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## Abstract

This chapter presents the basic characteristics of the Slovenian economy. A discussion of its historical development since early industrialization is followed by a presentation of the importance of the interconnection between social and economic development after the Second World War, when the communist authorities perceived industry as the chief driver of development and hence industrial development became an important part of social and spatial planning. After Slovenia's independence, deindustrialization and tertiarization came to the fore, thoroughly transforming the country's economic structure. After transition into a postindustrial society, the previously predominating secondary sector now employs less than a third of the workforce, and the service sector employs more than two-thirds (67.2%). The chapter continues by presenting the international embeddedness of the Slovenian economy, the features of rapidly growing tourism in Slovenia, and the role of part-time farms.

## Keywords

Economic geography · Industrialization ·  
Deindustrialization · Sectorial overview · Tourism ·  
Part-time farms

## 12.1 Introduction

Before industrialization, subsistence farming and handicraft predominated in Slovenia, with handicraft concentrated in towns and cities. Individual industries began to emerge in the

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first half of the nineteenth century, first in textiles, iron, paper, and metal processing (Vrišer 1998). The first factories were based on local raw materials, which alongside industrialization also fostered the development of mining, and as early as the nineteenth century, foreign capital also began to flow into Slovenia. The new cement works, brickworks, lime works, and woodworking, chemical, textile, leather, tobacco, and food industries significantly expanded the range of industries, and, in spatial terms, the new companies largely sprang up along the newly built railroads in the industrial crescent (Fig. 12.1) that extended from Jesenice via Kranj, Ljubljana, Zagorje, Trbovlje, Hrastnik, Celje, and Maribor to the Mežica Valley (Vrišer 1998).

Major organizational and spatial reorganization of the economy only occurred after the Second World War with the transition to a planned economy and the policy of polycentric spatial development.

## 12.2 The Legacy: Social Planning and Industrialization

The communist period from the end of the Second World War to 1991 was characterized by a planned, centralized, and “collectivized” economy. Forming the basis for social and economic development, and subsequently also spatial development, industry played an important developmental role. Its organization relied on completely different bases than in the capitalist countries, and its role was emphasized for completely political and ideological reasons (Musil 2005). The greatest difference compared to capitalism was the absence of market forces and private initiative, which had an important impact especially on the development of urban regions. This development was largely based on industry (Hamilton 2005). Within Yugoslavia, Slovenia was characterized by above-average industrialization because immediately before the Second World War, industrial workers accounted for more than a third of its urban population, especially in con-

