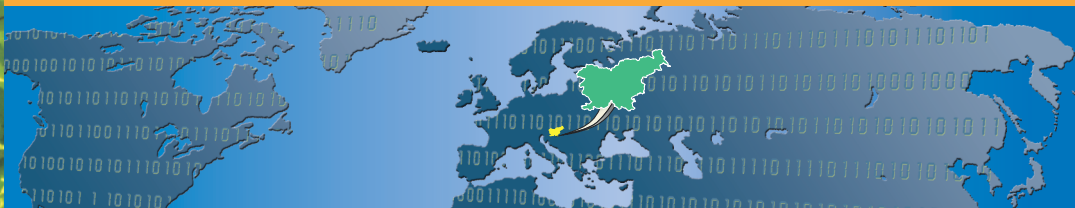




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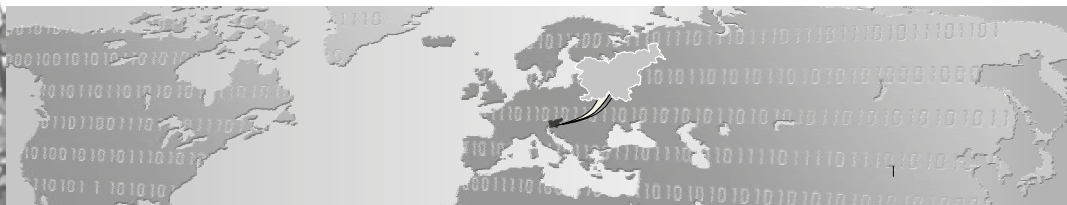
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# From Traineeship to Retirement

Ljubljana, January 2013



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## FOREWORD

In the last 20 years the conditions on the Slovenian labour market have largely changed. When declaring a new independent country the conditions were far from being perfect, but the conditions kept improving until in 2008 Slovenia faced the turning point.

The labour market is a multi-layered concept. In fact it is a combination of several factors that affect every individual who is mature and capable to play an active role on the labour market. These factors are being represented in this publication in brief comments and with graphical presentations. We wished to cover an individual's entire active life cycle: from the very beginning - in Slovenia this is usually simple work found by students via the Student Employment Office - until the end, i.e. until retirement. The situation on the labour market and the influences on the phenomenon are described in a time line.

The brochure offers a general overview of the labour market situation and is intended to the general public and experts.

In various stages of our life we wear different shoes, as we grow up and change; and yet many times in life we have to, metaphorically speaking, step into someone else's shoes, and thus take over the role of someone else. This can apply also for each individual on the labour market. We kindly invite you to look at the position of the stated individual and also to look at the other statistical data presented in this publication.



Irena Križman  
Director-General







## IN BRIEF



In the very beginning of **the observed 1991-2011** period the Slovenian labour market was facing a crisis, which was followed by a period of prosperity; now it has again found itself to be in a crisis. In this period the average earnings kept increasing. Conversion of earnings from SIT (Slovenian tolar) to EUR in 1991 reveals that then the average earnings were much lower than they are at present. The differences in earnings seem much lower when working time required to buy certain goods is compared. The Slovenes currently work fewer hours per week than we did when Slovenia became an independent country – but the period of employment until retirement keeps increasing.



The labour market situation started to deteriorate in the second half of 2008; the psychological barrier of 10% in the unemployment rate was reached in October 2009; a year later the number of those registered at the employment office for the first time after the start of the economic crisis in 2008 exceeded 100,000; in January 2012 both the minimum number of persons in employment after 2005 and also the highest unemployment rate (12.5%) since 1999 were recorded.



The data show that higher levels of **education** provide more job opportunities and higher earnings. Increasing numbers of young people decide to study as the economy creates an increasing number of jobs that require more skills. The highest number of students in tertiary education was recorded in 2006 (almost 116,000), and from then on their number has been slowly but steadily declining.



**The transition** from education to the labour market is a turning point in a person's life. It brings new responsibilities, new assignments, and new roles to be played. In 2009 almost half of the young (aged 15-34) pursued further studies at least at the higher education level, and more than half of the young started to work when going to school or while studying. Most of them, of course, worked via student employment offices.



In Slovenia in 2011 there were 194,500 advertised **job vacancies** or on average around 16,000 vacancies per month. There were 711,400 occupied posts, with slightly less than a quarter of them in manufacturing, 14% in trade and 9% in education.



In Slovenia, employees put in on average over a billion **working hours** per year. The number of working hours covers also the hours when one is absent from work: half of these hours are attributable to annual leave, a quarter to sickness leave and a sixth to public holidays. In Slovenia there are 15 statutory holidays, but in fact there are only 13, as 2 of them (Easter, Whit) fall on a Sunday.

## IN BRIEF



**Balancing work and family life** is one of the conditions for the enforcement of gender equality in the society, especially in the labour market. Women still spend more time on households than men - on average an hour more each day. In Slovenia in 2011 the right to work part-time as parents was exercised by more than 10,000 parents per year. A year earlier 44,000 people worked at least one month less than usual due to the protection and care of children. Among them 72% were women.



In Slovenia in 2011, the **average monthly net earnings** amounted to a little less than EUR 990. About two-thirds of employees received earnings lower than the average. Earnings of men are on average higher than those of women. The best-paid occupations include legislators, senior officials and managers. At the regional level, the net earnings were the highest in 2011 in the Osrednjeslovenska statistical region and the lowest in Pomurska. At municipal level net earnings were the highest in municipality Cerklje na Gorenjskem and the lowest in municipality Osilnica.



The share of earnings represents by far the largest amount in total labour costs. In 2008 the share of only the basic gross earnings with supplements covered a little less than 60%. When taking into account the payments as individual performance bonuses, bonuses linked to collective performance and payments of all compensations of earnings paid by the employer, the share rose to just over 70%; but with the holiday bonus, jubilee rewards, travel costs, costs for meals and payments in kind, which formed the total employee's incomes, the share was almost 85% in 2008. At that time the highest labour costs in the EU were recorded in Luxembourg.


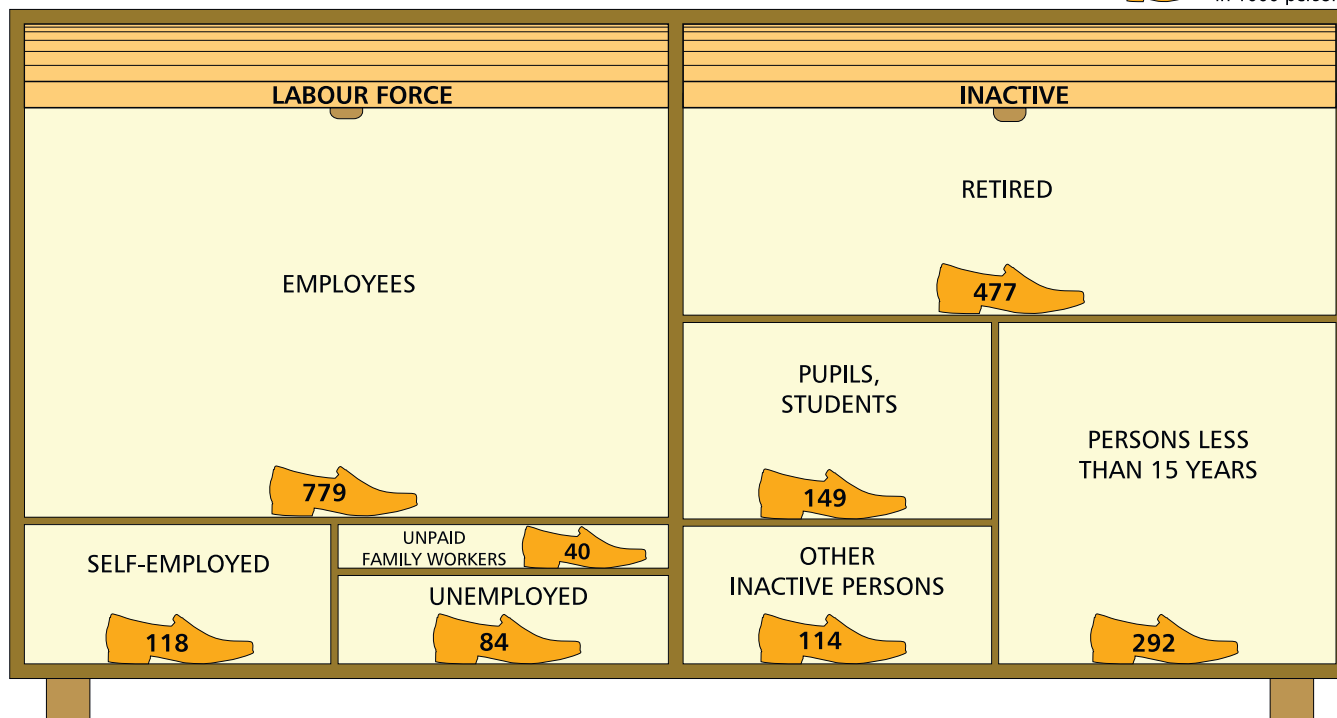


In 2010 one of the flexible forms of employment (temporary employment, work on part-time basis, self-employment) provided employment to 33% of employed persons in Slovenia (25% more than 10 years ago).



Comparisons reveal that the indicators for the Slovenian labour market varied around the average of EU-27 Member States. Slovenia deviated markedly from this average only with very low activity rates among the elderly.

## Labour force and inactive persons, Slovenia, 2011

 = in 1000 persons


Source: SURS



**TWO DECADES OF CHANGES**

## 1 TWO DECADES OF CHANGES

Twenty years ago Slovenia faced a situation similar to the current one: the economic crisis.

### There was no economic boom - but there was an optimistic beginning of a new country ...

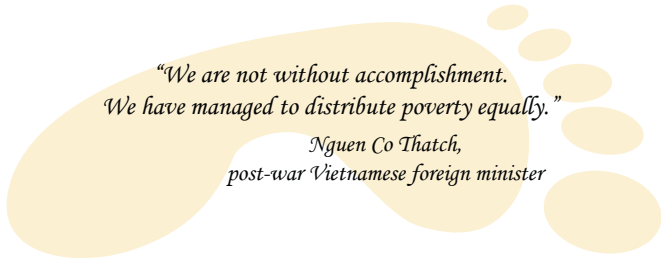
The difference between the start and end of the 1991-2011 period is in the very nature and also in the perception of the crisis: twenty years ago the state and state regulations were restructured, but we had a vision and our goal was to join the European Union. The current crisis is deeper and it has affected most of the developed world, and thus the way out of it seems to be much more uncertain than twenty years ago.

### ... and times were turbulent

We like to say that work has become second nature with the Slovenes. But is this really the case? Some estimates<sup>1</sup> reveal that in 1991 there were 792,000 employed persons in Slovenia, with over 90,000 unemployed persons registered at the employment service. Thus the registered unemployment rate was 10%. In 2011 Slovenia had 824,000 employed persons, 111,000 people were registered at the employment service and the registered unemployment rate was 11.8%.

What was the situation like between 1991 and 2011? The situation on the Slovenian labour market was the worst in 1993, as on the one hand there were a little less than 765,000 employed persons and on

the other hand there were 129,000 registered unemployed persons; the registered unemployment rate peaked at 14.4%. We experienced also a favourable situation (economic boom until 2008). At that time the registered unemployment rate hit a record low of 6.7%, and so did the number of registered unemployed persons, amounting to 63,000; and so did the number of employed persons in Slovenia – but these figures were the highest (nearly 880,000).



*"We are not without accomplishment.  
We have managed to distribute poverty equally."*

*Nguyen Co Thatch,  
post-war Vietnamese foreign minister*

### ... and different currencies were introduced

Until they became 18 years old, Slovenes who were born at the end of the 1980s, made use of three currencies and four types of banknotes. With the declaration of independence of Slovenia in 1991, the Yugoslav dinar was replaced by the Slovenian tolar, which was originally printed in the form of vouchers, but later proper tolar banknotes were introduced. In 2007, the Slovenian tolar (SIT) was replaced by the euro (EUR); this made comparisons between the average earnings in the last twenty years almost impossible. Taking into account the SIT-EUR exchange rate of 239.64, the average monthly net earnings in 1991 amounted to EUR 43 and in 2011 to EUR 987. At first glance the difference is huge - but was it really?

<sup>1</sup> Estimates for 1991 are based on administrative data sources, which do not cover the number of self-employed persons. Since these did not prevail in the previous social system, we assume that this does not significantly affect the quality of the estimates.



### Can we buy more today than we could years ago?

If we look at how long we had to work to purchase certain goods or services in 1991, and the length of time in 2011, we see that the differences are significant, but not as dramatic as the differences in average earnings. Among the selected products and services, in 2011 we had to work longer than two decades ago only to pay for a male haircut. The difference between the time required to earn the money to purchase a kilogram of salt in 1991 and 2011 was the largest, as in 2011 we actually needed to work almost 80% less time than in 1991. To summarize: the last twenty years have seen a sharp “decrease” in goods prices and a strong “increase” in the prices of services.

**Table 1: The time a person in employment with the average net earnings must work to be able to buy a product or a service, Slovenia**

	1991	2011
Rice (kg)	45 min.	23 min.
White flour (kg)	15 min.	9 min.
Brown bread (kg)	25 min.	19 min.
Hen egg	4 min.	2 min.
Milk (l)	14 min.	8 min.
Potatoes (kg)	13 min.	6 min.
Sugar (kg)	25 min.	10 min.
Salt (kg)	17 min.	4 min.
Roasted coffee (kg)	4 h 40 min.	1 h 18 min.
Beer (l)	33 min.	18 min.
Plain Pen	16 min.	6 min.
Clio car	4,389 h 2 min.	1,774 h 7 min.
Cinema ticket	53 min.	51 min.
Men's haircut	2h 17 min.	2h 32 min.

