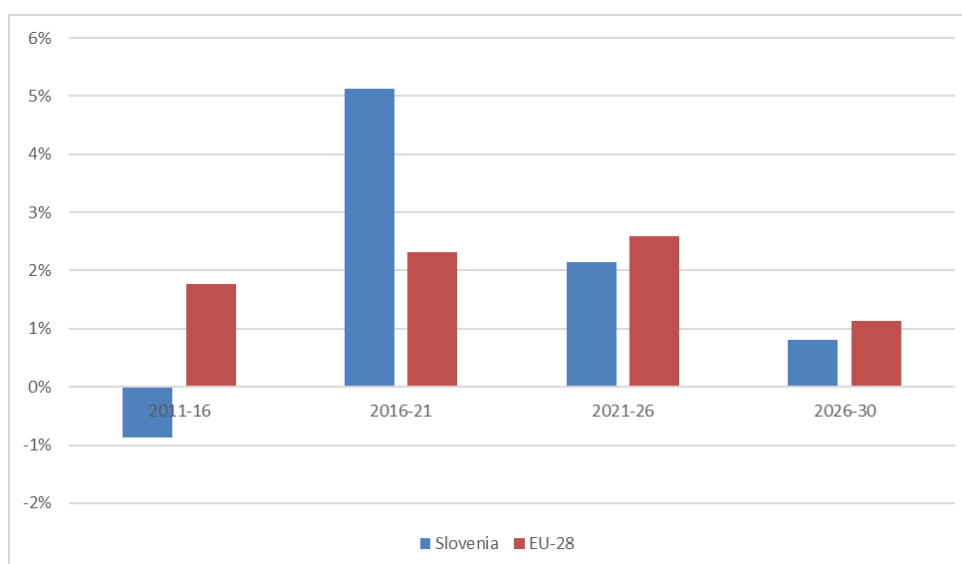


1. Employment outlook

Following a decrease in employment in 2011-16, Slovenia is expected to show employment growth up to 2030. In 2016-21, the employment growth is expected to peak at a rate of 5%, more than double the EU-28 average. In the period 2021-26 employment growth is expected to be below the EU-28 average, and to stagnate in the period 2026-30. A total percentage employment growth of 8% is expected over the period 2016-30, a rate similar to Sweden and Slovakia but higher than EU-28 average.

Figure 1 Percentage employment growth in Slovenia and EU-28, 2011-30



Source: Cedefop (2018 Skills Forecast)

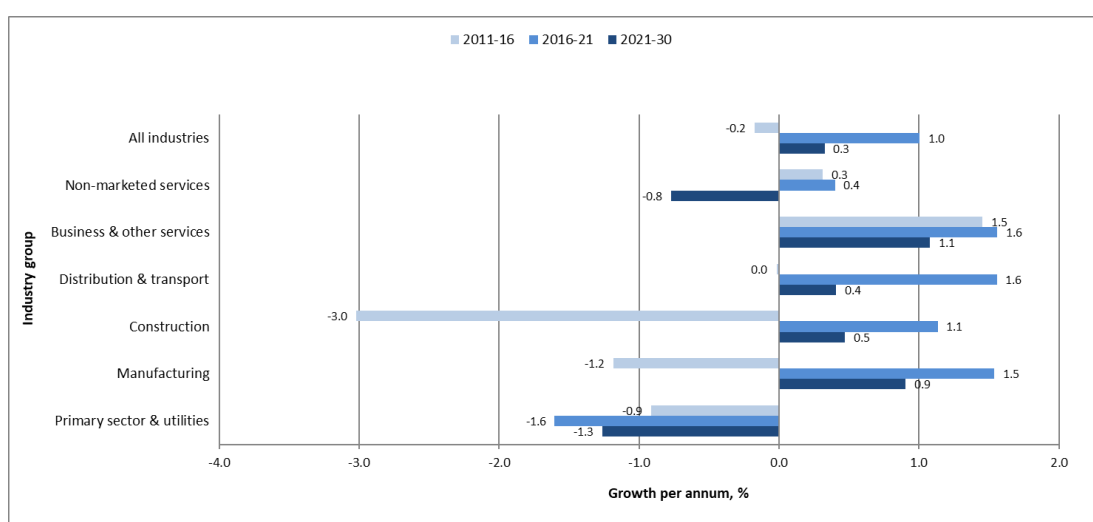
2. Labour force overview

Slovenia's labour force is expected to have declined by 7% by 2030, similar to Spain. The working age population is expected to remain broadly stable in levels but to change its composition, with a decline in cohorts aged 25-59 characterised by a high participation rate, and an increase in cohorts aged 65+ characterised by a low participation rate. The decline in cohorts with higher participation rates therefore results in a decrease in the size of the labour force.

