Investing in Youth

SLOVENIA

OECD

Investing in Youth: Slovenia

This document was produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union.

Please cite this publication as:
OECD (2021), *Investing in Youth: Slovenia*, Investing in Youth, OECD Publishing, Paris, *https://doi.org/10.1787/c3df2833-en*.

ISBN 978-92-64-38959-5 (print)
ISBN 978-92-64-31602-7 (pdf)

Investing in Youth
ISSN 2412-6330 (print)
ISSN 2412-6357 (online)

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Corrigenda to publications may be found on line at: *www.oecd.org/about/publishing/corrigenda.htm*.

Foreword

As highlighted in The Updated OECD Youth Action Plan, successful engagement of young people in the labour market is crucial not only for their own personal economic prospects and well-being, but also for overall economic growth and social cohesion. The COVID-19 pandemic has increased the need for policies to support young people in their transiting from education to the labour market. Therefore, investing in youth is a policy priority in all countries, including Slovenia, requiring concerted action to develop education systems and labour market arrangements that work well together.

Following the launch of The OECD Action Plan for Youth in May 2013 and The Updated OECD Youth Action Plan in May 2021, the OECD is working closely with countries to implement the plan's comprehensive measures in their national and local contexts, and to provide peer-learning opportunities for countries to share their experience of policy measures to improve youth employment outcomes.

The present report on Slovenia is the twelveth of the series "Investing in Youth", this time undertaken in the framework of a broader technical support project that the European Commission and the OECD have provided to Slovenia during the period 2019-2021, funded by the European Union's Structural Reform Support Programme. The "Investing in Youth" series builds on the expertise of the OECD on youth employment, social support and skills, and covers OECD countries and key emerging economies. The report presents new results from a comprehensive analysis of the situation of young people in Slovenia, exploiting various sources of survey-based and administrative data. It provides a detailed assessment of education, employment and social policies in Slovenia from an international perspective, and offers tailored recommendations to help improve the school-to-work transition. The report discusses the situation and policies in place until 31 December 2020, and does not cover any changes that have been introduced since 1 January 2021. Additional information related to this review can be found on the OECD website (http://oe.cd/youth-slovenia).

This review is the work of the Social Policy Division of the Directorate for Employment, Labour and Social Affairs. Sarah Kups and Veerle Miranda (project leader) prepared the report, under the supervision of Monika Queisser (Head of the Social Policy Division). Liv Gudmundson provided editorial support.

Acknowledgements

The Action was carried out with funding by the European Union via the Structural Reform Support Programme and in cooperation with the European Commission's Structural Reform Support Service. The co-operation with Tomislava Arh, Urška Kovač Zlobko, Gregor Greif and Damjana Šarčević from the Slovenian Ministry of Labour, Family, Social Affairs and Equal Opportunities; Barbara Gogala and Brigita Vončina from the Employment Service of Slovenia; Sabina Melavc from the Ministry of Education, Science and Sport; and Marko Bucik from the European Commission's Directorate-General for Structural Reform Support has been instrumental for the project and the report.

The report benefitted from discussions and meetings with a wide range of stakeholders during a fact-finding mission in June 2019, an online learning event organised in December 2020 and several follow-up meetings. The stakeholdes included representatives of the Ministry of Labour, Family, Social Affairs and Equal Opportunities; central, regional and local offices of the Employment Service of Slovenia; the Ministry of Education, Science and Sport; Centres for Social Work; Career Centres; the Institute of the Republic of Slovenia for Vocational Education and Training; the National Education Institute; the Social Protection Institute; the Statistical Office of Slovenia; the Youth Department of the City of Ljubljana; non-governmental organisations and private companies working with young people; and associations and social partners.

The report benefited greatly from the administrative data provided by the Statistical Office of Slovenia and the Employment Service of Slovenia. The support of Tjaša Redek in merging and analysing the administrative data was instrumental for the successful completion of the work.

Comments on earlier versions of the report were provided by the Ministry of Labour, Family, Social Affairs and Equal Opportunities; the Employment Service of Slovenia; the Ministry of Education, Science and Sport; the Working Group on Youth Guarantee; Marko Bucik (European Commission's Directorate General for Structural Reform Support) as well as by Monika Queisser and Mark Pearson (OECD).

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Executive summary

The economic and social crisis triggered by the COVID-19 pandemic is hitting young people hard and is a reminder of the strong and prolonged impact of the 2008 global financial crisis on youth labour market outcomes. After that crisis, Slovenia experienced a 56% increase in the rate of young people aged 15-29 who are neither in employment, education or training (NEETs). A decade later, the NEET rate was still above the 2007 rate. Estimated at 29 000, 9.5% of all 15-29 year-old Slovenians were NEET in 2019, slightly below the OECD average.

A better understanding of the NEET's profiles is key to design better support and improve the school to work transition. NEETs in Slovenia are more likely to be women; they are often older youth; and an increasing share of NEETs are born abroad. About half of all Slovenian NEETs (53%) remain in this status for more than a year, risking a negative impact on their future employment opportunities and income. Low education and being a mother are the strongest determinants of the NEET duration in Slovenia.

Young people who complete their education during an economic downturn generally struggle more than those who finish education during boom periods, and the COVID-19 crisis will likely be no exception. Nevertheless, educational and other preventive policies can reduce individuals' risks of dropout and ensure that young people acquire relevant skills for the changing labour market. Slovenia already has a strong education system that leads most students to an upper-secondary degree and a relatively smooth transition into the labour market. However, a few additional measures to prevent early school leaving, reduce skill mismatches, strengthen work-based learning and reach out to school dropouts could help to better prepare young people for the labour market.

The main government agency which supports labour market integration of unemployed and inactive NEETs is the Employment Service of Slovenia (ESS). However, more than half of all Slovenian NEETs (53%) do not register with the ESS. Outreach to hidden NEETs, who are often older inactive young people without work experience, is therefore crucial to bring down the NEET rate in Slovenia. In line with the implementation of the Youth Guarantee, support for young jobseekers has improved over the past couple of years. However, Slovenia still devotes relatively few resources to labour market programmes compared with other OECD countries; especially long-term unemployed youth require more attention, in particular young mothers, migrant youth and Roma youth.

Key policy recommendations

- Identify and re-integrate early school leavers by establishing clear responsibilities for tracking and contacting early school leavers, in accordance with existing restrictions of the privacy law.
- Improve career counselling by strengthening targeted counselling offers, introducing more comprehensive training for counselling staff and educators, and deepening links with employers.
- Strengthen the apprenticeship programme by improving the matching of employers and apprentices; helping companies become high-quality training providers; boosting student interest in apprenticeships; and systematically evaluating the outcomes of apprentices and apprenticeship-providing companies.
- Ease students' university-to-work transition by providing quality career advice and student support, strengthening financial incentives for on-time graduation, and offering opportunities for field-related work experience.
- Develop a strategy to reach out to unregistered NEETs and give the ESS the mandate and resources to coordinate and implement the strategy in collaboration with other stakeholders.
- Improve the activation of NEETs by ensuring stable and sufficient funding sources; streamlining and digitalising service delivery; and reforming the public works programme.
- Address long-term unemployment among young people by targeting and tailoring employment services and programmes more efficiently to those with a risk of long-term unemployment; offering targeted guidance and mentoring to youth with a migrant background; and addressing the financial disincentives to work for young parents.
- Develop a comprehensive approach to tackle the high NEET rates among young Roma by introducing measures to reduce early school-leaving and raise their education level; exploring collaboration with Roma mediators; offering individual pathways; and developing mentoring, apprenticeships, and workplace coaching in collaboration with worker and employer organisations.

1 Preventing and activating NEETs in Slovenia: Assessment and recommendations

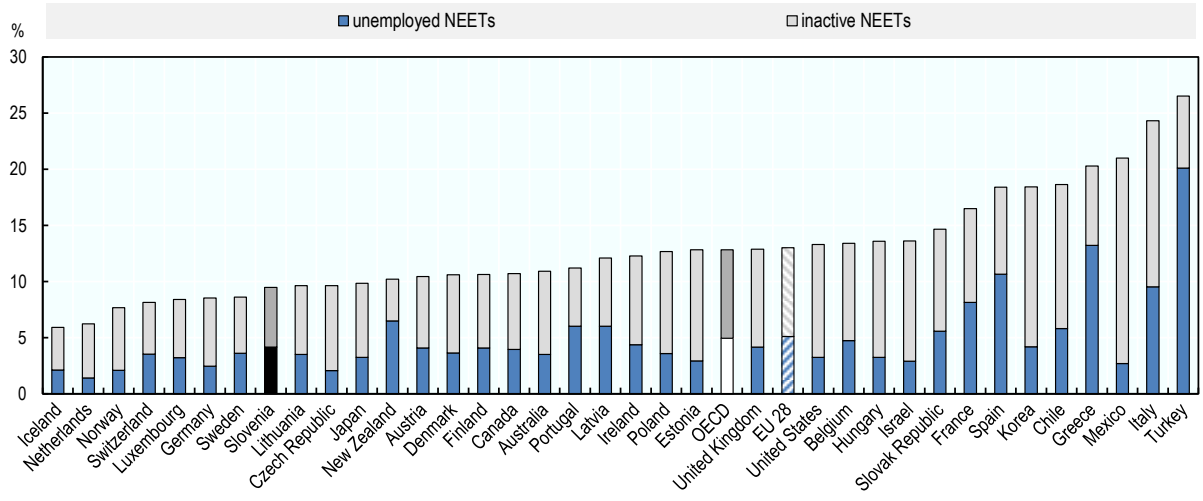
This chapter provides an overview of the main findings from the review. It starts with a brief description of the profiles of young people who are not in employment, education or training (NEETs) in Slovenia. The chapter then discusses how the education sector can help to better prepare young people for the labour market and how the support for young people who became unemployed or inactive can be improved. The chapter ends with a list of concrete recommendations that may contribute to improving the prevention and activation of NEETs in Slovenia.

