

## LABOUR MARKET IN ZASAVJE COAL REGION FROM PERIODS 2000 TO 2021 AND THE NEED TO CREATE NEW JOBS

### LABOUR MARKET IN ZASAVJE COAL REGION IN THE PERIOD BETWEEN 2000 AND 2021 AND THE NEED TO ESTABLISH NEW JOBS

The Zasavje region is facing many structural problems that date back several years into the past. The principles of a just transition had not been considered in the mine closure process. Social and economic restructuring is far from being fully addressed, which is especially evident in the situation on the labour market and consequently in the demographic picture of the Zasavje region. Even the *National Strategy for phasing out coal and restructuring of coal regions in accordance with principles of just transition* draft notes that the region has never really made up for the loss of mining-related activities.

In this article we try to showcase the changes in the labour market in the municipalities of Hrastnik, Trbovlje, and Zagorje ob Savi (hereinafter: coal municipalities) since 2000, when the coal industry in Zasavje began to cease. At the same time, we want to answer why creating new jobs is crucial for the just transition of Zasavje.

The article is based on credible data from the Statistical Office of the Republic of Slovenia (hereinafter: SURS), which are attached to it in the form of Excel tables or files. Even though the Municipality of Litija is now in the Zasavje statistical region (hereinafter: Zasavje) and that it is defined as a wider area of influence of coal municipalities, data on this municipality are mostly not covered because its territory diminished in 2003 with the establishment of the Municipality of Šmartno pri Litiji. Hence, the statistical data on the size of territory of the Municipality of Litija and its population had also changed.

In addition, the Municipality of Litija became a part of the Zasavje statistical region only in 2014, so an accurate comparison of data for the entire statistical region is impossible throughout the period. Moreover, in the period covered by the article, there was no coal activity in the Municipality of Litija, so the inclusion of its statistics would not give a clearer picture of the impact of coal phase-out on coal municipalities.

However, statistical data on the Municipality of Litija can be included when the data refer to Zasavje, because in this case, it was not possible to obtain data from individual coal municipalities. Notwithstanding the above, we do not want to deny that the Municipality of Litija, as a wider area of influence of coal municipalities, can contribute to the just transition of the Zasavje region.

The Action Plan for the Zasavje Coal Region in Transition estimates that in the coal municipalities in 2000, when the Act of Regulating Gradual Closure of Trbovlje-Hrastnik Mine and Economic Restructuring of the Region was adopted, 5,000 workers had been employed in the coal and coal-related activities. This represented 27 % of all jobs in the region.

In 2000, the average index of labour migration in coal municipalities was 86.3 (86.3 jobs per 100 workers in coal municipalities). The labour migration index is the ratio between the active working population (excluding farmers) by the municipality of their workplace, and the active working population (excluding farmers) by the municipality of residence.

In the municipality of Trbovlje, the labour migration index was as high as 101, so we can interpret that Trbovlje had had more jobs than working population. As a result, 65 % of the working population from coal municipalities had also worked in them, and 35 % commuted to other regions.

### Labour migrations in the municipality of Trbovlje



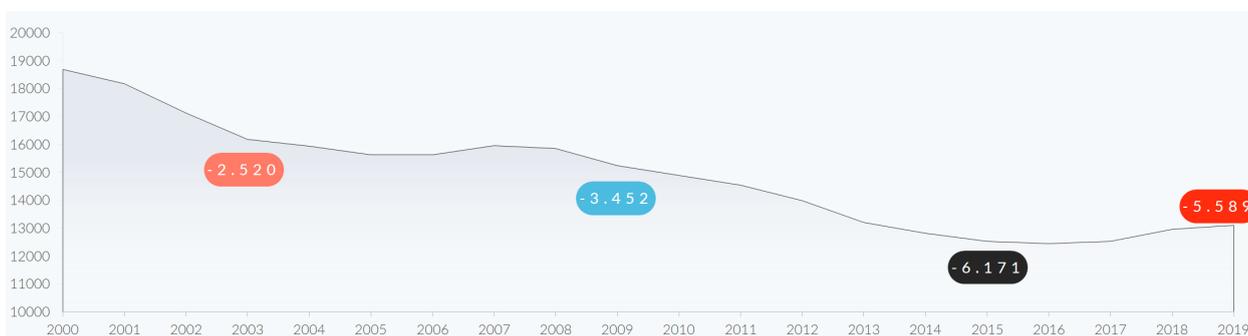
Graph 1: Ratio between labour migrants and employees in the municipality of residence, and the index of labour migration in the municipality of Trbovlje from 2000 to 2020 (source: SURS)

In 2000, coal municipalities had a total population of 46,365, of which 32,325 were in the working-age group between the ages of 15 and 64, and 7,026 were over the age of 65. GDP per capita was 73 % of Slovenia's average GDP per capita.