3. Sectoral employment trends

Employment is expected to increase by 2021 for most broad sectors and to stagnate in the period 2016-30, as shown in Figure 2. *Business and other services* is the sector that is expected to grow the most in both 2016-21 and 2021-30, although in 2016-21 *distribution and transport* and *manufacturing* will be expected to show similar growth rates. After a moderate growth up to 2021, *non-marketed services* sector is expected to shrink in the period 2021-30, while *primary sector and utilities* is expected to be the fastest declining broad sector up to 2030. In terms of subsectors, *agriculture* is expected to decline the most in the period 2016-30, followed by *mining and quarrying*, thus driving the decline over the forecast period in *primary sector and utilities*. Other subsectors are expected to decline in 2016-30, such as *health and social work*.

Figure 2 Employment growth by broad sector of economic activity, 2016-30



Source: Cedefop (2018 Skills Forecast)

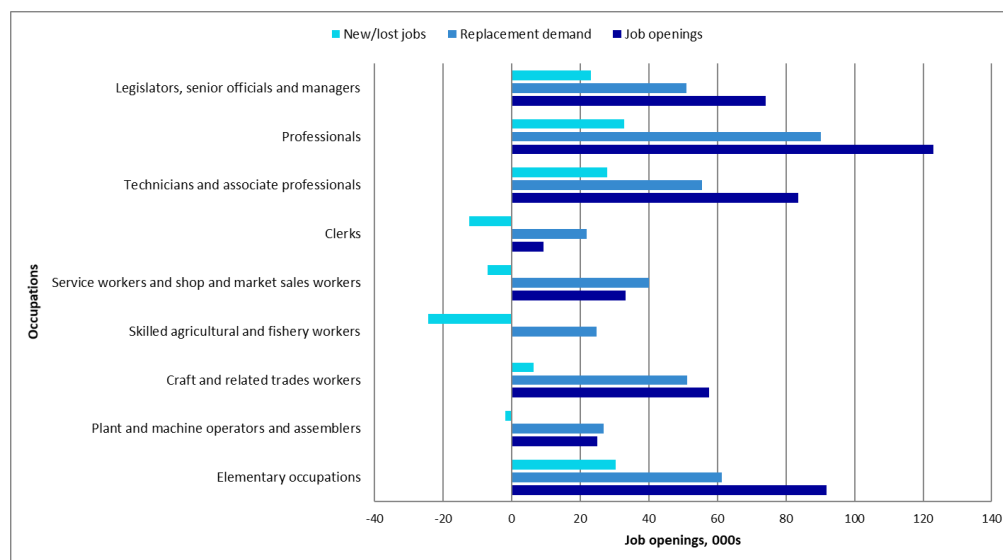
4. Job openings by occupational group

Cedefop skills forecasts estimate the total job openings by occupational group as the sum of net employment change and replacement needs. Net employment change refers to new jobs created due to the expansion of the employment in that sector or occupation. Replacement needs arise as the workforce leaves the occupation due to retirement or career changes. Replacement needs, generally, provide more job opportunities than new jobs, meaning that significant job opportunities arise even in

occupations declining in size (i.e. agricultural workers are a typical example, as ageing workers employed in the sector will need to be replaced).

Figure 3 shows the total job openings by broad occupational group over the period 2016–30. The number of job openings is determined by the amount of jobs lost/newly created and by the amount of jobs that are created following the retirement of old workers. Most jobs are expected to come from the need to replace retiring workers, but in some sectors a significant share of job openings is expected come from new jobs creation. The occupation expected to have the highest number of job openings, of which 27% will come from new jobs, is *professionals*, accounting for 25% of **total job openings**. *Legislators, senior officials and managers, technicians and associate professionals* and *elementary occupations* are also expected to have a high number of job openings but with a higher share of **new jobs**, 31%, 33% and 33% respectively. *Clerks* and *service workers and shop and market sales workers* are expected to decline in employment by 2030, but the replacement needs will still provide some job openings. For *skilled agricultural and fishery workers* no job openings are expected, since the replacement needs will be completely offset by the shrinkage in employment.