1.1. Mapping NEETs in Slovenia

In 2019, around 29 000 Slovenian young people were neither in employment, nor in education or training (NEETs). With 9.5% of all 15-29 year-olds in 2018 (Figure 1.1), the Slovenian NEET rate is lower than in many OECD countries (where the average stood at 12.8%), but it is still higher than before the financial and economic crisis hit the country at the end of the 2000s (8.9% in 2007). In addition, the Covid-19 crisis pushed the youth unemployment rate upwards, from 7.5% among 15-29 year olds in the last quarter of 2019 to 10.4% in the same period a year later. Among NEETs, the increase in inactive NEETs is lasting longer than the increase in unemployed NEETs, pointing to the importance of outreach strategies for those who are not registered with the Employment Service of Slovenia. NEETs who were already inactive or unemployed prior to the crisis are also among the ones who will remain most vulnerable in the years to come, making it important to understand who they are to design better support.

Figure 1.1. One in ten Slovenian young people are NEETs

Share of 15-29 year-olds who are neither employed nor in education or training, 2018

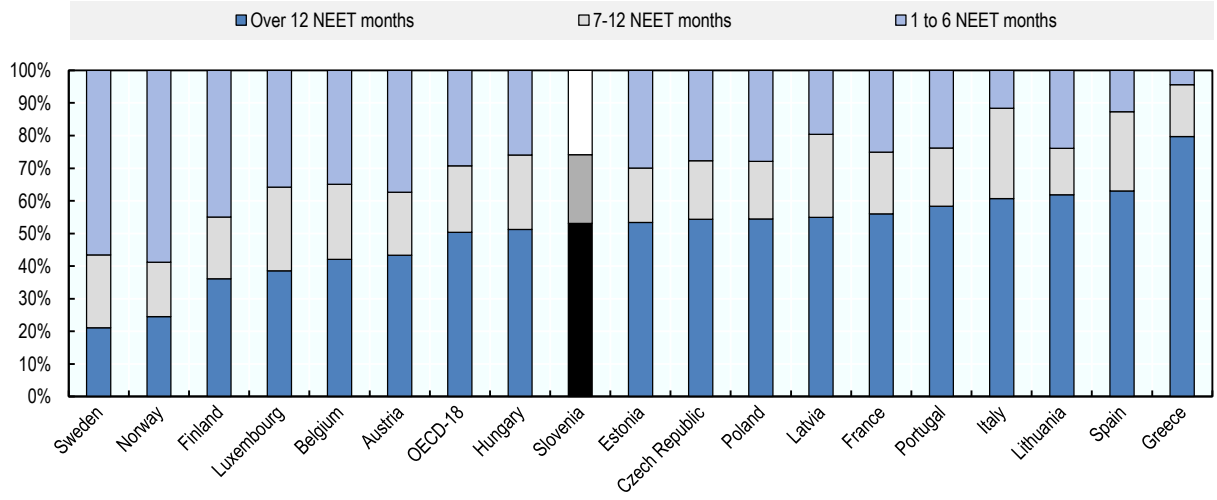


Note: The reference year is 2014 for Japan and 2017 for Chile, Israel and the United States. The values for Australia, Israel, New Zealand and Turkey are from Education at a Glance. Youth with missing information about their educational attendance and who are in military service are excluded.
Source: Calculations based on Labour Force Surveys and OECD (2019[1]), Education at a Glance 2019.

NEETs in Slovenia are more likely to be women, and are often older youth. An increasing share of NEETs are born abroad. NEET rates are also 3.4 times higher among those reporting poor health than among those who do not, though the NEET status itself may also cause health problems. Short bouts of inactivity or unemployment do not necessarily damage future employment opportunities and income. However, more than half of all Slovenian NEETs (53%) remain in this status for more than a year, which might affect their future chances of employment (Figure 1.2). The share of long-term NEETs is particularly high among 25-29 year olds in comparison with other OECD countries. Further analysis suggests that low education and being a mother are the strongest determinants of the NEET duration in Slovenia. Nearly four in five NEETs or their families receive some kind of social benefit; yet one in four Slovenian NEETs are poor. More than half of all NEETs (53%) were not registered with the Employment Service of Slovenia over the period 2011-2018 (15 600 young people) (Figure 1.3). This share is comparable with other EU countries for which data are available.

Figure 1.2. More than half of all NEETs remain in this status for more than a year

Distribution of NEETs by duration, average over the period 2014-2017



Note: OECD-18 refers to the average for Australia (2013 only), Austria, Belgium, the Czech Republic, Estonia, Finland (2017 only), France, Greece, Hungary, Italy, Latvia (2017 only), Lithuania (2017 only), Luxembourg, Norway, Poland (2017 only), Portugal, the Slovak Republic (2013 only), Slovenia, Spain, Sweden, Turkey (2013 only) and the United Kingdom (2013 only). Long-term NEETs are defined as those that accumulate more than 12 months of NEET status over the respective four-year period. Since the OECD reference groups are not composed of the same countries, they cannot be directly compared between the two time periods.
Source: OECD calculations based on the European Union Statistics on Income and Living Conditions and the Household, Income and Labour Dynamics in Australia (HILDA) Survey.

1.2. Preparing young people for the labour market

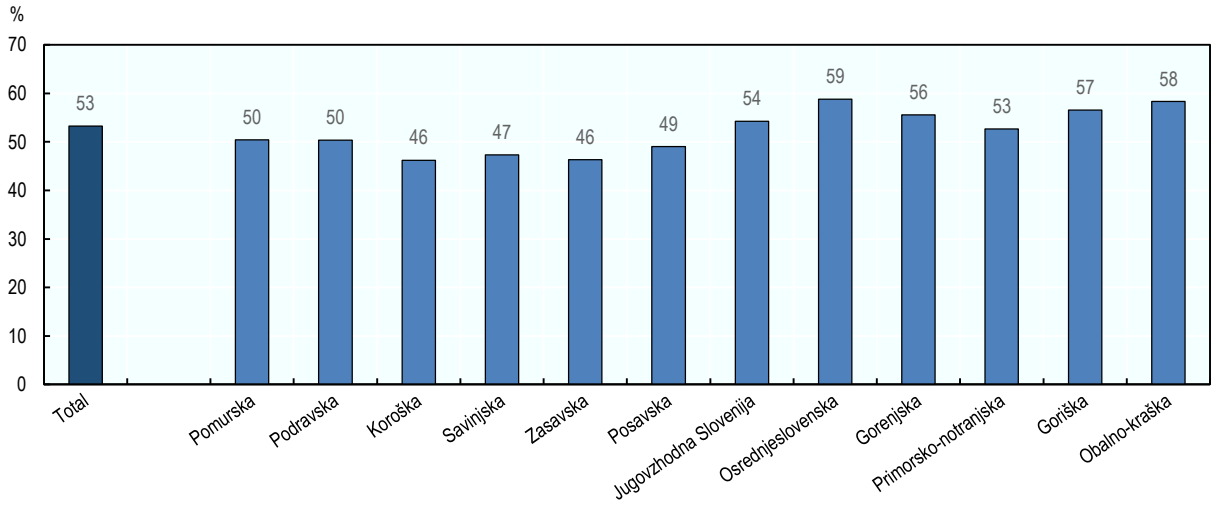
Educational credentials are the best insurance against long-term inactivity and unemployment. Making sure that students do not fall through the cracks of the educational system is one of the most important measures to prevent youth from becoming NEETs. This approach is all the more relevant in the light of the current pandemic. While many young people struggle to enter the labour market during an economic downturn, graduates with in-demand skills will find a quality job more easily than dropouts. Educational and other preventive policies can therefore play an important role in lowering individuals' risks of becoming NEETs.

Most young Slovenians graduate from upper secondary school, but those who do not are at a much higher risk of becoming and remaining NEETs. School dropout is more common among certain groups of adolescents, including Roma youth, immigrants and children of immigrants, and youth attending short vocational programmes. Slovenia already has a strong education system that leads most students to an upper-secondary degree and a relatively smooth transition into the labour market. However, a few additional measures to address the sources of academic difficulties and prevent early school leaving could help to keep the highest-risk students in school.

Slovenia should also reinforce its procedures to follow up with former students who dropped out. Currently, schools are not able to inform the employment services, centres of social work or municipal authorities when a student stops attending school or drops out altogether, due to privacy regulations. Some young people fall into a period of inactivity that lasts several years and during which no educational institution or other government authority reaches out to them.

Figure 1.3. More than half of all NEETs are not registered with the Employment Service of Slovenia

Share of NEETs aged 15-29 who are not registered with the Employment Service of Slovenia among all NEETs aged 15-29, by region, average over the period 2011-18



Source: OECD calculations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

Young people who train or study in fields that are not in demand or that they are not interested in or suited for may not be able to find or keep a job. By helping students explore their interests and capabilities and their education options, career education and advice can contribute to reducing those skill mismatches. In Slovenia, students in basic and upper secondary education can turn to different counsellors within and outside school for information on education and training options. Building on this strong basis, adjustments that include targeted counselling offers, more comprehensive training for counselling staff and educators, and deepened links to employers can further strengthen the career guidance offered to teenagers. Additional investments in skills needs forecasting could furthermore benefit current and future workers of all age groups by providing employment and career counsellors more insights about worker shortages in different occupations and industries.