Source: SURS

### Shorter working time

In the recent decades there has been a radical change in the number of working hours. In the mid-1960s we moved from the 48-hour work week to a 42-hour work week, and in mid-1990s the 40-hour work week was introduced, and enacted in 2003. The question is what this really means in everyday life. The first data available from the Labour Force Survey reach back to 1993 when employed persons put in an average of 43.9 hours. The 2011 data further revealed that the employed persons on average worked much less (39.4 hours per week).

What is the situation throughout Europe? According to Eurostat data the fewest hours per week are put in in the north, as in 2010 less than 35 hours per week were worked in Ireland, Denmark and Norway. The most time (over 40 hours per week) was spent in the workplace in Cyprus, Romania, Poland, Slovakia, Bulgaria, the Czech Republic and Greece.

The countries with the shortest working hours:  
Ireland, Denmark, Norway.

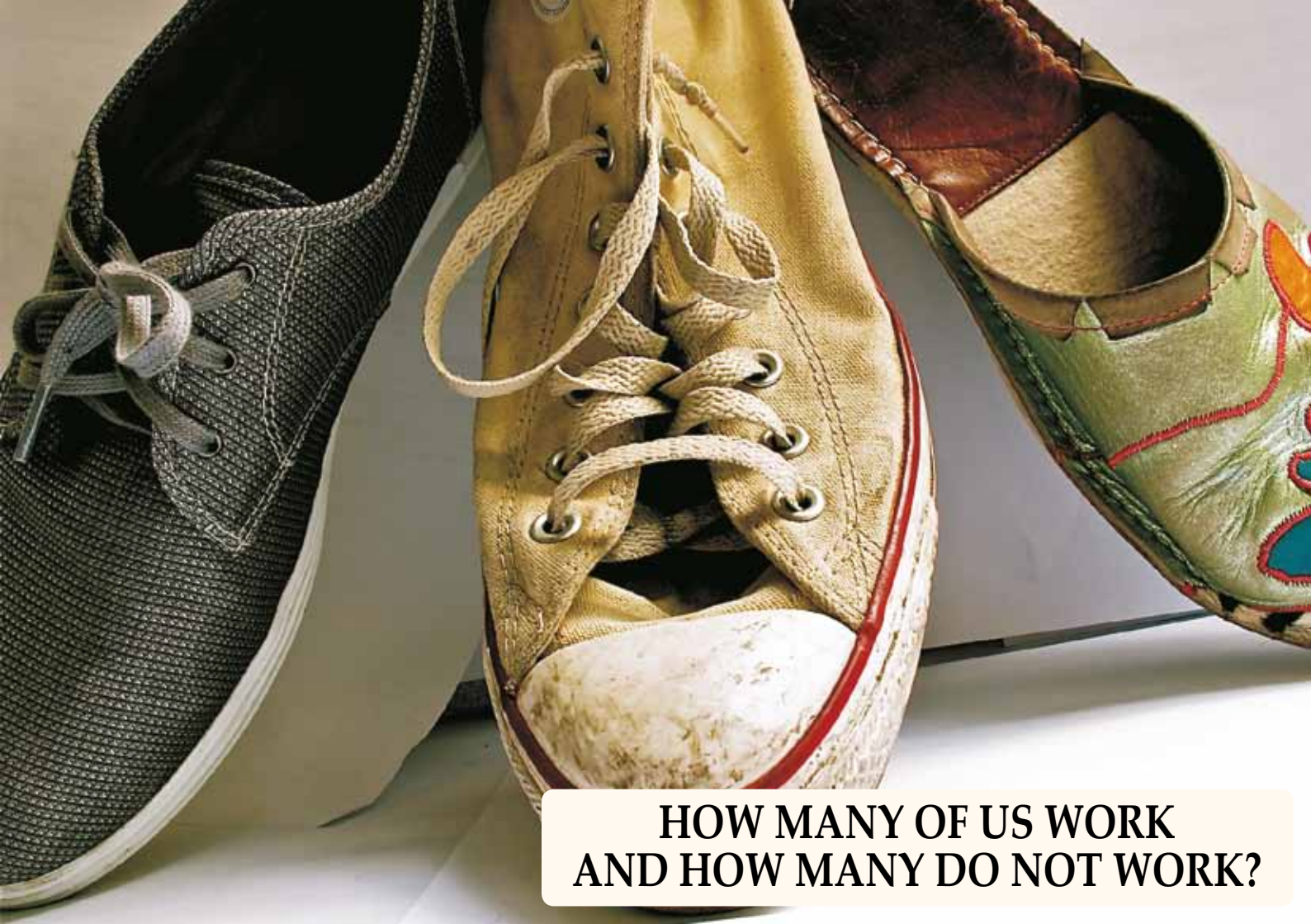
The countries with the longest working hours:  
Bulgaria, the Czech Republic, Greece.

### We work still a little longer to get our pensions, the number of the retired persons keeps increasing

In order to get the right to become retired we have to work longer, the retirement age keeps rising, the difference between the lengths of working ages for men and women is decreasing, longer life expectancy in fact means that the number of years when we shall receive the pension is on the increase.

In 2011, Slovenia had almost 570,000 retired persons, while in the early 1990s they numbered over 400,000, and the ratio between the insured persons and retired persons stood at 1.8. In 2011, however, this ratio decreased to only 1.5. This meant that in 2011 there were 1.5 persons in employment per one retired person. We become

retired at a constantly higher age: in the last twenty years those who received their first old-age pension were about 6 years older than their counterparts in the early 1990s. The period of receiving the pension keeps prolonging; in the last twenty years this period was extended by 2 years for old-age pensioners, in case of women slightly more than in case of men. In 2011, women were on average receiving their pension for 21 years and 8 months, and men for 16 years and 4 months. According to statistical data, the pension is really being received for a longer time, but - compared to the average earnings - it keeps decreasing: in 1992 the average old-age pension was equivalent to nearly 78% of the average earnings, whereas in 2011 the share amounted to slightly over 63%.



**HOW MANY OF US WORK  
AND HOW MANY DO NOT WORK?**

## 2 HOW MANY OF US WORK AND HOW MANY DO NOT WORK?

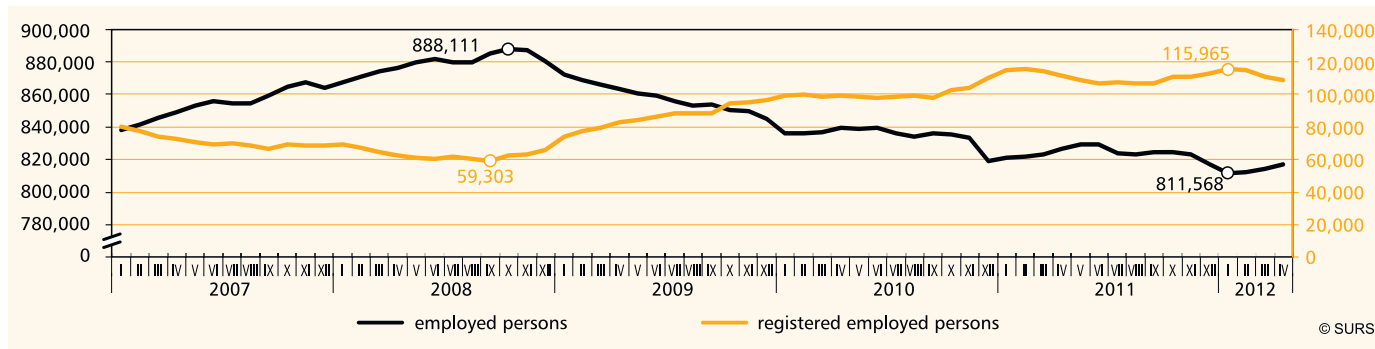
In times of an economic crisis, labour market indicators become interesting also to the general public - mainly due to the media, which during this period frequently point out the deterioration in labour market conditions. Thus more and more people know, for example, that registered unemployment exceeded the magic limit of 100,000 people, or that the increase in the number of young job seekers has no end in sight, or that there are fewer and fewer permanent employments, etc. The fact is that the Slovenian labour market is not resistant to the economic crisis and that in the last four years the labour market indicators have been moving in a negative

direction. Despite the deterioration, it must be borne in mind that before the economic crisis the situation in the labour market could be described as very good.

### After a long-term increase, the number of employed persons declined

The economic boom that lasted from the beginning of the new millennium until the end of 2008 triggered a steady increase in the number of employed persons in Slovenia. As this indicator had a positive trend, there emerged semi-professional opinions in Slovenia that the recession would not be felt in the Slovenian economy as Slovenia would either not be part of it or it would not significantly reflect in the Slovenian economy. As the statistical data for this field of statistics are published two months after the reference period, at

Chart 1: Employed persons and registered unemployed persons, Slovenia



Sources: SURS, ESS

the end of 2008 the October data were published and it was then thought that the recession did not affect Slovenia and that there would be no recession in Slovenia. This, however, afterwards did not prove to be the case. Enterprises started reporting of smaller orders or terminations of orders from abroad, mainly from Germany, which was affected by the recession 6 months ahead of Slovenia, and they also started announcing deliberate reductions in the production volume.

### How to perceive the economic crisis?

Although the number of registered unemployed persons increased in October 2008, this was not understood to be the first sign of the upcoming recession, as previously this was a common seasonal phenomenon (in autumn the employment service usually registers increases in the number of newly registered first job seekers). The dismissals from enterprises have not yet been formally considered, but in the months that followed, the perception changed. In November 2008 the number of employed persons started to decline and it has kept decreasing - on the other hand, the number of registered unemployed persons kept increasing. In October 2009 the registered unemployment rate reached the psychological barrier of 10%. In the beginning of 2010, however, the increase in the number of unemployed persons slowed down, but in the last three months of 2010 it started increasing again and it continued into 2011. In January 2012 there were almost 116,000 registered unemployed persons in Slovenia or the most since the beginning of the economic crisis.

The registered unemployment rate was:



lowest: 6.3% (in September 2008)  
highest: 15.4% (in December 1993)



### The economic crisis is more evident in the export-oriented activities

The number of employed persons decreased the most in Manufacturing and in Construction. In October 2008, 35% of all employed persons in Slovenia worked in these sectors of activities. Until January 2012 their number fell by a third in Construction and by almost a fifth in Manufacturing. The significant drop in the number of employed persons in Construction was mainly the result of the accelerated highway construction before the economic crisis, when the number of employed persons in this sector increased significantly. The sharp decline in the number of employed persons in Manufacturing, which employed the largest share of employed persons in Slovenia, was mainly the result of the collapse of almost the entire Slovenian textile industry, which became only a pale shadow of the former flourishing activity, and also of the lower exports which were the result of lower foreign demand for Slovenian products.

Although the total number of employed persons during the economic crisis decreased, it nevertheless increased in some of the activities. In fact the number of employed persons increased by over 10% in Professional, scientific and technical activities and in Education, and it significantly increased in Health care and social care, all of which are not export-oriented.

*"I like work; it fascinates me.  
I can sit and look at it for hours."*

*Jerome K. Jerome*

### Shop sales assistant and driver - the most common occupations

The proportion of employed women is higher than that of men in occupations in education, health care, pharmacy, law, social work, accounting, bookkeeping, human resources and secretarial work, sales, personal services, and cleaning services. Men, however, dominate in the following occupations: engineers, drivers, construction workers, heavy mobile plant operators, carpenters, mechanics, installers and repairers of equipment.

At the end of 2011, the largest share of employed women in Slovenia worked as shop sales assistants (over 7%), while the largest share of employed men worked as heavy truck and lorry drivers (almost 5%). According to the stereotype, it is the desire of most girls to become shop sales assistants when they grow up, and thus for many of them their dreams do become the reality. The situation in case of boys is similar: in their childhood they daydream that their occupation will be that of a driver.

The share of women in certain occupations which were once considered to be distinctly male ones increases also in Slovenia. At the end of 2000 there were about 9% of women in armed forces occupations and in December 2011 almost 14%. Among police officers 10% were women at the end of 2000 and 16% in 2011.

In management men still prevail over women. Among managing directors and chief executives in large and medium-sized enterprises, in Slovenia approximately 26% of them were women (December 2011 data).



