



Slovenia: Forecast highlights

Between now and 2025:

- Employment is forecast to increase slightly, but remain below its 2008 pre-crisis level.
- Most employment growth will be in business and other services
- Most job opportunities, around 33%, will be for professionals.
- Around 49% of the labour force will have high-level qualifications compared to 32.6% in 2013.

Following the economic crisis in 2008, Slovenia's GDP started to recover in 2011. In 2013, Slovenia's unemployment rate was 10.1%, below the European Union (EU) average of 11%. The European Commission forecasts GDP growth for Slovenia of 1.7% in 2015 and 2.5% in 2016.

Employment outlook

According to Cedefop's skill supply and demand forecasts ([see scenario assumptions](#)), economic growth will have only limited effects on job growth in Slovenia and employment is not expected to reach its 2008 pre-crisis level by 2025 (Figure 1). This is slower than employment growth forecast for the EU as a whole, where average employment is expected to reach its pre-crisis level in 2020.



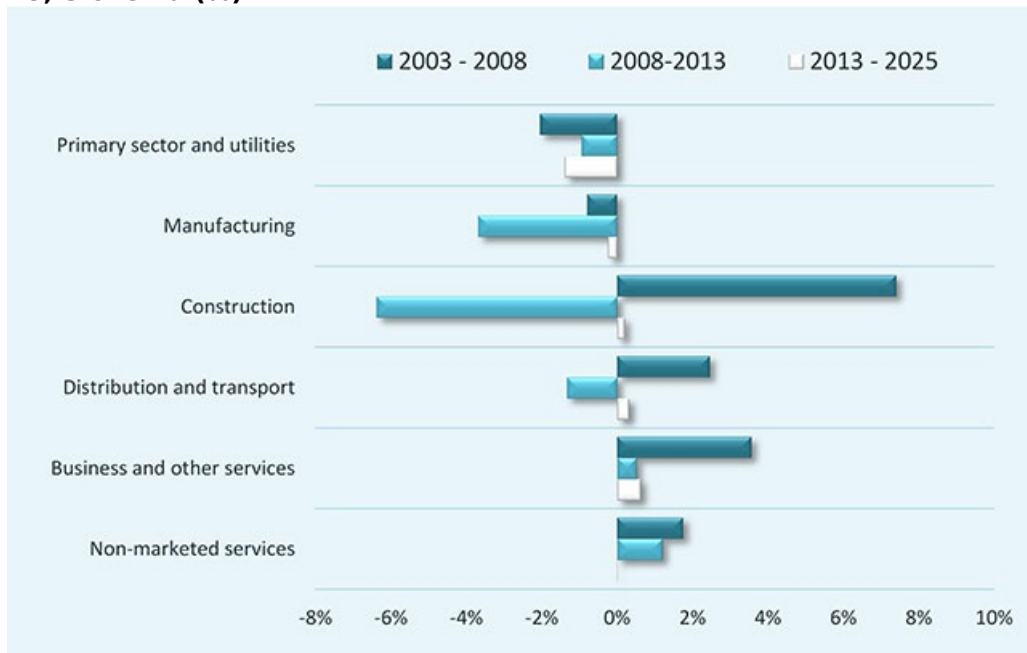
Figure 1 **Past and forecast employment, Slovenia (millions)**



Sector developments

The economic crisis reduced employment almost in all sectors, notably construction and manufacturing, between 2008 and 2013 (Figure 2). However, employment increased in business and other and non-marketed (mainly public sector) services over the same period. Future employment growth in Slovenia up to 2025 is forecast mainly in business and other services, with small increases in the construction, and distribution and transport sectors. Employment is forecast to continue to fall in the primary sector and in manufacturing, but at a much slower rate compared to 2008-13.

Figure 2 **Employment trends by sector, average annual growth rate, 2003-25, Slovenia (%)**