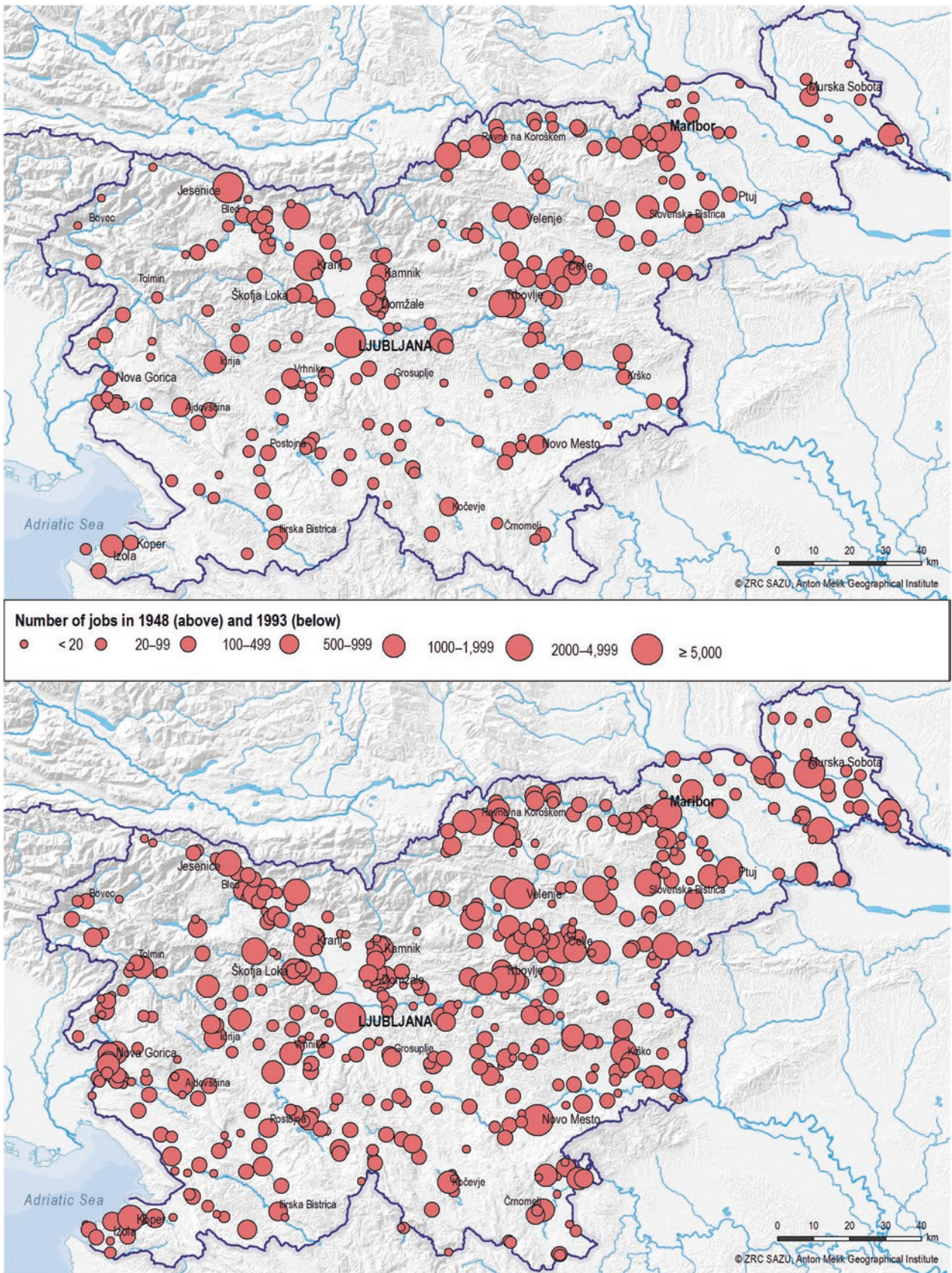


Fig. 12.1 Settlements with industrial jobs in 1948 and 1993. (Vrišer 1998)

trast to southeastern Yugoslavia, which had a predominantly agrarian economic basis (Vrišer 1977).

With the emergence of communism, industrialization and urbanization acquired a completely different form compared to the period before the war. Postwar political and planning documents mentioned industrial development as a key element, which was reflected in both the urban system and spatial structure. In a centrally planned economy, which envisaged that industrial growth would decisively contribute to socioeconomic development, industrialization was heavily deconcentrated. Industrial jobs were to cover the entire territory and ensure “equality” in terms of job accessibility, thereby facilitating more balanced development (Drozg 2012; Nared 2018). Especially in Hungary, Czechoslovakia, Yugoslavia, Poland, and East Germany, there was an effort to reduce regional disparities by locating industry in formerly under-industrialized or nonindustrialized areas. In Yugoslavia and hence also in Slovenia, as part of Yugoslavia, some completely agrarian rural settlements obtained factories. Accordingly, large industrial plants were often placed in completely inappropriate environments with insufficient workforce, production tradition, or know-how (Zapletalova 2007; Drozg 2012; Nared 2018). Dispersed industrialization had a strong impact especially on already industrialized older towns, such as Maribor and Ljubljana, which were forced to consign a large portion of the added value generated in industry for the “new industrialization” of the countryside (Fig. 12.1).

Musil (2005) reports that later (after 1970), the urbanization and industrialization strategies slightly relaxed and became less utopian in the majority of communist countries. Something similar also occurred in Slovenia: economic planning increasingly took into account the basic features of economic progress, such as the importance of geographical concentration of economic activities and better regard for the basic locational factors; establishing links with western companies was also common, especially in the automobile industry. Hamilton and Carter (2005) presented the external forces affecting the urban development of communist countries, including Slovenia, up to the 1989 collapse of the communist model. They mention moderate polycentric concentration, whose primary aim was to develop regional centers, a more liberal policy of forming links with the West, an international division of labor within individual communist countries, and so on.

Because of the emphasized role of industry, during communism, regions focused heavily on the secondary sector, except for some regions that had a predominating public administrative function. Services were in the background due to the population’s low purchasing power and a general lack of products or services for private consumption (Rebernik 2008). Services relied on the public sector, represented by a strong bureaucratic machinery, education, and

healthcare. Except for rare cases, trade, crafts, and tourism were heavily neglected and only developed in certain places with a special function, such as tourism centers (e.g., Bled and Piran) or health resorts (e.g., Rogaška Slatina). The tertiary sector began to grow more notably during the 1980s, especially in larger towns with strong population pressures and significantly increased needs for services (Vrišer and Rebernik 1993).