While a general education curriculum offers the best basis for many teenagers, for some, work-based learning is more beneficial. Slovenia, like other countries in Central Europe, has a long tradition of having a strong vocational and technical education system. The resulting variety in educational options contributes to the high upper secondary graduation rates. But even good systems can be strengthened further; and the recent re-introduction of apprenticeships is one example of an initiative that tries to do exactly that. Possible areas for further improvement to the apprenticeship programme relate to the matching of employers and apprentices; helping companies become high-quality training providers; boosting student interest in apprenticeships; and systematically evaluating the outcomes of apprentices and apprenticeship-providing companies. Moreover, apprentices and employers may need additional support during the Covid-19 crisis.

Many Slovenian teenagers go on to university, but when they do, they often take a long time to graduate or do not complete their studies at all. Long durations of study, incomplete degrees and prolonged job search periods after graduation all entail economic costs, both for the affected individuals and for the government budget. Helping students complete their programmes and finding well-matched employment more rapidly are interlinked issues. Indeed, providing quality career advice and student support, incentives for on-time graduation and opportunities for field-related work experience can ease students' university-to-work transition.

1.3. Activating young people

Successful engagement of young people in the labour market and society is crucial not only for their own personal economic prospects and well-being, but also for overall economic growth and social cohesion. Young Slovenians who are unemployed or inactive can count on support of the Employment Service of Slovenia and the Centres for Social Work to help them (re-)join the labour market or education. However, a unique anonymised data set based on various administrative databases revealed that more than half (53%) of all NEETs in Slovenia do not register with the ESS. Most of them are 25 to 29 years old, have no work experience, are inactive and still live with their parent(s). Family responsibility, illness and informal education are important motives for inactivity among unregistered NEETs. However, half of this group has been in contact with the ESS at some point in their career, which suggests that there is room to improve the support the ESS offers to young jobseekers.

Different approaches can be used to reach out to young people; countries' experiences show that there is no single method that works best. Examples from other EU countries can provide ideas for Slovenia to develop an outreach strategy for unregistered NEETs, including peer-to-peer outreach in Sweden and Bulgaria, collaboration with associations and community-based organisations in Belgium, Luxembourg and Lithuania, national outreach strategies in Latvia and Portugal, institutional mandates in Denmark and Belgium, and monitoring frameworks in Estonia and Portugal.

Support for young jobseekers who reach out to the Employment Service of Slovenia improved over the past couple of years, in line with the implementation of the Youth Guarantee with reinforced early intervention measures and a range of active labour market programmes for long-term unemployed youth. However, Slovenia still devotes relatively few resources to labour market programmes compared with other OECD countries and the choice of programmes heavily depends on available funding.

The Covid-19 crisis further affected service delivery of the Employment Service of Slovenia, as caseloads rose and the digital services required for social distancing are still underdeveloped. The ESS is developing ways to organise counselling services via video calls and increase the number of young people they can reach per day. However, additional structural changes are needed to streamline and digitalise service delivery and help young jobseekers find their way (back) to the labour market.

The share of long-term jobseekers (i.e. for more than one year) among youth has been declining in recent years, but the groups that remain require additional efforts. While ESS counsellors have a range of active labour market measures at their disposal for young people, only one in three long-term unemployed youth make use of such measures. In addition, long-term unemployed systematically receive less employment services during their first four months of unemployment than short-term unemployed youth and their participation in active labour market programmes has been declining in recent years.

Certain groups face particular challenges in the labour market, including young mothers, migrant youth and Roma youth. First, young women with children have an increased risk of long-term unemployment, largely due to the weak financial incentives that parents of young children have to move into employment. For instance, single mothers who take up a low-paid job in Slovenia would lose more than 100% of their earnings to childcare costs, lower benefits and higher taxes – the average across OECD countries is only 62%. Out-of-pocket childcare costs are particularly high in Slovenia compared with other OECD countries and have been increasing in recent years for sole parents. Reducing those costs would not only help to bring young mothers (back) into the labour market, but can also help to protect children against poverty and strengthen equality of opportunity.

Second, the NEET rate among foreign-born youth is nearly three time as high as among native-born. While part of the problem relates to higher school dropout rates among migrant children, a significant share of NEETs with a migrant background do not register with the Employment Service of Slovenia. The ESS will therefore have to make major efforts to reach out to this group of unregistered NEETs with a migrant background. Targeted guidance or mentoring schemes for youth with a migrant background like in France

or Germany could also help migrant youth in their search for a (first) job and can help counter the lack of relevant parental contacts or information about the host-country labour market and its functioning.

Finally, young people from Roma communities also have a high NEET risk. The Government of Slovenia introduced a range of measures in the National Programme for Roma for the period 2017-2021 to address the challenges and problems of the Roma community, including employment support. However, the Employment Service of Slovenia does not have a comprehensive approach in place to tackle the problem of high unemployment among Roma youth, comparable to specialised councillors for youth and long-term unemployed. Among registered young jobseekers who voluntarily identify themselves as Roma only a small share participates in active labour market measures (even though they are an explicit target group) and they are much less successful than other young jobseekers in obtaining employment mostly due to incomplete and low education attainment. Personal data protection laws impede a better understanding of their specific challenges, but the available scarce information suggests that significant efforts are needed to improve the labour market integration of Roma youth.

List of recommendations

Keeping teenagers in school

Reduce early school leaving

Measures directed at all students:

- Consider raising the mandatory participation age to 18 for students who have not yet attained an upper secondary degree.
- Create transition programmes from basic to upper secondary school that allow students to gain a quick foothold in their new school and fill knowledge gaps.
- Allow students to flexibly catch up after the Covid-19 school closures, such as modular grade advancement and voluntary summer school.

Measures targeted at Roma students:

- Further train teachers in intercultural communication and Roma history.
- Extend the Roma teacher assistant programme to upper-secondary school and enhance activities to involve parents in schools' decision-making processes.
- Create mentorship programmes.

Measures targeted at students with a migrant background:

- Consider introducing language level evaluations for pre-school age children and equip non-language teachers with basic training in teaching Slovenian as a foreign language.
- Point immigrant parents to information on the school system and activities in their native language.
- Assess the skills and special needs of young accompanied refugees and provide them with reinforced academic and mental health support.

Identify and re-integrate early school leavers

- Establish clear responsibilities for tracking and contacting early school leavers, in accordance with existing restrictions of the privacy law.

Reducing skill mismatches through career counselling

Direct students to counselling and guidance that meets their needs

- Consider creating new positions for in-school career counsellors in regions where there are not enough career education professionals specialised in career guidance for youth.
- Offer students with high levels of need the possibility to have regular meetings with in-school counsellors.
- Direct students without additional needs towards out-of-school counselling options.
- Create cross-age peer counselling opportunities and encourage take-up of these.

Ensure the quality of career education

- Train subject-matter teachers in career education during their initial university degrees and professional development courses and integrate career education activities into different school subjects from an early age.
- Create tertiary-level certificates and degrees in career education and counselling.
- Develop benchmarking tools that schools can use to assess the quality of the career education and guidance they provide.

Increase employers' involvement in career education

- Strengthen school-employer engagement programmes that can encompass career fairs, workplace visits, job shadowing and internships.

Reinforce the knowledge about current and future skills needs

- Consider comprehensive sector- or region-specific skill needs assessments.
- Make it easier for counsellors and youth to access information about current and future shortage occupations.

Strengthening work-based learning in Slovenia

- Explore the possibility of a matching service between prospective apprentices and companies through the chambers of commerce.
- Identify apprenticeship ambassadors to promote the programme.
- Promote initial and continuous education courses for apprenticeship providers and exchange programmes between company mentors and vocational education teachers.
- Expand the apprenticeship occupations to include tertiary and highly technical occupations whose graduates can expect a comparatively high salary.
- Establish pre-apprenticeship programmes for prospective apprentices with knowledge gaps in key subjects.
- Evaluate the success of former apprentices and apprenticeship providers over the long term based on administrative and survey data.
- Consider whether subsidies for employers and extended training deadlines are necessary to ensure the success of the apprenticeship programme during the Covid-19 crisis and reallocate apprentices whose companies go out of business or close temporarily.

Improving students' transition to work

Enhance support services for students

- Ensure that all colleges and universities can offer a similar quality of career and other support services.
- Identify students at high risk of non-completion and offer them enrolment in structured academic and social support services. Programmes can include regular meetings with dedicated advisors and fixed learning groups that are accompanied by a more advanced student close to graduation.

Strengthen the financial incentives for on-time graduation

- Evaluate the effects of the 2016 university financing reform and consider whether a larger performance-related component would be useful.

Build stronger university-private sector links

- Continue existing university-industry cooperation projects that allow students to work on practical projects with university and company mentors.
- Favour co-operations that include different engagement channels such as joint university-company projects, staff exchanges between firms and universities and student internships.

Reaching out to unregistered NEETs

Develop an outreach strategy

- Give the ESS the institutional mandate and necessary resources to coordinate and implement the outreach strategy.
  - Map existing local outreach initiatives;
  - Strengthen existing collaborations and scale up local outreach initiatives where needed;
  - Explore the involvement of additional stakeholders;
  - Offer support to all stakeholders through information sessions on youth activation and integration services and distribution of awareness-raising material;
  - Encourage all relevant stakeholders to identify, contact and engage unregistered NEETs and bring them in contact with the ESS.
- Reach out to Estonia to learn about their data protection regulations in setting up a tool to link data from different registers to detect the young people in need of support (*Youth Guarantee Support System*).

