How does SLOVENIA compare?

Employment Outlook 2017

The 2017 edition of the OECD Employment Outlook provides an international assessment of recent labour market trends and short-term prospects. It also contains chapters on: benchmarking labour market performance based on the new OECD Jobs Strategy scoreboard; labour market resilience in the wake of the global crisis; the role of technological change and globalisation in transforming labour markets; and key country differences in collective bargaining arrangements.

RECENT LABOUR MARKET TRENDS AND PROSPECTS

Labour market conditions continue to improve and the OECD average employment rate finally returned to its pre-crisis rate in the first quarter of 2017, nearly ten years after the global financial crisis erupted. The OECD-average unemployment rate continues its slow descent, but remains slightly above its pre-crisis level because employment has not increased enough to fully offset a rising trend in participation rates. The unemployment rate is projected to fall back to its pre-crisis level in late 2018 or early 2019. The recovery remains very uneven across countries and different groups within the workforce.

- The employment rate in Slovenia fell below the OECD average after the recession and has not recovered yet. In the last quarter of 2016, the OECD average was 61%, while the Slovenian employment rate stood at 58.5% - more than 4 percentage points lower than its 2008 peak.

- The Slovenian unemployment rate has been above the OECD average since 2011. However, it has decreased significantly from its peak in 2010. Nevertheless, in the last quarter of 2016, the unemployment rate stood at 8%, in contrast with the values below 5% recorded throughout 2008.

- Projections for next year show that the Slovenian unemployment rate should very nearly close its gap with the OECD average, falling below 6% by the end of 2018.

- While the employment rate is also projected to continue to improve, its level is expected to remain below 61% - about 1 percentage point lower than the OECD average.

- The Slovenian labour market polarised between 1995 and 2015 as middle-skill occupations declined relative to both low and high-skill ones. High-skill jobs made the largest gains, while the share of low-skill occupations declined slightly.

Note: OECD weighted average.
Source: OECD calculations based on OECD Economic Outlook Database (No. 101), June 2017.
NEW OECD SCOREBOARD SHOWS RELATIVE STRENGTHS AND WEAKNESSES OF THE SLOVENIAN LABOUR MARKET

The 2017 issue of the OECD Employment Outlook presents a comparative scoreboard of labour market performance that provides a rich 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 quality (pay, employment 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’s employment rate is below average and its unemployment rate is above average, so overall Slovenia performs slightly worse than the OECD as a whole in the quantity of jobs.

- Two of the three indicators for the quality of jobs (earnings quality and job strain) indicate worse work quality in Slovenia than on average across the OECD. On the other hand, labour market insecurity is lower in Slovenia than for the OECD average.

- Slovenia performs relatively well in terms of labour market inclusiveness: the low income rate is below the OECD average and the gender labour income gap is particularly good, achieving a score just above that of the top OECD performer. However, the employment gap for disadvantaged groups is 3 percentage points higher than the OECD average which stands at about 25%.

- In spite of a small improvement over the past decade, the employment gap for older workers remains particularly large, as access to pension benefits is possible at a lower age than anywhere else in the OECD.

- Employment gaps for mothers and youth remain below the OECD average but have increased over the past decade. Hence, Slovenia faces the challenge of better integrating social and employment supports to prevent a further worsening of the labour market situation for these disadvantaged groups.