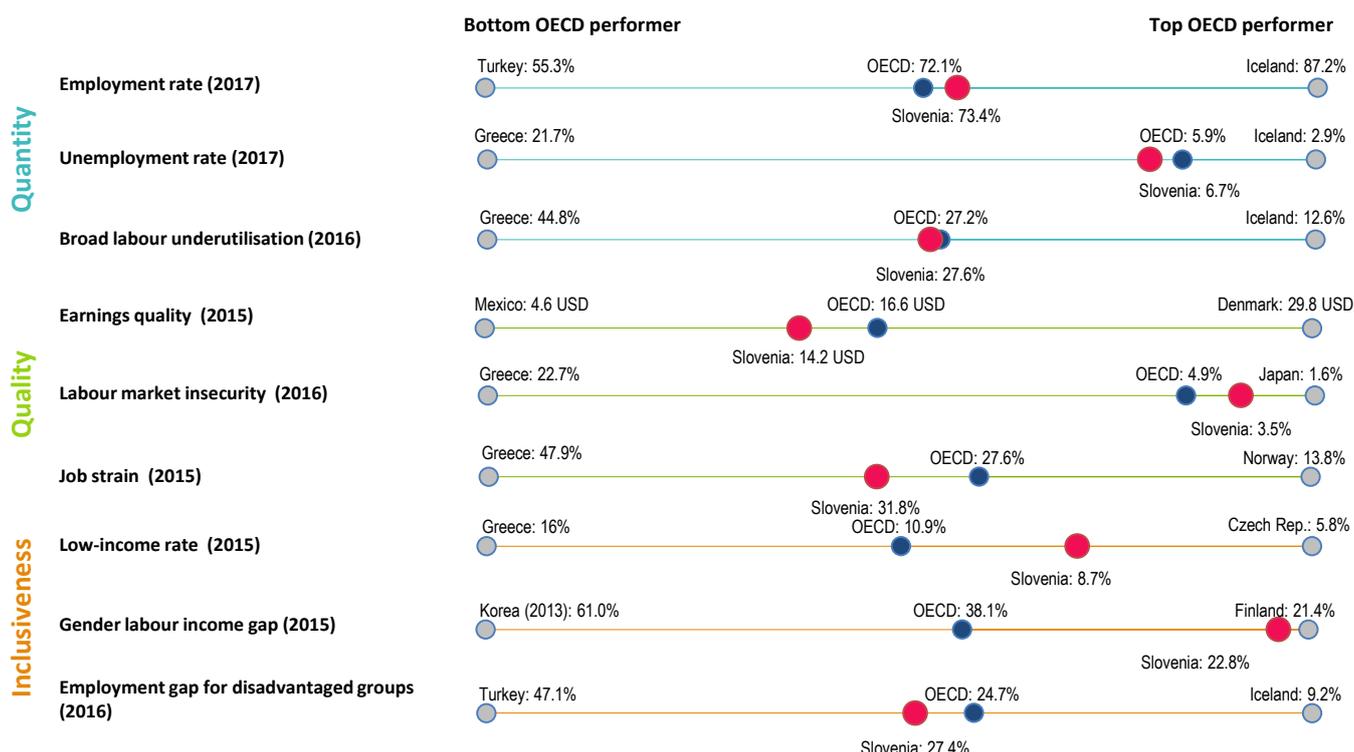


How does SLOVENIA compare?

The digital revolution, globalisation and demographic changes are transforming labour markets at a time when policy makers are also struggling with slow productivity and wage growth and high levels of income inequality. The new *OECD Jobs Strategy* provides a comprehensive framework and policy recommendations to help countries address these challenges. It goes well beyond job quantity and considers job quality and inclusiveness as central policy priorities, while emphasising the importance of resilience and adaptability for good economic and labour market performance in a rapidly changing world of work.

Dashboard of labour market performance for Slovenia



Notes: Employment rate: share of working age population (20-64 years) in employment (%). Broad labour underutilisation: Share of inactive, unemployed or involuntary part-timers (15-64) in population (%), excluding youth (15-29) in education and not in employment (%). Earnings quality: Gross hourly earnings in PPP-adjusted USD adjusted for inequality. Labour market insecurity: Expected monetary loss associated with the risk of becoming unemployed as a share of previous earnings. Job strain: Percentage of workers in jobs with a combination of high job demands and few job resources to meet those demands. Low income rate: Share of working-age persons living with less than 50% of median equivalised household disposable income. Gender labour income gap: Difference between per capita annual earnings of men and women (% of per capita earnings of men). Employment gap for disadvantaged groups: Average difference in the prime-age men's employment rate and the rates for five disadvantaged groups (mothers with children, youth who are not in full-time education or training, workers aged 55-64, non-natives, and persons with disabilities; % of the prime-age men's rate).