Integrate monitoring and evaluation mechanisms

- Use the merged data put together for the purpose of the OECD NEETs study to learn more about the services unregistered NEETs received from the ESS in the past.
- Make better use of the annual satisfaction survey to learn more about young people's experiences with the ESS.
- Develop detailed targets and indicators in the design of the outreach strategy to evaluate the effectiveness of the interventions and programmes.
- Regularly monitor the implementation of the outreach strategy and improve where needed.

Mitigating the impact of the Covid-19 crisis

- Modernise and streamline practices at the ESS towards a digital, lean service delivery to free up resources for young people who need more support.

- Provide additional resources to the ESS to increase the counselling frequency and guarantee early intervention, especially for young people with additional labour market barriers, to support a sustainable integration into employment.
- Prioritise the introduction of a statistical profiling tool at the ESS to target and tailor employment services and programmes more efficiently to those youngsters who need it.
- Increase the resources for mental health support at the ESS, in order to increase internal mental health competences and to expand the network connections with the mental health sector.
- Consider the introduction of contracted-out employment services, which offers the possibility of scaling-up employment services capacity without long-term cost commitments.
- Deliver more training programmes for jobseekers (partly or fully) online.

Improving the activation of NEETs

- Improve the youth employment subsidy by introducing stronger requirements for post-placement investment in skills and monitor its implementation to raise the quality of the proposed jobs.
- Make better use of the rich ESS data by undertaking a rigorous evaluation of active labour market programmes to make well-informed decisions about where to invest the limited funding.
- Investigate and address the reasons behind the gap in service use between short-term and long-term unemployed youth, to improve service delivery for young people with a risk of long-term unemployment.
- Ensure stable funding sources for both ESS staff specialised in supporting young people and active labour market programmes for youth.
- Reach out to France and the city of Hamburg in Germany to study their mentoring programmes for (migrant) youth.

Reforming the public works programme

- Integrate guidance, skills assessment and post-placement activities into the public works programme, by
  - Agreeing on individual targets for each participant at the start of the programme, in close collaboration with the employer;
  - Introducing employer assessments of the skills and achievements of the participant both mid-way and at the end of the programme, to be undertaken in close collaboration with the ESS;
  - Providing individual post-placement activities;
  - Following up with targeted training, other active programmes or psychosocial support where needed;
  - Offering 6-12 months of on-the-job-support for participants who make a successful transition into the open labour market after a public works programme.

Improving activation support for Roma

- Explore hiring Roma mediators from local communities in the ESS local offices in areas with weak labour market outcomes among Roma youth, to bridge resistance among Roma people to work with public service providers (like in Bulgaria, Hungary and Spain).
- Study the feasibility to pilot an integrated support programme similar to the Spanish programme *Acceder*, which offers individual pathways, a wide range of training initiatives oriented towards

real job opportunities, a close public-private partnership and a one-to-one relationship with companies to overcome discriminatory attitudes towards Roma.

- Discuss collaboration with worker and employer organisations to develop mentoring, apprenticeships, and workplace coaching geared to giving young Roma experiences that could strengthen their prospects for long-term employment.
- Explore targeted outreach and mentoring schemes for young Roma out of work that could be developed in close collaboration with, or executed by, Roma (youth) organisations (taking the city of Derby in the United Kingdom as an example).
- Shift the focus of the multi-purpose Roma centres from organising activities towards providing more individualised counselling to members of the Roma community, as suggested by a recent evaluation.
- Reach out to Latvia to see whether their approach in promoting more dialogue between Roma families and professionals from municipal institutions and government agencies could provide new insight for the Roma centres in Slovenia.

Making work pay for young parents

- Explore how to address the financial disincentives to work for young parents, and in particular single parents, by
  - Studying the interplay between taxes, benefits and childcare costs, and their impact on the employment decisions of (young) parents;
  - Analysing the option to lower the out-of-pocket costs for childcare services for single parents, possibly through higher discounts for this group;
  - Brainstorming with all relevant stakeholders about alternative ways to improve the financial incentives for (parents) to take up work.

2 A profile of NEETs in Slovenia

This chapter provides a profile of young people who were neither in employment nor in education or training (NEETs) in Slovenia in 2018/19. After a description of the economic context and general labour market outcomes of young Slovenians, the report looks in detail at the personal characteristics of NEETs and other youth, NEET risk factors and NEET dynamics, and compares Slovenian outcomes with those in other OECD countries.

2.1. Introduction

Prior to the COVID-19 crisis, strong economic growth over several years had translated into improved labour market outcomes for the Slovenian population. Younger generations also benefited, even though their employment and unemployment rates had yet to return to pre-financial crisis levels. For younger and older Slovenians alike, the spread of the COVID-19 virus and the necessary containment measures led to an increase in unemployment. Some of the newly unemployed are likely to land on their feet and re-enter the labour market quickly. However, those who were already persistently inactive or unemployed prior to the pandemic are likely to struggle to find a job, and the same may be true for those who worked in hard-hit sectors. Given their relative lack of labour market experience and seniority, young people are over-represented among those who are affected by the economic crisis. Understanding the profile of young people who are neither in employment nor in education or training (NEETs) is a pre-requisite for devising better support. This report builds on a wide range of survey and administrative data to provide more details about the characteristics of Slovenian NEETs and their needs (see Box 2.1).

Box 2.1. Survey and administrative data sources used in this report

This report relies on a mix of survey and administrative data sources.The main surveys used to analyse the situation in Slovenia are the EU Labour Force Survey (EU-LFS) and the EU Statistics on Income and Living Conditions (EU-SILC). Comparisons with non-European OECD countries rely on their respective labour force and household panel surveys. The European Health Interview Survey (EHIS) provided additional information on the mental health of youth.

In addition, with the support of the Statistical Office and the Employment Service of Slovenia, several administrative data sources were merged. In particular, selected parts of the records of all 15-29 year-olds for the years 2011-18 were extracted from the population registry, the socio-economic database, various education databases, the income database and several databases from the Employment Service of Slovenia (unemployment stock and flow, client services and active labour market programmes databases). By merging these databases, it was possible to identify youth who were NEETs in January and distinguish those that remained so throughout the year (long-term NEETs) from those that reported labour income later on (short-term NEETs). It was also possible to tell apart youth who were registered with the ESS at some point during the year (registered NEETs) from those who did not register (unregistered NEETs). Through the detailed information from the population registry and socio-economic database, it was not only possible to analyse the characteristics of young NEETs and non-NEETs, but also of their parents – even if they no longer live in the same household. Finally, the information from the databases from the Employment Service of Slovenia gives insights into the support services different categories of NEETs receive. The time constraints of the current project placed limits on the scope of the analysis of the merged data, whose richness would allow even more insights than those reported here.

While the definitions of NEETs do not coincide perfectly across surveys and administrative databases, together the different sources can provide a more comprehensive view than either would permit on its own. For instance, respondents in labour force and household surveys self-report their employment status whereas administrative databases rely on reports to tax authorities to determine a person's employment status. As a result, some informally employed youth are likely to be misclassified as NEETs in administrative records. On the flip side, since the administrative data cover the entire youth population rather than just a sample, they allow a more granular analysis of the characteristics of NEETs, such as their countries of origin and characteristics of their parents. Even more importantly, the merged administrative data allow an identification of the population of NEETs who are not registered with the Employment Service of Slovenia and in particular whether they were ever registered.

The structure of the chapter is as follows: the first two sections describe the economic context and the employment and education outcomes of young Slovenians. These are followed by a section that presents the personal and well-being characteristics of NEETs, including a typology of different NEET groups and their respective size; and a section on the estimated fiscal costs of NEETs to the Slovenian State.

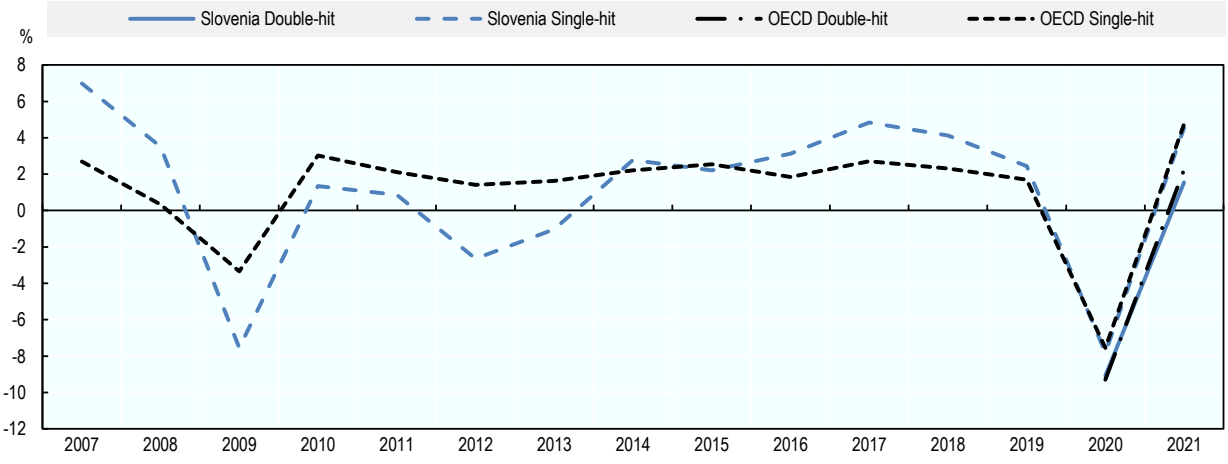
2.2. The economic and labour market context in Slovenia

2.2.1. The impact of the COVID-19 pandemic

The COVID-19 crisis interrupted the (albeit already slowing) growth trajectory of the Slovenian economy. To contain the spread of the SARS-CoV-2 virus, the government imposed a lockdown from mid-March to mid-May 2020, during which citizens' movements were limited and schools and non-food retail establishments were closed. The containment efforts were relatively successful, with comparatively few infections and deaths during spring and summer 2020. However, just like in almost all other European countries, infections started to accelerate again in fall 2020. As a result, the Slovenian Government re-imposed a series of restrictions, including limiting groups in the public sphere to six people maximum and prohibiting crossing municipal borders. As a result, the two infection waves scenario is now a reality rather than a conjecture, probably leading to even more drastic decreases in gross domestic product (GDP) than initially hoped. The projected 2020 decline in GDP, attributed in part to the restrictions to the service economy and to the decreased international demand for the outputs of Slovenia's manufacturing sector, is similar to the projected OECD decline: Slovenia's GDP is projected to contract by 9.1%, and the OECD's by 9.3%, under the double-hit scenarios with two infection waves and lockdowns (Figure 2.1).

