

The Impact of Educational Standards on Sustainable Development in Slovenian Local Communities

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Abstract

The article examines the role of municipalities in linking education, local economic development, and sustainable development. The quantitative study, involving 149 Slovenian municipalities, analyses associations between different forms of municipal engagement in education and selected socio-economic, institutional, and strategic characteristics of local communities. The findings do not confirm a statistically significant association between municipal cooperation in educational programme development and lower unemployment, nor do they support the assumption that city municipalities exert greater influence on educational programme development. By contrast, statistically significant associations are identified between selected forms of municipal co-financing of education and growth in the number of business entities, and between strategic sustainable-development documents and stronger cooperation among municipalities, educational institutions, and businesses. The findings suggest that municipalities' role in education should be understood primarily through strategic planning, stakeholder coordination, and institutional cooperation rather than as a direct causal determinant of socio-economic outcomes.

Introduction

Local communities have long been acknowledged as vital agents in shaping broader societal development. In the specific context of Slovenia, municipalities (občine) constitute the central tier of local self-government and therefore represent an important institutional framework through which economic, social, and developmental policies can be implemented. As basic units of local governance, municipalities possess administrative structures and decision-making capacities that allow them to influence the development trajectories of their communities. Their role is particularly relevant in areas such as spatial planning, local infrastructure development, public services, cooperation with economic actors, and the creation of institutional conditions conducive to local economic activity. Consequently, municipalities hold considerable potential for contributing to sustainable economic and social development within their territorial boundaries (Haček & Kukovič, 2023). From an economic perspective, their capacity to connect local development priorities with education, skills formation, and the needs of local businesses may be particularly important for strengthening human capital, supporting entrepreneurship, and enhancing the long-term developmental capacity of local communities.

Despite this institutional importance, the relationship between municipalities, educational institutions, and broader development processes has often remained insufficiently explored in both Slovenian and international scholarly literature. In many cases, education policy is treated primarily as a national policy domain, governed through centralised legislation, national curricula, and state-level institutions. Such an approach tends to overlook the potential role of local actors in

supporting educational opportunities and institutional cooperation in ways that respond to the specific developmental needs of local economies and communities. This gap is particularly relevant from the perspective of sustainable local development, where education should not be viewed solely as a public service but also as a component of local human-capital formation, institutional capacity, and economic resilience. The present study addresses this gap by examining whether and how Slovenian municipalities collaborate with educational institutions and economic actors and how such engagement is associated with selected dimensions of local socio-economic development.

In the international literature, several theoretical perspectives illuminate the nexus between local governance and education. Some scholars emphasise the importance of centralised educational systems that ensure uniform standards, quality assurance, and equality of access across regions (Spring, 2015). Others highlight the potential benefits of decentralised educational governance, arguing that greater involvement of local actors may allow education systems to become more responsive to local labour-market needs, economic structures, and demographic dynamics (Steiner-Khamisi, 2014). From this perspective, local authorities may act as mediators between the education system and local economic actors, thereby facilitating stronger alignment between educational provision and local development priorities. The present study adopts the view that these perspectives should not necessarily be treated as mutually exclusive. Nationally defined educational standards and stronger local responsiveness may perform complementary functions: the former can safeguard quality and comparability, while the latter can facilitate

adaptation to specific socio-economic conditions and development needs.

Slovenia represents a particularly interesting case in this regard. The country is characterised by a relatively small territorial scale, a high degree of municipal fragmentation, and the absence of formally established regional governments (*pokrajine*). Instead, municipalities serve as the primary level of territorial self-government. At the same time, the Slovenian education system remains largely centralised, with curricula, programme accreditation, and educational standards predominantly determined at the national level. This institutional arrangement creates a structural tension between local development needs and nationally defined educational policies. Municipalities may recognise the importance of education for local development, yet their formal competencies in shaping educational programmes remain limited (Zgaga, 2014). This makes Slovenia a useful setting for examining whether local authorities can nevertheless contribute to education-related development through coordination, financing, strategic planning, and stakeholder cooperation rather than through formal control over educational standards or curricula. Nevertheless, municipalities can play an important role in supporting education through indirect mechanisms. These include collaboration with educational institutions, co-financing of educational programmes, support for vocational training initiatives, and partnerships with local businesses. Through such activities, municipalities may contribute to creating educational opportunities that correspond more closely to local economic structures and labour-market needs. However, the existence of such mechanisms does not necessarily imply direct or uniform socio-economic effects. The relationship between

municipal engagement in education and local development is likely to depend on institutional capacity, strategic planning, local economic conditions, and the forms of cooperation established among municipalities, educational institutions, and economic actors. Accordingly, municipal engagement in education is conceptualised in this study not as an isolated policy intervention expected to produce immediate economic outcomes, but as one component of a broader local governance environment in which education, human capital, institutional cooperation, and economic development interact.

The overarching aim of this paper is to examine the relationship between municipal involvement in education and selected socio-economic and institutional characteristics of Slovenian municipalities. More specifically, the study explores how cooperation between municipalities, educational institutions, and local economic actors is associated with different dimensions of sustainable local development. The analysis focuses on several interrelated dimensions. First, the study investigates theoretical perspectives on local self-government, including institutional arrangements, governance structures, and the legislative framework shaping municipal responsibilities. Second, it explores the conceptual foundations of education and its relevance for sustainable local development. Third, it develops an empirical framework for analysing associations between municipal participation in the development and financing of educational programmes and selected local development indicators. Finally, the study examines the role of municipalities as actors in identifying local educational needs, facilitating stakeholder cooperation, and supporting local human-capital development. Particular attention is paid to whether these forms of municipal

engagement are associated with economically relevant local outcomes and conditions, including unemployment, business development, and the institutional capacity to coordinate local development processes.

In pursuing these objectives, the paper draws upon theoretical and empirical insights from previous research on sustainable development, local governance, and education policy. Studies on sustainable development emphasise the importance of integrating economic, social, and environmental dimensions of development in order to achieve long-term societal resilience (Rivera Maulucci et al., 2023; Li & Huang, 2024). Research on local governance highlights the role of local stakeholders, institutional cooperation, and community engagement in promoting balanced development (Dollery et al., 2011). Furthermore, analyses of decentralisation processes in Slovenia demonstrate that municipalities often operate under institutional constraints that limit their direct influence over national policy domains such as education (Dubajić, 2010; Vlaj, 2012). Taken together, these strands of scholarship suggest that the developmental relevance of municipalities may depend less on the extent of their formal authority over education and more on their capacity to coordinate actors, mobilise resources, identify local needs, and integrate education into wider development strategies. This constitutes the conceptual position adopted in the present study. By combining these strands of scholarship, the study seeks to contribute to the broader debate on how local governance structures can support sustainable socio-economic development through strategic engagement with education.

Against this theoretical background, the central research question guiding this study is the

following: To what extent is municipal involvement in the development and financing of educational programmes associated with selected dimensions of sustainable socio-economic development and institutional cooperation in Slovenian local communities?