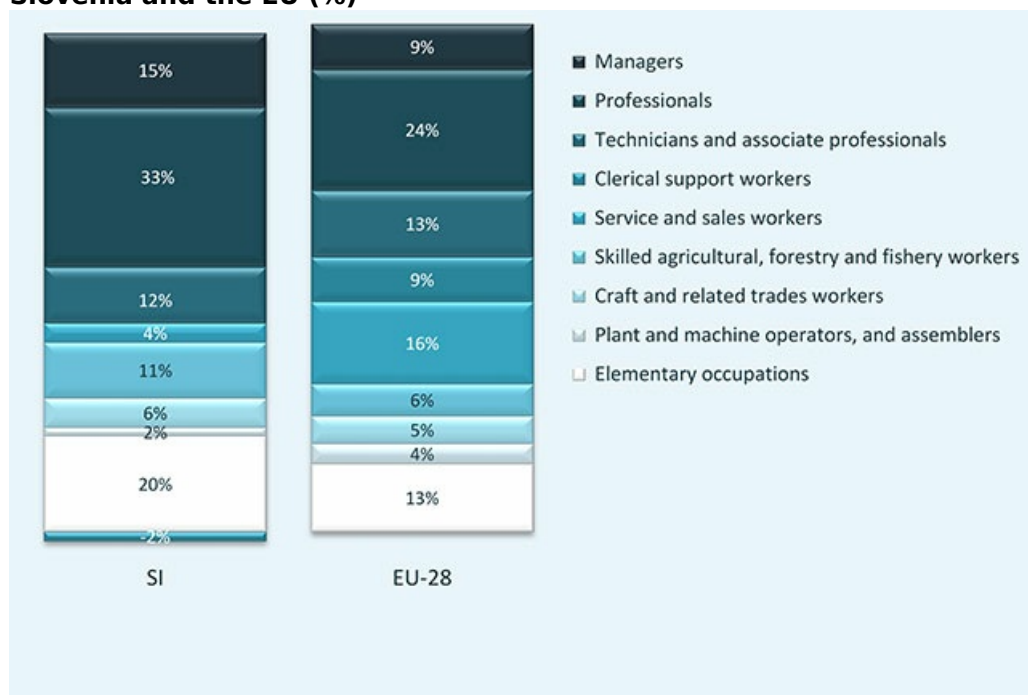
Source: Cedefop skills forecasts (2015)

Occupations and qualifications prospects

Cedefop’s forecasts give insights on job opportunities between now and 2025. Total job opportunities are the sum of newly created jobs (expansion demand) and job opportunities arising because of the need to replace people who either go on to other jobs or leave the labour market, for example due to retirement (replacement demand). Often, replacement demand provides more job opportunities than expansion demand, which means that there will still be job opportunities even if the overall level of employment falls. Slow employment growth and an ageing workforce means that between now and 2025, replacement demand in Slovenia is forecast to provide almost all job opportunities.

In Slovenia, most job opportunities, around 33%, will be for professionals (high level occupations in science, engineering healthcare, business and teaching), much higher than the 24% forecast for this occupational group in the EU as a whole (Figure 3). The share of job opportunities for elementary occupations in Slovenia, around 20%, is also considerably higher than the 13% share forecast for the EU. Unusually, the opportunities for clerical and support workers (workers who record, organise, store, compute and retrieve information, and perform a number of clerical duties in connection with money-handling operations, travel arrangements, requests for information, and appointments) is forecast to be negative. In the EU as a whole almost 9% of all jobs will be opened for this occupational group.

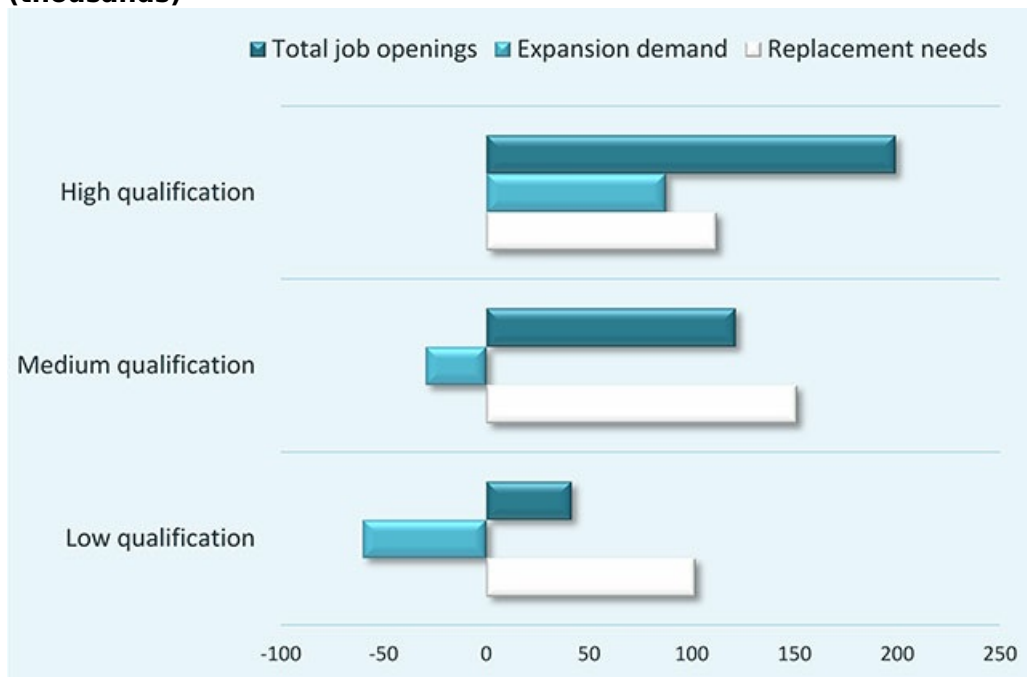
Figure 3 **Distribution of total job opportunities by occupation 2013-25, Slovenia and the EU (%)**