ASSESSING JOB QUANTITY, QUALITY AND LABOUR MARKET INCLUSIVENESS

The new *OECD Jobs Strategy* presents a dashboard of labour market performance that provides a comprehensive overview of the strengths and weaknesses of different national labour markets, going well beyond the standard measures of employment and unemployment rates. These include measures of job quantity (employment, unemployment and broad underemployment), job quality (pay, labour market security, working environment) and labour market inclusiveness (income equality, gender equality, employment access for potentially disadvantaged groups). Some countries score well on most or all

indicators, implying that there are no hard trade-offs that prevent countries from performing well in all areas.

- Slovenia scores somewhat around the OECD average on the three indicators of job quantity. Reflecting a sharp recovery after a prolonged recession the employment rate is higher than the OECD average, while the unemployment rate and the broad underemployment rate are both slightly above the OECD average.



- Labour market insecurity is above the OECD average as the risk of becoming unemployed is slightly above that in other countries, while the risk of remaining so is relatively high. Relatively high unemployment benefits help to alleviate financial hardship during unemployment, but a long contribution period is required to be entitled to benefits, which means that many unemployed receive no income support. Finally, Slovenia has a relatively high share of workers experiencing job strain.

- Labour market inclusiveness is relatively strong in Slovenia. Despite a prolonged crisis, the redistributive impact of taxes and transfers and a narrow wage distribution have ensured that poverty has remained low. The gender labour income gap is among the lowest in the OECD, reflecting the relatively low wage gender gap and a high employment rate for women. On the other hand, the employment gap for disadvantaged groups, such as youth and older workers, is relatively high, reflecting only small improvements in the low employment rate for older workers and a relatively high share of youth not in employment, education or training.

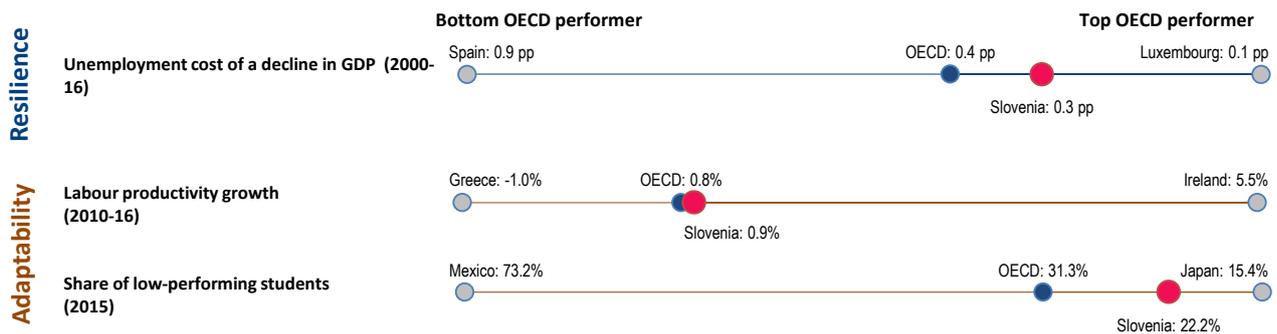
FRAMEWORK CONDITIONS FOR RESILIENCE AND ADAPTABILITY

Labour market resilience and adaptability are important to absorb and adjust to economic shocks and make the most of new opportunities. Resilience is crucial to limit the short-term costs of economic downturns. Labour productivity is a key precondition for high growth of output, employment and wages and central to long-term growth in living standards. Finally, skills are key to improving workers' productivity and wages and provide an indication of the readiness to respond to future challenges.

- Slovenia scores above or at par with the OECD average in all the key indicators of labour market resilience and adaptability, suggesting that they contribute to the good performance on job quantity, job quality and inclusiveness.

- Employment losses following the global crisis of 2008-09 and the subsequent domestic banking crises were limited given the large and prolonged economic downturn. Labour market reforms implemented during the economic crisis are likely to reduce future employment costs of economic downturns.
- Labour productivity growth is slightly above the OECD average. As elsewhere, this partly reflects depressed investment during the crisis, but also higher barriers to doing business and burdensome regulation. The share of low-performing students is among the lowest in the OECD. However, adult literacy and numeracy proficiency are among the lowest in the OECD. Better links between the education system and the needs of the labour market would improve adaptability.

Framework conditions for Slovenia



Notes: Resilience: average increase in unemployment rate over 3 years after a negative shock to GDP of 1% (2000-16); Labour productivity growth: annual average productivity growth (2010-16), measured in per worker terms. Share of low performing students: Share of 15-year-olds not in secondary school or scoring below Level 2 in PISA (%) (2015).