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### 12.3 Deindustrialization and Tertiarization

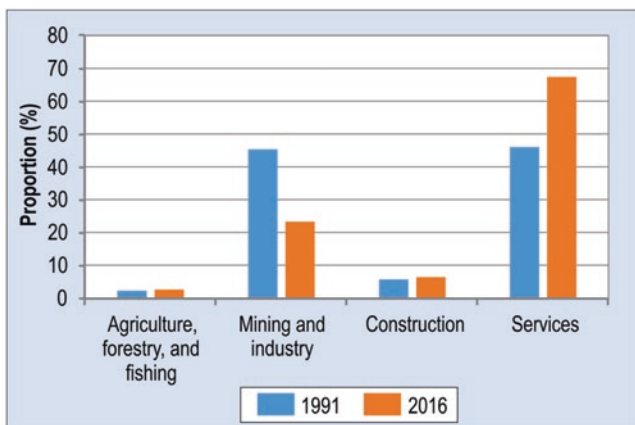
In the former communist countries, changes in the economic sectors were exceptional and characterized by the demise of the manufacturing sector and the subsequent growth of the service sector or, in short, deindustrialization and tertiarization. The collapse of the communist economic model and the privatization of public enterprises brought the postcommunist countries closer to those with an established capitalist tradition, but, as noted by Pavlinek (2003), this was a completely different “path-dependent” development, which even today still comprises characteristics of both a centrally planned and capitalist economy and is therefore referred to as “state capitalism.”

Deindustrialization was the most conspicuous form of economic restructuring. It is often sought to portray this as a distinctly negative process, which is frequently accompanied by broader, negative socioeconomic processes, such as unemployment, economic crises, and increased income inequality. Hence it is important to point out that deindustrialization essentially entails a transformation of the industrial sector, which is forced to change under the modern conditions of technological progress and trade internationalization (Rowthorn and Ramaswamy 1999). Thus, deindustrialization is the main process marking the transition to a postindustrial society and also the main process that characterized the transformation of postcommunist countries like Slovenia.

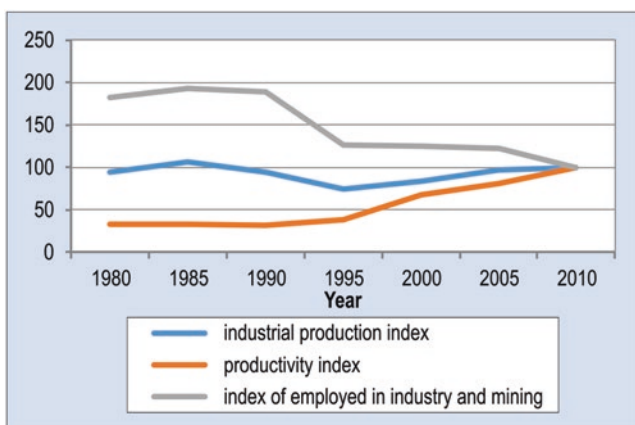
Industry was in a poor situation for various reasons. The technology used at the factories was completely outdated, and productivity was low, considering that during communism industry also had a political and social function, rather than merely an economic one. Hidden unemployment was common, with factories hiring workers for the sake of social contentment rather than actual labor demands (Bole 2008). Entry into a market economy pushed such factories into an unfavorable position, and workers began to be laid off to reduce production costs and increase productivity. Wars broke out in the former Yugoslavia, and some important markets disappeared. In some places privatization was only partially successful because the state retained controlling interests in the companies, and the management structure also remained the same, consisting of the same people that

had already managed companies during communism (Pavlinek 2003). Another major problem was the structure of the communist industrial sector, which was largely based on labor-intensive industries, which were in general global recession (e.g., the metal, mechanical, textile, and footwear industries; Lorber 1999).

A general decline in the number of industrial employees can be seen in Fig. 12.2. The share of people working in industry and mining practically dropped to half over the 30 years observed, with more than two-thirds of all employees now working in the service sector. However, as shown in Fig. 12.3, the decrease in industrial employees is the result of positive deindustrialization, where productivity increases, unemployment decreases, and the scale of production remains approximately the same. Despite everything, among all of the postcommunist countries, Slovenia has been the fastest to catch up with the rest of Europe (Bohle and Greskovits 2007); its industries are mostly larger and export-oriented, as well as strong in technological innovations and patents (Nared et al. 2017). Only Slovenia and the Czech



**Fig. 12.2** Percentage of people employed by economic sector in 1991 and 2016. (SURS 1992, 2017a)



**Fig. 12.3** Industrial production, productivity, and employment indexes in Slovenia from 1980 to 2010 (2010 index, 100; SURS 2017b)