Addressing this question requires the analysis of both institutional practices and selected development indicators. The study therefore examines whether different forms of municipal engagement in education are associated with unemployment, growth in the number of business entities, municipal type and institutional capacity, and the existence of strategic sustainable-development documents. Particular attention is devoted to distinguishing between statistical association and causal influence, as the cross-sectional research design does not permit causal inference. This distinction is particularly important when assessing the economic implications of municipal educational engagement, since local economic outcomes are shaped by multiple interacting structural, demographic, institutional, and regional factors.

By analysing these relationships, the study aims to fill an important gap in both Slovenian and international research. While numerous studies examine national education policies or regional economic development, relatively few focus specifically on the interaction between local self-government and education systems. Even less attention has been devoted to empirically examining whether specific forms of municipal educational engagement are associated with measurable socio-economic and institutional characteristics at the local level. Slovenia's municipal structure provides an opportunity to examine how local governance institutions can

participate in education-related processes even within a predominantly centralised educational system. Insights derived from this case may therefore be relevant not only for Slovenia but also for other small states and governance systems seeking to strengthen the role of local actors in education-related development processes (Machonin, 1997; Cingula et al., 2010). The contribution of the study is therefore both empirical and conceptual: empirically, it provides evidence from a nationwide survey covering more than 70% of Slovenian municipalities; conceptually, it examines municipal engagement in education as a form of strategic local governance rather than simply as an extension of formal educational authority.

The remainder of the paper is structured as follows. Following this introductory section, the paper presents a contextual overview of local self-government in Slovenia and reviews the relevant literature on education and sustainable local development. The subsequent section outlines the research question, develops testable hypotheses, and describes the methodological approach used in the empirical analysis. The results section then presents the empirical findings of the nationwide survey of Slovenian municipalities and reports the outcomes of hypothesis testing. A separate discussion section interprets these findings in relation to the theoretical framework and previous research, with particular attention to their economic, institutional, and practical implications. The concluding section summarises the main contributions of the study, acknowledges its limitations, and identifies directions for future research.

Literature Review

Local Self-Government in Slovenia

The roots of local self-government in the territory of present-day Slovenia date back to the mid-19th century, when municipalities were first established as administrative units within the Austro-Hungarian Empire. Over time, these structures evolved through different political systems, including the Kingdom of Yugoslavia and the Socialist Federal Republic of Yugoslavia, eventually transforming into the current system of municipalities following Slovenia's independence in 1991 (Grafenauer, 2000). In the process of democratic transition and institutional reform, Slovenia adopted a parliamentary system and began restructuring its local governance framework in accordance with European standards of local self-government (Trpin & Grafenauer, 2002).

The contemporary system of local governance in Slovenia is based on the Constitution of the Republic of Slovenia and the Act on Local Self-Government (*Zakon o lokalni samoupravi*), which grants municipalities a relatively high degree of autonomy in managing local affairs (Dubajić, 2010). Municipalities are responsible for a broad range of local public services, including spatial planning, communal infrastructure, social services, cultural activities, and certain aspects of education policy. Although these responsibilities provide municipalities with opportunities to influence local development processes, their institutional capacity varies considerably depending on factors such as population size, financial resources, administrative structures, and specialised human resources.

One of the distinctive characteristics of the Slovenian territorial governance system is the absence of formally established regions. As a result, municipalities represent the primary level of decentralised governance. This institutional arrangement has generated ongoing debates about the effectiveness and efficiency of Slovenia's single-tier local self-government system. The proliferation of relatively small municipalities—many with fewer than 5,000 inhabitants—raises questions about fiscal capacity, administrative professionalism, and the ability of local authorities to design and implement comprehensive development strategies.

Recent international research reinforces the importance of administrative capacity in explaining differences in the ability of local governments to translate sustainable-development objectives into effective strategies. Annesi et al. (2025), examining the integration of the Sustainable Development Goals (SDGs) into municipal strategic processes, identify spending capacity, specialised human capital, sustainability-oriented performance measurement, and political stability as important conditions supporting effective sustainability planning. Their findings indicate that administrative capacity should not be understood as a single organisational characteristic but as a combination of financial, human, managerial, and political resources.

This perspective is particularly relevant to Slovenia, where substantial differences in municipal size and resources coexist within a common national institutional framework. Previous research on local development planning in Slovenia shows that some municipalities have adopted sustainable-development strategies, yet their implementation is often weak. Deželan et al. (2014) argue that such strategies should be concise, based on clear and

objectively defined goals, linked to realistic municipal budgets and resources, and accompanied by precise implementation measures and clearly assigned responsibilities. They further emphasise that local authorities should coordinate planning processes, promote the sustainable use of resources, and ensure the participation of affected stakeholders in local development decision-making (pp. 551–553, 571).

More recent evidence suggests that the challenge is not merely whether local authorities adopt strategic sustainability documents, but whether they possess the institutional capacity to translate those documents into coordinated action. Ortiz-Moya and Yang (2025), drawing on 151 voluntary local reviews, demonstrate that local implementation and review of the SDGs are shaped by institutional and contextual characteristics and stress the importance of effective local follow-up mechanisms. Similarly, Suve (2026) identifies resource constraints, insufficient strategic planning, and competency gaps as significant barriers to sustainable-development implementation, particularly in smaller local governments.

From the author's perspective, this development in the literature marks an important shift in the understanding of local governance. Earlier approaches often focused primarily on the formal distribution of competencies between national and local authorities, whereas more recent research increasingly emphasises the capacity of municipalities to coordinate actors, mobilise resources, implement strategies, and transform policy objectives into local action. Formal autonomy is therefore only one dimension of effective local governance; institutional and strategic capacity may be equally important for explaining differences between municipalities.

In the context of education policy, the role of municipalities remains somewhat limited. While municipalities are responsible for the infrastructure and maintenance of primary education institutions, they typically have little formal authority over secondary, tertiary, or adult education programmes. These areas are largely governed at the national level through ministries, regulatory bodies, and accreditation procedures (Zgaga, 2014). Consequently, local authorities often have only indirect opportunities to influence the structure and content of educational programmes. Nevertheless, municipalities may still contribute to shaping local educational ecosystems through collaboration with educational institutions, partnerships with local businesses, and the co-financing of certain educational initiatives.

Understanding these institutional constraints is important for analysing the potential role of municipalities in education-related development. Although municipalities may not possess direct regulatory authority over educational systems, they can still function as facilitators of cooperation between local stakeholders and may thereby contribute to institutional environments supportive of human-capital development and local economic activity. Accordingly, the present study conceptualises municipal influence in education more broadly than formal regulatory competence. Municipalities may exercise developmental influence through financing, strategic planning, stakeholder coordination, partnership formation, and the identification of local educational and labour-market needs.

Education and Sustainable Local Development

Education has long been recognised as a central factor in long-term socio-economic development

(Ballantine, 1989). In modern knowledge-based economies, education contributes not only to the development of human capital but also to the creation of innovative capacities, technological advancement, and social cohesion. The emergence of sustainability discourse in recent decades has further emphasised the importance of education as a key component of environmentally responsible, socially inclusive, and economically resilient development models (Rivera Maulucci et al., 2023).