Figure 2.1. The second COVID-19 wave is projected to further weaken 2020 growth and the recovery

Annual growth in GDP, Slovenia and OECD, 2007-19 (-21 projected)



Source: OECD (2020[1]), "2 scenarios in one dataset", *OECD Economic Outlook Nr. 107,* https://stats.oecd.org/index.aspx?dataSetCode=EO_EDITIONS.

The 2020 decline in GDP may rival or even exceed the drop that occurred because of the international financial crisis in 2009, which amounted to -8.4% in per-capita GDP. Recovery in Slovenia following that crisis had been slow, as the country also experienced a domestic banking crisis in 2012-13 that led to a further 4% per-capita decline. These recessions pushed Slovenia's per-capita GDP temporarily off its

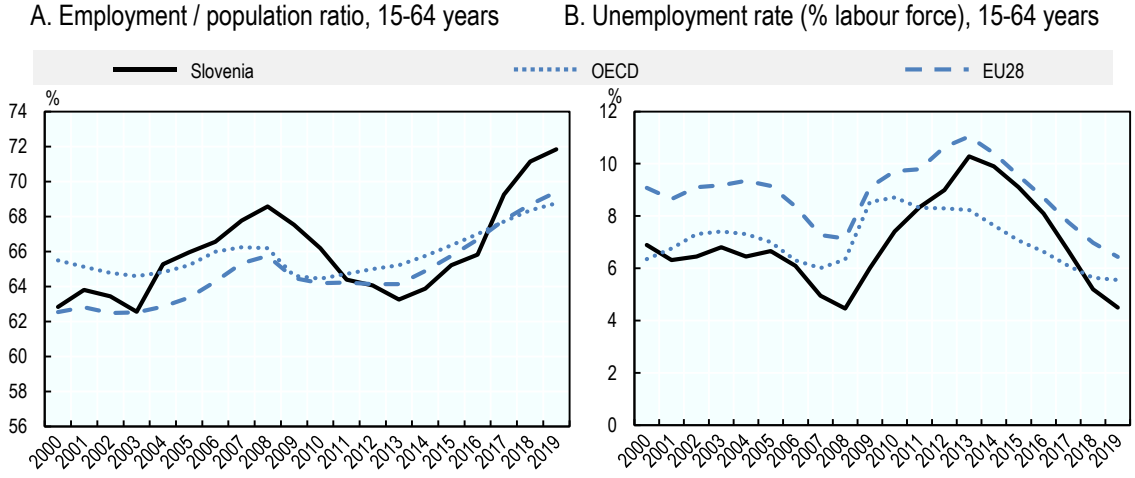
convergence path towards OECD and EU averages. Over the 2014-19 period, the economy displayed strong growth, with annual increases of GDP between 1.6% and 4.8%. The growth pattern outperformed that in the EU and OECD areas, where countries had an average per-capita GDP growth rate of 1.8% and 1.6% respectively over the same period. As a result, Slovenia's per-capita GDP was slowly approaching the OECD GDP per-capita average, reaching 84% in 2019 compared with 77% in 2013. However, in 2017 and in particular 2018, per-capita growth had already started to slow down.

2.2.2. Recent labour market trends

Government policies likely managed to blunt the COVID-19 caused increase in unemployment. Between March and April 2020, the OECD-wide unemployment rate rose by 3.0 percentage points. In Slovenia, the increase was only 0.4 percentage points (and a further 0.1 percentage points in May and June), though different classifications of workers on short-term work or temporary lay-off makes the cross-country comparison somewhat tenuous (OECD, 2020[2]). The newly created short-term work scheme certainly contributed to keeping the unemployment rate low. With around 277 000 participants at one point in time (OECD, 2020[3]), around one-third of dependent employees (as of December 2019)[1] were covered by the short-term work scheme. This share is among the highest of OECD countries for which information is available, though still far below the more than two-thirds coverage observed in New Zealand (OECD, 2020[2]).

The pandemic ended the positive labour market trends of the previous years. The pickup in economic growth prior to the COVID-19 crisis had translated into higher employment and lower unemployment (Figure 2.2). Strong job creation reduced the unemployment rate for the population aged 15-64 to 4.5% in 2019 – drawing equal to the low rate before the onset of the international financial crisis in 2008. Unemployment rates were below the OECD and EU averages and employment rates were higher. Employment rates in 2019 even surpassed the rates that were attained in 2008. As most of the easy-to-employ jobseekers had found a job, the labour market was tightening up and labour shortages started to appear (OECD, 2020[4]). The shrinking size of the youth population – which shrank from 436 000 in 2000 to 381 000 in 2010 and 309 000 in 2018 (OECD, 2020[5]) – likely contributed to these shortages. Firms were increasingly hiring immigrants and cross-border commuters, especially from former Yugoslav countries – accounting for nearly three-quarters of new hires (Bank of Slovenia, 2019[6]).

Figure 2.2. Economic growth translated into rising employment and declining unemployment



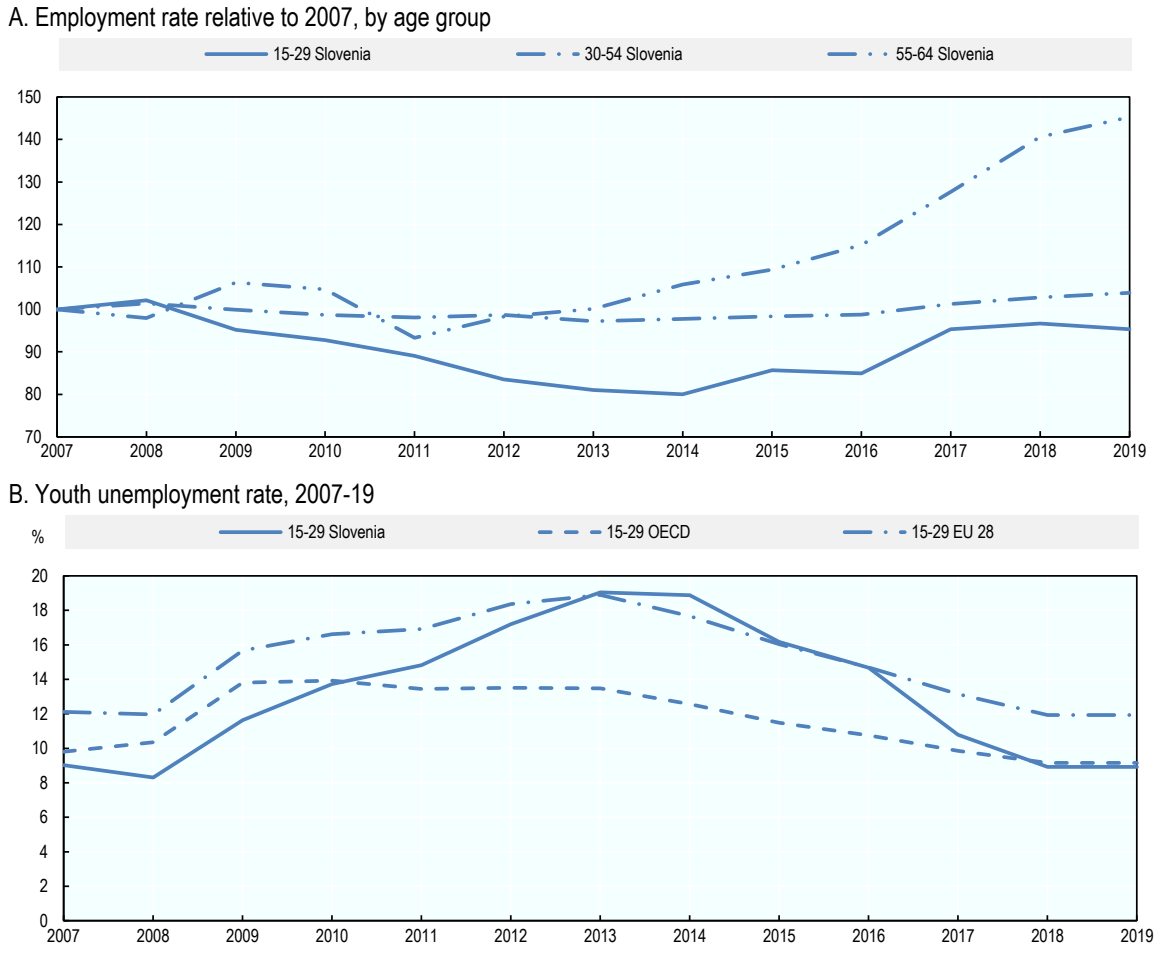
Source: OECD, "LFS by Sex and Age", OECD Employment Database, http://stats.oecd.org/Index.aspx?DataSetCode=LFS_D.