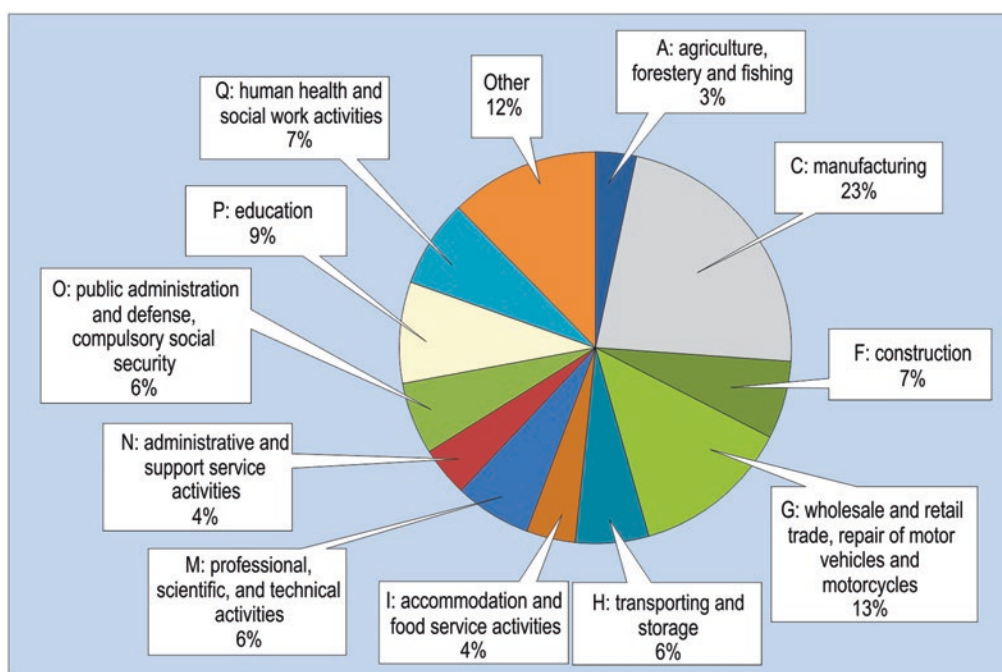
Republic had a per capita income above 80% of the EU-27 average (Smith and Timár 2010). Based on empirical data, such as the Gini coefficient or the income-consumption ratio between the richest and poorest 20%, Slovenia is among the countries with relatively low inequality (Kosec Zorko 2009). Bohle and Greskovits (2007) divided postcommunist European countries into three political-economic regimes: neoliberal, embedded neoliberal, and neocorporatist. Slovenia is the only one that can be classified in the last category and is characterized by a firmly institutionalized balance between marketization and both kinds of social protection, whereby business, labor, and other social groups are accepted as partners in shaping that balance.

Changes in the economic sectors probably also had an impact on the spatial structures of towns and regions, especially because of the great influx of foreign and partly also domestic developers that sought to establish themselves in the new market system as quickly as possible. These projects largely targeted the urban periphery in the form of greenfield development, which is alarming from the perspective of sustainable spatial development (Bole 2010). Developers are prepared to invest fewer funds in decaying brownfield areas within built-up urban areas, in which they are often assisted by vague and inappropriate spatial legislation.

## 12.4 Overview by Sector

As a result of deindustrialization and tertiarization at the end of the 1980s and the beginning of the 1990s, which marked the transition into a postindustrial society, today more than two-thirds (67.2%) of employees work in the tertiary sector. The share of the secondary sector, which includes manufacturing, mining, and construction and was still predominant even in the early 1990s, has fallen below one-third (29.5%), and only 3.3% of employees are now employed in the primary sector (agriculture, hunting, forestry, and fishing; SURS 2016a). Ratios between the sectors in terms of the gross added value are very similar, with the tertiary, secondary, and primary sectors generating 68.5%, 29.1%, and 2.4% of added value, respectively (SURS 2016b). It was only in 2015 that the total gross added value broke the record of 2008 from before the economic crisis, rising to €37.6 billion in 2017 as a result of favorable economic conditions (EUROSTAT 2017a). A more detailed analysis by activity (Fig. 12.4) shows that manufacturing predominates in terms of the number of employees (22.8%), followed by trade (13.4%), education (8.4%), human health and social work activities (7.2%), construction (6.4%), and professional, scientific, and technical activities (6.3%). Among them, the share of employees working in the public sector accounts for 17.4%, which is slightly below the OECD average (OECD 2017).

Among the service activities, trade is the one that has restructured and strengthened the most since 1990, causing the



**Fig. 12.4** Employment by activity (with NACE codes) in 2016, clockwise. (SURS 2016a)

most visible changes in the landscape. Today's shopping centers cover 2.4 million m<sup>2</sup>. The per capita retail sales area grew from 0.42 m<sup>2</sup> in 1989 to 0.76 m<sup>2</sup> in 2001 and 1.18 m<sup>2</sup> in 2017 (SURS 2004; Žlogar 2017), which ranks Slovenia in the upper half of the European countries (Raičević 2017). Novo Mesto and Ptuj are at the forefront in terms of retail area density, offering more than 3 m<sup>2</sup> per capita (Žlogar 2017).