From the perspective of sustainable development, education plays a dual role. On the one hand, it equips individuals with the knowledge and skills necessary for participation in modern labour markets. On the other hand, it fosters values such as environmental awareness, civic responsibility, and long-term thinking, which are essential for achieving sustainable societal progress. Scholars increasingly emphasise that successful transitions towards sustainable development require education systems capable of responding to local socio-economic conditions and regional development priorities (Li & Huang, 2024).

The broader European context further reinforces this relationship between education and sustainability. European higher education institutions are increasingly responding to intertwined pressures arising from economic and technological change, digitalisation, the green transition, and post-pandemic transformation, all of which strengthen the need to embed sustainability into institutional and educational development (Popowska, 2024).

Recent research also demonstrates that education for sustainable development extends beyond formal educational institutions and increasingly involves local and community-based learning environments.

In the Slovenian context, Košmerl (2025) identifies non-formal adult education as an important component of education for sustainable development and emphasises the need for stable funding, greater regional accessibility, cooperation with educational organisations, and stronger involvement of relevant stakeholders. The study is particularly relevant to local governance because municipalities constitute an important source of local-level support for such educational activities.

In many European countries, however, education systems remain highly centralised. National governments typically regulate curricula, accreditation standards, and funding mechanisms, while local actors play a relatively limited role in shaping educational policies. This centralisation can help maintain uniform quality standards and equal access to education, but it may also limit the ability of educational systems to respond to region-specific labour-market demands and development opportunities.

For this reason, several authors advocate greater decentralisation in education governance. According to this perspective, municipalities and other local actors are often better positioned to identify emerging skill needs, economic opportunities, and social challenges within their communities (Turhan & Güneyli, 2022). Closer cooperation between municipalities, educational institutions, and local businesses may therefore facilitate a more effective alignment between labour-market demand and the supply of skills and competencies produced by educational systems (Vidic, 2012).

However, the author argues that the centralisation–decentralisation relationship should not be

interpreted as a binary choice. The relevant question is not necessarily whether educational authority should be transferred from the national to the municipal level, but how nationally defined educational standards can be complemented by locally generated knowledge and cooperation. National authorities can safeguard quality, comparability, and accessibility, while municipalities can contribute information about local skill needs, demographic change, economic structures, and development priorities. In this sense, local participation can complement rather than replace national educational governance.

In Slovenia, this issue is particularly relevant because local development disparities persist despite the country's relatively small size. Without systematic municipal engagement, vocational education and continuing education programmes may fail to address the specific needs of local economies. Consequently, educational systems may produce skills that are insufficiently aligned with local labour-market structures, potentially contributing to skill mismatches and limiting local economic dynamism (Krajnc, 2016).

Alongside formal education at different levels, adult education is also relevant to local human-capital development. Andragogy provides a conceptual basis for understanding lifelong and continuous learning and is characterised by a multidisciplinary orientation and an interdisciplinary scientific approach (Pastuović, 2022). This perspective is particularly important for municipalities seeking to respond to changing labour-market needs through continuing education and reskilling. Viewed in combination with recent research on education for sustainable development in Slovenia (Košmerl, 2025), lifelong learning further expands the

potential developmental role of municipalities beyond their statutory responsibilities for primary-school infrastructure.

The author therefore views education as a component of local development infrastructure rather than solely as a sectoral public service. Its developmental relevance derives not only from formal qualifications but also from its capacity to support human-capital formation, adaptation to technological and economic change, lifelong learning, social participation, and cooperation between institutions. This broader interpretation provides an important conceptual bridge between education policy and sustainable local development.

Municipal Contributions to Local Economic Development

A substantial body of international literature highlights the important role of local governments in promoting economic development. Municipalities may contribute to local economic development by leveraging local knowledge, fostering cooperation among stakeholders, and supporting entrepreneurial ecosystems (Sienkiewicz, 2014; Godlewska & Morawska, 2020). Through strategic planning, investment in local infrastructure, and support for education and innovation, municipalities may help create institutional conditions favourable to business development and employment.

There is no single universal model capable of capturing all determinants of local development, and appropriate development indicators may vary across municipalities. The literature nevertheless offers several models that focus on local economic development and the role of local institutions,

resources, and stakeholder cooperation (Sienkiewicz, 2014; Zadęcka, 2018; Godlewska & Morawska, 2020). Zadęcka (2018, pp. 85–87) stresses that local development models should reflect the needs, capacities, and natural conditions of municipalities and their wider territorial environment. Local economic development is therefore best understood as a multidimensional and collective process requiring coordinated participation by local authorities, businesses, non-governmental organisations, and residents, while remaining grounded in local needs, resources, and initiatives.

Recent research on sustainability governance strengthens this interpretation by showing that strategic planning alone is insufficient unless it is supported by institutional capacity and effective coordination. Annesi et al. (2025) demonstrate that different combinations of financial capacity, specialised human resources, performance-management mechanisms, and political conditions can produce different levels of sustainability integration within local government. This suggests that municipal development capacity is configurational rather than determined by a single characteristic such as size or formal status.

In the Slovenian context, cooperation between municipalities, local businesses, and educational institutions may have important developmental implications. When municipalities support educational initiatives—whether through co-financing, logistical support, or institutional collaboration—they may contribute to the development of a local workforce with skills relevant to local economic sectors. Such cooperation may help address skill mismatches in local labour markets and improve the availability of appropriately qualified labour for local employers.

On the demand side, businesses may benefit from access to a locally trained workforce familiar with regional economic structures and industry needs. On the supply side, residents may gain access to educational opportunities that correspond more closely to local employment prospects. The interaction between education and local economic structures may therefore support mutually reinforcing relationships between human-capital development, labour-market adaptation, and regional economic development. However, the existence and strength of these relationships are empirical questions and should not be assumed in advance.

From the author's perspective, this qualification is particularly important. Educational investment should not be expected to translate automatically or immediately into lower unemployment or business growth. Local economic performance reflects the interaction of numerous factors, including demographic structure, accessibility, industrial composition, investment, entrepreneurship, fiscal capacity, and broader regional and national economic conditions. Municipal support for education is therefore better understood as one element of a wider local development ecosystem rather than as an isolated causal determinant of economic performance.

The extent of municipal involvement in education varies significantly across municipalities. Larger municipalities, particularly those designated as city municipalities (*mestne občine*), often possess more developed administrative structures, greater financial resources, and specialised departments capable of coordinating cooperation with educational institutions (Brezovnik et al., 2019). In

contrast, smaller municipalities may have more limited institutional and financial capacity to support such initiatives.

Recent research nevertheless cautions against equating municipal size or formal status directly with effective institutional capacity. Suve (2026), for example, identifies substantial capacity constraints in smaller municipalities but also demonstrates that effective sustainability implementation depends on strategic planning, competencies, monitoring, and organisational capabilities. Similarly, Annesi et al. (2025) conceptualise administrative capacity as a combination of mutually interacting resources and institutional conditions.

This variation in institutional capacity suggests that differences in municipal resources and strategic orientation may be associated with the extent to which municipalities participate in local educational ecosystems. The author therefore argues that municipality type should be regarded as a possible proxy for institutional capacity rather than as a sufficient explanation of municipal developmental performance. This distinction is particularly important for the empirical analysis undertaken in the present study.