2.3. The education and employment performance of young Slovenians

2.3.1. Labour market outcomes of young people in Slovenia

Young people tend to be more affected by economic downturns than older generations. So far, the economic impact of the COVID-19 pandemic on Slovenian youth has had an important impact compared with other OECD countries, with unemployment rates among 15-24 year-olds 10 percentage points higher in the second quarter of 2020 than in the same period a year earlier (OECD average youth unemployment rates surged by 6.1 percentage points). Among Slovenian aged 25 years and over, unemployment rose by only 0.8 percentage points over the same period. Not only do young people have less seniority in their job and are more likely to have temporary contracts, which makes it easier to lay them off, the COVID-19 also hit sectors that employ a high share of young workers – in particular restaurants, bars and tourism – hard.

Figure 2.3. The economic crisis strongly affected youth employment outcomes in Slovenia



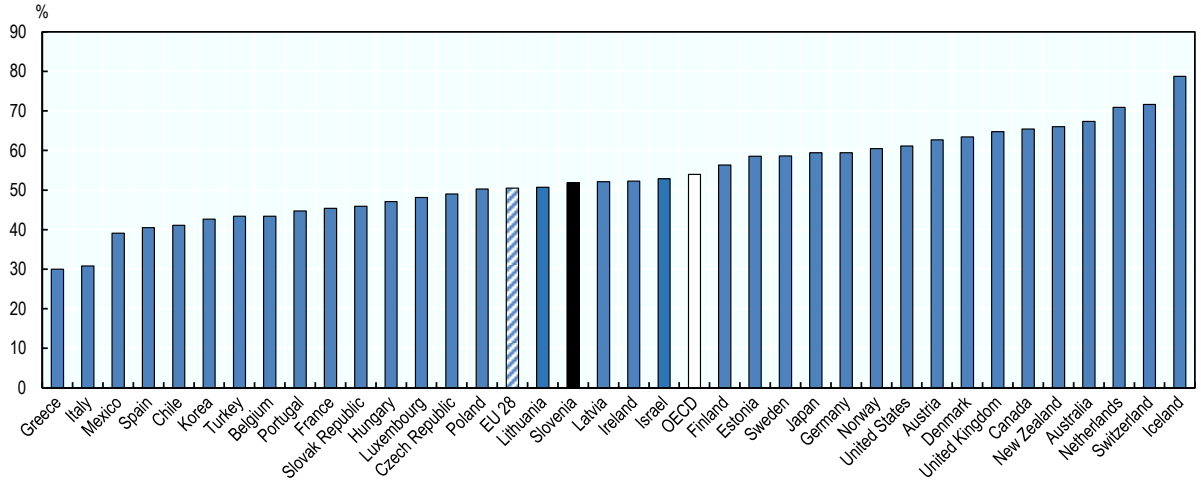
Source: OECD, "LFS by Sex and Age", OECD Employment Database, http://stats.oecd.org/Index.aspx?DataSetCode=LFS_D.

When the COVID-19 pandemic reached Slovenia, youth employment outcomes had not yet fully recovered from the previous crisis. At the depth of the economic downturn following the global financial crisis, the employment rate of 15-29 year-olds was only 80% of the 2007 rate (Figure 2.3, Panel A); by 2019, the rate was still below its pre-crisis level. In contrast, the share of employed 30-54 year-olds stayed relatively

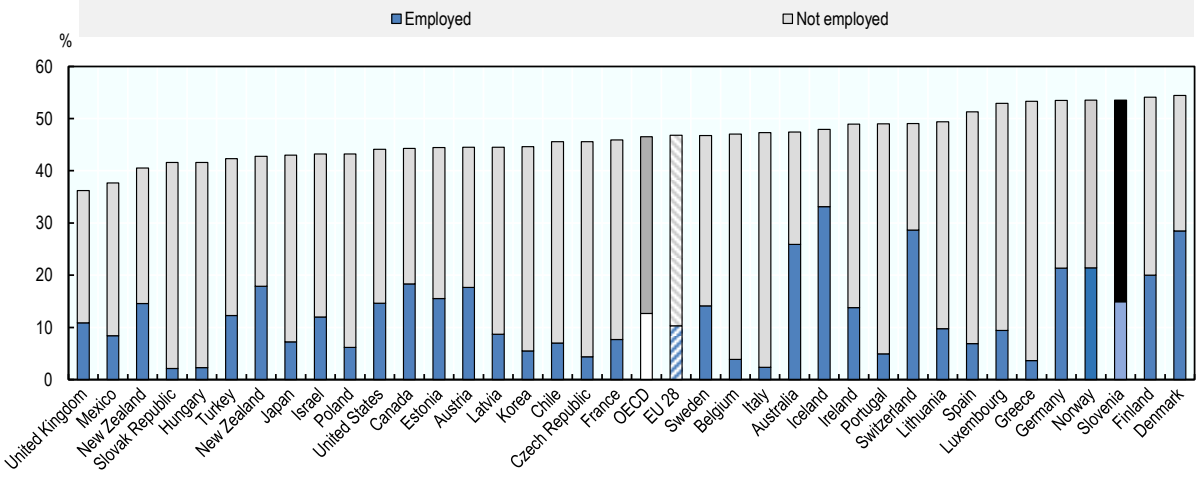
constant and the share of employed 55-64 year-olds even rose between 2007 and 2019. A similar pattern can be observed in youth unemployment rates (Figure 2.3, Panel B). Youth unemployment in Slovenia experienced a stronger increase in the years following the global financial crisis than in the average OECD and EU country, and the recovery took much longer. Nevertheless, by 2019, only 7.5% of the Slovenian youth labour force was unemployed, compared with OECD and EU averages of 9.1% and 11.9% respectively.

Figure 2.4. Youth employment is relatively low in Slovenia due to prolonged education participation

A. Youth employment rate in percentage of total youth population aged 15-29, 2018



B. Youth in education, as a share of total youth population aged 15-29, by employment status, 2018



Note: The share of youth in education in Australia, Israel, New Zealand and Turkey are from Education at a Glance. The reference year is 2014 for Japan and 2017 for Chile and the United States.
Source: Panel A: OECD, "LFS by Sex and Age", OECD Employment Database, http://stats.oecd.org/Index.aspx?DataSetCode=LFS_D. Panel B: Own calculations based on Labour Force Surveys and OECD (2019[7]), Education at a Glance 2019.

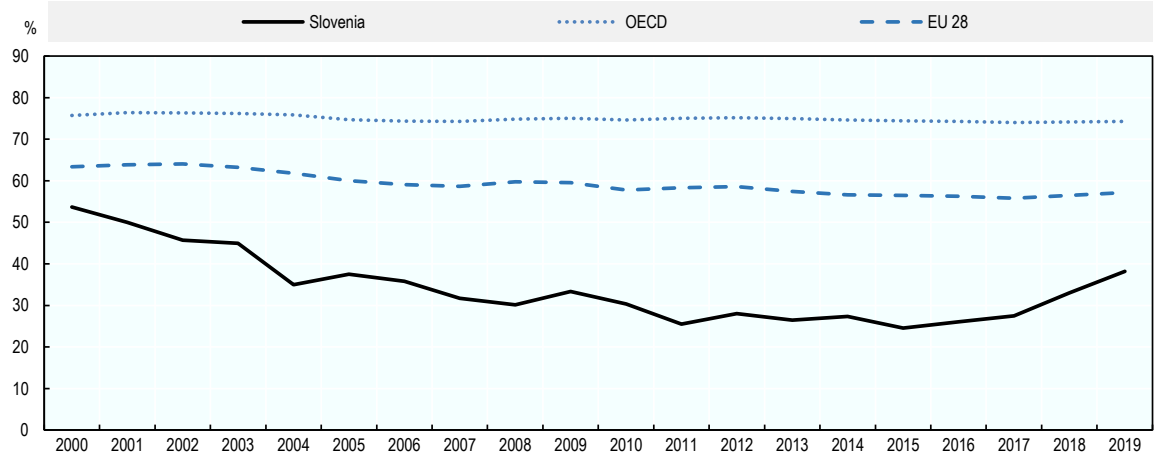
With 51.1% of 15-29 year-olds in employment in 2019, Slovenia has a lower employment rate than OECD countries on average (54.3%) – though slightly higher than the EU average of 50.9% (Figure 2.4, Panel A). One of the reason behind the relatively low employment rate is the long time young Slovenians spend in education. In 2018, the share of youth who were enrolled in education was the third-highest

among OECD countries (Figure 2.4, Panel B). At the same time, the share of young people who combine education and work is comparable for Slovenia and the OECD on average, reaching 27.8% and 27.2% respectively. Among university students, the share of working students rises to one-half (European Commission, 2015[8]), as many engage in 'student work', a contract only available to students. A series of reforms increased the student work agency fees and established full social security insurance requirements, reducing the financial advantages of this type of employment. Nevertheless, several advantages for employers remain, such as fewer protections against dismissal and exemptions from meal and travel allowances.

Younger workers are often temporary employees, but their share has recently fallen. Among 15-24 year-old employees, 38% held a permanent contract in 2019, compared to 74% across the OECD and 57% across the EU 28 (Figure 2.5). Once they reach the 25-34 year age group, however, the share of employees with a permanent contract rises to about three-quarters (European Commission, 2018[9]). According to a recent study, the 2013 Employment Relations Act – aimed to decrease cost differences between temporary and permanent contracts – made it more likely for temporary employees and unemployed people of all age groups to transition towards employment with a permanent contract (Vodopivec, 2019[10]). This outcome is reflected in a rising share of 15-24 year-olds with permanent contracts since 2015.

Figure 2.5. A low but rising share of young Slovenian employees are in permanent employment

Incidence of permanent employment among dependent employees aged 15-24, 2000-19



Source: OECD, "LFS – Employment by Permanency", OECD Employment Database, http://stats.oecd.org/Index.aspx?DataSetCode=TEMP_I.