Despite the deindustrialization trends, industry has remained one of the most important economic activities. The current data on employment by activity show that Slovenia has one of the largest proportions of employment in industry in the EU-28: at 22.5% it ranks fourth after the Czech Republic, Slovakia, and Poland (EUROSTAT 2015). In 2015, industry contributed 65.6% to all Slovenian export (falling from 74.7% in 2008; SURS 2015). Industrial companies are among the most successful in the country because various scales (total revenue, net profit, and number of employees) mostly rank companies in the automobile industry (e.g., Revoz/Renault), the pharmaceutical industry (e.g., Krka), and the electrical appliance industry (e.g., Gorenje). Among industries, Slovenia is the most specialized in manufacturing of fabricated metal products (except machinery and equipment) because its share in nonfinancial business economic value added in 2014 (5.2%) was the highest in the EU (EUROSTAT 2014). Some indicators such as industrial production, sales revenues in industry, and stocks of industrial products have been improving since 2011, which indicates a renewed importance of industry since the economic crisis of 2008 (SURS 2017c). On the other hand, in 2010 and 2015, only 14% of products created

in Slovenian manufacturing were highly technologically complex (SURS 2017d), which points to Slovenia's low position in the global manufacturing chain and the predominance of intermediate rather than finished products.

Agriculture predominates strongly in the primary sector, with the total share of those employed in forestry and fishing under 10%. The gross added value of agriculture in Slovenia in 2010 accounted for 1.2% of GDP and stood at the EU-27 average. On the other hand, Slovenia was among the countries with the highest share of people working on farms (i.e., 10%). Even though the intensity of agricultural production is on the increase, some indicators point to unfavorable natural and social factors hindering agriculture: thus, Slovenia ranked second among the EU-27 in terms of labor input per hectare. Plant production accounts for the largest share in agricultural production (i.e., 53%), whereas the share of livestock production is 44%. Above-average shares of cattle, fodder crops, fruit, wine, and olive oil, which are higher than in other EU countries, stand out among individual groups of agricultural products. Even though Slovenia is among the countries with the least arable land area per capita, it ranks fourth among EU hop producers, with 5% of its area used for growing hops (SURS 2013).

The analysis of Slovenia's employment structure shows that jobs in the service sector predominate in 167 municipalities (78.8%), followed by jobs in the secondary sector, which predominate in 41 municipalities (19.3%), and jobs in the primary sector, which prevail in 4 municipalities (1.9%). The types of municipalities by employment sector are presented in Fig. 12.5.