Slovenian studies also demonstrate that municipal development is commonly examined through partial, field-specific indicators. For example, research on the municipalities of the Lower Sava region has analysed demographic and social characteristics within a local sustainable-development framework (Založnik & Gorše, 2012). Such studies underline the need for development models that integrate social, demographic, economic, and institutional dimensions rather than

treating them in isolation.

Research Gaps and Contributions

Despite the growing body of literature on local governance, education policy, and sustainable development, relatively few studies systematically analyse the relationships between municipal competencies, educational initiatives, institutional cooperation, and measurable socio-economic characteristics. Existing research often focuses either on national education policies or on regional economic development, without explicitly examining how local governance structures interact with educational systems.

The more recent literature has substantially advanced understanding of local sustainability governance by highlighting administrative capacity, strategic planning, policy coordination, and local implementation of the SDGs (Annesi et al., 2025; Ortiz-Moya & Yang, 2025; Suve, 2026). At the same time, recent Slovenian research demonstrates the continuing relevance of locally supported education for sustainable development and lifelong learning (Košmerl, 2025). Yet these strands of research remain insufficiently connected. In particular, limited empirical attention has been devoted to whether municipal engagement with education is associated with socio-economic characteristics and strategic-development practices at the local level.

The need for such integration is evident in both Slovenian and international research. Effective local development requires stronger connections between local government, education, and the economy, since fragmented approaches can limit the capacity of communities to pursue balanced and sustainable development. Comparable attempts to

connect education, community needs, entrepreneurship, and sustainability can be found in studies from Croatia, Ecuador, and China (Cingula et al., 2010; Lomas Tapia & Trujillo, 2018; Zhou, 2020).

On the basis of this literature, the present study adopts an integrative conceptual perspective in which municipalities are understood primarily as coordinators and facilitators within local development ecosystems. Their potential contribution does not necessarily derive from direct control over educational programmes. Rather, it may arise from their capacity to identify local needs, connect educational and economic actors, mobilise financial and institutional resources, and incorporate education into broader sustainable-development strategies. This perspective brings together three previously rather separate strands of research: local governance and administrative capacity, education and human-capital development, and sustainable local economic development.

This study seeks to address this gap by focusing on the Slovenian municipal context and analysing several key dimensions of municipal involvement in education. In particular, the research investigates:

- the ways in which Slovenian municipalities collaborate with and support educational institutions;
- whether municipal cooperation in educational programme development is associated with local unemployment;
- whether selected forms of municipal co-financing of education are associated with growth in the number of local business entities;
- whether municipality type is associated with differences in participation in educational

programme development; and

- whether the existence of strategic sustainable-development documents is associated with stronger cooperation among municipalities, educational institutions, and businesses.

By analysing these dimensions, the study contributes to the broader debate on decentralisation, education governance, and sustainable development. Slovenia provides a particularly interesting case for such analysis due to its fragmented municipal structure, centralised education system, and absence of regional governance structures. Insights derived from this case may therefore be relevant for other small states or governance systems seeking to strengthen the role of local actors in education-related development processes (Machonin, 1997; Cingula et al., 2010).

The contribution of the study is threefold. First, it connects municipal engagement in education with measurable socio-economic and institutional characteristics rather than examining educational governance or local development in isolation. Second, it tests these relationships using nationwide empirical evidence from Slovenian municipalities. Third, it develops a context-sensitive understanding of municipal educational engagement in which national educational standards and local developmental responsiveness are treated as potentially complementary rather than competing principles. In this framework, the key analytical question is not simply how much formal educational authority municipalities possess, but how effectively they use their strategic, financial, and coordinating capacities to connect education with local development needs.

The theoretical considerations presented in this section provide the conceptual foundation for the empirical analysis that follows. They suggest that municipal engagement in education should be analysed within a broader institutional framework encompassing administrative capacity, strategic planning, stakeholder coordination, human-capital development, and local economic conditions. Based on these insights, the next section formulates the research question and develops four testable hypotheses concerning the relationships between municipal involvement in education, selected socio-economic indicators, municipality type, and strategic development planning.

Methodology

The methodological framework of this study is based on a new institutionalist perspective, which provides an analytical framework for understanding how formal institutions, governance arrangements, and organisational practices shape public policy processes and development outcomes (Lowndes, 2005). Rather than viewing municipalities solely as legally defined administrative units, the new institutionalist approach considers local governments as institutional actors whose decision-making capacity is influenced by formal competencies, organisational resources, strategic planning, and interactions with other stakeholders.

This perspective is particularly appropriate for the present study because the research does not examine municipalities primarily through their formal authority over education, but through their institutional capacity to coordinate educational institutions, businesses, and other local actors within a predominantly centralised education

system. The methodological approach is therefore consistent with the theoretical framework developed in the previous section, which conceptualises municipal engagement in education as a governance and coordination mechanism rather than as a direct regulatory function.

The empirical component of the study is based on a quantitative cross-sectional research design. The study investigates statistical associations between different forms of municipal involvement in education and selected socio-economic and institutional characteristics of Slovenian municipalities. Given the cross-sectional nature of the dataset, the analysis seeks to identify patterns of association rather than establish causal relationships.

Research Question and Hypotheses

The central research question guiding the empirical analysis is:

RQ: To what extent is municipal involvement in the development and financing of educational programmes associated with selected socio-economic outcomes and institutional characteristics of Slovenian municipalities?

This research question reflects the conceptual assumption that municipalities may contribute to sustainable local development through strategic cooperation, educational support, and stakeholder coordination, even when their formal educational competencies are limited. Based on the theoretical framework presented in the literature review, four hypotheses were formulated.

H1: Municipalities that collaborate with

educational institutions and local businesses in designing educational programmes exhibit lower unemployment rates than municipalities that do not engage in such collaboration.

H2: Municipal co-financing of educational institutions and programmes is associated with growth in the number of local business entities.

H3: City municipalities (*mestne občine*) exert greater influence on the development of educational programmes due to their larger administrative capacities and institutional resources compared with other municipalities.

H4: The existence of a strategic sustainable-development document is associated with stronger cooperation between municipalities, educational institutions, and businesses in the development of educational programmes.

These hypotheses operationalise different dimensions of municipal educational engagement identified in the theoretical literature: labour-market responsiveness (H1), education as a component of local economic development (H2), institutional capacity (H3), and strategic governance and stakeholder coordination (H4).

Data Sources

The empirical analysis is based on data collected through a nationwide survey of Slovenian municipalities. The population of interest consisted of all 212 municipalities registered in Slovenia according to official administrative records. Survey invitations were distributed electronically to all municipalities, with the request that the questionnaire be completed by the organisational

unit or individual responsible for education or related development activities within the municipal administration.

The survey was conducted using the 1KA online survey platform, which is widely used for academic and institutional research in Slovenia. The platform enabled systematic data collection, automated storage of responses, and subsequent export for statistical analysis.

A total of 149 municipalities provided valid responses, representing slightly more than 70% of all Slovenian municipalities. This high response rate provides broad territorial coverage and includes municipalities with different demographic, institutional, and economic characteristics.

