OECD Skills Strategy
Diagnostic Report
Executive Summary
Slovenia

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These reports tackle questions such as: How can countries maximise their skills potential? How can they improve their performance in developing relevant skills, activating skills supply and using skills effectively? What is the benefit of a whole-of-government approach to skills? How can governments build stronger partnerships with employers, trade unions, teachers and students to deliver better skills outcomes? OECD Skills Strategy diagnostic reports provide new insights into these questions and help identify the core components of successful skills strategies.

This report is part of the OECD’s ongoing work on building effective national and local skills strategies.
Building the right skills can help countries improve economic prosperity and social cohesion

By contributing to social outcomes such as health, civil and social engagement.

By supporting improvement in productivity and growth.

By supporting high levels of employment in good quality jobs.

By strengthening skills systems

Designing and implementing an evidence-based national skills strategy.

Funding skills through public and private sources and designing effective incentives for employers and individuals.

Providing good information for the public, businesses and policy makers.

By providing good information for the public, businesses and policy makers.

Activating skills supply

Developing relevant skills

Strengthening skills systems

Contributes to economic prosperity

Contributes to social cohesion

Economic prosperity

Social cohesion
OECD SKILLS STRATEGY DIAGNOSTIC REPORT SLOVENIA 2017

EXECUTIVE SUMMARY

Policy priorities

_Slovenia has an ambitious vision for its future_

Slovenia is a relatively prosperous country with a good quality of life. It not only has one of the highest standards of living in Central Europe, but one of the highest levels of income equality in the OECD, behind only Denmark, Norway and Iceland. In addition, Slovenians enjoy comparatively high levels of personal security, a relatively unspoiled natural environment and high educational attainment.

At the same time, the country faces a number of ongoing and emerging trends that are creating new challenges and opportunities. Its export-oriented economy was hard hit by the global financial crisis, experiencing declines both in output and in the employment rate that were among the highest in the OECD. This exposed several structural weaknesses and imbalances that the Government is now taking steps to address. Slovenia’s recovery is well under way, but incomplete. In addition, its population is ageing, and the size of the prime working-age population is shrinking more rapidly than in most other OECD countries. This leaves a smaller pool of workers to meet skills needs, and fewer wage earners to finance growing age-related public costs, such as pensions and health care. At the same time, technology and digitalisation are transforming how people learn, work and live, and people are more mobile than ever before in search of better education, jobs and lives. Government policy must continuously evolve to help individuals of all backgrounds confront the challenges and seize the opportunities that tomorrow will bring.

Slovenia has adopted an ambitious vision for the future, Vision of Slovenia 2050, to promote a society where people learn for and through life, are innovative, trust one another, enjoy a high quality of life and embrace their unique identity and culture. A range of targeted strategies have been introduced to help achieve this vision, including the National Higher Education Programme 2011-2020; the Research and Innovation Strategy of Slovenia 2011-2020; the Smart Specialisation Strategy (S4); Digital Slovenia 2020 (DSI 2020); the Framework Programme for the Transition to a Green Economy; a White Paper on Pensions; and the Public Administration Development Strategy 2015-2020.
Skills have a central role to play in helping Slovenia to achieve this vision

Slovenia’s success in achieving its vision will depend to a great extent on how well it develops, activates and uses people’s skills. Higher levels of skills are associated with higher productivity, employment and earnings. The importance of skills in building economic prosperity is likely to grow. Consistent with the trends seen in many other OECD countries, the share of employment in middle-skilled occupations in Slovenia has been in decline. Those with the skills to perform complex and abstract tasks are in increasing demand. However, even high-skilled work may be vulnerable to technological displacement in the future. This makes lifelong learning essential for the low- and high-skilled alike. Skills can play a key role in determining Slovenia’s comparative advantages in global value chains and specialisation in technologically advanced industries.

Skills are also critical for strengthening social participation and inclusion. People with higher levels of skills have greater levels of trust, participate more in civic and political life, and enjoy better health. Conversely, low levels of skills, when concentrated among certain groups, can lead to marginalization and social tensions.