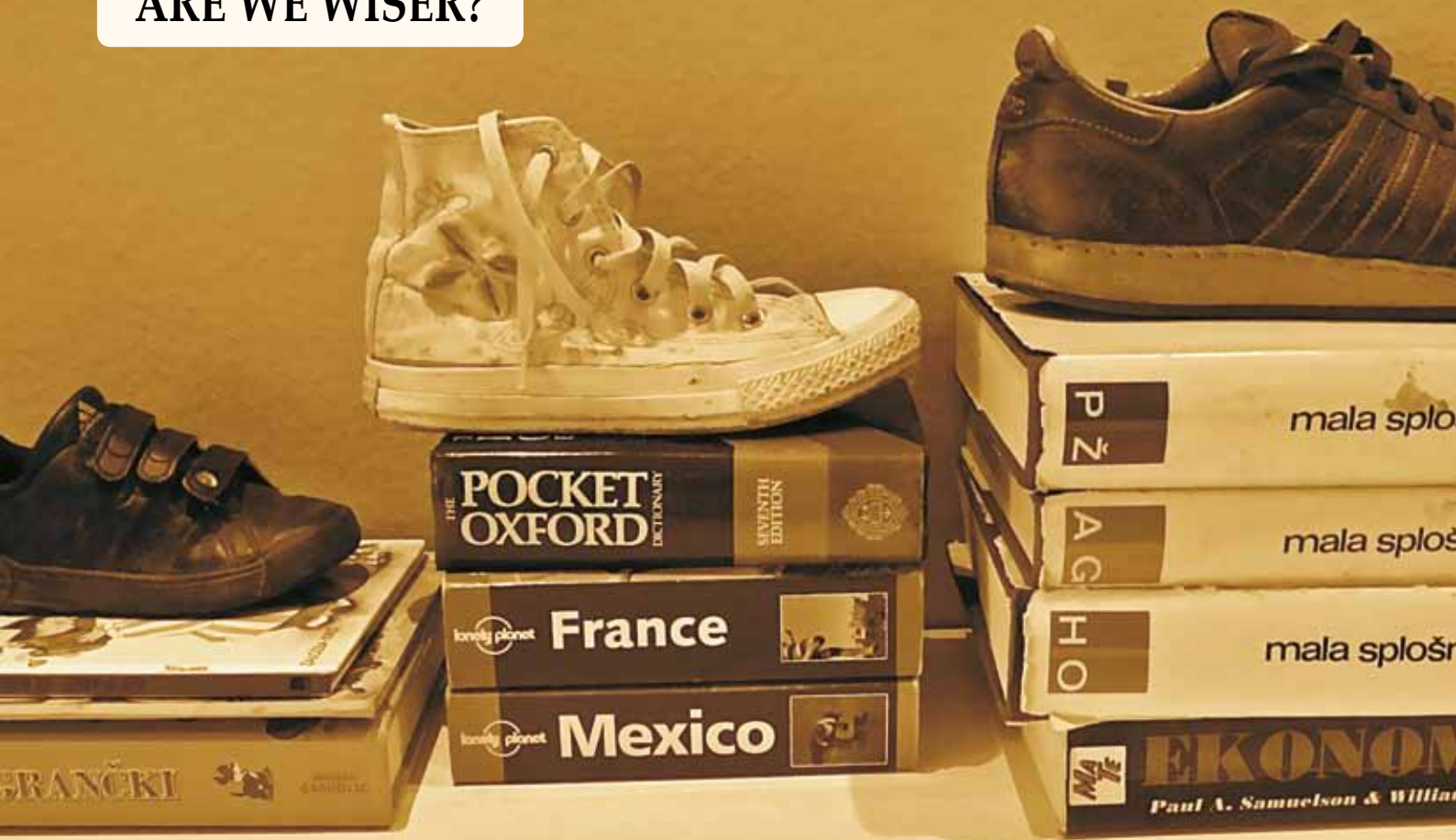
The most common occupation for men: driver.



The most common occupation for women: shop sales assistant.



ARE WE WISER?





### 3 ARE WE WISER?

Mass participation in formal education on the territory of the present-day Republic of Slovenia started after 1774 with the General school decree with which Maria Theresa of the Austro-Hungarian monarchy introduced the compulsory primary school which every child had to attend. Nowadays those who finish the nine-year compulsory education and choose not to continue formal education are rare exceptions. Trends indicate that after finishing upper secondary education young people do not intend to enter the labour market, but they opt for student life and development of skills in colleges. Extending formal education is not only the result of one's own preferences, but it is mainly attributable to the development of the society as a whole. This namely creates jobs which require more and more knowledge. Educational attainment is in fact the main criterion by which employers who seek new employees decide to select candidates. A higher education level provides knowledge and greater job opportunities, as well as higher earnings.

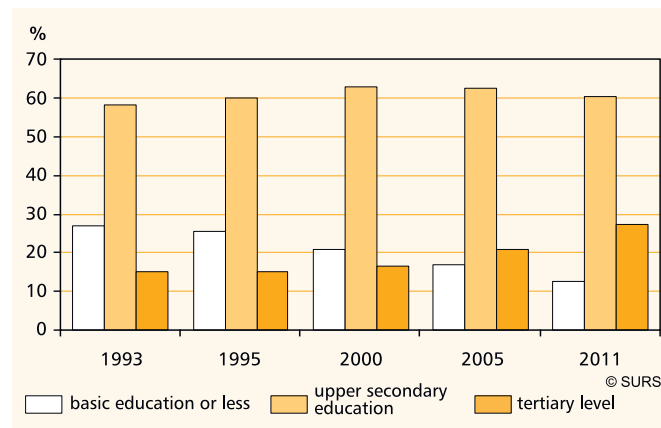
*“When I was a boy of fourteen, my father was so ignorant I could hardly stand to have the old man around. But when I got to be twenty-one, I was astonished at how much the old man had learned in seven years.”*

*Mark Twain*

#### Among the labour force in Slovenia persons with tertiary education are on the rise

Among the labour force in Slovenia the share of those with completed tertiary education is increasing; the proportion of those with primary education or education that is lower than that is decreasing. In 1993, the share of those with at most a completed primary education was still 27%, but by 2011 it fell to less than 13%. For those with short-term higher education the opposite is true: their share rose from 15% to over 27%. In the last two decades the share of people with secondary education was more or less constant at about 60%.

Chart 2: Labour force by educational attainment, Slovenia

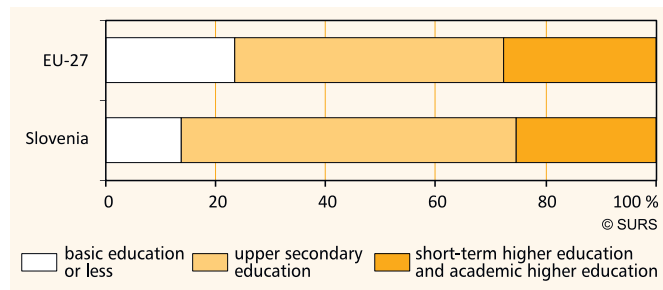


Source: SURS

### The education of the Slovenes corresponds to EU average

Compared to the average of EU-27 MS on the levels of attained education of labour force, Slovenia in 2010 did rather well. The share of those with completed tertiary education was a little lower than the EU-27 average (25.5%), but that of those with completed upper secondary education was higher (60.6%). The share of those with at most a completed primary education was 13.9% in Slovenia and thus considerably lower than the EU-27 average. In view of this share, Slovenia ranked among the EU Member States with the lowest shares of the least educated where the former socialist countries dominated. The reasons for the low share of less-educated are that these countries have compulsory education for a long time and schooling at higher levels is not subject to payment. In the past these countries also had much less immigration than the developed EU countries, which were and remained attractive to less-educated labour force, resulting in a higher share of those with lower educational levels.

**Chart 3: Labour force by educational attainment, EU-27 and Slovenia, 2010**



Source: Eurostat

### There is more work for the better educated

One's opportunities in the labour market depend on one's educational attainment. The ratios of the working statuses of the population (employed persons – the unemployed – the inactive) by educational attainment are more favourable for those with higher levels of education. Among those with tertiary education in Slovenia in 2011 there were 76% of employed persons, the unemployed accounted for 4% and the inactive for about 20%. Among those with a secondary education, 57% of persons were employed, 5% looking for work and 38% inactive. The "least favourable" ratio was revealed among the work statuses of those with completed basic education or less: 26% employed, 4% were unemployed and 70% inactive.

#### Unemployment rates for those with:

- completed basic education or less: 13.1%
- completed tertiary education: 4.9%



#### Employment rates for those with:

- completed basic education or less: 26.3%
- completed tertiary education: 76.3%



The level of the attained education has an impact on various employment statuses of those who have jobs. Among those with tertiary education in 2011 89% were employees, over 10% self-employed and only few unpaid family workers. Among the persons with upper secondary education the ratios were similar: 84% were employees, 13% self-employed and just over 3% unpaid family workers. Among those with basic education or less 66% were employees, 16% self-employed and about 18% were unpaid family workers.

If employees with different levels of education are examined in relation to their working hours and type of employment, other differences are revealed. Among those with complete basic education or less in 2011 there were 21% who performed work on part-time basis; among those with tertiary education there were 6.6% such people. The share of those with fixed-term employment was higher among those with primary or secondary education (23.2%) than among those with tertiary education (14.8%).

*"Some people work, but do not think,  
the others think, but do not work."*

*Ugo Foscolo*

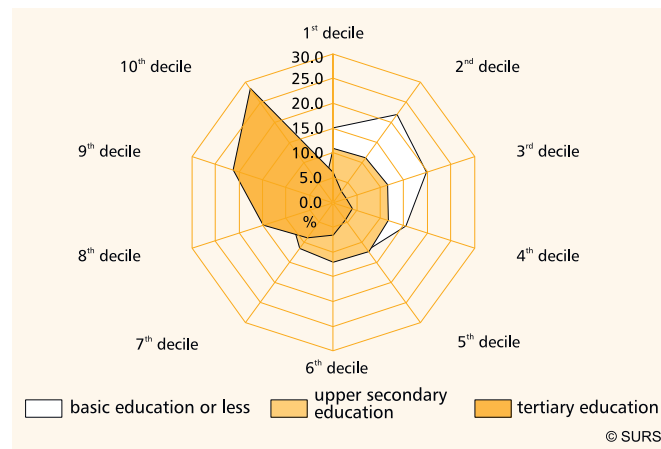
### Is getting an education worth it? Does education get paid?

As not all the occupations are equally demanding, jobs are evaluated differently and earnings vary depending on the kind of work that is performed. Given that there is a link between occupation and education, it is further anticipated that there is a link between educational attainment and earnings.

The breakdown of employees by level of educational attainment and arranging them by their earnings (into deciles) show that less educated people are classified mainly in the lower half of the deciles. Thus their

earnings are on average lower (the first decile covers those with the lowest earnings and the tenth decile those with the highest earnings). In view of earnings, only 16% of employees with basic education or less in Slovenia in 2010 ranked higher than the fifth decile. On the other hand, there were employees with short-term higher education and academic higher education and the largest share of them ranked in the top decile. In view of their earnings as many as two-thirds of the most educated people ranked in the top three deciles.

**Chart 4: Employees by educational attainment and earnings, Slovenia, 2010**



Source: SURS

# YOUNG PEOPLE ENTERING THE LABOUR MARKET



## 4 YOUNG PEOPLE ENTERING THE LABOUR MARKET

Transition from education into the labour market is not an easy step. It is especially difficult when the person is young, unemployed, often with poor or no work experience, sometimes even with an education that exceeds the labour market demands, and has too high expectations.

### This is a turning point

Transition from education into the labour market is a turning point in the life of every person, bringing new responsibilities, new assignments and new roles. The age of persons in transition from school to work is increasing because young people prolong their study so as not to get the status of an unemployed person - which would occur due to lack of work experience. Therefore they decide to continue with their studies. This, on the other hand, can drag them into the vicious circle of becoming yet more difficult to employ (having more education than is required). Namely, tertiary education without work experience is not highly appreciated by the employers. But the young nevertheless find their jobs quicker than the elderly as they are more flexible and are ready to take up different jobs. On average, in 2011 young unemployed people (aged 15-34) were looking for a job for just over 11 months, while unemployed people aged 35+ were looking for a job for almost 14 months.

Every year the labour market is entered by:



27% of young people with basic education

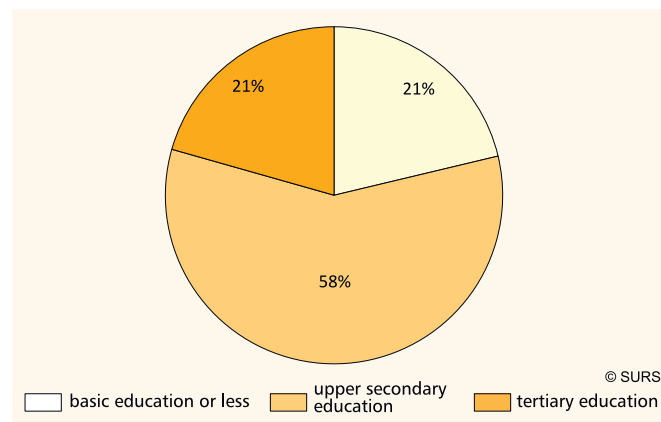
73% of young people with upper secondary education.



### Most of the young people complete upper secondary education

In Slovenia in 2011 21% of the young (aged 15-34) completed basic education, 58% of them completed upper secondary education and 21% of them had tertiary education.

**Chart 5: Youth (aged 15-34) by educational attainment levels, Slovenia, 2011**



Source: SURS

### Almost every second youth continues with education; women prevail over men

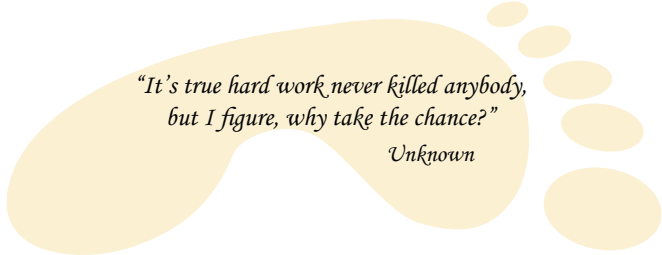
In 2011 approximately half of the youth (aged 15-34) continued with the educational process: 59% of them decided to study at least at the short-term tertiary level (the most attractive study was the academic higher education level), 39% were finishing one of the upper secondary schools and there were also some persons who were finishing basic education – most probably they were in the 9th grade of elementary school. There were more women than men among the young who decided to continue their education.

### Working during the educational process

Many of the young start working during the studies. In the 2<sup>nd</sup> quarter of 2009 more than a half of the people aged 15-34 were studying and working at the same time. Almost everybody among them worked at least one month a year: 75% of them worked via student employment offices, 5% performed some work which was part of the educational program, while 20% performed both kinds of work (work via a student employment office as well as work as part of the educational program).

### How many people find work upon completing their educational program?

In 2009 almost 70% of persons worked for at least three months after they had completed their education. Slightly less than 40% found that work with the help of family or friends, 17% via advertisements in the press or on the Internet and 11% via a student employment office.



