	44	3.34	■
1.13 Reliability of business partners*	65	3.36	■
1.14 Availability of financial and capital resources*	39	3.00	■
1.15 Availability of necessary materials and services*	21	4.47	■
1.16 Development potential of the district*	28	3.16	■
1.17 Potential for tourism development*	12	4.46	■
1.18 Economically active population	13	4.64	■
1.19 Social benefit claims	13	4.34	■
1.20 Share of foreign companies	50	3.30	■
1.21 Share of international companies	31	4.97	■

2nd pillar: Economic output	25	3.71	■
2.01 Construction output	8	4.23	■
2.02 Construction of apartments	17	4.07	■
2.03 Produced added value	39	3.36	■
2.04 Employee productivity	44	3.22	■
2.05 Level of industry development	36	4.09	■
2.06 Environmental friendliness of production	29	4.59	■
2.07 Air pollution	40	4.72	■
2.08 Tourism activity	23	3.89	■
2.09 Tourism attractiveness	22	2.76	■
2.10 Profitability and productivity of businesses*	36	3.65	■
2.11 Level of corruption among private businesses*	52	2.86	■
2.12 Development potential of businesses*	46	3.71	■

Subindex II: Public administration and legislation

	Rank	Score	
3rd pillar: Legislation	56	3.92	■
3.01 Barriers to business development*	26	3.29	■
3.02 Perception of local taxes*	67	2.64	■
3.03 Business development prospects*	25	2.80	■
3.04 Non-construction land tax	70	5.00	■
3.05 Building site tax	66	4.75	■
3.06 Housing tax and tax on ancillary facilities	43	4.35	■
3.07 Agricultural and irrigation tax	15	5.43	■
3.08 Industrial property tax	70	2.79	■
3.09 Taxes on buildings for other business	60	4.73	■
3.10 Apartment and non-residential property tax	74	2.98	■
3.11 Motor vehicle tax	33	4.13	■
3.12 Charges for municipal waste	53	4.51	■

4th pillar: Public administration	71	2.47	■
4.01 Fulfillment of the tasks by local authorities*	60	2.68	■
4.02 Bureaucracy and delays in the offices*	74	2.20	■
4.03 Availability of public information*	74	2.80	■
4.04 Electronic communication with local authorities*	43	2.74	■
4.05 Law enforcement in the district court*	56	2.10	■
4.06 Impact of corruption on authorities' decisions*	46	2.83	■
4.07 Protection of private property*	66	2.52	■
4.08 Interest of the state institutions in the district*	37	2.33	■
4.09 Impact of authorities' activities on doing business*	56	2.54	■
4.10 Economic management of local self-governments*	75	2.37	■
4.11 Impact of trade unions on doing business*	20	2.84	■

Subindex III: Technology and infrastructure

	Rank	Score	
5th pillar: Infrastructure	33	2.93	■
5.01 Availability of banks	10	3.75	■
5.02 Availability of post offices	65	3.08	■
5.03 Capacity of medical facilities	9	4.53	■
5.04 Quality of road infrastructure*	28	2.45	■
5.05 Density of motorways	21	1.00	■
5.06 Density of 1st class roads	14	2.91	■
5.07 Density of 2nd class roads	68	2.65	■
5.08 Density of 3rd class roads	53	4.02	■
5.09 Utilization of roads	58	5.76	■

6th pillar: Technology	24	3.52	■
6.01 Inflow of foreign direct investments	26	2.92	■
6.02 Technology level*	39	3.40	■
6.03 Ability of businesses to use latest technologies*	37	4.43	■
6.04 Usage of Internet services by businesses*	28	5.55	■
6.05 Information on the supply of goods and services*	24	4.71	■
6.06 Usage of personal motor vehicles	20	4.62	■
6.07 Usage of trucks	24	3.72	■
6.08 Usage of technical motor vehicles	45	2.82	■