Source: Cedefop skills forecasts (2015)

Most job opportunities in Slovenia will require high-level qualifications (ISCED 97 levels 5 and 6) (Figure 4). However, due to high replacement demand there will also be significant numbers of job opportunities requiring medium-level qualifications (ISCED 97 levels 3 and 4).

Figure 4 **Total job opportunities by qualification, 2013-25, Slovenia (thousands)**



Source: Cedefop skills forecasts (2015)

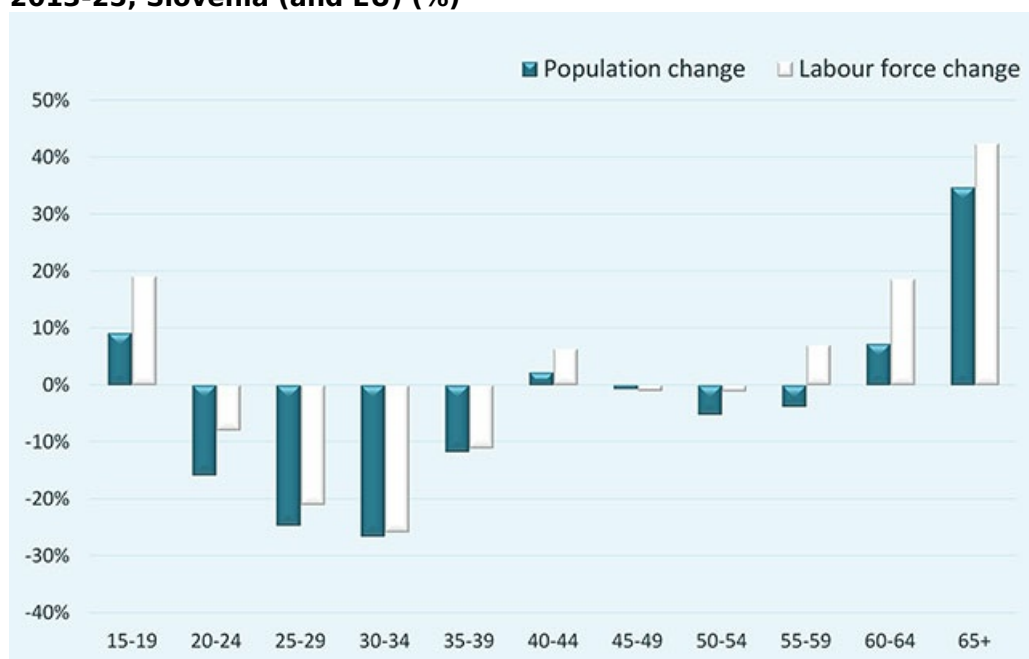
Labour force trends

Future labour supply trends depend mainly on demographics and the size of the working-age population (defined in the forecasts as people aged 15 and older), participation in the labour force (people in the working-age population either in or actively seeking work) and how quickly people acquire formal qualifications.

Eurostat’s latest population projection (Europop 2013) for Slovenia reflects the current trends in fertility rates and net migration flows. Slovenia’s working-age population is projected to increase by around 1% between now and 2025. Labour market participation is forecast to fall from 57% in 2013 to 53.4% in 2025, below the EU forecast average of 55.5%.

Following the EU demographic trend, Slovenia’s population is getting older (Figure 5). A significant decline is forecast for the population aged between 20 and 54.

Figure 5 Changes in working-age population and labour force by age, 2013-25, Slovenia (and EU) (%)