After the mine closure process began in 2000, the statistics of coal municipalities have been steadily deteriorating. In 2013, all mines in the coal municipalities were closed, and in 2014 the Trbovlje Thermal Power Plant, which consumed most of the Zasavje coal, also ceased to operate.

As a result, by 2019, more than 5,000 jobs in the coal-mining industry and coal-mining related activities in the coal municipalities had been lost. This can be proven with statistical data – in 2019 there were 13,104 employees in Zasavje, which is 5,589 less than in 2000. The number of employees in manufacturing, mining, and other industries had decreased by 5,150 in that period.

## Jobs in the coal municipalities of Zasavje



Graph 2: Jobs in the coal municipalities of Zasavje from 2000 to 2019 (source: SURS)

The lost mining jobs have never been replaced, therefore in the 2020 the average labour migration index in coal municipalities was 63.1 (63.1 jobs per 100 active workers from coal municipalities), which is 23.3 points less than in 2000.

As a result, 61.4 % of the working population from coal municipalities have started commuting to other regions, and 38.6 % worked in coal municipalities, which is almost the opposite ratio to the one in 2000 (see Graph 1: Labour migration in the Municipality of Trbovlje). According to SURS, coal municipalities had 41,225 inhabitants in 2021, which is 5,140 less than in 2000, so they have suffered 11 % depopulation in the concerning period.

## Population decline

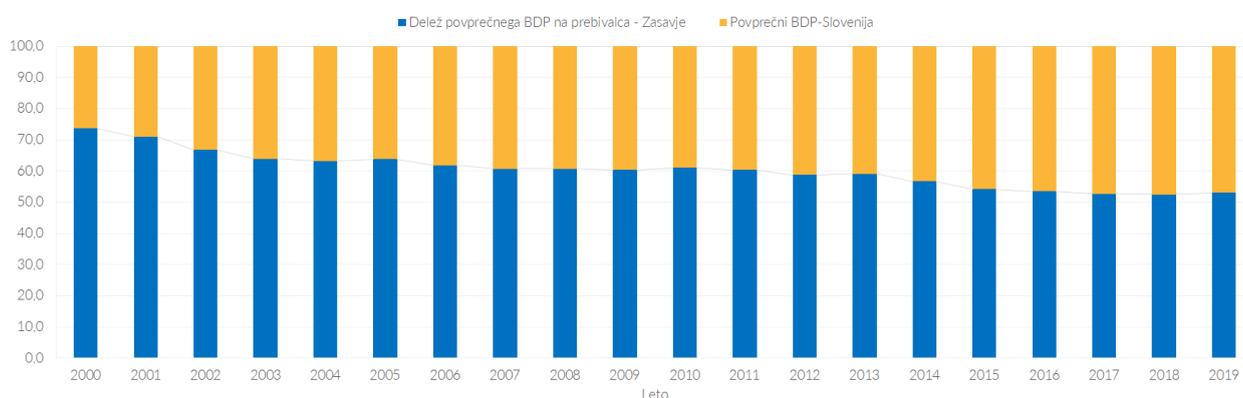


Graph 3: Population decline from 2000 to 2021 (source: SURS)

Of the total population in 2021, the region held 20 % fewer actively working inhabitants – between 15 and 64 – than in 2000. In 2021 there were 36 % more people aged 65 and over in the region than in 2000.