Subindex IV: Education and human resources

	Rank	Score	
7th pillar: Human resources	20	3.96	■
7.01 Life expectancy	23	4.23	■
7.02 Natural population growth	36	4.05	■
7.03 Ageing index	67	2.26	■
7.04 Registered unemployment rate	19	3.74	■
7.05 Perception of unemployment*	40	2.71	■
7.06 Share of long-term jobseekers	20	4.97	■
7.07 Age structure of jobseekers	52	3.02	■
7.08 Availability of free labor*	34	4.15	■
7.09 Labor market dynamics	18	4.97	■
7.10 Job vacancies in services	64	2.84	■
7.11 Job vacancies in industry	16	4.47	■
7.12 Unskilled job vacancies	39	4.86	■
7.13 Migration of skilled labor*	22	2.90	■
7.14 Net migration	49	3.81	■
7.15 Average monthly wage	37	4.22	■
7.16 Wage expectations of jobseekers*	47	3.06	■
7.17 Discipline and diligence of employees*	38	4.22	■
7.18 Duration of sick leave	12	4.05	■
7.19 Employee motivation for productivity increase*	29	4.68	■
7.20 Fairness in employee selection*	37	3.86	■

8th pillar: Education	27	3.23	■
8.01 Level of education*	32	3.68	■
8.02 Knowledge of foreign languages*	30	2.96	■
8.03 School leaving examination results – Slovak language	38	3.20	■
8.04 School leaving examination results – Mathematics	54	2.68	■
8.05 Number of secondary school students	7	4.70	■
8.06 Scores achieved in Monitor 9 test – Slovak language	28	3.07	■
8.07 Scores achieved in Monitor 9 test – Mathematics	21	4.01	■
8.08 Number of primary school pupils	72	3.58	■
8.09 Connection of vocational schools and labor market*	38	2.52	■
8.10 Qualification of jobseekers*	39	2.97	■
8.11 Availability of highly skilled labor	55	2.43	■
8.12 Availability of skilled labor	15	3.40	■
8.13 Availability of unskilled labor	14	4.45	■

■ Strong competitive advantage of district
 ■ Strong competitive disadvantage of district
 ■ Not very strong (dis)advantage of district

EXAMPLE OF DATATABLES

2.12 Development potential of businesses*

District	Score	1	Mean: 3.80	6
1 Bratislava V	4.53			
2 Zlaté Moravce	4.39			
3 Bratislava I	4.35			
4 Trnava	4.32			
5 Skalica	4.28			
6 Bratislava II	4.26			
7 Košice II	4.22			
8 Hlohovec	4.19			
9 Bratislava III	4.13			
10 Martin	4.10			
11 Žilina	4.07			
12 Galanta	4.02			
12 Žiar nad Hronom	4.02			
14 Sobrance	4.00			
15 Ilava	3.98			
15 Senec	3.98			
17 Košice IV	3.97			
18 Prešov	3.97			
19 Tvrdosín	3.96			
20 Bratislava IV	3.94			
21 Piešťany	3.93			
22 Trenčín	3.92			
23 Pezinok	3.92			
24 Šaľa	3.91			
25 Prievidza	3.91			
26 Zvolen	3.90			
27 Malacky	3.89			
28 Bytča	3.88			
29 Poltár	3.88			
29 Senica	3.88			
31 Nové Zámky	3.87			
32 Košice I	3.87			
33 Považská Bystrica	3.87			
34 Rožňava	3.87			
35 Brezno	3.85			
36 Rimavská Sobota	3.84			
37 Poprad	3.80			
38 Nové Mesto nad Váhom	3.77			
39 Liptovský Mikuláš	3.76			
40 Levice	3.75			
41 Trebišov	3.74			
42 Kysucké Nové Mesto	3.72			
43 Svidník	3.72			
44 Dunajská Streda	3.71			
44 Turčianske Teplice	3.71			
46 Banská Bystrica	3.71			
47 Námestovo	3.70			
48 Gelnica	3.68			
49 Bardejov	3.67			
50 Krupina	3.65			
51 Bánovce nad Bebravou	3.64			
52 Nitra	3.64			
53 Humenné	3.62			
54 Košice III	3.61			
55 Lučenec	3.61			
56 Banská Štiavnica	3.61			
57 Myjava	3.60			
58 Veľký Krtíš	3.60			
59 Revúca	3.59			
60 Ružomberok	3.58			
61 Kežmarok	3.57			
62 Sabinov	3.56			
63 Partizánske	3.55			
64 Michalovce	3.50			
65 Žarnovica	3.48			
66 Topoľčany	3.47			
67 Vranov nad Topľou	3.45			
68 Komárno	3.45			
69 Púchov	3.44			
70 Detva	3.43			
71 Spišská Nová Ves	3.42			