*"It's true hard work never killed anybody,  
but I figure, why take the chance?"*

*Unknown*





# JOB VACANCIES



## 5 JOB VACANCIES

Employers register and publish a vacancy with the aim to find the most suitable candidate for performing a particular job. A vacant post is a paid job, which is newly created, is unoccupied or is about to become vacant and for which the employer is actively seeking a candidate outside the organization. Sometimes, however, it is difficult to “get” a suitable candidate and the selection process can also be time consuming.

*“The vineyard doesn't require a prayer,  
but a hoe.”*

*Bulgarian proverb*

### How many job vacancies are there?

According to the Employment Service of Slovenia, in 2011 employers advertised nearly 194,500 vacancies (on average 16,000 per month). Of these, for nearly 73,000 or 37.5% of them - i.e. for over 6,000

per month -, the deadline has not yet expired on the last day of the month. Most of these vacant posts were offered in manufacturing (20%), construction (19%), trade (11%) and other business activities (10%).

Employers usually looked for labour force qualified to perform non-industrial work and simple jobs. Just over a tenth of the job vacancies were intended to experts.

### And how many posts are taken?

In 2011 there were on average slightly over 711,000 occupied posts, of these slightly less than a quarter in manufacturing, 14% in trade and 9% in education.

An occupied post is a paid job in a business entity, so the data on the number of occupied posts include only persons who are in employment either by a legal or a natural person. Employed mothers or fathers receiving parental benefits or those “on maternity leave” are at that time formally employed, but they are not really present at the workplace. In 2011, over 19,000 people per month were on average on maternity leave, of these on average 84% (or 16,300) were in paid employment, and they were not reflected in the number of occupied posts.



Most vacancies are available  
in manufacturing,  
construction and trade.



### How many employers were looking for new labour force?

To publish a vacancy is required and provided by law (with some minor exceptions). By announcing vacancies, the Employment Service of Slovenia obtains all the information regarding the requirements for workers and about job vacancies in Slovenia.

In 2011, there were on average slightly over 5,600 business entities (employers) who posted at least one vacancy. In the same period there were on average slightly over 64,000 employers with at least one person in employment. This means that of those business entities only 8.7% of the employers actually announced job vacancies.

### How much time expires from announcing a vacancy to the time it becomes occupied?

In the labour market, the offer of labour force is relatively large and it stretches from the unemployed - including first-time job seekers - to the persons in employment who seek new work challenges and opportunities. Yet it still takes a long time from the day when the employer publishes a vacancy to the date the post becomes occupied or the name of this person in employment is entered for compulsory social insurance. A considerable share of the vacancies never gets occupied because there is no interest for certain occupations (e.g. simple and lower-paid jobs or jobs performed in bad working conditions, e.g. work in turns, in remote locations, on construction sites, etc.). Sometimes, however, the labour market simply does not comprise people with the qualifications required by the employer.

In 2011, three-quarters of vacancies were available within 30 days upon having been published; for nearly 2,000 vacancies (or 1.7%) employers needed more than half a year to find and then recruit a suitable candidate.



For 1.7% of vacancies  
employers seek for a suitable candidate  
even more than 6 months.



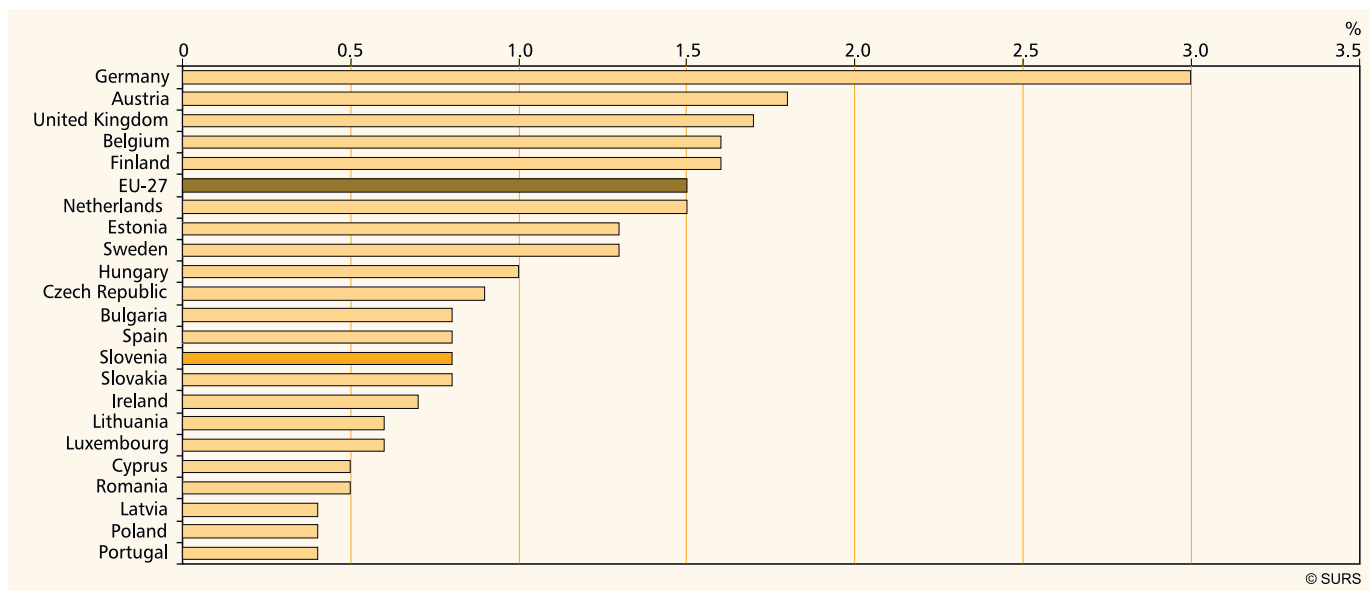
### Let's compare Slovenia with other European countries

The job vacancy rate indicates the share of vacancies among all posts (vacancies and occupied posts together).

In the 4<sup>th</sup> quarter of 2011 there was a 0.8% vacancy rate in Slovenia. Thus Slovenia ranked 13<sup>th</sup> among the EU Member States.

The highest vacancy rate (3%) was recorded in Germany. The lowest vacancy rates were those in Latvia, Poland and Portugal (0.4% in each).

**Chart 6: The job vacancy rate, selected EU-27 Member States, 4<sup>th</sup> quarter 2011**



Source: Eurostat

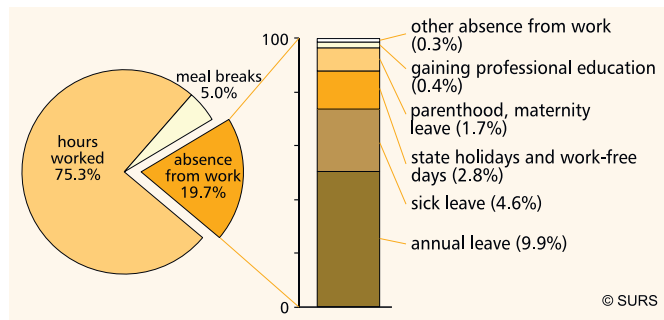


**WORK AND SPARE TIME**

## 6 WORK AND SPARE TIME

Work is an important part of human existence as we spend most of the day at the workplace and more time is devoted only to personal care and sleeping<sup>2</sup>. The Slovenes are proverbially recognized as a hardworking nation. The Report of legal persons on working time for 2005 revealed that three quarters of the total available working time was spent on effective work<sup>3</sup>, a fifth was attributed to absence from work due to various kinds of leave (annual leave, sick leave, holidays, education, etc.) and the remaining 5% was spent on breaks during working hours, i.e. for meal breaks, which are crucial for the recovery of working capacity, and are thus the factor of safety, especially in case of physically demanding work.

Chart 7: Working time, Slovenia, 2005



Source: SURS

<sup>2</sup> Time Use Survey for 2000/01.

<sup>3</sup> Besides the hours actually worked performed during normal working hours and in addition to those (i.e. overtime) this includes also the hours of waiting for work, delays and interruptions of work.

A break and justifiable absence from work are treated as working time, but they are not included in the basis for calculating productivity. Survey data revealed that absence from work mainly accounted for these three categories: absence due to annual leave (50%), absence from work for health reasons (23.4%), and state holidays and work-free days (14.2%). In Slovenia there are 15 statutory work-free days which allow for additional rest and relief from work<sup>4</sup>.

Figure 1: State holidays and work-free days, Slovenia, 2012



Source: Zakon o praznikih in dela prostih dnevih v Republiki Sloveniji (ZPPDP), (Holidays and Days Off in the Republic of Slovenia Act)

<sup>4</sup> In fact there are 13 work-free days, as two of them (Easter and Whit) always fall on Sunday. From 2013 on there will be 12 work-free days as 2<sup>nd</sup> January shall become a working day.

### Fewer working days in Slovenia

In the last decade the most generous with work-free days was calendar year 2007, with 13 work free-days. On the other hand, the least days off occurred in 2004 having only 6 of them<sup>5</sup>.

**Table 2: Working days and work-free days, Slovenia**

Year	No. of working days	No. of work-free days	Year	No. of working days	No. of work-free days
2002	249	12	2008	251	11
2003	251	10	2009	254	7
2004	256	6	2010	255	6
2005	252	8	2011	252	8
2006	249	11	2012	249	12
2007	248	13			

Source: Racunovodja.com (<http://www.racunovodja.com/mdokument/delure2002.asp>, 17. 09. 2012)

### Most of us work outside our place of residence

In addition to the statutory working time arrangements defined by the Employment Relationship Act (ERA), the length of the working day and means of transportation to and from work also have a significant impact on the lifestyle of the individual and on his/her labour productivity. According to the 2008 Labour Force Survey, just over a tenth of the persons in employment in Slovenia worked in the place of residence, while most of them commuted to work outside the place of residence. In that year 72% of these spent less than half an hour for their daily one way travel time to work, 21% spent 30-60 minutes, and the remaining 5% spent over 60 minutes. Most of commuters travelled to work by car (79%), while the rest chose (intentionally or unintentionally) one of the

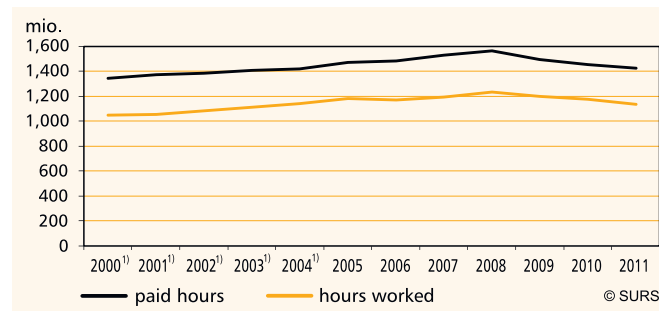
<sup>5</sup> Taking into account the 40-hour working week.

environmentally friendly options: 11% of them walked to work, 7% went by public transport and the remaining 3% went to work by bicycle.

### The economic crisis is shrinking the total number of hours worked ...

According to the Hours Worked Survey, persons in employment in Slovenia perform on average over a billion hours worked per year. Most of them are done in manufacturing, and wholesale and retail trade, repair of motor vehicles (almost 40%). In the last decade the total number of hours worked kept increasing by 2008 when the Slovenian economy was hit by the global economic crisis. As a result, this also reflected in the total number of hours worked which in 2011 shrunk almost to the level from 2004.

**Chart 8: Total number of paid hours and hours worked, Slovenia**



1) Data do not include unpaid hours worked.

Source: SURS



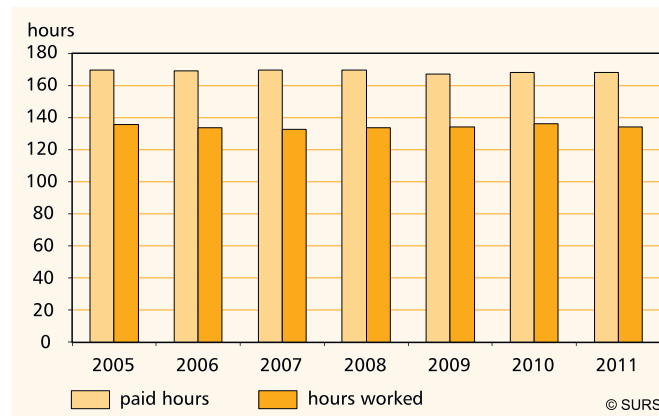
### ... and the volume of overtime work

The new economic circumstances markedly slashed overtime work. In 2009 it decreased by almost 18% over 2008 and the share of unpaid overtime among total overtime work increased by almost a third. This subsequently reflected also in the decrease in the total number of all paid hours<sup>6</sup>.

### Total number of hours worked in Slovenia on decline

In the last three years (i.e. 2009-2011) persons in employment in total performed fewer hours worked compared to 2008 despite higher annual workload (number of working days). However, in the observed period a person in employment surpassed the monthly average number of hours worked in 2008, partly due to the redistribution of the workload between those present at the workplace.

**Chart 9: Average monthly number of hours worked per person in employment, Slovenia**



Source: SURS

### A third would accept additional workload

Accepting additional workload significantly affects a person's well-being, and thus his/her working capacity and productivity. The 2011 Labour Force Survey data further revealed that additional duties on the job, paid at higher rates, would be accepted by almost 23% of persons in employment. Among the self-employed there would be 14% of such persons. Additional workload paid by proper financial incentives is on average relatively more favoured by men, persons with secondary education, persons with a fixed-term employment contract, persons working part-time, and persons with fixed working hours.

<sup>6</sup> Paid hours include hours worked during regular working hours and overtime, and paid hours not worked (annual leave, holidays, sick leave up to 30 days, and other paid hours not worked).