The sample includes municipalities of different sizes, geographical locations, and administrative capacities, allowing the analysis to capture considerable variation in local governance practices across Slovenia. Nevertheless, although the response rate is exceptionally high for municipal survey research, the possibility of non-response bias cannot be completely excluded and statistical representativeness cannot be assumed automatically.

According to the empirical dataset, the analytical sample included 12 city municipalities and 137 other municipalities. Because of the pronounced imbalance between these two groups, comparisons involving municipality type are interpreted with particular caution.

Variables and Operationalisation

The questionnaire was designed to capture municipal engagement in education and selected

characteristics of local development. The quantitative analysis combines survey responses with official socio-economic indicators.

The principal variables included:

- cooperation between municipalities, educational institutions, and local businesses in educational programme development;
- municipal co-financing of educational institutions and programmes;
- institutional structures responsible for education within municipalities;
- existence of strategic sustainable-development documents;
- municipal unemployment indicators based on data from the Employment Service of Slovenia (ZRSZ);
- indicators describing the number and growth of registered business entities based on official statistical sources (SURS) and the empirical dataset.

The operationalisation follows the theoretical distinction developed in the literature review between formal educational competencies and indirect municipal engagement. Consequently, the independent variables primarily measure forms of cooperation, financing, and strategic planning rather than formal regulatory authority over education.

For the analysis of H1, unemployment was operationalised categorically relative to the Slovenian average, following the structure of the empirical dataset.

For H2, growth in the number of business entities was treated as a categorical development indicator describing municipal economic dynamics.

For H3, municipality type (city municipality versus other municipality) was used as a proxy indicator of institutional capacity, recognising that municipality type represents only one dimension of administrative and organisational capacity.

For H4, the existence of a strategic sustainable-development document was operationalised as an indicator of formal strategic planning within municipal governance.

This operationalisation reflects the conceptual assumption that municipal engagement in education can be expressed through multiple institutional mechanisms rather than a single policy instrument.

Supplementary Contextual Data

In addition to closed-ended questions, the questionnaire contained several open-ended questions intended to provide contextual insight into municipal educational practices, cooperation with local stakeholders, and perceived development challenges.

Respondents were invited to describe examples of cooperation with educational institutions and businesses, identify obstacles to educational cooperation, and explain their understanding of the municipal role in sustainable development.

These responses were used exclusively as contextual material supporting the interpretation of quantitative findings. They were not subjected to systematic coding, thematic analysis, or other qualitative analytical procedures. Consequently, the study remains a quantitative empirical study rather than a mixed-methods design.

Statistical Analysis

The collected data were analysed using descriptive statistics and inferential statistical methods. Descriptive statistics summarised the characteristics of participating municipalities and the prevalence of different forms of educational engagement.

The hypotheses were tested using: cross-tabulations, Pearson's chi-square test, Fisher's exact test where chi-square assumptions were not satisfied, correlation analysis for selected relationships. Pearson's chi-square test was applied to examine associations between categorical variables, while Fisher's exact test was used when expected frequencies within contingency tables were insufficient. Correlation coefficients were calculated to estimate the strength and direction of selected associations. Statistical significance was assessed primarily at the 5% significance level, while findings significant at the 1% level are additionally reported where relevant.

All statistical analyses were performed using IBM SPSS Statistics Version 12.0. The selected analytical methods correspond to the categorical nature of the principal variables and are appropriate for examining associations within a cross-sectional municipal dataset.

Analytical Strategy

Each hypothesis was analysed through variables corresponding to its theoretical proposition and empirical operationalisation.

- H1 examined whether cooperation with educational institutions and businesses is

associated with municipal unemployment categories.

- H2 examined whether selected forms of municipal co-financing are associated with growth in the number of business entities.
- H3 examined whether municipality type is associated with indicators of municipal participation in educational programme development.
- H4 examined whether municipalities possessing strategic sustainable-development documents demonstrate stronger cooperation with educational institutions and businesses.

The analytical strategy intentionally follows the conceptual progression established in the literature review: from educational cooperation and labour-market responsiveness, through education and local economic development, to institutional capacity and strategic governance.

Because the research design is cross-sectional, statistically significant findings are interpreted as associations rather than evidence of causal influence. Municipal educational engagement may coexist with favourable socio-economic characteristics without necessarily producing those outcomes directly.

Accordingly, the interpretation of the results considers the possibility that observed relationships reflect broader differences in municipal institutional capacity, development orientation, demographic structure, or local economic context. This methodological caution is particularly important when discussing the practical implications of statistically significant findings.

By combining survey responses with selected official statistical indicators, the study provides an empirical basis for examining how municipal governance practices, educational engagement, strategic planning, and selected socio-economic characteristics are interconnected within Slovenian local communities.

Results

This section presents the empirical findings of the nationwide survey of Slovenian municipalities. The analysis focuses on the relationships between municipal engagement in education and selected socio-economic and institutional characteristics, including unemployment, growth in the number of business entities, municipality type, and strategic sustainable-development planning.

Overview of the Survey Response

A total of 149 municipalities submitted valid responses, representing slightly more than 70% of all Slovenian municipalities. The analytical sample included 12 city municipalities and 137 other municipalities. The substantial difference in group size was taken into account when interpreting comparisons based on municipality type.

The participating municipalities represented diverse territorial and institutional contexts. The empirical analysis therefore captures variation in municipal engagement in education, strategic planning, and selected socio-economic characteristics across Slovenia.

To test the proposed hypotheses, cross-tabulations and statistical tests of association were applied.

Pearson's chi-square test was used for relationships between categorical variables, Fisher's exact test was applied where the assumptions of the chi-square test were not met, and correlation coefficients were used for selected relationships.

Hypothesis Testing

Table 1 summarises the results of hypothesis testing. The detailed results for each hypothesis are presented below.

Table 1

Results of Hypothesis Testing

Hypothesis	Relationship examined	Statistical result	Conclusion
H1	Cooperation in educational programme development and unemployment	$r = -0.059$ $p = 0.472$	Not supported
H2	Co-financing of higher education outside the municipality and growth in the number of business entities	Pearson $\chi^2 = 6.098$ $p = 0.014$	Supported for the examined form of co-financing
H3	Municipality type and participation in educational programme development	Relationships weak; hypothesis rejected in the source analysis	Not supported as formulated
H4	Strategic sustainable-development document and joint cooperation with educational institutions and businesses	Pearson $\chi^2 = 7.827$ $p = 0.005$	Supported

Source: Author's compilation.

The first hypothesis examined whether municipalities that cooperate with educational institutions and local businesses in the development of educational programmes exhibit lower unemployment rates than municipalities that do not engage in such cooperation. The empirical results did not support this hypothesis. The observed relationship between municipal cooperation in educational programme development and unemployment was weak and statistically non-significant. For the combined indicator of cooperation with educational institutions and businesses, the reported correlation was: $r = -0.059$, $p = 0.472$. On the basis of this result, H1 was not supported.

The second hypothesis examined whether municipal co-financing of educational institutions and programmes is associated with growth in the

number of local business entities. The analysis identified a statistically significant relationship for the examined form of co-financing. Among municipalities that co-financed higher education outside their own territory, 76.9% reported growth in the number of business entities, compared with 50.4% of municipalities that did not provide such co-financing. The relationship was statistically significant: Pearson $\chi^2 = 6.098$, $p = 0.014$. Accordingly, H2 was supported for the examined form of municipal educational co-financing.

