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Slovenia Policy Brief

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Education and skills

ENHANCING SKILLS TO SUPPORT PRODUCTIVITY GROWTH

- Better investment in skills would help Slovenia to realise the potential of advanced technology and give a new impetus to the recently stalled growth in productivity.
- Stronger investment in skills would tackle currently high long-term unemployment and rising unemployment among the young.
- Slovenia has made progress in raising the performance of its education system but these efforts need to continue.
- Both the equity and quality of compulsory education could be improved further. Vocational education and the higher education system should equip a larger share of young people with a wider range of skills.

What's the issue?

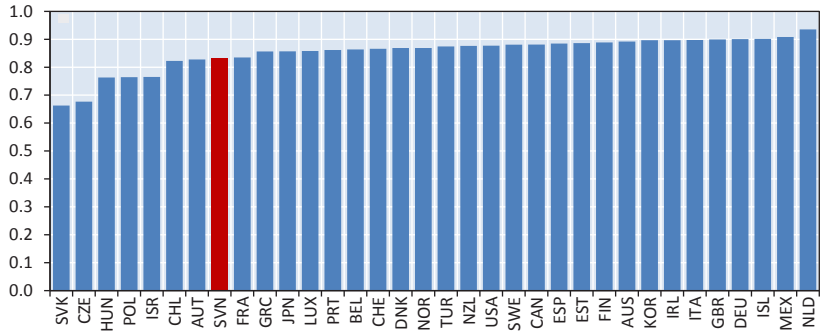
While the share of 15-29 year-olds neither employed nor in education or training (NEET) was below the OECD average in 2013 (13.7% compared with 18.2%), it has increased substantially since 2008. Furthermore, young people are more concerned by unemployment than prime-age workers and when they are employed, they are much more likely to be on a temporary contract.

Initial education should help all youth develop strong foundation skills to enhance their ability to learn more and to apply their learning across a range of fields. At the age of 15, average achievement scores in PISA 2012 were relatively high in mathematics and science but below the OECD average in reading. Slovenia's average performance in reading has decreased across PISA cycles. The impact of socio-economic background on performance is similar to other OECD countries on average, but student performance depends strongly of the education background of the parents (see Figure). Socioeconomically disadvantaged schools and programmes have worse results and instances of class disruption are much more common.

A better allocation of spending in compulsory education would help to raise education outcomes. The average class size is relatively low, which reflects misallocation of spending by geographical areas and a lack of system response to demographic changes. Revising the geographical distribution of spending and classes would free some resources that could be allocated to policies to improve the performance of students from low socio-economic or immigrant backgrounds. More flexibility in the organisation of pedagogical work and the implementation of curricula would make it easier to account for specific needs of some students. Identifying weaknesses of the evaluation and assessment process of education is also important.

Student performance in Slovenia depends strongly on the education background of the parents

Ratio of mathematics performance between students without a parent with upper secondary education and students with at least one tertiary-educated parent



Note: A ratio equal to 1 means that the educational attainment of parents does not affect students' mathematic performance, as measured in PISA.
Source: OECD (2013), PISA: Programme for International Student Assessment, http://dx.doi.org/10.1787/data-00365-en.

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Both at upper- and post-secondary levels, education has a strong vocational focus. However, there are signs of mismatches between the output of vocational and higher education systems and the needs of the labour market with some gaps in engineering and science. Student interest in short upper-secondary vocational education and training (VET) has diminished, leading to some shortages in low-skilled manual jobs. Slovenia has one of the highest entry rates to universities, but the probability of students whose parents have low education levels to enrol in tertiary education is one of the lowest among the OECD countries. Generous public support is regressive and not well targeted to the weakest. Per-student expenditure on core services at the tertiary level in Slovenia is low, and it could be used more efficiently.

Why is this important for Slovenia?

Ensuring that youth can participate in the economy and society is crucial to securing thriving communities and promoting social cohesion and inclusive growth. Difficulties to integrate into the labour market are not only a personal crisis for those who cannot find work – and who may be permanently scarred by late entry into the labour force – but a loss to the country as a whole. Government policy can influence the dynamics between skills, education and employment and ensure that a larger share of youth join the virtuous circle of skills leading to graduation, employment and better skills.

Further improving pre-school and primary education should help all youth develop strong foundation skills to enhance their ability to learn more and to apply their learning across a range of fields. Young people without strong skills foundation are more likely to drop out of school and face difficulties finding jobs while those who are jobless can hardly maintain and enhance their skills.

Building a strong vocational education and higher education system can ease transitions from school-to-job. Furthermore, this can help regions and the country as a whole to successfully move to a high-skills equilibrium with a combination of high-skilled workers and high-skilled jobs. An integrated approach to skills supply and demand which pays attention to how skills are used by employers is conducive to improving skills, employment and productivity.

What should policy makers do?

- Improve spending efficiency in basic compulsory education by reviewing the geographical distribution of spending. Identify any weaknesses in the evaluation and assessment of education.
- Facilitate further transitions from VET to higher education, including to university education. Better inform students who are interested in VET about career opportunities. Increase employer involvement in VET programmes.
- Improve the funding and efficiency of the higher education system. Give more weight to performance to better meet institutions' financing needs. Introduce universal tuition fees associated with a system of means-tested grants and loans with income-contingent repayment.
- Evaluate the impact of adult education programmes on labour market outcomes. Improve the accessibility of adult education for individuals with low educational attainment levels.
- Improve incentives to boost the number of graduates from the fields of mathematics, science and technology by highlighting good job prospects and by providing funding for sufficient institutional capacity. Reduce entry rates in fields with poor labour market prospects at the tertiary level.
- Consider developing and implementing a National Skills Strategy.

Further reading

OECD (2015), *OECD Economic Surveys: Slovenia*, OECD Publishing. http://dx.doi.org/10.1787/eco_surveys-svn-2013-en

OECD (2014), *Job Creation and Local Economic Development 2014*, OECD Publishing. http://www.oecd.org/publications/job-creation-and-local-economic-development-9789264215009-en.htm

OECD (2013), *OECD Skills Outlook 2013: First Results from the Survey of Adult Skills*, OECD Publishing. http://skills.oecd.org/skillsoutlook.html