Figure 3 Job openings by broad occupational group, 2016-30



Source: Cedefop (2018 Skills Forecast)

The detailed analysis of occupational groups shows that most of the **new jobs** are expected to be created in *science and engineering professionals* and *legal, social cultural and related associates*. The occupations that are expected to

provide the highest number of **total job openings** are *business and administration associates* and *science and engineering professionals*.

5. Drivers of occupational change

Within the Cedefop skills forecasts, future employment growth (or decline) of occupations is further broken down by separating national economic components from regional industrial and economic effects, helping to interpret what is driving the change. From this perspective employment growth can be explained by three possible drivers: (a) overall trends of the economy (i.e. growth or decline), (b) shifts of employment between sectors and (c) changes in the occupational structure within sectors (i.e. factors making some occupations more important/ others).

The sectoral shift toward the business sector and the increase in *manufacturing* is expected to create demand for high-skills occupations such as *information and communications technology professionals* and for more low/medium-skills occupations such as *stationary plant and machine operator* and *handicraft and printing workers*. On the other hand, the decline in *primary sector and utilities* and *non-marketed services* sectors is expected to decrease the employment for *agricultural, forestry and fishery labourers*, *health associates* and *personal care workers*.

Developments in technology will shrink employment in occupations such as different types of *clerks* because of the routine content of their work, and such as *market-oriented skilled agricultural workers*.

Taking into accounts both occupation and sector effects, the occupations which are expected to show the highest increase in employment are *legal, social, cultural and related associate, science and engineering professionals* and *administrative and commercial managers*. On the other hand, among *science and engineering associate professionals* there will be both positive (sectoral change) and negative effects (within occupation shifts); however, in the case of this occupation, the positive effects are expected to outweigh negative effects over the period up to 2030.

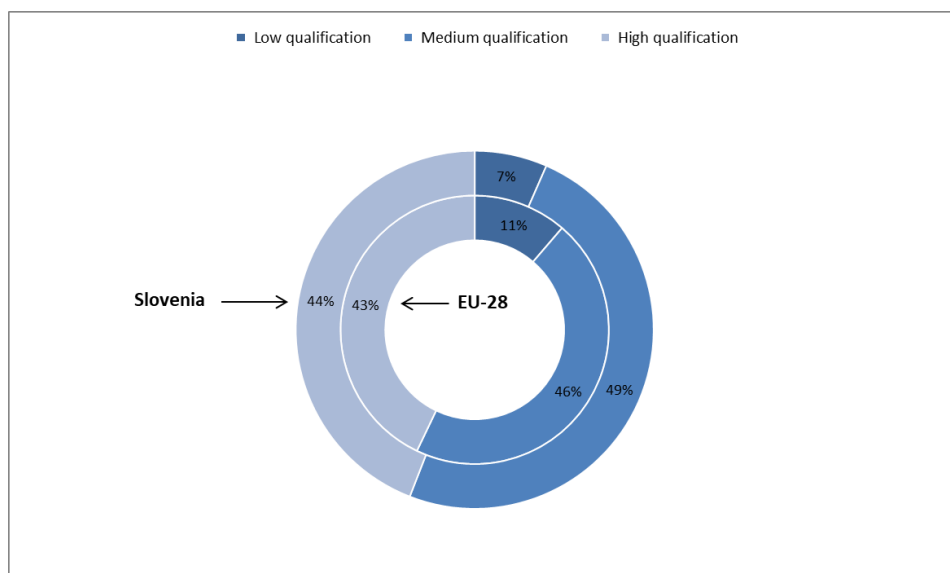
6. Demand for and supply of skills

Within the Cedefop skills forecasts, skills are proxied by the highest level of qualification held by individuals in the labour force and employment. Three levels are

distinguished, high, medium, and low, which correspond to the official ISCED classification. The occupational group also offers an indication of the skill level required, as some occupations (e.g. professionals) typically require high-level skills, while some others (e.g. elementary) typically require only basic ones. Therefore, occupational groups are also linked to a skill level.

Figure 4 shows the shares of **total job openings** for qualifications needs. Most of the job openings are expected to require a medium-level qualification, 3 pp above the EU-28 average, while 44% are expected to require a high-level qualification, only 1pp above the EU-28 average. The share of job openings requiring low-level qualifications is expected to be 7%, 4 pp below the EU-28 average. Therefore, Slovenia is expected to be broadly in line with the EU-28 average regarding expected job openings.