**RECONCILIATION BETWEEN  
WORK AND FAMILY LIFE**

## 7 RECONCILIATION BETWEEN WORK AND FAMILY LIFE

Reconciliation between work and family life is one of the most important conditions for implementing equal opportunities of both sexes in the society, especially in employment and on the labour market. The problem of such reconciliation manifests itself in the spending and sharing of time, in considering one's personal needs in one's professional life and in reconciliation between private or family life and the professional activities of men and women.

### Taking care of households is mainly the domain of women

Despite the fact that men spend ever more time taking care of the households and families, in Slovenia women still spend more time on these activities than men. According to the Time Use Survey data, men spend almost one hour less time on housekeeping and taking care of the family than women. On average, women daily spend four hours and a half on housekeeping and on the family, while men spend three hours and a half each day.



Every day women spend on housework one hour more than men.



Taking care of children is still mainly a woman's task and this is revealed also by the data on taking parental leave, on part-time employment and on absence from work due to taking care of a family member. On the other hand, most fathers do exercise their right to paternity leave.

At the birth of the youngest child in the household, in spring 2010 in Slovenia 75% of fathers took the 15-day paternity leave and 90% of mothers took the 3-month maternity leave. If we look at the data on the number of parents taking the parental leave (which usually starts when the child is three months old and usually lasts nine months), one can say that fathers are much less incorporated into family life. Among the parents taking the parental leave only 7% were men and 93% were women. The fathers who took parental leave did not spend a long time at home as two thirds of them took leave in the duration of at maximum three months and one third spent 7-12 months on leave. On the other hand, 80% of mothers spent 7-12 months on leave.

**Table 3: Number of fathers who took paternity leave, Slovenia**

2006	2007	2008	2009	2010	2011
14,098	15,289	17,137	17,575	18,044	17,776

Source: SURS

In 2011 in Slovenia 10,000 parents worked part-time due to parenting. In 2010 a total of 44,000 persons worked at least one month less than usual due to taking care of children. As expected, women prevailed (72%) over men.

### Taking care of children and the elderly in need of help

In the 2010/11 school year 891 kindergartens operated in Slovenia, educating almost 76,000 children. There were over 800 elementary schools, educating more than 161,000 children. In 2010, almost a half (46%) of the parents of children younger than 15 years stated that their youngest child spent time in the kindergarten, was in the after-school classes or was with a baby-sitter when they were at work. When their parents were at work, children of the other parents spent time with their relatives, neighbours or friends, or they were home alone.

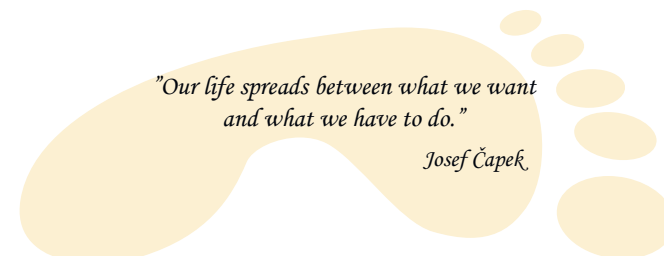
**Table 4: Kindergartens, elementary schools and children, Slovenia**

School year	Kindergartens		Elementary schools	
	No.	No. of children	No.	No. of children
2005/06	777	57,134	862	169,599
2006/07	793	58,127	855	166,101
2007/08	811	61,359	852	164,768
2008/09	845	65,966	849	163,458
2009/10	863	71,124	844	161,805
2010/11	891	75,972	843	161,046

Source: SURS

In the beginning of 2012 there were around 100 old people's homes in Slovenia taking care of almost 20,000 people, while around 10,000 people had to be turned down. Among the persons aged 15-64 in

2010 there were 150,000 persons who took care of a person aged 15+ who needed help because of illness, disability or old age. Help could come in many forms: help in housekeeping, personal care (dressing, washing), walking, taking care of financial issues, etc. Almost 100,000 or two thirds of caregivers were employed persons.



### Almost half of people determine the beginning and end of their working time

In spring 2010 more than two thirds of the employees had a fixed beginning and end of their working day. This had a negative impact on the reconciliation between work and family life.

About a quarter of employees had flexible working hours, i.e. they could come to work and leave their workplace within a certain period of time.

To be able to reconcile between work and family life, the perception of the employees regarding the flexibility of their posts is important. They have to know how many hours or days a person can be absent from work due to family reasons. According to the data for the

2<sup>nd</sup> quarter of 2010, 59% of employees stated that they had the possibility to start or end the working day an hour later/earlier for family reasons. 25% stated that this would be rarely possible, while 17% thought they could neither start nor end the working day an hour later/earlier for family reasons (in this case one hour of work means that work could be done later or perhaps it could be written off if work has been done).

In Slovenia there are almost 900 kindergartens and over 800 elementary schools; there are almost 76,000 children in kindergartens and 160,000 children in elementary schools.

#### Full-day absences due to family reasons

There is even less flexibility regarding full-day absences. In one of our surveys we inquired whether employees could be absent from work for a day due to family reasons, but this absence was not to be accounted for as a day of annual leave or as a deficit in the monthly number of hours worked. The hours of this day could be compensated for by the employee with additional work during other days, or if all work were done a person would not need to make up for the hours of absence. 34% of employees stated they could not be absent from work for a whole day, 20% of employees could rarely take this possibility, while 46% of employees in principle could stay at home for one day due to family reasons.

#### 60% of persons in employment work also on Saturdays

The working week of about 60% of persons in employment in Slovenia includes also work on Saturdays. Every third person works also on Sundays. In 2011 almost half of the employed persons worked at evenings and a fifth worked at night. In view of reconciliation between work and family life, not only work on the days and hours that are usually intended for rest or spare time, but also work in shifts is disadvantageous. In 2011 in Slovenia there were almost 250,000 shift workers (almost a third of all persons in paid employment). The share of employed persons was slightly lower than a decade ago, but most likely not because of the care for family life, but due to the destruction of industry in the last years.

**Table 5: Employed persons who work at weekends, in the evening or at night, Slovenia**

	2001	2006	2011	%
On Saturdays	59.7	62.2	59.6	
On Sundays	30.9	33.5	34.4	
In the evening	40.8	45.6	46.2	
At night	18.0	20.1	20.6	

Source: SURS

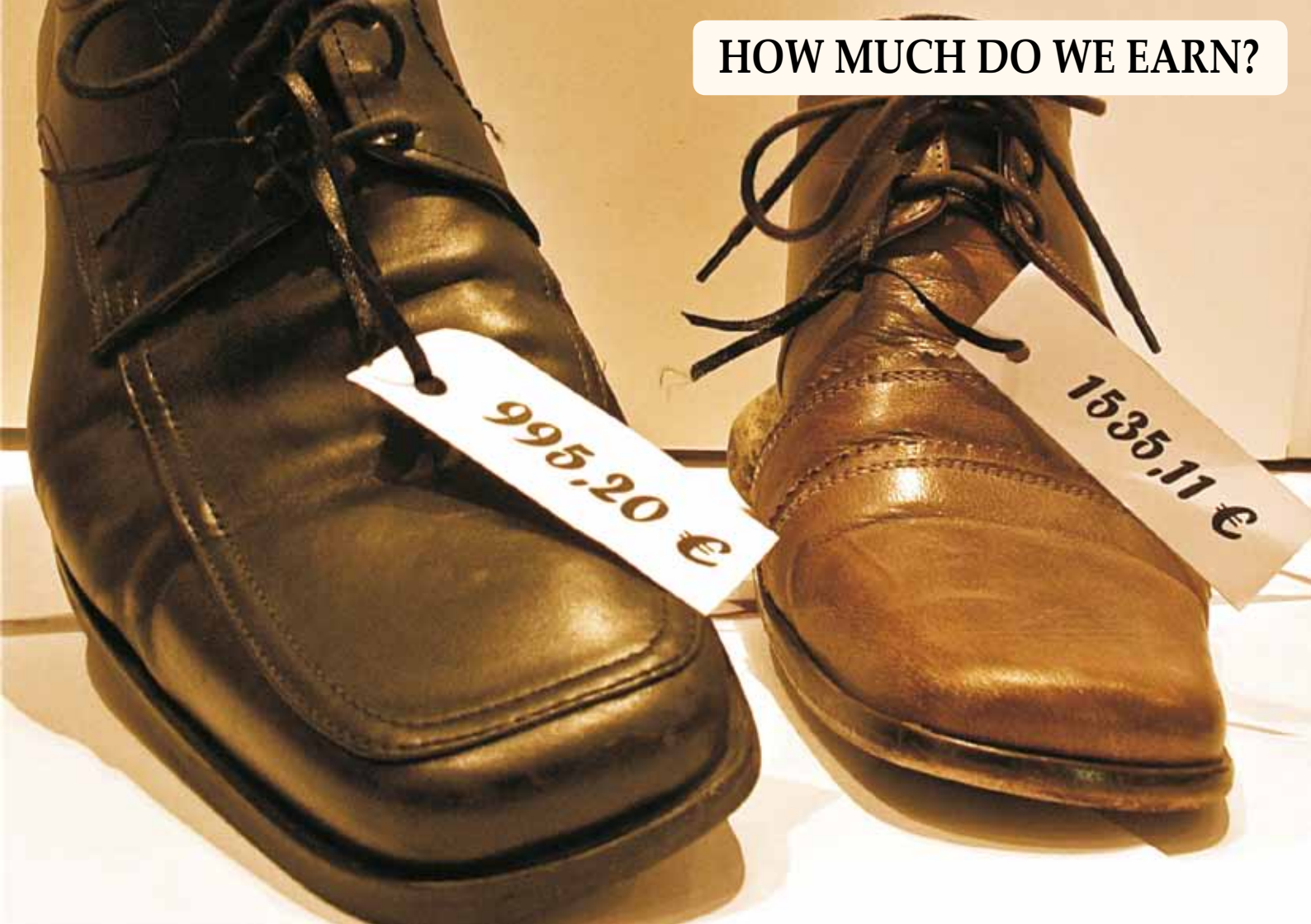
Less than a tenth of the employed persons can adjust their working time to their needs.



HOW MUCH DO WE EARN?

995.20 €

1535.11 €



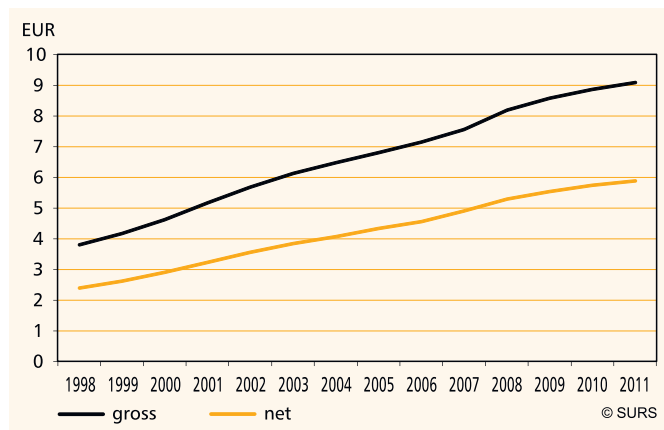
## 8 HOW MUCH DO WE EARN?

We wish our earnings would exceed the average earnings, but this wish has been granted only to a third of persons in paid employment. Approximately half of persons in paid employment receive earnings that are lower than 81% of the average earnings in Slovenia.

### Average figures, average figures ...

Average monthly net earnings for 2011 in Slovenia amounted to almost EUR 990. Average net earnings per hour for 2011 amounted to almost EUR 6.

**Chart 10: Average earnings per hour, Slovenia**



**The highest earnings go to persons in paid employment in the activity Electricity, gas, steam and air conditioning supply**  
The highest monthly net earnings for 2011 (slightly over EUR 1,340) were received by persons in paid employment in the section of activity Electricity, gas, steam and air conditioning supply. On the other hand, in Administrative and support service activities persons in paid employment in 2011 received on average slightly over EUR 680 monthly net earnings.

### Higher age, higher earnings

This is anticipated and logical. Even though younger persons who enter the labour market would need more funds as they are only starting to build their own material existence, they do not have them. Persons in paid employment aged 15-24 earn merely 62% of the earnings of persons aged 33-44. Persons in paid employment aged 65+ earn more than four times more than persons aged 15-24.

### Legislators, senior officials and managers stand out

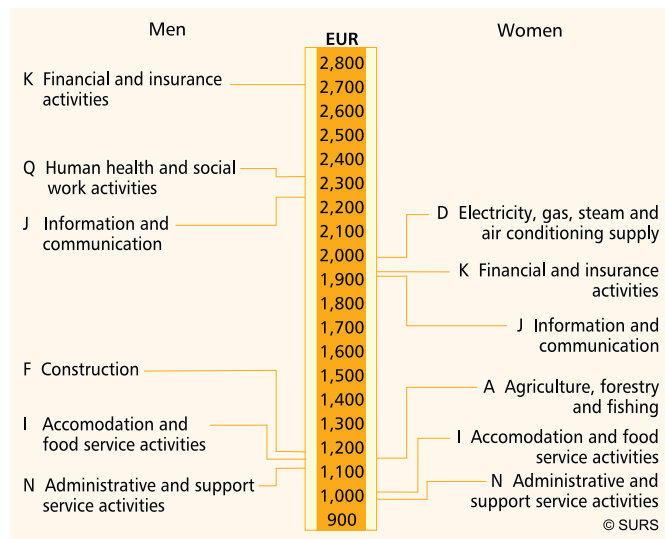
Their monthly earnings are the highest in Slovenia and on average 3-times higher than those for elementary occupations. Among the main occupational groups, professionals also receive high earnings, while earnings of skilled agricultural and fishery workers are just slightly higher than those for performing elementary occupations.