3.01 Barriers to business development*

District	Score	1	Mean: 3.16	6
1 Partizánske	3.78			
2 Myjava	3.76			
3 Bytča	3.74			
4 Dunajská Streda	3.66			
5 Stropkov	3.64			
6 Ružomberok	3.56			
7 Turčianske Teplice	3.54			
8 Bratislava I	3.52			
9 Kysucké Nové Mesto	3.50			
10 Bratislava II	3.48			
11 Skalica	3.47			
12 Trnava	3.44			
13 Zlaté Moravce	3.43			
14 Nové Mesto nad Váhom	3.41			
15 Bratislava IV	3.41			
16 Piešťany	3.39			
17 Žilina	3.38			
18 Sobrance	3.36			
19 Prešov	3.34			
20 Bratislava III	3.34			
21 Košice II	3.34			
22 Bratislava V	3.33			
23 Námestovo	3.33			
24 Sabinov	3.32			
25 Ilava	3.32			
26 Banská Bystrica	3.29			
27 Prievidza	3.28			
28 Senica	3.28			
29 Poprad	3.27			
30 Malacky	3.27			
31 Poltár	3.26			
32 Považská Bystrica	3.25			
33 Žarnovica	3.24			
34 Senec	3.23			
35 Spišská Nová Ves	3.23			
36 Veľký Krtíš	3.22			
37 Košice IV	3.21			
38 Topoľčany	3.20			
39 Liptovský Mikuláš	3.19			
40 Žiar nad Hronom	3.19			
41 Šaľa	3.18			
42 Trenčín	3.18			
43 Galanta	3.14			
44 Kežmarok	3.14			
45 Stará Ľubovňa	3.13			
46 Hlohovec	3.13			
47 Púchov	3.13			
48 Bardejov	3.11			
49 Levice	3.11			
50 Banská Štiavnica	3.09			
51 Bánovce nad Bebravou	3.05			
52 Pezinok	3.05			
53 Rožňava	3.04			
54 Čadca	3.02			
55 Brezno	3.00			
55 Medzilaborce	3.00			
55 Revúca	3.00			
55 Zvolen	3.00			
59 Trebišov	2.98			
60 Vranov nad Topľou	2.96			
61 Košice – okolie	2.96			
62 Nitra	2.96			
63 Svidník	2.95			
64 Košice III	2.91			
65 Humenné	2.88			
66 Gelnica	2.86			
67 Lučenec	2.83			
68 Levoča	2.82			
69 Tvrdosín	2.82			
70 Michalovce	2.81			
71 Snina	2.81			

PRELIMINARY LIST OF **HARD DATA** INDICATORS AVAILABLE FOR MOLDOVA AND USABLE FOR THE PURPOSE OF THE REGIONAL COMPETITIVENESS MODEL

ID	name	Importance (1 – 5)
	Subindex I – economic activity	
1	1st pillar – Economic environment	
1.1	Population density	5
1.2	Urbanization	3
1.3	Area of agricultural land	5
1.4	Economically active population	3
1.5	Social benefit claims	2
1.6	Share of „inactive“ companies	3
2	2nd pillar – Economic output	
2.1	Construction of apartments	5
2.2	Employee productivity	5
2.3	Value of deliverables produced	3
2.4	Value of deliverables produced and delivered to final consumer	3
2.5	Number of employees	4
2.6	Turnover of companies	5
	Subindex II - Public administration and legislation	
3	3th pillar – Legislation	
3.1	Property tax	3
3.2	Road tax	3
3.3	Land tax	3
3.4	Income tax	3
3.5	Landscaping fee	3
4	4rd pillar – Public administration	
	<i>none</i>	
	Subindex III – Technology and infrastructure	
5	5th pillar – Infrastructure	
5.1	Density of national roads	5
5.2	Density of local roads	5

5.3	Number of motor vehicles per capita	4
6	6th pillar – Technology	
6.1	Direct investments	5
6.2	Spending of companies for information technologies	4
6.3	PCs in possession	3
6.4	Number of fixed telephony connected to the network	1
	Subindex IV – Education and human resources	
7	7th pillar – Human resources	
7.1	Life expectancy	2
7.2	Natural population growth	1
7.3	Ageing index	3
7.4	Registered unemployment rate	5
7.5	Migration	2
7.6	Average monthly wage	5
7.7	Average monthly wage index (based on average monthly wage by sectors)	4
8	8th pillar - Education	
8.1	Density of primary schools	2
8.2	Density of kindergartens	1
8.3	Density of lyceums	2
8.4	Density of gymnasiums	3
8.5	Number of students	4
8.6	Average age of teachers	1
8.7	Density of vocational centers	3
8.8	Density of colleges	4
8.9	Graduation rate of the 12-grade exam	2