Figure 4 Share of total job openings by level of qualification, 2016-30



Source: Cedefop (2018 Skills Forecast)

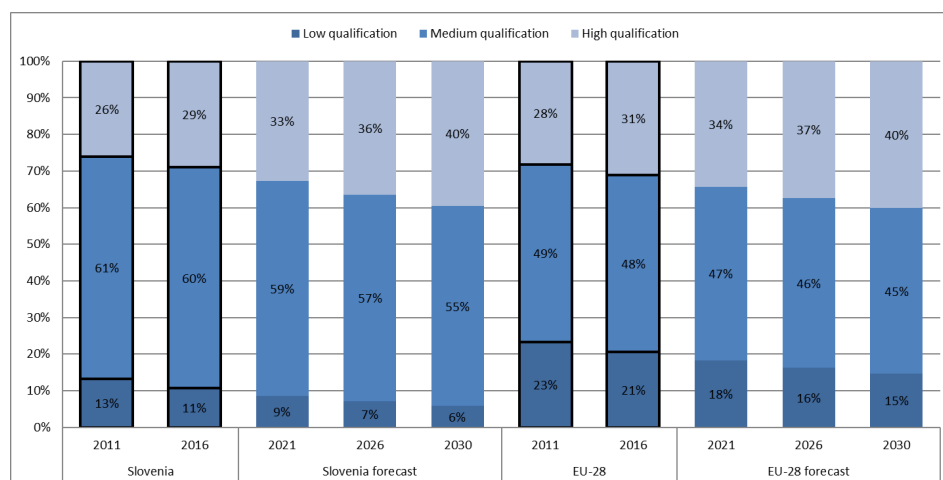
The number of jobs requiring high-level qualifications is expected to increase in *science and engineering professionals, business and administration associate and professionals and administrative and commercial managers*.

Future labour supply trends depend on the size of the working age population (defined as aged 15 or older), the labour market participation rates, and the extent to which people acquire formal qualifications.

As seen in Figure 5, the share of workers with high-level qualifications is expected to increase broadly in line with the EU-28 average, reaching 40% in 2030. The share of medium-level workers is expected to decrease but to remain

at least 10 pp above the EU-28 average, given the higher starting point. The share of low-qualified workers is expected to decrease and to remain by around 10 pp below the EU-28 average, given the lower starting point.

Figure 5 Labour force share by level of qualification, 2011-30



Source: Cedefop (2018 Skills Forecast)

The demand for high-qualified workers is expected to exceed their supply, while medium-qualified workers will be in a sizable surplus, a situation which could give rise to skills mismatch.

Cedefop methodology and scenarios

Cedefop skills forecasts offer quantitative projections of future trends in employment by sector of economic activity and occupational group. Future trends on the level of education of the population and the labour force are also estimated. Cedefop's forecasts use harmonised international data and a common methodological approach allowing cross-country comparisons about employment trends in sectors, occupations and qualifications. The forecasts and methodologies applied are validated by a group of national experts. These forecasts do not substitute national forecasts, which often use more detailed methodologies and data, while they also incorporate in-depth knowledge of a country's labour market.

The latest round of forecasts covers the period up to 2030. The forecasts take account of global economic developments up to May 2017. Despite cross-country differences, the EU economy as a whole is expected to show modest growth, after a better-than-expected performance in 2017. Over 2018 and 2019, the EU economy as a whole is expected to grow, albeit at a slower pace compared to 2017, supported by increased household expenditure and falling unemployment, although wage growth remains muted. Investment is also expected to pick up given favourable financing conditions and an improved economic outlook. The key assumptions of the baseline scenario incorporate the Eurostat population forecast available in 2017 (Europop 2015) ⁽¹⁾ and the short-term macroeconomic forecast produced by DG ECFIN in May 2017 ⁽²⁾.

For the latest update and access to more detailed Cedefop skills forecast data please visit:

<http://www.cedefop.europa.eu/el/events-and-projects/projects/forecasting-skill-demand-and-supply>



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⁽¹⁾ <https://ec.europa.eu/eurostat/web/population-demography-migration-projections/population-projections-data>

⁽²⁾ https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2017-economic-forecast_it