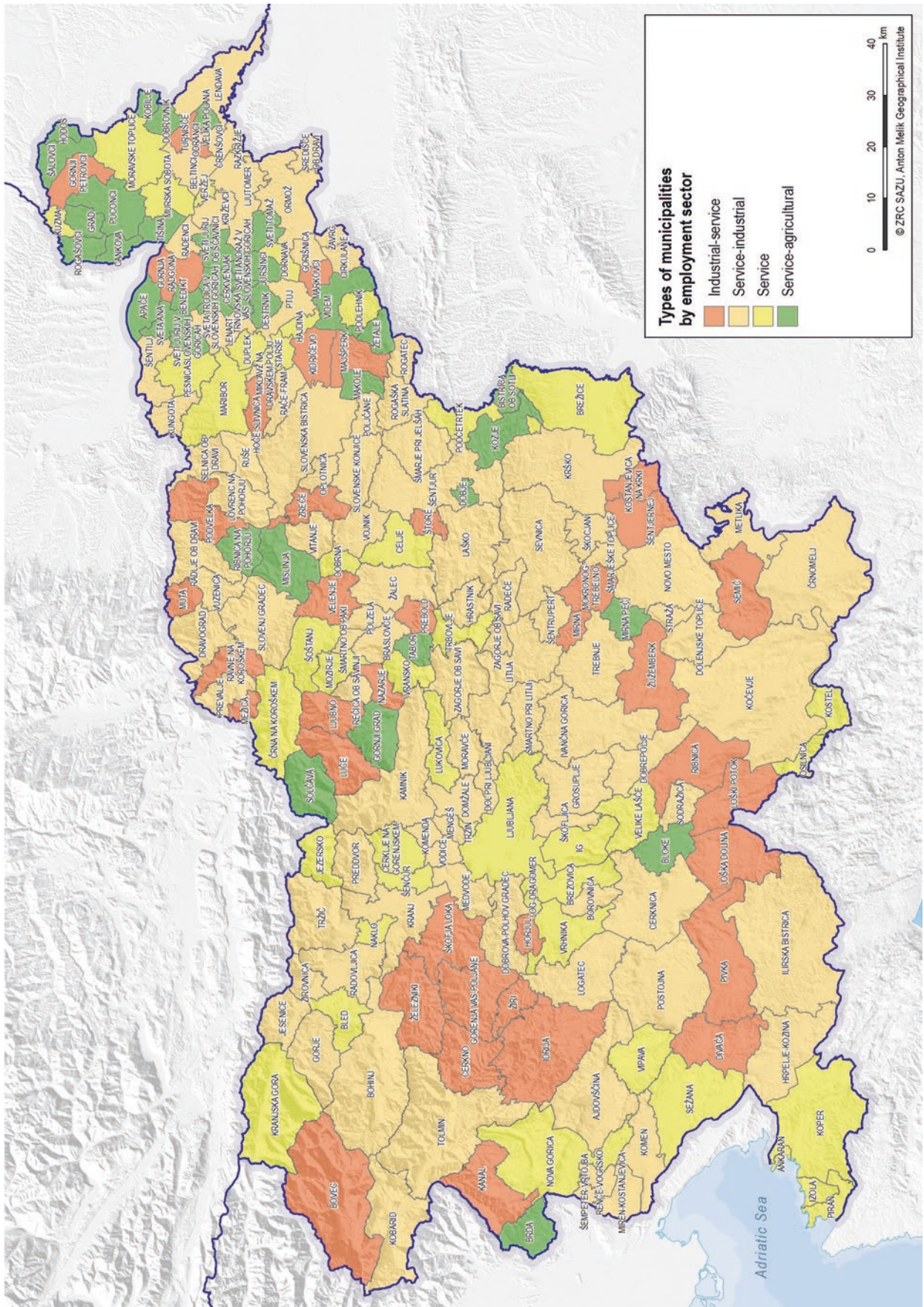


Fig. 12.5 Typology of municipalities in terms of employment by sector created with cluster analysis using Ward's method and the Euclidean-squared distance

In terms of employment structure, the majority of municipalities (i.e., 93) can be classified under the “service-industrial” type, which is characterized by a below-average but nonetheless largely predominant share of employees in the service sector, a slightly above-average presence of the primary sector, and an above-average share of jobs in the secondary sector. They are evenly distributed across Slovenia, and smaller municipalities with centers of intermunicipal or local importance predominate among them. Here one can also find regional centers with important industrial plants, such as Novo Mesto with its automobile and pharmaceuticals industry and Kranj with its rubber industry.

The “service” type (44 municipalities) with a predominant share of jobs in the service sector can be found in major towns that also serve as national or regional centers with functions of general importance (e.g., Ljubljana, Maribor, and Celje), municipalities with well-developed tourism (e.g., Kranjska Gora, Brežice, and Piran), smaller deagrarianized municipalities without major industrial enterprises (e.g., Kuzma and Veržej in northeast Slovenia and Vransko), and municipalities in the immediate gravitational area of major towns (e.g., Ankaran, Trzin, and Brezovica). Some municipalities were strong industrial or mining centers in the past but were subject to strong deindustrialization after 1990 (e.g., Trbovlje and Maribor). In some municipalities, the share of tertiary sector employment even accounts for 80% or more.

The 36 “service-agricultural” municipalities make up a special group characterized by an above-average share of primary sector employment (30% on average). They predominate in northeastern Slovenia, especially in the Pannonian hills; beyond that, they can only be found in the traditionally agricultural Gorica Hills and some areas remote from employment centers, such as Bloke. In four smaller municipalities in eastern and northeastern Slovenia, the share of primary sector employment even predominates.

The “industrial-service” municipalities (39) with a predominant share of industry are generally more represented at the “fringes” and not in the central urban parts of the country. This is partly a consequence of communist policies of industrial dispersion to rural areas in the later stages and partly due to deindustrialization trends in large- and medium-sized towns in the country in the 1990s. Current industry is mostly located in smaller towns that managed to transform former communist-style factories into successful ventures. Interestingly, many of those towns are in more remote, hilly areas, not connected with highways or railways, reflecting their endogenous development and transition (Kolektor or Hidria in Idrija or RIKO in Ribnica). Rarely, new industrial development was spurred due to foreign industrial investment, which is characteristic for other postcommunist central European countries such as Slovakia, Hungary, or the Czech Republic (Pavlinek 2004). Only 2 of 16 medium-sized

towns (with populations between 20,000 and 60,000) are highly industrialized: Velenje (population 33,000; 59% industrial jobs) with the Gorenje household appliances factory and a functioning coal mine and Škofja Loka (population 23,000; 47% industrial jobs), where there is a mix of older factories that have managed to modernize (e.g., paper and furniture manufacturing) and foreign companies that have moved their production from elsewhere (e.g., Knauf Insulation).

## 12.5 Slovenia in the Global Market

Although Slovenia was a constituent republic of communist Yugoslavia, its economy also formed links with western European market-oriented economies already very early on. Consequently, its transition from a planned economy to market economy was not as severe, and companies managed to make up for the lost markets in the other former Yugoslav republics relatively quickly.

In terms of GDP as an indicator of a nation’s economic situation, Slovenia is still below the EU average. At €19,600 per capita in 2016, it stood at 67% of the EU average, compared to the period before the 2008 economic crisis, when it had already reached 72%.