PRELIMINARY LIST OF **SURVEY** INDICATORS AVAILABLE FOR MOLDOVA AND USABLE FOR THE PURPOSE OF THE REGIONAL COMPETITIVENESS MODEL

ID	name	Importance (1 – 5)
	Subindex I – economic activity	
1	1st pillar – Economic environment	
1.1	Impact of district location on doing business	3

1.2	Impact of natural conditions on doing business	1
1.3	Current business conditions	2
1.4	Change of business conditions in recent years	2
1.5	Impact of the informal economy on doing business	5
1.6	Level of competitiveness in services	2
1.7	Level of competitiveness in industry	2
1.8	Reliability of business partners	4
1.9	Availability of financial and capital resources	2
1.10	Availability of necessary materials and services	2
1.11	Potential for tourism development	3
1.12	Internationalism of companies	3
2	2nd pillar – Economic output	
2.1	Environmental friendliness of production	3
2.2	Profitability and productivity of businesses	2
2.3	Level of corruption among private businesses	5
2.4	Development potential of businesses	2
	Subindex II - Public administration and legislation	
3	3th pillar – Legislation	
3.1	Legislative barriers to business development	5
3.2	Perception of local taxes	2
3.3	Business development prospects	5
4	4rd pillar – Public administration	
4.1	Fulfillment of tasks by local authorities	3
4.2	Bureaucracy and delays in the offices	3
4.3	Availability of public information	2
4.4	Electronic communication with local authorities	2
4.5	Law enforcement in the district court*	5
4.6	Impact of corruption on authorities' decisions	3
4.7	Protection of private property	3
4.8	Interest of the state institutions in the district	2
4.9	Impact of authorities' activities on doing business	2
4.10	Economic management of local self-governments	1
4.11	Impact of trade unions on doing business	1
	Subindex III – Technology and infrastructure	
5	5th pillar – Infrastructure	

5.1	Availability of banks	3
5.2	Availability of post offices	2
5.3	Availability of medical facilities	1
5.4	Quality of road infrastructure	5
6	6th pillar – Technology	
6.1	Technology level	5
6.2	Ability of businesses to use latest technologies	2
6.3	Usage of Internet services by businesses	3
6.4	Information on the supply of goods and services	1
6.5	Usage of personal motor vehicles	3
6.6	Usage of motor vehicles for commercial use	3
	Subindex IV – Education and human resources	
7	7th pillar – Human resources	
7.2	Perception of unemployment	5
7.3	Age structure of unemployment	2
7.4	Time structure of unemployment	3
7.5	Availability of free labor	5
7.6	Migration of skilled labor	2
7.7	Wage expectations of jobseekers	1
7.8	Discipline and diligence of employees	2
7.9	Employee motivation for productivity increase	1
7.10	Fairness in employee selection	3
8	8th pillar - Education	
8.1	Level of education	5
8.2	Knowledge of foreign languages	5
8.3	Knowledge of mother language	3
8.4	Knowledge of natural sciences	3
8.5	Connection of vocational schools and labor market	3
8.6	Qualification of employees	5
8.7	Qualification of jobseekers	3
8.8	Availability of highly skilled labor	2
8.9	Availability of partially skilled labor	3
8.10	Availability of unskilled skilled labor	1

* *only if applicable*

SUMMARY

ID	name	Indicators count			Indicators weight		
		Hard data	Survey	Total	Hard data	Survey	Total
	I. Economic activity	12	16	28	46	43	89
1	1st pillar – Economic environment	6	12	18	21	31	52
2	2nd pillar – Economic output	6	4	10	25	12	37
	II. Public administration and legislation	5	14	19	15	39	54
3	3th pillar – Legislation	5	3	8	15	12	27
4	4rd pillar – Public administration	0	11	11	0	27	27
	III. Technology and infrastructure	7	10	17	27	28	55
5	5th pillar – Infrastructure	3	4	7	14	11	25
6	6th pillar – Technology	4	6	10	13	17	30
	IV. Education and human resources	16	20	36	44	57	101
7	7th pillar – Human resources	7	10	17	22	24	46
8	8th pillar - Education	9	10	19	22	33	55
Total		40	60	100	132	167	299

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