2.3.2. The educational attainment of Slovenian youth

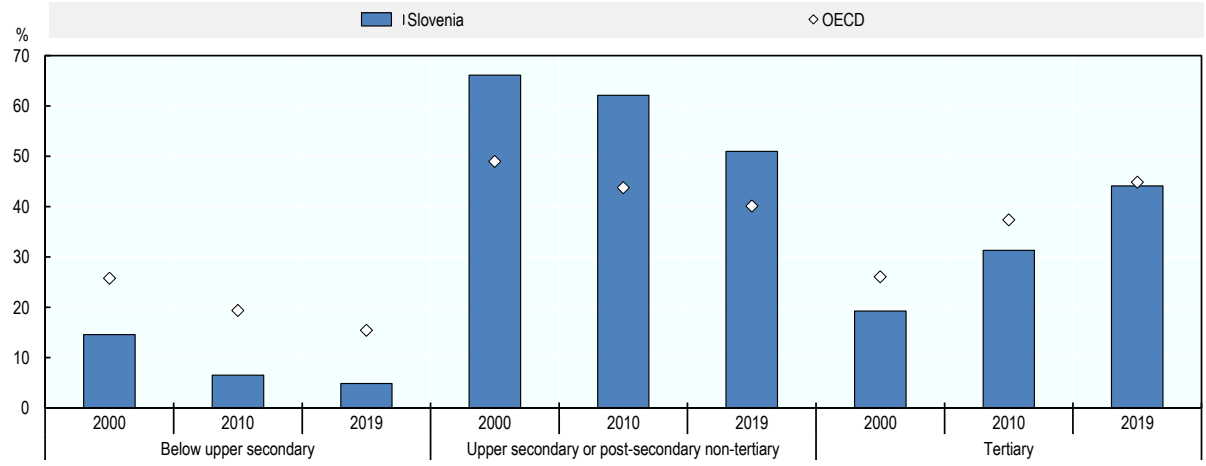
The educational attainment of the Slovenian population has increased drastically since the beginning of the century. Non-completion of compulsory education (up to age 15) is quite rare, even though some population groups, including Roma, are over-represented among dropouts. In 2019, fewer than 5% of 25-34 year-olds had not completed upper secondary school, compared with 14.6% in 2000 (Figure 2.6). This outcome also compares favourably to the OECD average of 15.4%. A higher share of men (5.5%) than woman (4.2%) do not complete upper secondary school.

About two-thirds of under-25-year-olds (excluding internationally mobile students) enrol at college or university. As a result of the attractive funding conditions (see Box 2.2), Slovenia has, with 66%, the fourth highest rate of youth who enter tertiary education at any point before their 25th birthday among

OECD countries for which the information is available, and well above the OECD(29) and EU(19) averages of 49%. However, the share who actually graduate with a bachelor's degree during the theoretical duration plus three years 53%, the lowest value among the 21 OECD countries and regions for which data on the cohort are available (OECD, 2019[7]). The share of tertiary graduates among 25-34 year-olds nevertheless increased rapidly over the past two decades, reaching 44.1% in 2019 (close to the OECD average of 44.9%). Women in particular are likely to have graduated from university: In 2019, 55.1% of women in the age group 25-34 had a university degree, compared to 34.3% of Slovenian men (OECD, 2020[11]).

Figure 2.6. Young Slovenians are increasingly highly educated

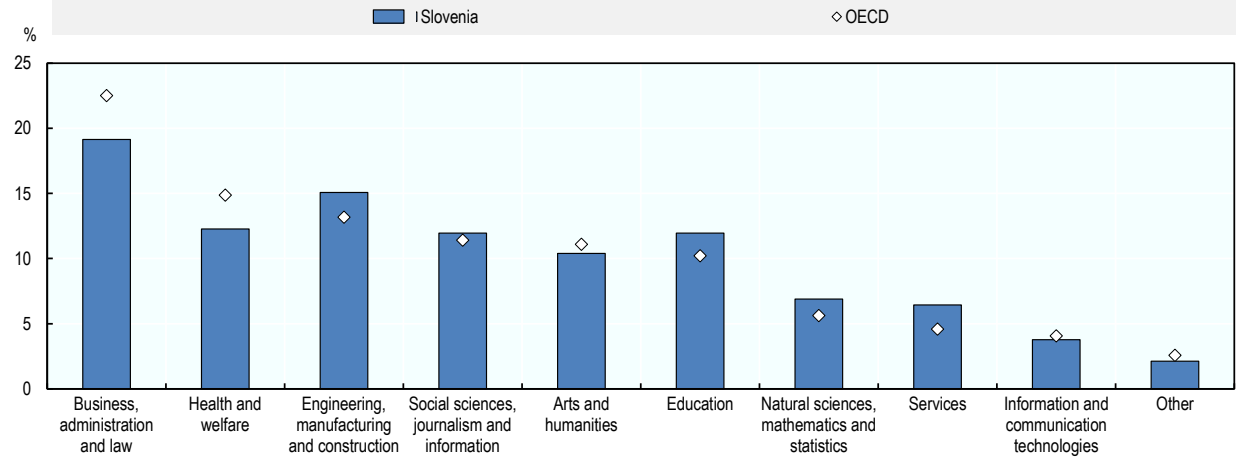
Highest level of attained education for 25-34 year-olds, by year



Source: OECD (2020), "Trends in educational attainment, by age group", http://stats.oecd.org/index.aspx?queryid=76794.

Figure 2.7. STEM degrees are slightly more popular in Slovenia than in OECD

Distribution of graduates from bachelor's degree programmes across fields, 2017



Note: 'Other' encompasses generic programmes and qualifications, unknown fields and agriculture, fishery and forestry graduates.
Source: OECD (2019[7]), *Education at a Glance 2019: OECD Indicators.*

Many Slovenian students choose vocational tracks and degrees in Science, Technology, Engineering and Mathematics (STEM). With 71% of upper secondary students enrolled in vocational or professional programmes, the share is considerably above the OECD cross-country average of 42% (OECD, 2019[7]). The gap with the OECD average closes at university level, where 26% of bachelor graduates in 2017 studied a STEM subject, compared to the 23% OECD average (Figure 2.7). Slovenian graduates also more frequently obtain a degree in a discipline related to education or service, while a comparatively lower share than elsewhere obtains a business, administration and law; health and welfare; or arts and humanities degree. The 2017 OECD Skills Strategy Diagnostic report noted that the relatively low percentages of health and welfare and information and communications technology graduates may contribute to skill shortages, although health sector shortages are currently local and speciality-specific (OECD, 2017[12]).

Box 2.2. Educational options for youth and adults in Slovenia

Slovenian children initially learn together rather than in separate tracks at young ages. An optional integrated pre-school system offers early childhood education and care for one to six year-olds (OECD, 2016[13]). Around 90% of three to five year-olds are enrolled, compared to the 87% OECD average (OECD, 2017[14]). From ages 6 to 15, children attend the mandatory basic school that combines primary and lower secondary education.

In upper secondary education, Slovenian students can choose between a variety of programmes. They can pursue four-year general academic or technical programmes that grant rights to university admissions in all or related technical fields, respectively. Alternatively, upper secondary students can choose two- or three-year vocational programmes. Unlike in the four-year technical programmes, students in three-year vocational programmes spend a quarter of their time in workplace training. Since 2016, schools, employers and the chamber of commerce jointly offer apprenticeships. Apprentices spend half of their time with the employer, who pays social contributions and compensation for meals and travel (OECD, 2017[1]).

For their higher education, Slovenians can choose between two-year programmes at higher vocational colleges and longer programmes at universities. Public and private universities that receive public funding are tuition-free for Slovenians under the age of 26. In addition, about a quarter of students receive a scholarship from government or private sources, including firms.

If they missed out on realising their educational goals when they are young, individuals can complete educational programmes later in life. Those who did not complete mandatory schooling can access either a programme intended to obtain this qualification or two-year upper secondary vocational programmes directly. Guidance centres associated with adult education programmes can assist people in selecting degrees. While adult-education programmes to complete a lower-secondary degree are free of charge, upper secondary programmes are not. Similarly, tertiary students who are older than 26 have to pay tuition fees. Under certain circumstances, part of this tuition can be reimbursed after completion of the programme. Multiple entries into the same programme are possible but limited in number.

Source:
OECD (2017), *OECD Economic Surveys: Slovenia 2017*, OECD Publishing, Paris, https://dx.doi.org/10.1787/eco_surveys-svn-2017-en.
OECD (2017), *OECD Family Database – Key characteristics of parental leave systems*, OECD Publishing, Paris, http://www.oecd.org/els/soc/PF2_1_Parental_leave_systems.pdf.
OECD (2016), *Education Policy Outlook Slovenia*, OECD, Paris, http://www.oecd.org/slovenia/Education-Policy-Outlook-Country-Profile-Slovenia.pdf.