This points to a relatively weak recovery from the economic crisis, considering that unlike the EU economy, which began recovering 2 years after the crisis, the Slovenian economy only recorded somewhat stronger growth after 5 years (Fig. 12.6). A major reason for this was the heavy dependence on international markets, with exports accounting for 77.7% of GDP (EUROSTAT 2017c), which is significantly above the EU-28 average of 43.9%. Since 2009, a strong export orientation has also been reflected in a positive balance of trade (EUROSTAT 2017d), with the majority of goods being exported to Germany (20.7%), Italy (11.0%),

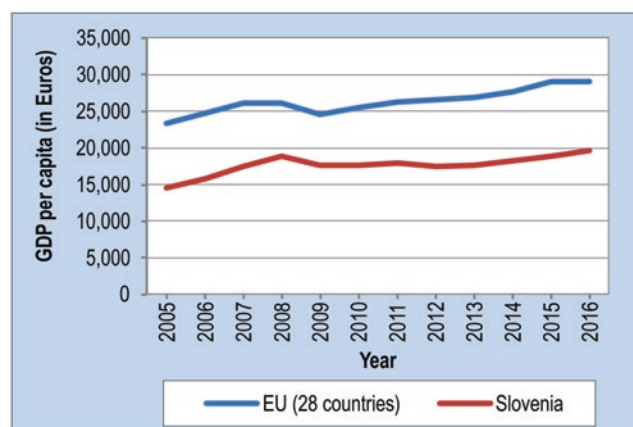


Fig. 12.6 Gross domestic product per capita at market prices. (EUROSTAT 2017b)

Croatia (8.3%), Austria (7.9%), and France (4.7%; SURS 2017e). The largest export sectors include the pharmaceuticals industry (Krka and Lek), home appliance industry (Gorenje and BSH Hišni Aparati), automobile industry (Revoz, Mahle Letrika, and Akrapovič), metal products industry (SIJ, Impol, and Talum), and electrical industry (Kolektor, Hidria, and Domel; Delo 2017).

In terms of foreign direct investment, Slovenia is at the tail end of the European countries (EUROSTAT 2017e), although it has recently managed to attract several important investments (by multinational corporations such as Magna, Yaskawa, and Sumitomo Rubber Industries).

Slovenia is important from the logistics point of view, especially because of its location along the fifth and tenth EU transport corridors, and the Port of Koper (Fig. 12.7) as an important logistics center for the transshipment of large containers and dry bulk goods. Between 2010 and 2015, the port increased its transshipment rate by 36.6%, ranking Slovenia second among European maritime freight transport countries in terms of transshipment growth, directly behind Cyprus (EUROSTAT 2017f), and enhancing its role as an important central and eastern European port.

## 12.6 In Focus: Tourism in Slovenia

Because of the great landscape diversity and the related opportunities for developing leisure activities, several types of tourist resorts have developed in Slovenia: health, mountain, seaside, and urban. Due to the diverse range of products and activities they offer, each one of them attracts

different domestic and international visitors, and in the past each of these resorts has also shown a different degree of resistance to developments during political and economic crises (Komac et al. 2013).

Health resorts have the longest tourism tradition in Slovenia. Their beginnings, connected with the curative mineral water of Rogaška Slatina (Fig. 12.8), go back as far as the eighteenth century (Horvat 2014). Among all tourism areas, health resorts record the majority of overnight stays, and their popularity is increasing, thanks to renovated and modernized accommodation and entertainment facilities as well as wellness or health services. These help providers successfully deal with the large seasonal fluctuations in tourist arrivals typical of other types of tourism resorts. Recreational infrastructure at these health resorts also has a positive impact on the development of smaller private tourism providers, such as vacation farms in the surrounding area. They generate a modest share of all overnight stays (Slovenian ... 2017), but they are important for the development of the countryside and its social capital (Mavri and Črnič Istenič 2014).

It is mountain tourism that predominates in Slovenia rather than rural tourism, which relies on vacation farms, and it is primarily not centered around the winter season. Because of the relatively low elevations of Slovenian ski resorts and unreliable snow conditions, the winter season merely complements the summer season, during which the attractiveness of mountain resorts primarily relies on the abundance of recreational opportunities in the mountains (Cigale and Gosar 2014; Fig. 12.9). Mountain resorts were



**Fig. 12.7** Port of Koper. (Photo by Samo Trebizan, Shutterstock.com)



also the resorts that recorded the majority of international overnight stays in 2016 (Slovenian ... 2017).

Seaside resorts also have a long tourism tradition going back to the nineteenth century. Among all tourism resorts, they are the ones that most pronouncedly adapt their range of

services to international trends: initially, “climate tourism” was at the forefront, followed by “3S tourism” (sea, sand, and sun) in the second half of the twentieth century, and the increased importance of nautical, conference, and gambling tourism in the twenty-first century. Despite adapting and



**Fig. 12.8** The Rogaška Slatina health resort in eastern Slovenia with Mount Saint Donatus (*Donačka Gora*) in the background. (Photo by Cortyn, [Shutterstock.com](https://www.shutterstock.com))



**Fig. 12.9** Panoramic view of Lake Bled with the Karawank in the background. (Photo by Alberto Loyo, [Shutterstock.com](https://www.shutterstock.com))

expanding their range of services, it took the seaside resorts the longest to financially recover after the breakup of Yugoslavia (Komac et al. 2013), and they also failed to overcome the distinct seasonal fluctuations.