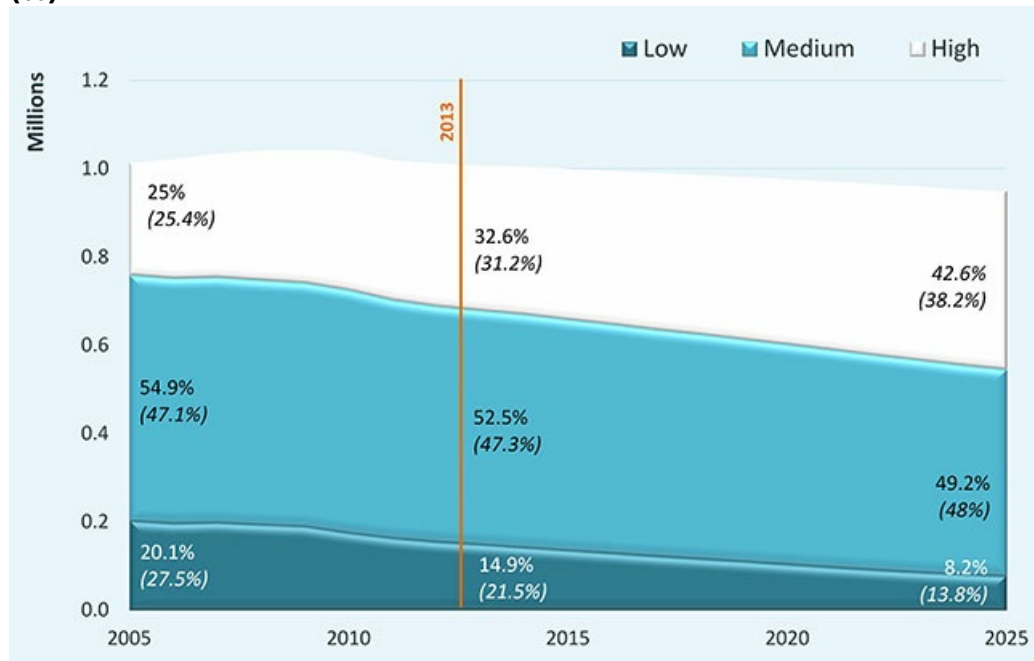


Source: Cedefop skills forecasts (2015)

Although older Slovenia’s labour force is becoming more highly qualified (Figure 6). This is explained by older less-qualified people leaving and younger more highly-educated people entering the labour market. By 2025, the share of Slovenia’s labour force with high-level qualifications should rise to 42.6% compared to 32.6% in 2013 and 25% in 2005. People with medium-level qualifications in 2025 will account for 49.2% of the labour force compared to 52.5% in 2013. The share with low-level or no qualifications is forecast to fall to from 14.9% in 2013 to 8.2% in 2025.

According to Cedefop’s forecasts, by 2020, in Slovenia, more than 52% of 30 to 34 year olds will have high level qualifications, significantly above the EU’s educational attainment benchmark of 40% by 2020. On current trends, nearly 59% of 30-34 year olds in Slovenia will have high-level qualifications by 2025.

Figure 6 Labour force trends by qualifications, 2005-25, Slovenia (and EU) (%)



Source: Cedefop skills forecasts (2015)

In Slovenia, in 2013, 3.9% of young people left the education and training system with low-level qualifications, meeting the national target of reducing this to less than 5% by 2020. In the EU, the average, in 2013, was 11.9%, still higher than its benchmark of less than 10 % of young people leaving the education and training system with low-level qualifications by 2020.

Experts' view

*Cedefop's forecasts and their assumptions are regularly discussed with national experts. **Magda Zupanic, Expert at the Ministry of Labour, Family and Social Affairs** consider the forecasts' underlying assumptions and results plausible.*

She adds that the Europop 2013 population projection is slightly higher than the national population projections. Emigration from Slovenia is a recent trend and it is uncertain how it will evolve. Demographic changes and the relatively low average working life influence strongly assumptions for replacement needs.

The European Commission's macroeconomic forecast is also more optimistic than the national one, which sees some serious potential barriers to economic growth. A key challenge is tackling the problem of the "lost generation" of young people currently unemployed, whose job prospects may be reduced as younger cohorts enter the labour market.

Cedefop skills supply and demand forecasts' scenario

Cedefop skills supply and demand forecasts take account of global economic developments up to October 2014. Despite significant differences between countries, the forecasts generally assume that a modest economic recovery will slowly increase confidence in the EU, increasing investment, consumer spending and exports. Inflation stays in target range and interest rates low, while higher tax revenues help governments reduce debt.

The assumptions reflect the latest Eurostat population forecast (Europop 2013, published in spring 2014) and the short-term macroeconomic forecast produced by the European Commission in November 2014.

Cedefop's forecasts use harmonised data and methodology for all countries covered to allow cross-country comparisons. They do not substitute national forecasts. Total employment data correspond to those reported in national accounts.

Cedefop's latest skills demand and supply forecasts up to 2025 cover 28 EU Member States plus Iceland, Norway and Switzerland. Results are regularly updated and together with key assumptions and methodological developments are reviewed by national experts.

For the latest update and more detailed skills forecast data visit: www.cedefop.europa.eu/forecast

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