### In some sections of activities the earnings of women can on average be higher than those of men

The earnings of women are on average still a little lower than those of their male counterparts (in 2010 by 3.5% lower). The same applies for most sections of activities, even though in some of them the earnings of women are much higher than those of men, e.g. in Construction (by about 20%), in Water

supply, sewerage, waste management and remediation activities (by about 15%) and in Transportation and storage (by slightly over 10%). In these sections of activities women have more demanding jobs, their educational attainment is higher and thus their earnings are higher.

**Chart 11: Average monthly earnings of persons in paid employment in selected sections of activities by sex, Slovenia, 2010**



Source: SURS

### Osrednjeslovenska and Pomurska stand out among the statistical regions

Average monthly net earnings for 2011 were the highest in the Osrednjeslovenska statistical region (slightly above EUR 1,080); only in this region were they higher than the Slovenian average. The lowest average monthly net earnings for 2011 were registered in the Pomurska statistical region (slightly above EUR 880).

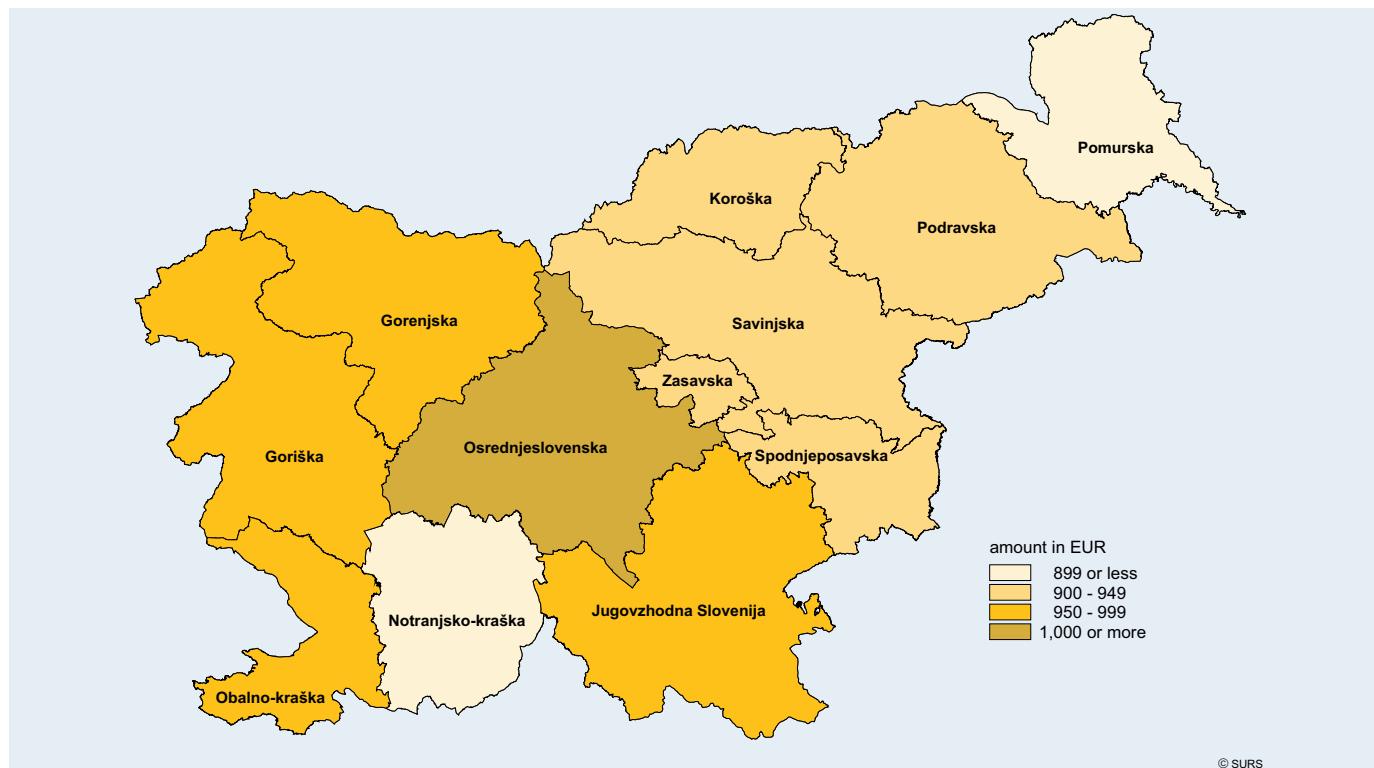
### Cerklje na Gorenjskem and Osilnica stand out among the municipalities

Average monthly net earnings for 2011 were the highest in municipality Cerklje na Gorenjskem (slightly above EUR 1,180) and the lowest in municipality Osilnica (slightly below EUR 640). Osilnica is also one of two municipalities (the other is Starše) in which the average monthly gross earnings for 2011 did not exceed EUR 1,000.

*"Money speaks sense  
in a language all nations understand."*

*Aphra Behn*



**Map 1: Average monthly net earnings, statistical regions, Slovenia, 2011**

Sources: SURS, GURS

**HOW MUCH DO WE COST OUR EMPLOYERS?**



## 9 HOW MUCH DO WE COST OUR EMPLOYERS?

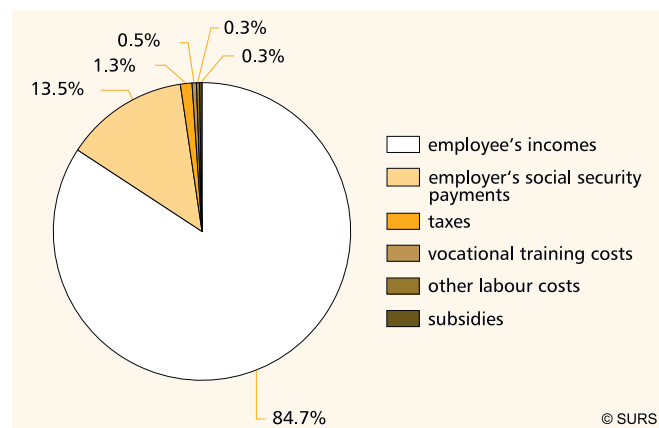
With the payment of earnings, the employers settle only part of their obligations towards employees and the state. In line with the collective agreement or other acts the employees receive supplements in addition to earnings. There may also exist an agreement on specific payments for work, such as individual performance bonuses (performance allowance, bonuses, rewards) and bonuses linked to collective performance (13<sup>th</sup> month payment, Christmas bonus); the amount of these varies or they are not always paid as they depend on individual performance and collective performance. The employees are also entitled to reimbursement for meals, travel costs to/from work, the holiday bonus, possibly the jubilee reward and the redundancy payments. The employer must pay to the state the social security contributions (they depend on the amount of the gross earnings), and until 2008 there was also the payroll tax<sup>7</sup>. Vocational training costs and other labour costs form a smaller share of labour costs. Subsidies reduce the labour costs.

### Earnings have the biggest impact

Earnings are by far the highest costs. In 2008<sup>8</sup> the share of only the basic gross earnings with supplements accounted for a little less than 60%. If payments for individual performance, bonuses linked

to collective performance and payments of various compensations of earnings on the part of the employer are taken into account, the share rises to slightly above 70%. When the holiday bonuses, jubilee rewards, travel costs to/from work, costs for meals and payments in kind are also considered, the share reaches almost 85%. Among other labour costs the employers' social security contributions stand out, which account for 13.5% of total labour costs.

**Chart 12: Structure of labour costs, Slovenia, 2008<sup>1)</sup>**



1) Subsidies reduce the labour costs.  
Source: SURS

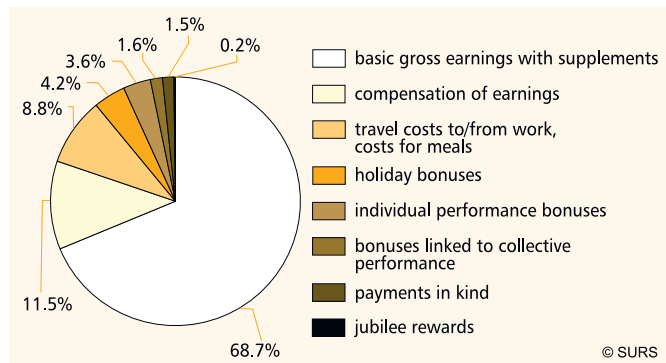
<sup>7</sup> The payroll tax was terminated on 1<sup>st</sup> January 2009.

<sup>8</sup> Data of the Labour Cost Survey which is conducted every four years; the latest data refer to 2008.

### Compensations of earnings, travel costs to/from work and costs for meals are significant costs

The largest share of earnings is that of the basic gross earnings with supplements (almost 70%). When a person in employment is away from work due to sickness, annual leave, public holidays and work-free days, he/she is entitled to a compensation, the proportion of which is not negligible (11.5%). The shares of the costs for meals and travel costs to/from work are also high in Slovenia (nearly 9%). The holiday bonus is usually a lump sum payment; upon payment it is a significant cost to the employer, but on an annual level it is not significant (just over 4%).

**Chart 13: Structure of employee's incomes<sup>1)</sup>, Slovenia, 2008**



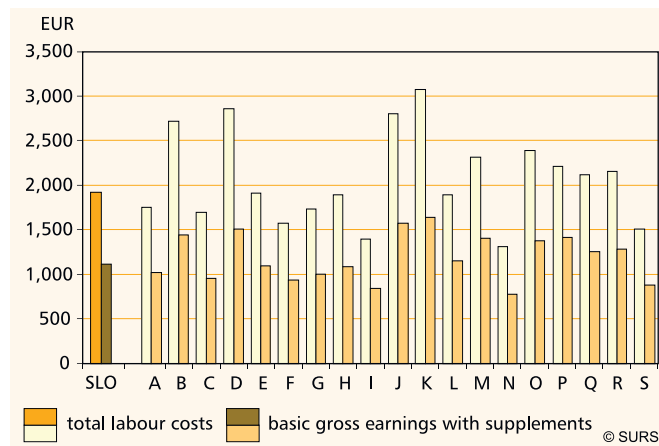
1) The totals do not match due to rounding.  
Source: SURS

### Labour costs are on the rise

In 2008 labour costs were almost 20% higher than in 2004; since 2000 they have risen by almost 65%.

Labour costs were the highest in Financial and insurance activities (K) – almost 61% higher than the Slovenian average – and the lowest in Administrative and support service activities (N) and in Accommodation and food service activities (I) – in each they accounted for about 70% of the Slovenian average.

**Chart 14: Labour costs by fields of activities of SKD 2008, Slovenia, 2008**



Source: SURS

### Labour costs differ

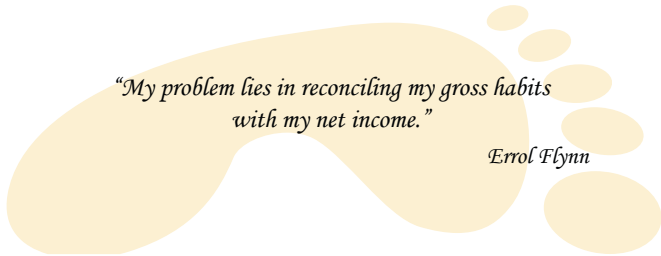
As regards statistical regions in Slovenia, the labour costs on average exceeded the Slovenian average only in the Osrednjeslovenska statistical region (by 13%). In all other statistical regions they were lower, with the lowest in the Pomurska statistical region (80% of the Slovenian average).

In case of larger business entities, the largest part of labour costs was higher than in smaller business entities. This is especially the case for the individual performance bonuses, for compensations of earnings and the payments for voluntary supplementary pension insurance. In 2008 the highest labour costs were recorded in business entities with 250-499 employees (labour costs were by over 12% higher than the Slovenian average) and the lowest labour costs were in those with 1-9 employees (83% of the Slovenian average).

The amounts of labour costs in the public and private sectors differ; in the public sector monthly labour costs were on average by 30% higher than in the private sector. In the private sector the payments of individual performance bonuses were on average higher than in the public sector. And in the public sector the average gross basic earnings with supplements and compensations of earnings were higher than in the private sector.

### Structure of labour costs remains largely the same

A detailed review of the structure of labour costs over the years shows that it remained almost unchanged in the 2000-2008 period. In all the years, the largest share of labour costs was that of basic gross earnings with supplements (in 2000 it was 57.9%, in 2004 it was 58.0%, in 2008 it was 58.2%). The shares of other labour costs components in Slovenia were not significantly different, except for the share of the payroll tax. Compared to 2004 and 2000, it decreased in 2008, namely due to lower tax rates. In 2000 the share of the tax was 3.2%, in 2004 it was 3.8% and in 2008 only 1.3% (on 1<sup>st</sup> January 2009 it was terminated).



