



Job Creation and Local Economic Development 2020: Rebuilding Better examines the impacts of COVID-19 on different types of local labour markets. It also considers their performance prior to the pandemic, and how COVID-19 could impact other ongoing local labour market transitions such as digitalisation, automation, and the polarisation of jobs. Finally, it discusses the role local actors will play in rebuilding better. Consult the full publication [here](#).

Slovenia

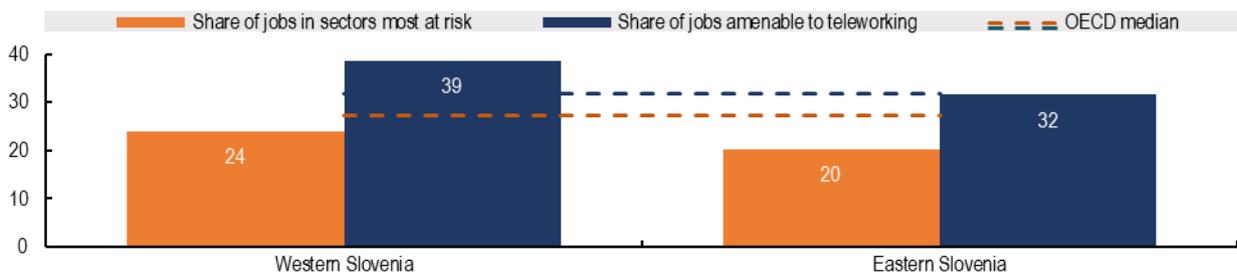
The share of jobs in sectors most at risk from COVID-19 varies from 20% in Eastern Slovenia to 24% in Western Slovenia.

Both regions in Slovenia had higher unemployment rates in 2018 than in 2008.

Both regions in Slovenia have a higher share of jobs at high risk or risk of significant change from automation than the OECD median region.

The potential impacts of COVID-19 on local labour markets

Jobs in sectors most at risk and amenable to teleworking



Note: Share of jobs at risk is based on estimates of sectors most impacted by strict containment measures, such as those that involve travelling and direct contact between consumers and service providers. The sectoral composition of the regional economy is based on data from 2017 or latest available year. Share of jobs amenable to teleworking is based on the types of tasks performed in different occupations, and the share of those occupations in regional labour markets. These figures do not account for gaps in access to IT infrastructure across regions, which could further restrict teleworking potential. The OECD median presented here is the median of OECD regions with available data for each indicator.

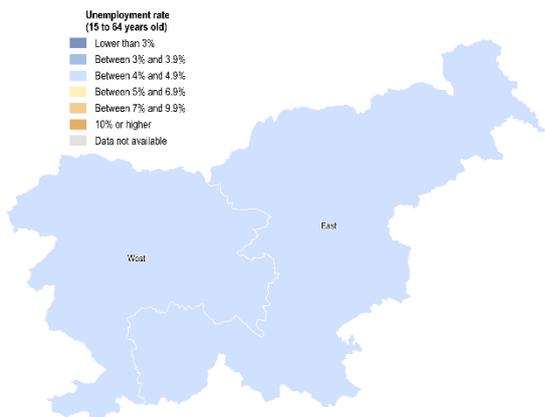
Source: OECD calculations on OECD (2020), "Regional economy", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/6b288ab8-en>; and OECD (2020), *OECD Regions and Cities at a Glance 2020*, <https://doi.org/10.1787/959d5ba0-en>.

COVID-19 has put unprecedented pressure on local labour markets and economies. The share of jobs in the sectors most at risk from containment measures (e.g. accommodation and food services, and wholesale and retail trade) varies from less than 15% to more than 35% across OECD regions. In Slovenia, disparities between regions are relatively small: the share of jobs in sectors most at risk ranges from 20% in Eastern Slovenia to 24% in Western Slovenia. Both regions had a lower share of jobs at risk than the OECD median region.

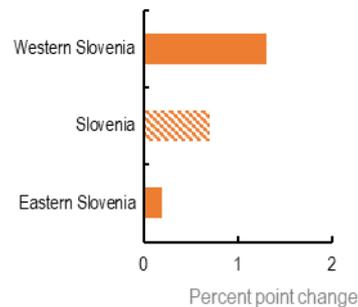
While containment measures have restricted economic activity in some sectors, the rapid expansion of teleworking has helped maintain other jobs. The share of jobs amenable to teleworking is close to or above the OECD median region in both of Slovenia's regions: 32% in Eastern Slovenia and 39% in Western Slovenia.

Local labour market performance prior to COVID-19

Unemployment rate, 2019



Change in unemployment rate, 2008-2018



Note: The unemployment rate is computed as the share of unemployed people over the labour force, for the age group 15-64.

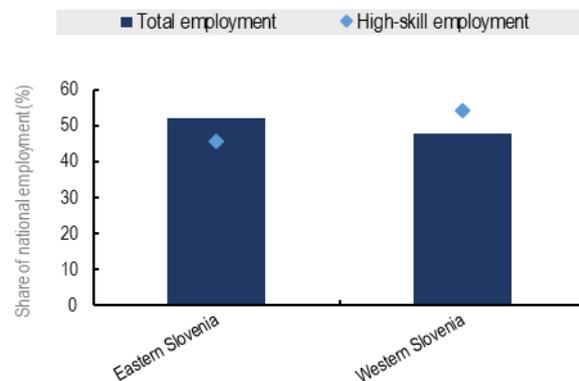
Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en>.