The OECD has identified three priority areas for action in Slovenia

This report on skills identifies a number of overarching priority areas for action. These were identified by analysing common themes that emerged from stakeholder perspectives on the most important challenges facing Slovenia in this domain, and also through the OECD’s analysis of the nine challenges identified and examined in the report:

- **Empowering active citizens with the right skills for the future**: People and policy makers in Slovenia, as in all OECD countries, continue to grapple with the question of which skills are most essential for economic and social success in the future. While there is no definitive answer to this question, success is likely to require that people develop a portfolio of cognitive, socio-emotional and discipline-specific skills that equip them to learn throughout life, interact effectively with others, and solve complex problems. In building a responsive and resilient skills system, Slovenia needs to do a better job of ensuring that all actors play their part in creating, sharing and using high-quality information on skills demand and supply. Individuals, educators and employers also need the capacity and incentives to proactively respond to this information. A well-informed and responsive skills system is essential for encouraging active citizenship and giving Slovenians the best chance of developing the right skills for a changing world.

- **Building a culture of lifelong learning**: Society’s attitudes towards lifelong learning will only evolve when the benefits are made tangible for more people and the barriers to entry are lowered. Building a culture of participation and lifelong learning in which all actors – individuals, employers, educators, policy makers and others – believe and are invested in the value of learning at every stage of life will be crucial for Slovenia’s resilience and success.
• **Working together to strengthen skills**: The experience of the National Skills Strategy project in Slovenia has not only confirmed the value of co-operation between different ministries and stakeholders but the importance of making this co-operation more systematic. Some of the benefits of greater policy coherence and co-ordination include: aligning skills with emerging economic and social needs; ensuring that all Slovenians develop a strong skills portfolio; and the multiplier effects that come with better alignment of skills policies. The surest path to improving skills outcomes will be to work together today, based on a shared vision for the future.

**Challenges and Recommendations**

*Why a skills strategy? Better skills, better jobs, better lives*

Skills have become the key drivers of individual well-being and economic success in the 21st century. Without proper investment in skills, people languish on the margins of society, technological progress does not translate into growth, and countries can no longer compete in increasingly knowledge-based economies. The more that countries strive to achieve the highest levels of innovation and competitiveness in their economies, the more they must focus on generating the right mix of skills, making sure that these skills are put to full use in the labour market.

The OECD Skills Strategy provides countries with a framework for analysing their strengths and weaknesses. This can offer the basis for taking concrete action relating to the three pillars that comprise a national skills system:

- developing relevant skills from childhood to adulthood;
- activating the supply of skills in the labour market; and
- putting skills to effective use in the economy and society.

In addition to these three inter-related policy areas, the OECD Skills Strategy examines how well countries facilitate policy collaboration and coherence across these three pillars. This can help countries to identify how to strengthen their skills systems, build the right skills and translate this into better jobs and better lives.
Box 1. The OECD Skills Strategy: Defining the concept of “skills”

The OECD Skills Strategy defines skills (or competences) as a bundle of knowledge, attributes and capacities that can be learned, that enable individuals to successfully and consistently perform an activity or task, and that can be built upon and extended through learning. This definition includes the full range of cognitive, technical and socio-emotional skills. The concepts of “skill” and “competence” are used interchangeably in this report. The sum of all skills available to the economy at a given point in time forms the human capital of a country.

The OECD Skills Strategy shifts the focus from traditional proxies of skills (such as years of formal education and training or qualifications/diplomas attained), to a much broader perspective that includes the skills people acquire, use and maintain – and also lose – over the course of a lifetime. People need skills to help them succeed in the labour market, contribute to better social outcomes, and build more cohesive and tolerant societies.


A collaborative project between the OECD and the Government of Slovenia

The main objective of this collaborative project between the OECD and the Government of Slovenia on “Building an Effective Skills Strategy for Slovenia” is to identify the challenges Slovenia faces in developing, activating and using skills. The OECD Skills Strategy Diagnostic Report: Slovenia is in some respects a summary of the shared journey between the various ministries and stakeholders who helped to identify nine skills challenges facing Slovenia. These reflect insights gathered from workshops as well as several bilateral meetings with a wide range of stakeholders in Slovenia in 2016. They also reflect research and analysis undertaken by the OECD of its own comparative datasets, and the data and analysis of such organisations such as the European Commission, the Statistical Office of Slovenia and other international sources.

The nine challenges are described under each of the main pillars of the OECD Skills Strategy and are framed as outcome statements. The first six challenges refer to specific outcomes across the three pillars of developing, activating and using skills. The next three challenges refer to the “enabling” conditions that strengthen the overall skills system, by helping to boost outcomes across more than one pillar.
Box 2. Applying the OECD Skills Strategy in practice: building a whole of government team and engaging stakeholders

The OECD Skills Strategy is designed to be applied in practice. It has proved remarkably effective as a clear, useful framework for supporting countries seeking to build bridges across relevant policy areas and to engage all interested parties – including national, local and regional government, employers, employees, and learners.