*“My problem lies in reconciling my gross habits  
with my net income.”*

*Errol Flynn*

### Labour costs the highest in Luxembourg and the lowest in Bulgaria<sup>9</sup>

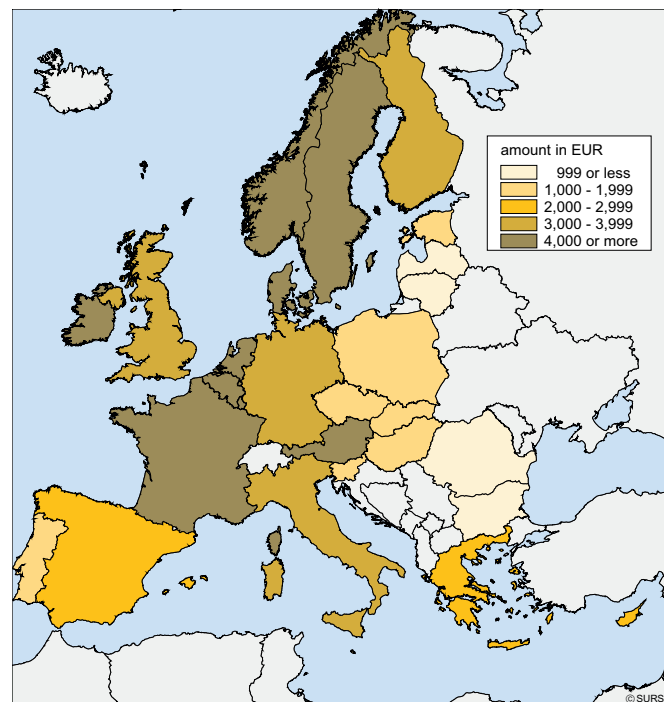
In view of the amount of the average monthly labour costs per employee in 2008, Slovenia (with EUR 1,991) ranked among the countries with medium high average labour costs, namely between Cyprus (EUR 2,387) and Portugal (EUR 1,747). In 2008 the labour costs were the highest in Norway<sup>10</sup> (EUR 6,008), Denmark (EUR 4,644), Luxembourg (EUR 4,630) and Sweden (EUR 4,428), and the lowest in Bulgaria (EUR 374), Romania (EUR 648) and Lithuania (EUR 848).

In Slovenia and also in other EU-27 Member States, in 2008 basic gross earnings with supplements accounted for the highest share in labour costs, even though these shares varied considerably between Member States: from over 76% of total labour costs on Malta to a little less than 52% in Austria (in Slovenia 57.6%, in EU-27 60.5%).

<sup>9</sup> Source: Eurostat (19. 4. 2012). The data Eurostat used for making calculations for 2008 comprise business entities with 10 or more employees, yet only for sections of activities from B to S, excl. O; thus the data do not include Agriculture, forestry and fishing, and Public administration and defence, compulsory social security.

<sup>10</sup> Norway is not an EU Member State.

Map 2: Labour costs, EU-27 Member States and Norway, 2008



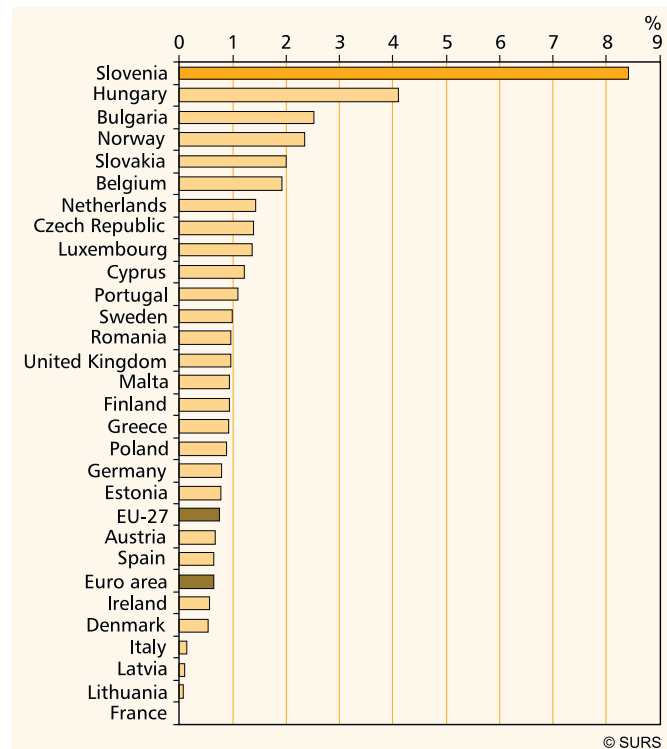
Source: Eurostat

### The share of payments in kind the highest in Slovenia

Compared with other countries, in 2008 Slovenia had the largest payments in kind (8.4%; EU-27: 0.76%). It was followed by Hungary (4.1%), Bulgaria (2.5%), Norway (2.4%) and Slovakia (2.0%), while in the other countries the share was lower than 2%.

The reason for this is that the Eurostat definition of labour costs components comprises travel costs to/from work and costs for meals, which make up a large share in the total labour costs.

**Chart 15: Payments in kind, EU-27 Member States and Norway, 2008**



Source: Eurostat

**FLEXICURITY**





## 10 FLEXICURITY

The flexible security (flexicurity) concerns both the employers and the employees. The employers strive for greater flexibility, especially in view of easier adjustments of labour force to the current economic situation. Thus larger efficiency would be granted to the enterprises. At the same time flexibility of employment means less safety and larger uncertainty in employment (i.e. in hiring of labour force), as in bad economic situations they may get to be without work much faster.

Flexibility in employment is measured with various indicators. The most common ones are temporary employment and part-time employment, and even self-employment is one of these indicators.

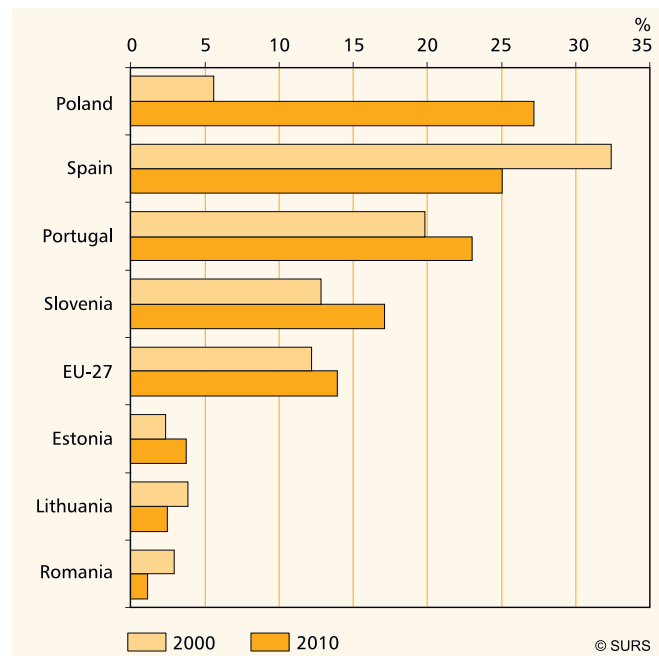
### Fixed-term employment is on the rise

In the last 15 years Slovenia recorded a sharp rise in the number of employees in temporary employment. This group comprises employees with contracts for a fixed period of time, those who work via student employment offices or those who perform contract work. The self-employed are not considered to be in temporary employment, as they do not have employment contracts, but are counted among those working for an indefinite period of time.

In Slovenia, the share of those working for a definite period of time amounted to 8.4% in 1995 (i.e. in the early years of transition), and it had risen to 17.3% by 2010. Thus in 2010 Slovenia ranked among the countries with the highest share of temporary employments. Higher values than in Slovenia were achieved only in the Netherlands, Portugal, Spain and Poland. In 2010 Slovakia, Bulgaria, Estonia and Lithuania each recorded less than 6% of fixed-term employments, while the fewest temporary employments were recorded in Romania (a little more than 1%). In these countries, where the labour market is usually quite rigid, there were either higher unemployment rates or higher inactivity rates.

(The latter covers also those not working, not looking for work and not prepared to accept work in a relatively short period of time).

**Chart 16: Temporary employees, selected EU-27 Member States**



Sources: SURS, Eurostat

### Who hires the young?

Who are (were) the temporary employees in Slovenia? In 2010, the young prevailed: almost three quarters of them were aged less than 35. Among all the employees, 5% worked via the student employment offices; all temporary work for which employees worked via student employment offices amounted to 30%. Student work goes hand in hand with the fact that more and more young people decide to continue their education at the tertiary level: among persons aged 19-30 over 30% were in education in 2000, and 45% in 2010.

*"A man is not idle because he is absorbed in thought.  
There is visible labour and there is invisible labour."*

*Victor Hugo*

### 35 hours, the limit between part-time and full-time work ...

The limit between part-time and full-time employment in Slovenia stands at 35 hours of work per week. Those who work more than 35 hours are in full-time employment and those who work 35 hours or less are in part-time employment. In Slovenia there are almost 9% of the employees in part-time employment.

### ... in part-time employment works every second person in the Netherlands and also one of twelve persons in Slovenia

The share of employees with part-time employment has for some years been the highest in the Netherlands (over 50%). This is due to the large share of women among all the employees, as 70% of

women work on part-time basis. In Slovenia, 12% of women work on such basis. There are many reasons why relatively few women in Slovenia have part-time employment: a quite well-developed network of child care (this makes it easy to reconcile between work and family life), children are granted an extended stay in school, the flexible work schedule, and also the coexistence of multiple generations within families (in such families at least sometimes grandparents stay with their grandchildren and this helps the child's parents).

Almost 9% of the employees in Slovenia in 2010 worked fewer than 36 hours per week. The reasons were as follows: nearly a third of them performed fewer hours due to engagement in full-time education (these people were the students working via student employment offices), 23% worked fewer hours because of illness, disability or partial retirement and 22% could not find full-time employment or there was not enough work for them.



12% of women worked  
in part-time employment in Slovenia in 2010.



70% of women had  
part-time employment in the Netherlands in 2010.

### Self-employment rate in Slovenia at 12%

The Slovenes are familiar with self-employment. Especially in the years after having gained independence the volume of this type of work increased significantly. The first Labour Force Survey data show that in 1993 there were slightly more than 12% of self-employed persons among all the employed persons. After the initial increase in the number of the self-employed (when at first the number of local shops grew really fast), the share of the self-employed in subsequent years slightly declined.

In Slovenia in 2010 the share of self-employed persons among all employed persons was 12.4%. In part the increase in this share was attributable to the Employment Service of Slovenia, which at that time launched a program which subsidized the newly self-employed persons. In part it was also the impact of the employment novelty (and not so much of the subsidy), as nowadays employers tend to employ persons with the status of an individual entrepreneur. Such employment namely allows them to quickly terminate the collaboration and they have fewer obligations in terms of breaks, vacation, education, etc.

### Job security

Flexibility of employment is desirable only if the labour market works well at both ends: in case of labour force demand and also supply. Potential loss of employment namely must not constitute either a significant loss of income or the fear of long-term unemployment.

In Slovenia all employees in formal employment are ensured for the duration of unemployment. The monthly payment in case of unemployment is paid by both the employer and the employee: the employee contributes 0.14% of gross earnings and the employer adds 0.06% of gross earnings.

The amount of the compensation received during the period of unemployment depends on the duration of employment and in part also on the age of the employee. From January to October 2011 a third of all those registered at the Employment Service of Slovenia received the compensation. These beneficiaries were entitled to receive it on average for almost 9 months, while the compensation amounted to about EUR 650 gross.

Although the share of expenditure on social protection and social benefits - in view of the Slovenian GDP - increased from 1996 to 2009, the share of GDP allocated to the unemployed in this period fell

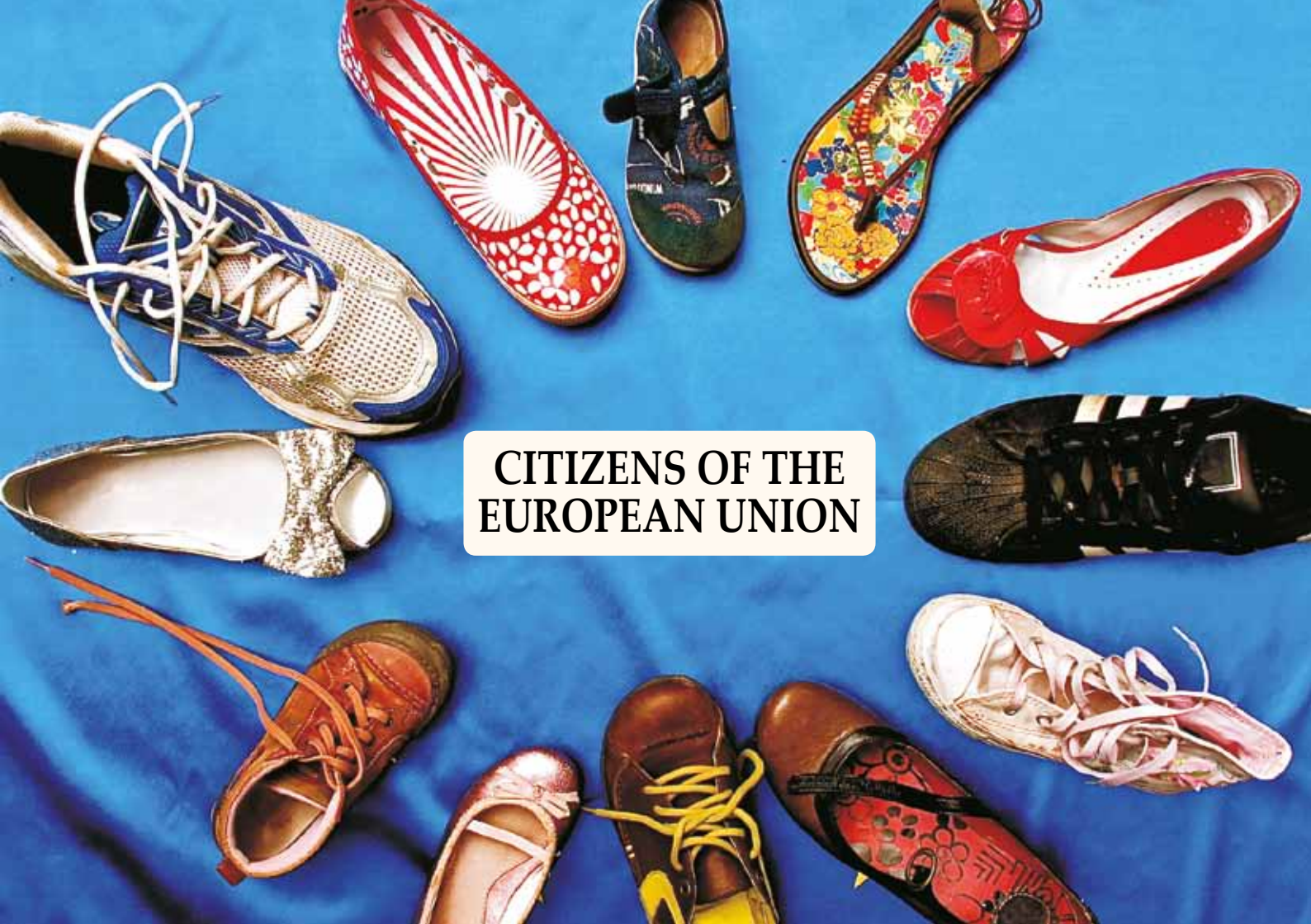
from 1.0% to 0.6%. In times of sound economy, this share amounted to only 0.4%.