Prior to the COVID-19 pandemic, unemployment rates in the Slovenia were generally low. Rates varied 0.9 percentage points across regions, from 4% in Western Slovenia to 4.9% in Eastern Slovenia. Looking at the decade following the 2008 crisis, both regions had unemployment rates higher in 2018 than in 2008, a pattern seen in less than one-third of OECD countries. Regional gaps in unemployment also shrank over this period, but because of worsening performance in the best performing region. The unemployment rate increased by 1.3 percentage points in Western Slovenia, which had the lower unemployment rate in 2008, while it increased by only 0.2 percentage points in Eastern Slovenia, which had the higher rate in 2008.

Change in net employment, 2008-2018



Employment by region and skill level, 2018

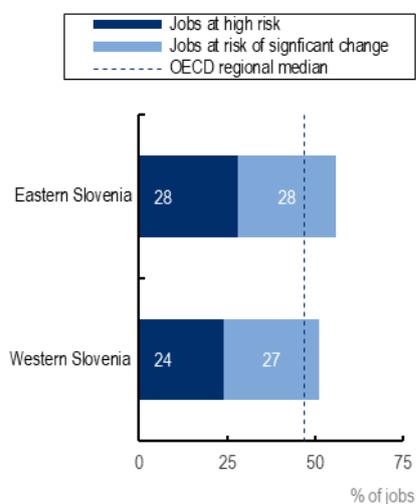


Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en> and EU Labour Force Survey.

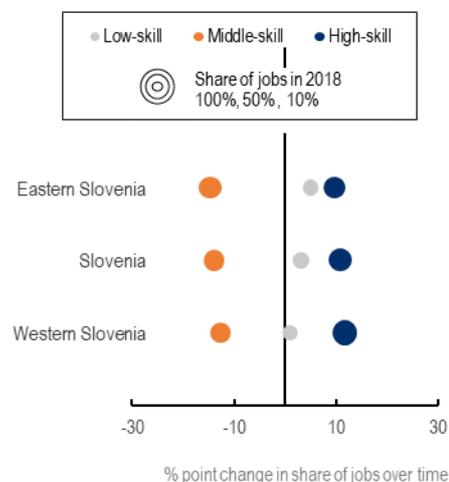
In Eastern Slovenia, the number of people employed decreased between 2008 and 2018, while in Western Slovenia, it stayed relatively stable. In 2018, Eastern Slovenia accounted for over half (52%) of all employment in Slovenia, while Western Slovenia accounted for over half (54%) of all high-skill employment. Looking at a longer time period (2000-2018), the geographic concentration of jobs, including high-skill jobs, (as measured by the number of people employed) did not change significantly in Slovenia.

Local labour market transitions

Share of jobs at risk of automation, 2018



Job polarisation, 2000-2018



Note: In Panel A "high risk" refers to the share of workers whose job faces a risk of automation of 70% or above. "Significant risk of change" reflects the share of workers whose job faces a risk of automation between 50% and 70%.

In Panel B, high-skill occupations include jobs classified under the ISCO-88 major groups 1 (legislators, senior officials, and managers); 2 (professionals); and 3 (technicians and associate professionals). Middle-skill occupations include jobs classified under the ISCO-88 major groups 4 (clerks); 6 (skilled agricultural workers); 7 (craft and related trades workers); and 8 (plant and machine operators and assemblers). Low-skill occupations include jobs classified under the ISCO-88 major groups 5 (service workers and shop and market sales workers); and 9 (elementary occupations).

Source: OECD calculations based on Survey of Adult Skills (PIAAC) (2012); and EU Labour Force Survey; Nedelkoska L. and G. Quintini (2018), "Automation, skills use and training", <https://doi.org/10.1787/2e2f4eea-en>; and OECD (2020), *OECD Employment Outlook 2019: The Future of Work*, <https://doi.org/10.1787/9ee00155-en>.

COVID-19 will likely accelerate automation, putting additional pressures on places with relatively high shares of jobs at risk. Both regions in Slovenia have a higher share of jobs at high risk or risk of significant change from automation than the OECD median region. The share of jobs at risk ranges from 51% in Western Slovenia to 56% in Eastern Slovenia.

Following general OECD patterns, in Slovenia, both regions saw the share of middle-skill jobs decrease between 2000 and 2018. The share of middle-skill jobs decreased by 13 and 15 percentage points in Western Slovenia and Eastern Slovenia respectively. This represents a net decrease of over 35 000 and 63 000 middle-skill jobs respectively. In both regions, decreasing shares of middle-skill jobs were predominantly offset by increasing shares of high-skill jobs.

Active labour market policies: institutional arrangements

Active labour market policies will be of growing importance as the COVID-19 response moves from emergency supports to facilitating labour market transitions. The institutional arrangements for these policies, and the role of subnational governments, varies significantly across countries.

X	Centralised, including branch offices of national ministry / agency	The Employment Service of Slovenia (ESS), which is under the Ministry of Labour, Family, Social Affairs and Equal Opportunities, is responsible for delivering most active labour market policies in Slovenia. Twelve regional offices are responsible for the implementation of tasks related to monitoring labour market trends at the local level, and supporting local offices in their co-operation with employers and ESS sub-contractors. The local offices are the direct link between the ESS and the clients and implement the policies of ESS (e.g. employment counselling, providing insurance for unemployment, and implementing employment policies).
	<i>Decentralised to subnational governments</i>	
	<i>Fully outsourced or delivered through network of public, private, and/or non-profit providers</i>	
	<i>Combined system with shared competences, or different systems for different target groups</i>	

Source: OECD (forthcoming), "Local and regional variations in labour market and skills policies: A cross-country comparison", *OECD Local Economic and Employment Development (LEED) Papers*; OECD (2017), *Employment and Skills Strategies in Slovenia*, OECD Reviews on Local Job Creation, <https://doi.org/10.1787/9789264278929-en>.

Notes

¹ Data is presented at the TL2 level, which typically corresponds to the first administrative tier of subnational government. See Reader's Guide of the full report for more information on the methodologies behind the calculations.