Maximising a country’s skills potential requires a co-ordinated effort across ministries. A whole-of-government approach to skills means recognising and integrating the diverse perspectives and policy initiatives of ministries responsible for education and training, labour, economy, tax, local economic development, and research and innovation. Each National Skills Strategy project starts with the country’s decision to establish an inter-ministerial National Project Team by appointing representatives from key ministries and designating a National Project Co-ordinator. Much of the project work is designed to encourage greater interaction and exchange among relevant ministries. The goal is to forge a common understanding of the challenges at stake, as a basis for co-ordinated action.

Engaging stakeholders in strengthening the skills system is critical to success. Effective skills policy design and implementation requires a broad and shared understanding of the need to enhance skills, the current strengths and challenges facing a country’s skills system, and priorities for action. This entails looking beyond government to build strong partnerships with all actors involved, including employers, trade unions, training institutions, students and other stakeholders. Each National Skills Strategy project is designed to ensure stakeholder engagement and ownership, and to build a shared commitment for concrete action. This involves a series of interactive workshops consisting of structured small group discussions among participants, speaking in their native language to facilitate interactions. In each workshop, the members of the National Project Team serve as group moderators and the OECD team members as lead facilitators.

Ensuring political commitment to building a whole-of-government approach to skills and engaging stakeholders is essential. Policy makers play a key role in establishing clear expectations and accountability for shared results in tackling skills challenges across ministries and with stakeholders. Each National Skills Strategy project devotes considerable attention to ensuring that ministers, undersecretaries and senior civil servants are regularly briefed and play a visible leadership role in co-ordination meetings and stakeholder workshops.

Encouraging a whole-of-government approach to skills. The Slovenian National Project Team selected by the Slovenian Government to collaborate with the OECD has assembled representatives from nine ministries and offices. Among the countries that have so far undertaken National Skills Strategy country projects with the OECD, this represents the broadest range of ministerial portfolios involved. The National Project Team is co-ordinated by the Ministry of Education, Science and Sports, and includes representatives from the Ministry of Labour, Family, Social Affairs and Equal Opportunities; the Ministry of Economic Development and Technology; the Ministry of Environment and Spatial Planning; the Ministry of Health; the Ministry of Agriculture, Forestry and Food; the Ministry of Finance; the Ministry of Public Administration; and the Government Office of Development and European Social Cohesion. The team was responsible for setting the strategic direction for the project, liaising with the OECD team, co-designed stakeholder workshops and ensuring that the diagnostic phase covered all relevant aspects of the national skills system.
Box 2. Applying the OECD Skills Strategy in practice: building a whole of government team and engaging stakeholders (con’t)

**Stakeholders play an active role in the Slovenian skills system:** Thanks to the strong impetus provided by the National Project Team, stakeholders have played a central role in identifying the main skills challenges facing Slovenia that are outlined in this report. More than 60 people, including representatives of business, labour, the education sector, research institutes and government took part in each of the three workshops held in Ljubljana. They helped identify the main skills challenges facing the country at the Scoping Workshop (7 April 2016), the underlying causal factors during the Diagnostic Workshop (6 July 2016) and reviewed national and international good practices at the Skills Challenges Workshop (6 October 2016). The workshops were designed to encourage all stakeholders to express their diverse views and generate useful qualitative evidence and insights on the main skills challenges facing Slovenia. While many of these skills challenges are of long standing and well known, participants acknowledged that this exercise also generated new insights and a better understanding of how different stakeholders perceived or formulated challenges. Through their active participation in these events, stakeholders have helped to shape this diagnostic report.
OECD SKILLS STRATEGY EXECUTIVE SUMMARY: SLOVENIA

Strengthening Slovenia’s skills system

1. Equipping young people with skills for work and life
2. Improving the skills of low-skilled adults
3. Boosting employment for all age groups
4. Attracting and retaining talent from Slovenia and abroad
5. Making the most of people’s skills in workplaces
6. Using skills for entrepreneurship and innovation
7. Inclusive and effective governance of the skills system
8. Enabling better decisions through improved skills information
9. Financing and taxing skills equitably and efficiently

Activating the supply of skills

9 SKILLS CHALLENGES FOR SLOVENIA

Using skills effectively

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**EXECUTIVE SUMMARY**

**Developing relevant skills**

Skills are critical to the success both of people and of society as a whole. People with strong skills are better equipped to succeed in education, adapt to the evolving demand for skills in workplaces, and to participate fully in society. For countries, skills are a key driver of innovation, productivity and, ultimately, economic growth and higher living standards.