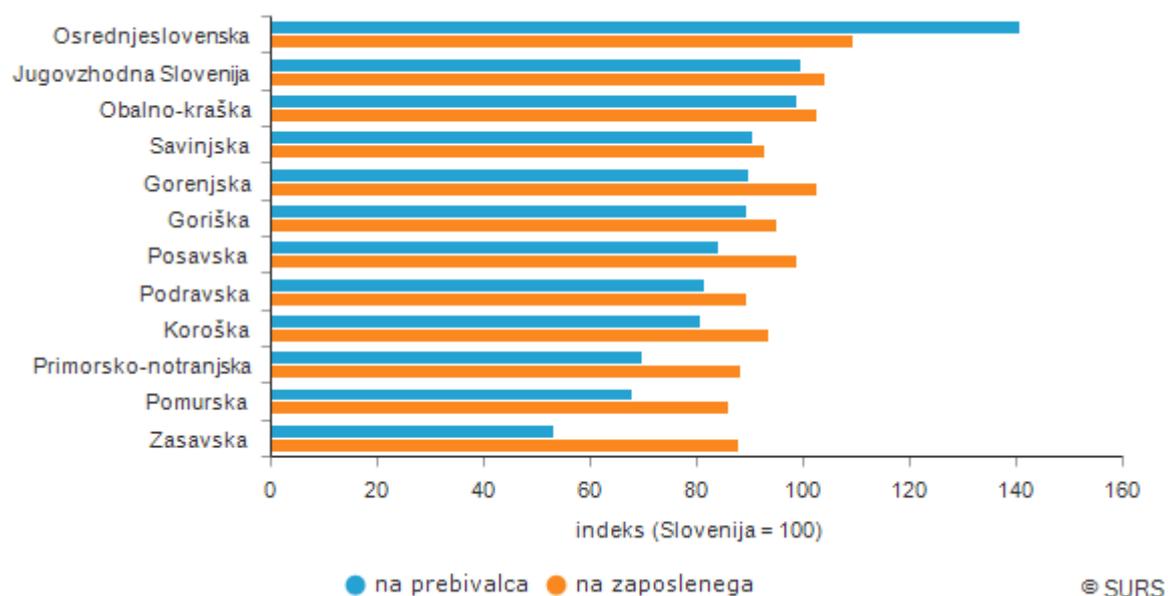
GDP per capita in 2019 was 52 % of the average GDP per capita in Slovenia, which is 21 % less than in 2000. Zasavje, therefore, had the lowest average GDP among Slovenian statistical regions in 2020.

### Decrease of the average GDP per capita



Graph 4: Decrease of the average GDP per capita in Zasavje region from 2000 to 2019 (Source: SURS)

### Gross domestic product (GDP) per capita<sup>1</sup>, statistical regions, Slovenia, 2019



1) The data include employees and the self-employed according to the domestic concept of national accounts.

Graph 5: Comparison of GDP by statistical regions in 2019 (source: SURS)

The data show an indisputable connection between the reduction in the number of jobs and the decrease in the quality of living in Zasavje. Namely, five thousand lost jobs due to the closure of coal mining have never been replaced in the coal municipalities. Therefore, the majority of the working population found employment in other regions, and many, especially young people, emigrated from coal municipalities due to the lack of jobs. Unfortunately, the negative trend has not stopped yet.

To improve the quality of life in the region, it is necessary to create conditions for the creation of new, quality jobs with high added value, while also ensuring the maintenance and upgrading of existing ones, both in small and medium enterprises, as well as larger companies. We recognize as a key measure the regeneration of degraded areas and their repurposing and transformation into business zones, which will enable the development of the economy and the creation of new jobs. There is a great lack of suitable areas for business zones in the coal municipalities. This measure is also included in The Action Plan for Zasavje Coal Region in Transition.

New jobs will attract working people to Zasavje, reduce daily migration of people to other regions, and reverse the trend of depopulation in the region. The proximity of the workplace to permanent residence also significantly contributes to the quality of living and the attractiveness of the region. In addition to building new housing capacities and improving the transport connectivity of the region, the creation of new jobs is a key measure for a just transition of the Zasavje region.

We have to make an effort to correct the mistakes made in the past and take advantage of the opportunities offered by the Just Transition Mechanism. With new development ideas, knowledge, and opportunities, it will be possible to create a creative environment that is pleasant to live in and stimulating to work. To achieve this, we need responsible, sustainable, efficient, and, above all, inclusive development planning and implementation.

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*Sources:*

*- Statistical Office Republic of Slovenia (stat.si, december 2021)*

*- Action Plan for Zasavje Coal Region in Transition (Deloitte, may 2021; energetika-portal.si, december 2021)*

*- National Strategy For Transition From Coal of Slovenian Coal Regions (energetika-portal.si, december 2021)*