The third hypothesis assumed that city municipalities would exert greater influence on the development of educational programmes than other municipalities. The empirical analysis did not provide sufficient support for this hypothesis. The relationships between municipality type and the examined indicators of participation in educational

programme development were weak. The analysis therefore did not confirm that city municipalities systematically demonstrate greater participation or influence in educational programme development than other municipalities. On this basis, H3 was not supported as formulated. Because the analytical sample included 12 city municipalities and 137 other municipalities, the results relating to municipality type should be interpreted with particular caution.

The fourth hypothesis examined whether the existence of a strategic sustainable-development document is associated with stronger cooperation between municipalities, educational institutions, and businesses in the development of educational programmes. The results showed a statistically significant relationship (Pearson $\chi^2 = 7.827$, $p = 0.005$). Municipalities with strategic sustainable-development documents were more likely to report joint cooperation with educational institutions and businesses in educational programme development. Additional correlation analyses also indicated weak but statistically significant relationships between strategic planning and selected forms of municipal engagement in education. Accordingly, H4 was supported.

Discussion

The findings of this study provide a differentiated picture of the relationship between municipal engagement in education and sustainable local development in Slovenia. Rather than demonstrating a uniform association between educational engagement and socio-economic outcomes, the results indicate that the relevance of municipal involvement depends on the specific form of engagement and the institutional context in which it occurs. Two hypotheses (H2 and H4) were

supported, whereas H1 and H3 were not confirmed.

Taken together, these findings support the theoretical position developed in the literature review: municipal engagement in education appears to be most appropriately understood as part of a broader local governance ecosystem rather than as an isolated determinant of socio-economic performance. Municipalities operate within a predominantly centralised educational system and have limited formal authority over many aspects of educational provision. Their developmental role may therefore arise primarily through coordination, strategic planning, financing, and cooperation with educational and economic actors.

This interpretation is consistent with the new institutionalist perspective adopted in the study. Formal competencies alone do not fully determine institutional behaviour or developmental capacity. Organisational resources, strategic orientation, stakeholder relationships, and established practices may influence how municipalities use the room for action available within the national institutional framework.

Educational Cooperation and Local Unemployment

The empirical analysis did not support correlation among educational cooperation and local unemployment as proposed in H1. This finding does not necessarily imply that cooperation between municipalities, educational institutions, and businesses is irrelevant to local labour-market development. Rather, it suggests that the relationship between educational cooperation and unemployment is more complex than a direct association between the two variables. Unemployment at the municipal level may be shaped by a wide range of factors, including

demographic structure, industrial composition, commuting patterns, regional accessibility, investment dynamics, broader macroeconomic conditions, and the availability of employment opportunities outside municipal boundaries.

The result is therefore consistent with the multidimensional understanding of local development presented in the theoretical framework. Education contributes to human-capital development and may improve the adaptability of local labour markets, but its effects need not be immediately observable in aggregate unemployment indicators. Educational initiatives may produce longer-term effects through skills development, employability, innovation, entrepreneurship, and occupational mobility rather than through short-term reductions in registered unemployment.

This interpretation is also relevant in light of recent research on education for sustainable development in Slovenia. Košmerl (2025) demonstrates the importance of non-formal adult education and lifelong learning in supporting sustainable-development objectives while also identifying the importance of institutional cooperation, regional accessibility, and stable support structures. Such findings reinforce the view that the developmental effects of education depend on the wider institutional environment in which educational opportunities are provided.

From the author's perspective, the rejection of H1 is theoretically informative rather than merely a negative statistical result. It cautions against a simplified assumption that stronger municipal engagement in education will automatically translate into lower unemployment. Municipal educational engagement may contribute to human-

capital development without producing an independently measurable effect on unemployment, particularly when labour markets extend beyond municipal boundaries.

For municipal policy, this implies that educational cooperation should not be evaluated exclusively through short-term unemployment indicators. Indicators related to skills development, participation in lifelong learning, employer cooperation, retention of qualified labour, entrepreneurship, and the responsiveness of educational provision to local economic needs may provide a more comprehensive assessment of its developmental relevance.

Educational Co-Financing and Local Business Development

The second hypothesis examined whether municipal co-financing of education was associated with growth in the number of local business entities. The findings provide partial but statistically significant support for H2. This finding represents the clearest empirical connection in the study between municipal educational engagement and an economically relevant development indicator. However, it should not be interpreted as evidence that educational co-financing causes business growth. The cross-sectional research design does not permit such a conclusion. It is equally plausible that municipalities with stronger economic performance possess greater financial capacity to support educational initiatives, or that both educational investment and business growth reflect a broader strategic orientation towards development.

Nevertheless, the result is consistent with the theoretical argument that education can form part

of the institutional infrastructure supporting local economic development. Municipal support for higher education may facilitate access to knowledge, qualifications, professional networks, and human-capital development even where the educational institution is located outside the municipality itself. From this perspective, the geographical location of the educational institution may be less important than the municipality's willingness and capacity to invest in educational opportunities accessible to its residents.

This finding also broadens the conventional understanding of local educational policy. A municipality does not necessarily need to host a higher education institution in order to incorporate higher education into its local development strategy. Support for participation in higher education outside municipal boundaries may represent a form of investment in locally available human capital.

The finding is compatible with recent research emphasising that local development capacity depends on combinations of financial resources, specialised human capital, strategic management, and institutional conditions. Annesi et al. (2025), for example, demonstrate that spending capacity and specialised human capital form part of the configurations that enable municipalities to integrate sustainability into strategic processes. Although their study examines sustainability strategy rather than educational financing specifically, it supports the broader proposition that municipal financial and human-capital capacities interact within local development processes.

From the author's perspective, H2 therefore provides suggestive evidence that municipal educational support and local economic dynamism

may form part of the same development-oriented institutional environment. The relationship should not be interpreted as a simple causal chain from educational expenditure to business growth. Rather, municipalities that actively support education may also be municipalities that pursue more proactive development policies, invest in human capital, and maintain stronger connections with their wider economic environment.

This distinction has important practical implications. Municipal decision-makers should view expenditure on education not solely as a social cost but potentially as part of a wider portfolio of local development investments. At the same time, such investment should be linked to clearly identified local skill needs, cooperation with employers, monitoring of outcomes, and broader economic-development strategies.

Municipality Type and Institutional Capacity

The empirical findings did not provide sufficient support for the third hypothesis, which stated that city municipalities would exert greater influence on educational programme development because of their larger administrative structures and institutional resources. This assumption. At first sight, this result may appear inconsistent with the expectation that larger municipalities possess greater institutional capacity. However, it becomes more understandable when municipal size and formal status are distinguished from actual administrative capacity. City-municipality status may be associated with greater resources, but it does not necessarily indicate how those resources are organised, whether specialised expertise is available, how strongly education is incorporated into development strategy, or how effectively

municipalities cooperate with external stakeholders.