**Challenge 1. Equipping young people with skills for work and life**

Developing young people’s skills will be essential for Slovenia to achieve its aspirations to become an innovative society with a high value-added, green economy. The Programme for International Student Assessment (PISA) results for Slovenia show that at age 15, students perform relatively well overall in science, reading and mathematics, but that migrants and vocational students do much worse. Indeed, low-performing and disadvantaged students at age 15 are highly concentrated in vocational programmes. These programmes receive fewer resources than general education. Effective teaching strategies are not used widely enough. While the share of young adults in Slovenia with tertiary education is growing, completion rates in tertiary education are low, and many recent graduates lack strong cognitive and socio-emotional skills as measured by the Survey of Adult Skills (PIAAC). Co-operation between higher education institutions and employers is relatively weak and could be expanded, through work-based learning, among other measures.

During the National Skills Strategy workshops in Slovenia, many participants reported that young people lack strong cognitive and socio-emotional skills upon graduation from the education system. While recognising the broader social goals of higher education, participants questioned whether enough students in tertiary education are enrolling in fields of education and developing the skills that the labour market demands. Participants also questioned whether young people in Slovenia are being equipped with the skills and values needed for active citizenship and engagement in civil and social life.

Recommended areas for action:

- Ensure that all upper-secondary students, including those in vocational programmes or from an immigrant background, develop high levels of skills for work and life.
- Adapt Slovenia’s higher education system so that it is more responsive to current and future labour market needs.

**Challenge 2. Improving the skills of low-skilled adults**

Adults with low skill levels face relatively poor economic and social outcomes, and are increasingly at risk of being left behind in a changing world. One-third of 16- to 65-year-olds in Slovenia – almost 400 000 adults – have low levels of literacy and/or numeracy. Slovenia is actively seeking to involve more low-skilled adults in learning, consistent with European initiatives. Most low-skilled adults, however, are not interested in adult learning and do not choose to participate in it. Some low-skilled adults would be willing to participate, but nevertheless lack the financial resources and time to do so.
During the National Skills Strategy workshops in Slovenia, participants raised concerns that many adults have low levels of literacy and numeracy, which impedes their ability to participate in the workforce and society. Particular concerns were raised about the skill levels of older Slovenians, and the reluctance of older workers and their employers to invest in skills development. Participants expressed the aspiration for all adults in Slovenia to achieve at least basic levels of cognitive skills, and emphasised the importance of accessible, high-quality lifelong learning opportunities.

Recommended areas for action:

- Strengthen awareness-raising, outreach and guidance efforts to encourage and motivate low-skilled adults to improve their skills.
- Provide more flexible modes of learning and strengthen systems for validation of non-formal and informal learning, to boost participation by low-skilled adults.

Activating skills supply

To realise the full economic and social benefits of investment in skills, countries must not only ensure that individuals develop relevant skills, but utilise them to the fullest extent possible in the labour market. If the labour market does not provide sufficient opportunities for gainful employment, people may not have the incentive to develop relevant skills in the first place. Without the opportunity to exercise their skills, they may lose them altogether.

Challenge 3. Boosting employment for all age groups

Slovenia's people and economy lose out when adults are not fully using their skills. About one-third of working-age adults in Slovenia – almost 500 000 people – are either unemployed or not participating in the labour market. Employment has been relatively slow to recover from the global financial crisis. High employment costs arising from high social security contributions (SSCs), minimum wages and allowances have deterred some employers from hiring. Low after-tax earnings and relatively generous employment and social benefits deter some adults from working. Older, lower-educated and long-term unemployed adults, as well as a growing number of youth, in particular, need better support and incentives to work.

Workshop participants raised concerns about the low rates of employment and labour market participation, especially among older adults, but also among young people. Stakeholders also cited several factors inhibiting employment, including Slovenia's generous social safety-net system and pensions, declining job security, taxes and a shortage of the skills employers require (Challenges 1 and 2).
Recommended areas for action:

- Strengthen individuals’ incentives to supply their skills, and employers’ incentives to hire.
- Tackle additional barriers to labour market participation for disadvantaged groups.
- Improve employment services to enhance outcomes, especially for youth not in employment, education or training (NEETs) and reach out more effectively to disengaged youth.

