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 the Slovak Republic**

**Employment rate (2017)**
- **Turkey**: 55.3%
- Slovak Rep.: 71.1%
- OECD: 72.1%
- Iceland: 87.2%

**Unemployment rate (2017)**
- Greece: 21.7%
- Slovak Rep.: 8.2%
- OECD: 5.9%
- Iceland: 2.9%

**Broad labour underutilisation (2016)**
- Greece: 44.8%
- Slovak Rep.: 29.2%
- OECD: 27.2%
- Iceland: 12.6%

**Earnings quality (2015)**
- Mexico: 4.6 USD
- Slovak Rep.: 8.8 USD
- OECD: 16.6 USD
- Denmark: 29.8 USD

**Labour market insecurity (2016)**
- Greece: 22.7%
- Slovak Rep.: 8.8 USD
- OECD: 27.6%
- Japan: 1.6%

**Job strain (2015)**
- Greece: 47.9%
- Slovak Rep.: 32.0%
- OECD: 32.0%
- Czech Rep.: 5.8%

**Low-income rate (2015)**
- Greece: 16%
- Slovak Rep.: 16.2%
- OECD: 10.9%
- Finland: 21.4%

**Gender labour income gap (2015)**
- Korea (2013): 61.0%
- Slovak Rep.: 31.7%
- OECD: 38.1%
- Finland: 21.4%

**Employment gap for disadvantaged groups (2016)**
- Turkey: 47.1%
- Slovak Rep.: 33.5%
- OECD: 24.7%
- Iceland: 9.2%

Notes: Employment rate: share of working age population (20-64 years) in employment (%). Broad labour underutilisation: Share of inactive, unemployed or involuntarily 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.

- Despite a significant increase in the employment rate in recent years, the Slovak Republic scores below the OECD average in terms of job quantity. Long-term unemployment remains a key challenge for the Slovak labour market with more than 60% of the unemployed having been out of work for more than a year. In addition, the labour participation of mothers with young
children and older people remains well below the OECD average.

- The Slovak Republic also scores poorly in terms of jobs quality. Low average wages mean that the Slovak Republic is ranked 28th in earnings quality. In addition, expected losses associated with becoming and staying unemployed are slightly higher than in other OECD countries, partly reflecting strict eligibility criteria for unemployment benefits.

Labour market inclusiveness is relatively strong. Only 8% of working-age persons live in households with less than 50% of the median income (11% in the OECD). While poverty and inequality are low overall, the majority of Slovakia’s Roma, about 8% of the population, face extreme social exclusion, with very low employment. The employment gap for other disadvantaged groups, such as mothers with children, youth, older workers, non-natives, and persons with partial disabilities, is the fifth highest among OECD countries.

**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.

- The Slovak Republic scores slightly below the OECD average in terms of labour market resilience, partly reflecting large employment losses following the global crisis of 2008-09. The number of unemployed increased substantially during the crisis, notwithstanding an extensive reduction in hours worked per employee, helped by an increased use of working hour accounts.

- Labour productivity growth is higher than the OECD average, thanks to large foreign direct investment inflows, which have helped develop a competitive export-led manufacturing industry. However, productivity developments in the non-tradable sectors over the last two decades have been lagging those of Slovakia’s central European neighbours, reflecting its dual economy.

- Student skills are below the OECD average with a relatively high share of low-performing students. More than one-third of 15 year-olds Slovak students did not obtain even a basic level of proficiency limiting their access to employment and better paying jobs.

**Framework conditions for the Slovak Republic**

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<tbody>
<tr>
<td><strong>Bottom OECD performer</strong></td>
<td></td>
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<tr>
<td>Unemployment cost of a decline in GDP (2000-16)</td>
<td>Spain: 0.9 pp</td>
<td>OECD: 0.4 pp</td>
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<tr>
<td>Labour productivity growth (2010-16)</td>
<td>Greece: -1.0%</td>
<td>OECD: 0.8%</td>
</tr>
<tr>
<td>Share of low-performing students (2015)</td>
<td>Mexico: 73.2%</td>
<td>Slovak Rep.: 1.5%</td>
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<tr>
<td><strong>Top OECD performer</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment cost of a decline in GDP (2000-16)</td>
<td>OECD: 0.4 pp</td>
<td>Luxembourg: 0.1 pp</td>
</tr>
<tr>
<td>Labour productivity growth (2010-16)</td>
<td>Ireland: 5.5%</td>
<td>Slovak Rep.: 1.5%</td>
</tr>
<tr>
<td>Share of low-performing students (2015)</td>
<td>OECD: 31.3%</td>
<td>Japan: 15.4%</td>
</tr>
</tbody>
</table>

Slovak Rep.: 35.5%

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).