Recent research supports such a multidimensional interpretation of administrative capacity. Annesi et al. (2025) identify combinations of spending capacity, specialised human capital, sustainability-oriented performance measurement, and political stability as relevant to successful integration of sustainability into municipal strategy. Administrative capacity is therefore not reducible to municipal size or legal status. Similarly, Ortiz-Moya and Yang (2025) find that local approaches to SDG implementation and review are influenced by several interacting city-level and external characteristics, including resource availability, size, growth, prior experience, and national and international influences.

The rejection of H3 consequently refines rather than undermines the theoretical framework of the study. The findings suggest that municipality type may be too crude a proxy for the institutional capacity required for meaningful engagement with education. Smaller municipalities may compensate for limited internal resources through inter-municipal cooperation, partnerships with educational institutions, collaboration with businesses, or particularly strong strategic leadership. Conversely, larger municipalities may possess greater resources without necessarily directing them towards education-related development.

This interpretation is especially important in Slovenia because of the highly fragmented municipal structure. The empirical sample itself also requires caution: only 12 city municipalities were included compared with 137 other municipalities.

The absence of a statistically convincing difference should therefore not be interpreted as evidence that municipal capacity is irrelevant.

Rather, the findings suggest that future research should measure administrative capacity directly, for example through municipal staffing levels, specialised professional expertise, development expenditure, dedicated organisational units, partnership networks, and experience in managing education-related projects.

From a practical perspective, this result is encouraging for smaller municipalities. Effective engagement with education may not require the institutional scale of a city municipality if capacity can be developed through partnerships, shared services, inter-municipal cooperation, and strategic networking.

Strategic Sustainable-Development Planning and Stakeholder Cooperation

The fourth hypothesis produced one of the strongest findings of the study. Municipalities with strategic sustainable-development documents demonstrated stronger joint cooperation with educational institutions and businesses in educational programme development (Pearson $\chi^2 = 7.827$, $p = 0.005$). This result is theoretically significant because it connects formal strategic orientation with observable patterns of stakeholder cooperation. It suggests that sustainable-development strategies may perform a function beyond merely documenting municipal objectives: they may provide an institutional framework within which cooperation among public authorities, educational institutions, and economic actors can be organised.

The finding corresponds closely with recent international research. Annesi et al. (2025) emphasise that the integration of sustainability into local government strategy depends on combinations of administrative and political capacity. Ortiz-Moya and Reggiani (2025) similarly find that embedding sustainability follow-up and review processes into municipal procedures can contribute to stronger local implementation of the SDGs. Ortiz-Moya and Yang (2025) further demonstrate that effective local sustainability review depends on the interaction between local resources, institutional experience, and wider governance conditions.

Recent evidence from Slovenia adds an important contextual dimension. Vodeb (2026), examining sustainable development through municipal spatial planning in four Slovenian municipalities, finds that sustainability principles are incorporated into statutory municipal planning, while their translation into concrete development outcomes remains uneven. This distinction between having a strategic framework and effectively implementing it is highly relevant to the findings of the present study.

From the author's perspective, H4 therefore represents more than evidence of an association between two formal municipal characteristics. It indicates that strategic planning may function as an institutional platform for stakeholder coordination. A sustainable-development document can establish common priorities, identify relevant actors, define areas of cooperation, and create continuity beyond individual projects or political initiatives.

At the same time, the finding should not be interpreted to mean that the mere existence of a strategic document automatically produces stronger cooperation. It is possible that municipalities

already characterised by a collaborative governance culture are also more likely to adopt sustainable-development strategies. The direction of the relationship cannot be established through the present cross-sectional design.

The practical implication is therefore not simply that municipalities should produce additional strategic documents. Rather, strategies should be used as active governance instruments, linked to responsible actors, financial resources, measurable objectives, stakeholder participation, monitoring mechanisms, and concrete implementation activities. This interpretation is consistent with both earlier Slovenian research on municipal development planning and the more recent literature on local sustainability governance.

Overall Interpretation

Considered together, the four hypotheses provide support for a context-sensitive model of municipal engagement in education. The pattern of findings suggests that institutional context matters at least as much as the existence of individual educational activities. Municipalities may contribute most effectively when education is embedded within broader strategic and cooperative governance arrangements.

This interpretation is consistent with the new institutionalist framework adopted in the study. Municipal behaviour is shaped not only by formal competencies but also by organisational practices,

resource configurations, strategic priorities, and relationships among actors. In a centralised education system such as Slovenia's, municipalities may have limited direct regulatory authority but can nevertheless exercise developmental agency by

coordinating stakeholders, supporting educational opportunities, mobilising resources, and connecting education with local economic priorities.

The findings therefore suggest a conceptual progression from formal authority towards developmental capacity. The relevant question is not simply whether municipalities possess formal educational competencies, but whether they possess or develop the capacity to connect education, economic actors, strategic planning, and local development.

This also supports the position developed in the literature review that national educational standards and local responsiveness should not necessarily be regarded as competing governance principles. National institutions may ensure quality, comparability, and accessibility, while municipalities contribute knowledge of local needs, stakeholder networks, strategic coordination, and context-specific development priorities.

Practical and Policy Implications

The findings have several implications for municipal practice and public policy. First, municipalities should consider education as part of their local development infrastructure, even where formal educational competencies remain primarily national. Engagement may include co-financing, facilitating partnerships, supporting lifelong learning, identifying skill needs, connecting educational institutions with employers, and incorporating education into municipal development strategies.

Second, the significant association identified under H2 suggests that educational support should be

considered alongside other instruments of local economic-development policy. Municipalities may benefit from systematically assessing how educational investments correspond to local and regional labour-market needs, entrepreneurship, sectoral development, and anticipated skill requirements.

Third, the findings under H3 suggest that capacity-building policies should not focus exclusively on municipality size. Smaller municipalities may require mechanisms that enable them to pool resources, share expertise, participate in inter-municipal projects, and develop partnerships with educational institutions and businesses outside their territorial boundaries.

Fourth, the findings under H4 emphasise the importance of strategic integration. Sustainable-development strategies should connect educational objectives with economic development, human-capital needs, demographic challenges, and stakeholder cooperation rather than treating education as an isolated sector.

Finally, both municipalities and national policymakers should recognise the potential value of multi-level governance in education-related development. The centralised nature of the Slovenian education system need not prevent meaningful local participation. A clearer division of complementary roles could allow national authorities to maintain educational standards while enabling municipalities to contribute local knowledge, coordination capacity, and development-oriented partnerships.

For practice, the central message of the study is

therefore not that municipalities require greater formal control over education, but that they require stronger mechanisms for connecting education with local development.

Conclusion

This study examined the relationship between municipal involvement in education and selected socio-economic and institutional characteristics of Slovenian municipalities. By analysing survey data from 149 municipalities, representing more than 70% of all Slovenian municipalities, the research provides broad empirical insight into how local authorities engage with educational institutions and economic actors within a predominantly centralised education system.

The findings reveal a differentiated rather than uniform relationship between municipal educational engagement and sustainable local development. Of the four hypotheses tested, two were supported and two were not. Cooperation between municipalities, educational institutions, and businesses in educational programme development was not significantly associated with lower unemployment (H1), while city-municipality status is not correlated to stronger participation in educational programme development (H3). By contrast, selected municipal co-financing of higher education was significantly associated with growth in the number of local business entities (H2), and the existence of a strategic sustainable-development document was significantly associated with stronger cooperation among municipalities, educational institutions, and businesses (H4).