Challenge 4. Attracting and retaining talent from Slovenia and abroad

Retaining and attracting talented people from Slovenia and abroad can help Slovenia meet its skill needs and infuse new knowledge, technology and innovations into the economy. A relatively small share of Slovenia’s foreign-born population is highly educated. At the same time, a small but growing number of tertiary-educated Slovenians are emigrating, and this is not being matched by inflows of tertiary-educated adults. High-skilled workers have a relatively low potential for earnings in Slovenia, which in part reflects the relatively high social security contributions (Challenge 3). High-skilled immigrants find it more difficult to find employment in Slovenia and receive limited support in their search. Slovenia attracts a relatively small (albeit growing) number of international students, in part reflecting the fact that tuition fees are high and few courses are offered in English.

Participants in National Skills Strategy workshops frequently raised concerns about Slovenia’s “brain drain”. Low wages and a lack of modern organisation and management practices in Slovenian workplaces were cited as reasons that high-skilled workers may not choose to remain in, or return to, the country. Participants also voiced concerns about the low numbers of international students in Slovenia’s higher education system.

Recommended areas for action:

- Adjust the tax mix to make working in Slovenia more attractive for highly-skilled individuals.
- Make it easier for highly-skilled non-EU nationals to enter the Slovenian labour market.
- Expand the use of English in higher education programmes, to make Slovenia more attractive to international students.

Using skills effectively

Developing and activating skills is necessary but not sufficient for improving productivity and economic growth. A country can have great success in developing and activating skills, but fail to realise the full benefits of those skills for individuals and society if they are not used effectively in the workplace.
Challenge 5. Making the most of people’s skills in workplaces

Using people’s skills more frequently can lead to higher wages, job satisfaction and labour productivity. Through better use of the skills available, Slovenia could partially offset the impact on productivity of the relatively low skill levels of its adult population (Challenges 1 and 2). Slovenia’s skill use performance is average, but well below top-performing countries. The skills of young workers, who are relatively highly skilled, and less educated workers, who most need on-the-job learning, are used relatively infrequently. High-Performance Work Practices (HPWP) including teamwork, autonomy, mentoring, job rotation, incentive pay, flexibility in working hours and other practices are the main driver of skills use in workplaces. Relatively few Slovenian firms have adopted HPWP. In contrast to trends in the OECD generally, larger firms in Slovenia use workers’ skills and adopt HPWP less frequently than smaller firms. Labour regulations and offshoring practices may also be affecting skills use.

Stakeholders participating in Skills Strategy workshops confirmed how important it is for employers to recognise and fully utilise the skills of their employees. Many participants indicated that this is not typical in Slovenian workplaces, often because human resources practices are not well developed. Employers may require support if they are to establish systems that effectively identify and develop employees’ skills and potential, and create stronger incentives for employees to reach their full potential in the workplace.

Recommended areas for action:

- Encourage the diffusion of high-performance work practices in Slovenian firms.
- Monitor how Slovenia’s labour market institutions and other factors (like offshoring practices) affect firms’ use of their employees’ skills.

Challenge 6. Using skills for entrepreneurship and innovation

Highly skilled people are central to Slovenia’s innovation system and entrepreneurial success, particularly in strategic industries like green technology. Slovenia is devoting a relatively high and growing share of its financial and human resources to research and development (R&D), but this is not systematically spurring innovation. In the business sector, innovation funding and outcomes are concentrated in a small number of large firms, with SMEs and the services sector lagging far behind. The innovation performance of universities and public research institutions is mixed, with relatively high publication rates, but low international collaboration. The relatively weak contribution of the higher education sector to innovation may be explained by comparatively low higher education expenditure on R&D, weak remuneration and evaluation systems, and institutional fragmentation. Slovenia has yet to fully implement its R&D and higher education strategies for the period 2011-20, which include comprehensive and ambitious measures to boost innovation performance.

In National Skills Strategy workshops, participants raised concerns about the disconnect between the country’s high-quality R&D activities and its poor track record in getting innovations to market. In addition, participants highlighted a lack of entrepreneurial thinking and ‘spirit’ in Slovenia and the education system’s mixed success in developing entrepreneurial attitudes and skills.
Recommended areas for action:

- Strengthen efforts to implement the reforms to Slovenia’s innovation system proposed in the Research and Innovation Strategy of Slovenia 2011-20 and the National Higher Education Programme 2011-20.
- Improve opportunities, skills and attitudes towards entrepreneurship.

**Strengthening Slovenia’s skills system**

Countries that are interested in improving their skills performance need to ensure that all the actors and institutions with an interest in, and impact on, skills work together to improve policy coherence. A number of transversal policy areas are important for strengthening performance in the development, activation, and use of skills. These areas include effective governance, skills information and financing.