The majority of tourists visit Slovenian towns not exclusively for leisure or because of the towns' urban appeal. Their motives are often connected with attending conferences, shopping, or accompanying activities, such as sports events (in Maribor), the nearby coast (in Koper), and gambling (in Nova Gorica; Cigale and Gosar 2014). Ljubljana is an exception in this regard, having ranked among the five most important tourist destinations in the country ever since Slovenia's independence and taking first place in the number of overnight stays in 2016 (Slovenian ... 2017). The European Green Capital Award won by Ljubljana in 2016 boosted the city's international profile, and through selected providers, the city is also involved in the Slovenia Green tourism campaign.

Slovenia has joined the general global trend of increasing tourism travel: it belongs to the EU countries that have been recording the greatest increase in tourist arrivals and overnight stays, especially international ones (EUROSTAT 2017g). Despite continual growth and current optimism, the 1991 experience shows that Slovenian tourism is extremely sensitive to economic and political changes and the threat of excessive national dependence on this activity. Because of severed ties with the former Yugoslav markets and conflicts in the wider region, in 1991 the number of arrivals and overnight stays dropped to the 1970 level. Health resorts were the fastest to recover in terms of arrivals and overnight stays, especially thanks to the quickly regained trust of domestic guests, whereas at seaside resorts recovery took place for nearly two decades (Komac et al. 2013).

## 12.7 In Focus: A Country of Part-Time Farms

Agricultural income has been incapable of ensuring the long-term economic stability of small- and medium-sized European farms for decades. Slovenian farms are no exception: around 2000, 75% of them generated part of their income through nonfarming activities (Udovč et al. 2006), which is why the term "part-time farm" has become established for them.

Slovenia is no exception in terms of its high share of part-time farms, but it is characterized by an exceptionally complex combination of natural-geographical and social-geographical factors that have had an impact on this.

One of them is exceptional land fragmentation, both in terms of size and space. This was caused by unfavorable farming conditions: mountainous, hilly, and karst areas cover nearly three quarters of Slovenia. On the one hand, land

fragmentation is the result of society's progress and capability to adapt to natural conditions, which has also changed the perception of ownership (Blaznik et al. 1970). In prefeudal times, common land predominated because its cultivation demanded interdependence, and so all members of the community engaged in it. The more advanced the farming techniques became through the use of advanced tools, the more the production shifted toward an individual owner or a small family, thereby also fragmenting and dividing rural properties (Blaznik et al. 1970).

Farm division continued through improved farming techniques and increased productivity, as well as inheritance rules, which allowed or even demanded the division of farms among all of their heirs (Maček 2007). The enhanced peasant freedoms during the Theresian and Josephinian reforms (in the second half of the eighteenth century), under the Illyrian Provinces (from 1809 to 1813), and ultimately with the 1848 abolition of serfdom, and consequently the opportunity to purchase farmland, pushed many farmers into debt, which they tried to repay by selling off pieces of their land (Lazarevič 1994), which continued the spatial fragmentation of farm estates (Fig. 12.10).

The next period that strongly influenced the economic structure of Slovenian farms was the agrarian reform after the Second World War. By introducing the maximum area that an individual could own (i.e., 10 ha), the authorities radically changed the structure of the land ownership between 1945 and 1953, while at the same time exacerbating the social and economic situation of farmers, many of whom began to seek additional sources of income in the emerging industry in nearby urban centers. This marked the beginning of the final deagrarianization of the Slovenian countryside and the transformation of farmers into part-time farmers.

Part-time farmers were subject to strong public criticism during the second half of the twentieth century. Farming was considered one of the least respectable professions, and a general belief became established in society that their double activity (i.e., on the farm and outside it) was harmful and impermissible (Razpotnik Visković and Seručnik 2013). Part-time farmers were blamed for neglecting farmland and destroying the traditional farming cultural landscape—which, however, proved to be unfounded (Klemenčič 1974). Hence, today's part-time farms can be discussed not only within the context of deagrarianization and the loss of the landscape's agrarian character but also from the opposite perspective. In areas where farming conditions are so meagre that they cannot ensure the economic and demographic survival of full-time farms, part-time farms have assumed the key role in preserving settlement in the landscape, thus maintaining the human, social, and economic potential of these areas.



**Fig. 12.10** Land fragmentation. (Photo by Jure Korosec, [Shutterstock.com](https://www.shutterstock.com))

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