These findings challenge a simple linear interpretation of the relationship between education and local development. Municipal

engagement in education should not be understood as an isolated policy intervention expected to produce immediate socio-economic outcomes. Rather, its developmental relevance appears to depend on the broader institutional environment in which educational support, strategic planning, administrative capacity, stakeholder cooperation, and local economic conditions interact.

From a theoretical perspective, the study contributes to the literature on local governance, education, and sustainable development by shifting attention from formal municipal authority towards developmental capacity. In a centralised education system, municipalities may possess limited regulatory influence over curricula, accreditation, and educational standards while still exercising meaningful developmental agency through financing, coordination, strategic planning, and partnership-building. This finding supports the new institutionalist perspective adopted in the study, according to which institutional outcomes are shaped not only by formal rules and competencies but also by organisational capacities, established practices, strategic orientations, and relationships among actors.

The study further suggests that national educational standards and local responsiveness need not be viewed as competing principles. They may instead perform complementary functions within a multi-level governance framework. National institutions can safeguard educational quality, comparability, and accessibility, while municipalities can contribute knowledge of local labour-market conditions, demographic trends, economic structures, and development needs. The potential added value of local involvement therefore lies primarily in connecting nationally regulated

educational systems with context-specific local development priorities.

The empirical findings also have important economic implications. The statistically significant association between selected municipal co-financing of higher education and growth in the number of business entities indicates that educational support and local economic dynamism may form part of the same development-oriented institutional environment. This relationship should not be interpreted causally. Nevertheless, it highlights the relevance of considering education alongside more conventional instruments of local economic-development policy. Investment in educational opportunities may contribute to the wider conditions supporting human-capital formation, entrepreneurship, labour-market adaptability, and business development.

The findings concerning strategic sustainable-development planning are similarly important. Municipalities with strategic sustainable-development documents demonstrated stronger cooperation with educational institutions and businesses. This suggests that strategic planning may serve not merely as a formal administrative exercise but as an institutional platform through which local actors, priorities, and resources can be connected. However, the existence of a strategy alone cannot guarantee effective implementation. Its developmental value ultimately depends on whether strategic objectives are translated into concrete measures, responsibilities, resources, stakeholder partnerships, and monitoring mechanisms.

From a practical perspective, the results suggest that municipalities do not necessarily require broader formal authority over education in order to

strengthen their contribution to education-related local development. Instead, they may benefit from strengthening mechanisms that connect education with local economic and social needs. Such mechanisms may include systematic identification of current and future skill requirements, cooperation with educational institutions and employers, support for lifelong learning and reskilling, targeted co-financing of educational opportunities, inter-municipal cooperation, and the integration of education into wider sustainable-development strategies.

The findings are also relevant for smaller municipalities. The absence of a confirmed relationship between city-municipality status and educational engagement suggests that formal municipal type alone does not adequately capture institutional capacity. Smaller municipalities may compensate for limited internal resources through partnerships, shared expertise, inter-municipal cooperation, and collaboration with educational institutions located outside their territorial boundaries. For policymakers, this indicates that strengthening municipal developmental capacity may be more important than simply expanding formal competencies.

Several limitations of the study should be acknowledged. First, the cross-sectional research design permits the identification of statistical associations but does not allow causal inference. The direction of the observed relationships therefore cannot be established. Second, although the response rate was high and the sample covered more than 70% of Slovenian municipalities, the possibility of non-response bias cannot be entirely excluded. Third, some concepts—particularly institutional capacity—were operationalised through indirect indicators such as municipality

type rather than through comprehensive measures of administrative resources, professional expertise, organisational structures, and partnership networks. Finally, the relatively small number of city municipalities in the sample requires particular caution when interpreting comparisons based on municipality type.

These limitations also provide directions for future research. Longitudinal studies could examine whether changes in municipal educational engagement are followed by changes in socio-economic indicators over time and would provide a stronger basis for assessing possible causal mechanisms.

Future research could also develop more comprehensive measures of municipal institutional capacity, including staffing, professional expertise, development expenditure, organisational structures, project-management experience, and stakeholder networks. Comparative studies involving other small or highly centralised European states could further assess whether the patterns identified in Slovenia are specific to its institutional setting or reflect broader characteristics of local educational governance.

Future research should also examine more directly the mechanisms through which municipal educational engagement may contribute to local

economic development. Rather than relying solely on aggregate indicators such as unemployment or

the number of business entities, studies could investigate graduate retention, employer demand for specific competencies, participation in lifelong learning, entrepreneurship, innovation, skill matching, and the development of local knowledge networks. Such research would provide a more detailed understanding of the pathways connecting education, municipal governance, and sustainable local development.

Overall, the study demonstrates that the role of municipalities in education-related development extends beyond their formally defined educational responsibilities. The central issue is not simply whether municipalities have authority over education, but whether they possess the strategic and institutional capacity to connect education with the needs and resources of their communities. In this sense, municipalities can act as facilitators within local development ecosystems, linking educational institutions, businesses, residents, and development strategies.

For Slovenia, strengthening these connections may provide a realistic pathway towards more responsive and sustainable local development without requiring the decentralisation of national educational standards themselves. More broadly, the findings suggest that effective local development depends not only on the distribution of formal competencies, but also on the capacity of institutions to cooperate, coordinate, and transform education into a shared developmental resource.

Data Availability: The data that support the findings of this study are available from the author upon reasonable request.

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Vpliv izobraževalnih standardov na trajnostni razvoj v slovenskih lokalnih skupnostih

Izvleček

Članek proučuje vlogo občin pri povezovanju izobraževanja, lokalnega gospodarskega in trajnostnega razvoja. Kvantitativna raziskava, v kateri je sodelovalo 149 slovenskih občin, analizira povezanost med različnimi oblikami vključevanja občin v izobraževanje ter izbranimi družbeno-ekonomskimi, institucionalnimi in strateškimi značilnostmi lokalnih skupnosti. Rezultati ne potrjujejo statistično značilne povezanosti med sodelovanjem občin pri oblikovanju izobraževalnih programov in nižjo brezposelnostjo niti predpostavke o večjem vplivu mestnih občin na razvoj izobraževalnih programov. Nasprotno pa kažejo statistično značilno povezanost med izbranimi oblikami občinskega sofinanciranja izobraževanja in rastjo števila gospodarskih subjektov ter med obstojem strateških dokumentov trajnostnega razvoja in intenzivnejšim sodelovanjem občin z izobraževalnimi institucijami in gospodarstvom. Ugotovitve kažejo, da je vlogo občin v izobraževanju smiselno razumeti predvsem z vidika strateškega načrtovanja, povezovanja deležnikov in institucionalne koordinacije, ne pa kot neposreden vzročni dejavnik družbeno-ekonomskih rezultatov.

Ključne besede: lokalna samouprava, izobraževalna politika, trajnostni razvoj, decentralizacija, človeški kapital, regionalni razvoj