### How flexible is a safe job?

Nowadays the EU Member States have different employment systems which differ mainly in view of flexibility of the labour market. A good example of a country with flexicurity in employment is Denmark with good interaction of the liberal labour market and social security. On the other hand, there are the Eastern European countries with rigid employment legislation.

In Slovenia the situation is between both ends: the young are subject to the new, more flexible criteria, while the middle-aged and older generations are largely employed on the basis of the rigid legislation. This is why it is more difficult for the young to assert themselves on the labour market in Slovenia and they therefore resort to insecure projects, offered to them via student employment offices. Recently some, especially the better educated, have started to search for work abroad. Among the people living in towns along the borders with Austria and Italy, an increasing number of people seek work in towns across the border and daily commute there. According to the Employment Service of Slovenia, at the expense of commuters working in Austria in 2011 the registered unemployment rate decreased in the border regions, especially in Štajerska, Koroška and Pomurje.

Resistance to flexible forms of employment in Slovenia indicates that there is a great need for job security. In view of the growing trend in the share of employees in flexible forms of employment, the safety of the social situation in the future will become increasingly important. Namely in Slovenia in 2010 over 30% of employed persons or 25% more than ten years ago worked in one of the flexible forms of employment.



**CITIZENS OF THE  
EUROPEAN UNION**

## 11 CITIZENS OF THE EUROPEAN UNION

The Slovenian labour market represents only a small share of the total EU labour market. Among the 239 million active EU citizens, i.e. among those who had a job or were looking actively for work, in 2010 more than one million of the labour force of Slovenia represented 0.4% of the total EU labour force. This ranked Slovenia before Malta, Luxembourg, Cyprus and Estonia. The German labour market represented the largest share in the total EU labour market with 17.4%, followed by the United Kingdom with 13.1% and France with 11.9%. These data are strongly related to the number of inhabitants in each country, so they do not fully reflect the real situation on the labour market of each country. Thus making comparisons among countries according to the level of activity, employment, unemployment, etc., makes more sense.



The largest share of total labour force among the EU Member States is in Germany (17.4%), followed by the United Kingdom (13.1%) and France (11.9%). Labour force in Slovenia accounts for 0.4% of total EU labour force.



The data indicate that in the last decade the EU population became more active. The average activity rate in the 27 EU Member States from 2000 to 2010 grew from 61.2% to 63.3%. Activity increased the most in Spain, and fell the most in Romania. The Slovenian activity rate ranked in the middle of the EU Member States. In the last 10-year period it increased moderately.

### According to the activity rate the data for young are average ...

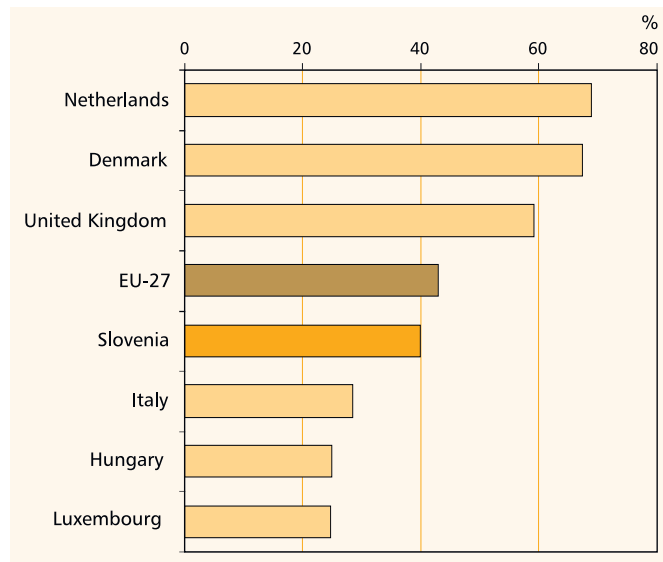
When examining activity levels, it is interesting to compare the activity rates among the young on the one hand and the elderly on the other hand. In the most developed countries the activity rates of the middle generation (i.e. persons aged 25-54) are high as these persons are in their prime of 'working life'. This, however, is not the case for young who are still at the beginning of their careers and need the opportunity to prove themselves on the labour market.

In 2010 the activity rate among the young aged 15-24 was the highest in the Netherlands (69%), followed by Denmark, the United Kingdom, Austria and Sweden. The young on the labour market had the lowest share (25%) in Luxembourg, followed by Hungary and Italy. In view of the activity rate among the young, Slovenia was slightly below the EU average.

*“Ultimately one can define the modern state sociologically only in terms of the specific means peculiar to it, as to every political association, namely the use of political force ...”*

*Max Weber*

**Chart 17: Employment rates among the young (aged 15-24), selected EU-27 Member States, 2010**



Source: Eurostat

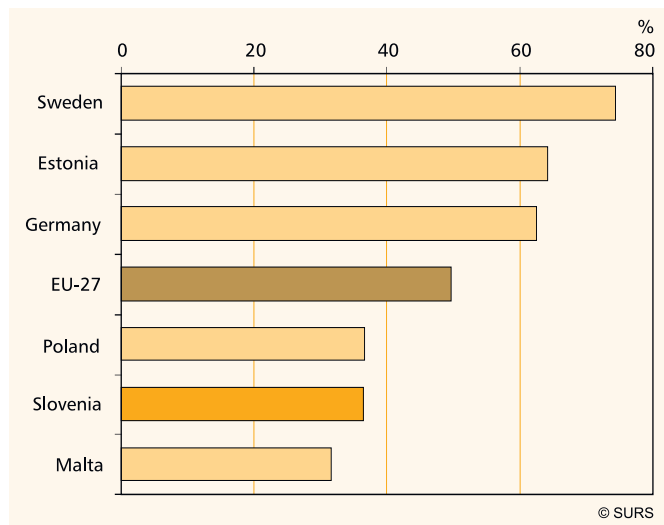
**... but those for the elderly are far below the average**

The elderly include persons aged 55-64, as the activity rates sharply decrease after the age of 65 and the retirement age in EU-27 Member States does not exceed this limit. In the last ten years most changes in activity referred to the elderly, as the working age is being prolonged and this reflects in increased activity rates among the elderly. In the last decade the activity rate in all these countries increased (by 10 percentage points on average), except in Romania.

The Slovenes greatly differ from other EU Member States in view of low activity rates among the elderly. In 2000 work was performed or sought by only 23.7% of the elderly and in 2010 this figure increased to 36.5%, which ranked Slovenia only in front of Malta (with 31.6% of active elderly). Although the activity rate of the elderly in Slovenia increased noticeably, it still lags far behind that in the Scandinavian countries, in Germany and in Estonia (in each of these countries about 60% of the elderly are active).



**Chart 18: Employment rates among the elderly (aged 55-64), selected EU-27 Member States, 2010**



Source: Eurostat

### Are high activity rates really always a sign of good labour market conditions?

The labour force is the sum of employed persons and unemployed persons. The high activity rate does not necessarily indicate favourable labour market conditions, as it can be high due to high unemployment, as is the case in Spain. There the activity rate was above the EU average, but largely also due to high unemployment rates (these are in fact more than twice higher than the EU-27 average).

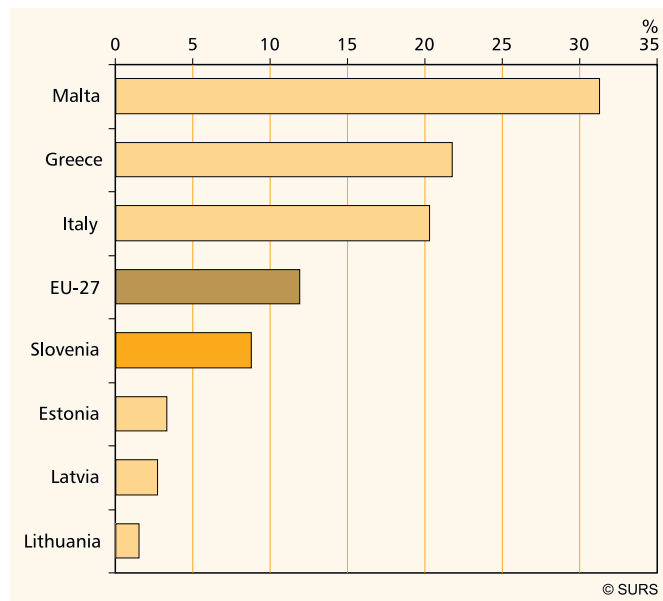
Among the countries with the highest employment rates in 2010 were the Netherlands, Denmark, Sweden and Cyprus. In these countries these rates stood at around 65%. The lowest employment rates were recorded in Hungary, Italy and Malta (around 50%).

### The share of employed women in some countries larger and in others smaller

It is interesting to examine employment by gender, as attitudes to employment of women and the related policy vary among countries. In the Nordic countries, which were pioneers in introducing active policies to the employment of women, and the Baltic States, where egalitarian communism dominated for many years, for example, the employment rates for men in 2010 only slightly exceeded those for women. The opposite applied in the countries of Southern Europe, where the family is the basic institution of society. There and then the employment rates for women greatly lagged behind the employment rates for men. The differences were the largest in Malta, Greece and Italy. Interestingly, the differences in employment rates between men and women were high also in the Czech Republic.



**Chart 19: Differences in employment rates between men and women, selected EU-27 Member States, 2010**



Sources: SURS, Eurostat

### The fewest unemployed persons are in Luxembourg

According to the ILO definition, the unemployed persons are those who did not work the week before being interviewed, but actively looked for work and were prepared to immediately (within two weeks) accept work. In times of economic crisis, the highest unemployment rates were those in Spain and the Baltic States. Ireland and Portugal also faced high unemployment rates, as in these two countries the number of unemployed persons increased the most in the last decade. Similarly to a decade ago, the lowest unemployment rates were recorded in Luxembourg, followed by the Netherlands and Austria. In the last decade the Netherlands and Austria also had very low unemployment rates.

In view of the unemployment rate, Slovenia in 2008 ranked among the five countries with the lowest rates in the EU. The crisis in Slovenia increased the number of unemployed persons to a larger extent than in some other EU countries, thus Slovenia moved towards the middle of the EU-27 Member States.

### The length of the working week differs by countries

The working week in the EU Member States in 2010 lasted on average of 37.5 hours; men worked on average 40.7 hours and women on average 33.7 hours.

The fewest hours per week were worked by women in the Netherlands (24.5 hours on average), as the share of women with part-time jobs in this country is high, which is mainly accountable to the child care arrangements in the Netherlands, which limit women so as not to work longer hours.

The workday of men was longest in Greece, where they worked on average 44.3 hours a week. Yet it should be noted that the value of this information is influenced by a large share of the self-employed, who during the tourist season actually engage in work all the time but outside the season they work less.

**ABBREVIATIONS AND UNITS OF MEASUREMENT**

ESS	Employment Service of Slovenia
EU	European Union
EU-27	Total of EU Member States
EUR	euro
Eurostat	Statistical Office of the European Union
GURS	The Surveying and Mapping Authority of the Republic of Slovenia
ILO	International Labour Organization
MS	Member States
SIT	Slovenian tolar
SLO	Slovenia
SURS	Statistical Office of the Republic of Slovenia

h	hour
kg	kilogram
l	litre
mio.	million
min.	minute

educ. education

**OTHER SIGNS**

+ and more (years, members, etc.)

**SECTIONS OF ACTIVITIES, SKD 2008**

A	AGRICULTURE, FORESTRY AND FISHING
B	MINING AND QUARRYING
C	MANUFACTURING
D	ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY
E	WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES
F	CONSTRUCTION
G	WHOLESALE AND RETAIL TRADE, REPAIR OF MOTOR VEHICLES AND MOTORCYCLES
H	TRANSPORTATION AND STORAGE
I	ACCOMMODATION AND FOOD SERVICE ACTIVITIES
J	INFORMATION AND COMMUNICATION
K	FINANCIAL AND INSURANCE ACTIVITIES
L	REAL ESTATE ACTIVITIES
M	PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES
N	ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES
O	PUBLIC ADMINISTRATION AND DEFENCE, COMPULSORY SOCIAL SECURITY
P	EDUCATION
Q	HUMAN HEALTH AND SOCIAL WORK ACTIVITIES
R	ARTS, ENTERTAINMENT AND RECREATION
S	OTHER SERVICE ACTIVITIES

## HOW TO OBTAIN STATISTICAL DATA AND INFORMATION?

- **on Statistical Office's website**  
www.stat.si
- **via mail, phone, fax and e-mail**  
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phone: +386 1 241 64 04  
fax: +386 1 241 53 44  
answering machine: +386 1 475 65 55  
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- **by ordering statistical publications**  
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office hours: Monday to Thursday from 9.00 to 15.30  
Friday from 9.00 to 14.30