**Challenge 7. Inclusive and effective governance of the skills system**

Slovenia’s performance in developing, activating, and using skills depends on relevant actors and policies working together as a coherent, mutually reinforcing skills system. Collaboration across ministries, between levels of government and with stakeholders is central for ensuring that policies are coherent, effective and efficient. Ministries are not collaborating to their full potential in Slovenia – in part reflecting the limited role played by the centre of government and the reliance on informal modes of co-ordination. Municipalities play a relatively limited role in the policy process, reflecting a centralised policy approach and funding and capacity constraints at the local level. Existing mechanisms for engagement with stakeholders are not successfully motivating stakeholders to support decisions, and appear to be undermined by citizens’ low levels of policy knowledge and confidence in government. Capacity and incentives for evidence-based policy-making and effective public engagement could be strengthened.

Stakeholders noted that ministries too often work independently of one another and that municipalities are largely excluded from policy making. They also commented that public engagement is not occurring across all stages of the policy process. There is a lack of effective partnerships between government and social partners to support implementation of skills policies. Some participants noted that weak evidence-based policy making and evaluation is undermining the quality of skills policies.

Recommended areas for action:

- Evaluate the government’s performance in engaging stakeholders to learn from experience and improve future practice.
- Make greater efforts to overcome ministries’ tendency to work in silos and encourage inter-ministerial co-ordination and collaboration.
- Increase engagement of local levels in skills policy making and implementation and facilitate tailored responses at the local level.
- Boost public sector capacity and incentives for conducting effective stakeholder engagement and evidence-based policy making.
Challenge 8. Enabling better decisions through improved skills information

Individuals, firms and countries all lose out when employers cannot find the skills they need in the workplace. While Slovenia has relatively low skills mismatches today, keeping them low will become increasingly difficult as digitalisation, technological change and globalisation continue to transform the world of work. Effectively assessing, anticipating and disseminating information on the changing needs for skills can help countries minimise mismatches. Slovenia lacks a comprehensive skills assessment and anticipation (SAA) system. While it is improving the system it has, it will be important to ensure that information is comprehensive and well disseminated to maximise its impact.

Stakeholders participating in Skills Strategy workshops commented that only limited information on current and future skills needs is readily available. They also noted that some valuable skills assessment exercises have been discontinued. Career guidance services are seen to be hampered by the lack of quality of SAA information. Many argued that Slovenia does not have the sort of user-friendly online one-stop shop for such information typical in many high-performing countries.

Recommended areas for action:

- Develop a more comprehensive and robust skills assessment and anticipation system.
- Ensure that information about current and future skills is effectively disseminated to different users.

Challenge 9. Financing and taxing skills equitably and efficiently

How, and to what level, skills are financed plays a major role in ensuring access to learning as well as high-quality, efficient skills outcomes. Overall, Slovenia spends less on education per student, and as a share of national wealth, than the OECD average. Vocational students in particular are disadvantaged by relatively low funding at the upper secondary and tertiary levels. Public debt and the ageing of the population will make financing skills more challenging. The financial returns to tertiary education in Slovenia are amongst the highest in the OECD for individuals and government. Yet individuals in Slovenia contribute less to their tertiary education than in three-quarters of OECD countries. Full-time students pay no tuition fees. Individuals, firms and governments have a shared role in financing skills development. Financial support for adult education appears to be insufficient and to be constraining lifelong learning, including for low-skilled adults (Challenge 2).

During the workshops, participants noted the challenge of sustainably funding higher education, and questioned whether students and taxpayers are getting a good return on their investment. Participants questioned whether financial incentives for adult learning were effective in encouraging participation. They also raised concerns about the effects of taxes on incentives to work, and confirmed how important the tax system is in supporting skills development and labour market outcomes for vulnerable groups (see Challenge 3).
Recommended areas for action:

- Ensure that vocational education at all levels receives the financial support needed to help students develop strong general and technical skills.
- Identify financial support that effectively encourages firms and adults to invest in skills, especially for low-skilled adults.

Moving from diagnosis to action

This diagnostic report can be used in many ways: as a basis for raising public awareness, cultivating broader public dialogue, and encouraging social partners and national and municipal governments to work together to address these challenges.

The OECD stands ready to help translate the momentum built and lessons learned during the diagnostic phase of this project into actions that lead to better skills, better jobs and better lives in Slovenia.
Contact us

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