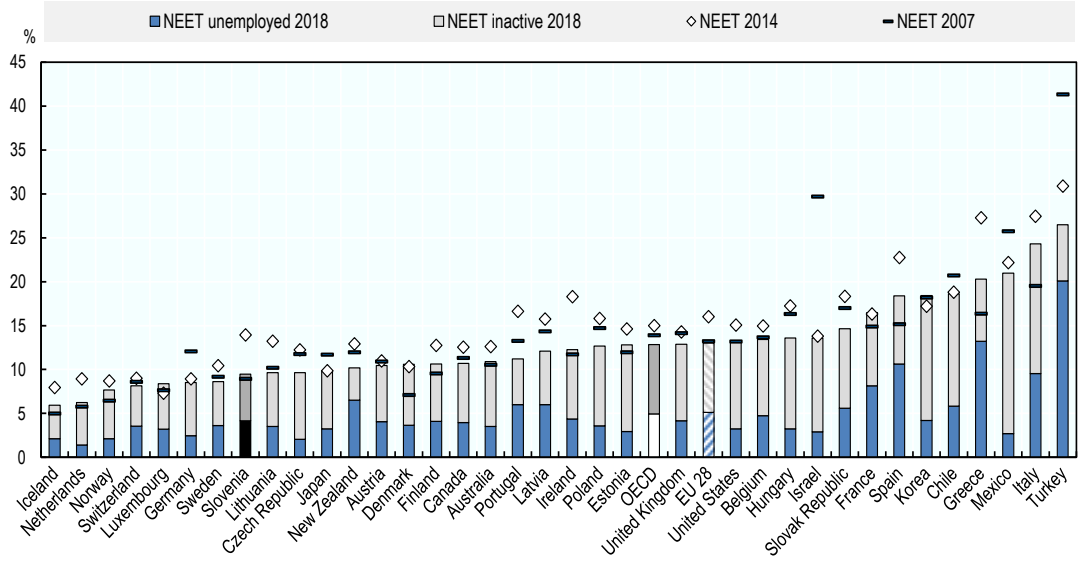
2.4. A profile of Slovenian NEETs

A group of young people are neither in employment, nor in education or training, the so-called NEETs. This concept is widely used as an indicator to inform youth-oriented policies to lower youth unemployment and engage as many young people as possible in the world of work. Yet, the NEET rate captures a heterogeneous group of young people, who can have very different reasons for being NEET. Some – often women – stay home to care for children or relatives. Others are intensively searching for a job, but face barriers to finding one. Yet others simply take a break from or after education to travel or to pursue other personal interests. Each of these and other groups face different opportunities and obstacles to move into employment or re-enter education. Gaining an understanding of the characteristics of the different NEET groups is an important first step to design efficient and cost-effective policies that address the obstacles faced by those NEETs with the most difficulties for re-integration.

In Slovenia, nearly one in ten young people are NEET. In Slovenia, nearly one in ten young people are NEET. With around 29 500 NEETs and at a rate of 9.5% among 15-29 year-olds in 2018, Slovenia ranks in the lower third of OECD countries, where the average stood at 12.8% (Figure 2.8). About 53% of youth who were NEETs at any point over the prior four years experienced long or repeated periods of inactivity; and an equal share (53%) were not registered with the Employment Service of Slovenia (15 600 young people). Despite its relatively good position in the OECD ranking, Slovenia's NEET rate has not yet fallen below the pre-crisis rate, which was 8.9% in 2007. At the height of the economic crisis, around 2014, the NEET rate had reached 13.9% in Slovenia, a considerable number, but still relatively low compared with some of the other countries in the region, like Italy and Greece, where the NEET rates were twice as high as in Slovenia. Important to note is that the share of unemployed NEETs in the total NEET rate is rather high for Slovenia: 43.8% of all NEETs reported that they were available for work and actively looking for a job in 2018, compared with 37.7% across the OECD.

Figure 2.8. One in ten Slovenian youth are NEET

Share of 15-29 year-olds who are neither employed nor in education or training, 2007, 2014 and 2018

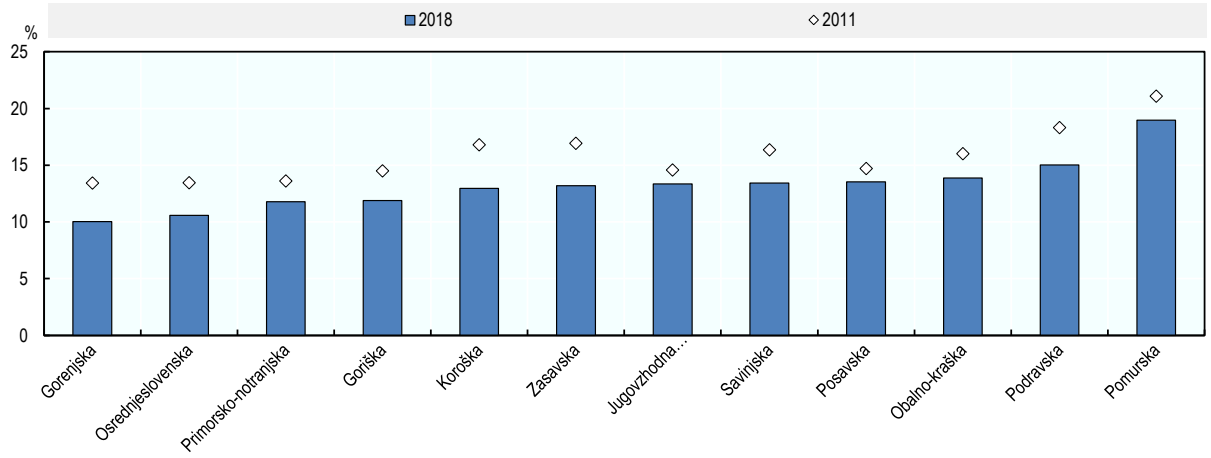


Note: The reference year is 2014 for Japan and 2017 for Chile, Israel and the United States. All of the values for Australia and Israel and the 2018 values for New Zealand and Turkey are from Education at a Glance. Youth with missing information about their educational attendance and who are in military service are excluded.
Source: Calculations based on Labour Force Surveys and OECD (2019[7]), Education at a Glance 2019.

Youth in Eastern Slovenia are more frequently NEETs than in Western Slovenia. According to 2018 registry data, almost one in five youth in the north-eastern Pomurska statistical region were NEETs. In contrast, in north-western Gorenjska, only one in ten were NEETs; and the NEET rate is only slightly higher in the capital region of Osrednjeslovenska (Figure 2.9). The evolution of NEET rates over the 2011 to 2018 period are relatively comparable across regions.

Figure 2.9. NEET rates in some regions in Slovenia are almost double those in others

NEET rates in NUTS3 Statistical Regions



NEETs are defined as individuals aged 15-29 who are classified as unemployed with or without prior work experience, social transfer recipients or inactive in January of the reference year according to the population registry data. Non-NEETs are the (self-) employed, farmers and contributing family workers, pupils and students. The category if social transfer recipients may include some individuals who are permanently unable to work.
Source: Own calculations based on Socio-economic characteristics of population and population registry data (SURS, 2020).

2.4.1. Characteristics of NEETs

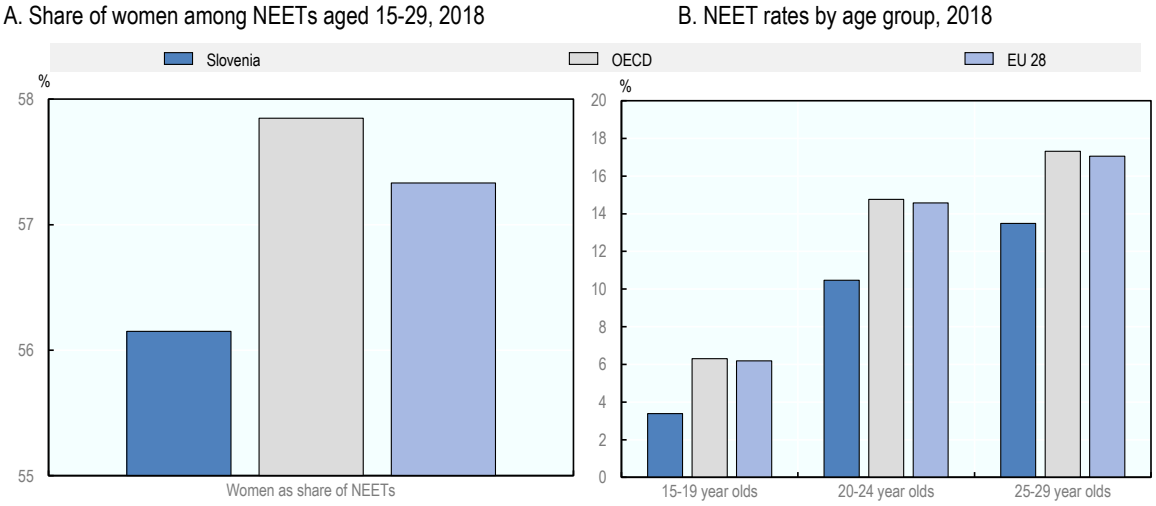
Women and older youth are both over-represented among NEETs. About 56% of Slovenian NEETs are women, close to the OECD cross-country average of 58% and the EU-28 average of 57% (Figure 2.10, Panel A). The NEET rate also tends to rise with age: both in Slovenia and in OECD countries on average, the NEET rates for 15-19 year-olds are less than half of those in the age group 20-24 and about one-third of those in the age group 25-29 (Figure 2.10, Panel B). For all age groups, the Slovenian NEET rates are significantly below the OECD and EU-28 averages, which is not surprising given the high share of young people who participate in education.

The NEET rate among foreign-born is nearly three time as high as among native-born in Slovenia: 24.2% compared to 8.3% (Figure 2.11). This difference is larger than for the OECD cross-country average (19.4% compared to 12.0%) and even more so than for the EU 28 cross-country average (17.6% compared to 12.2%). The difference was even more important in 2013 and 2014, in line with a common pattern that economic crises have stronger effects on the employment prospects of the foreign- compared to the native-born, and especially so among young workers (Chaloff, Dumont and Liebig, 2012[15]). However, while the native-born NEET rate continued to trend down between 2017 and 2018, the foreign-born rate once again increased. As a result, the share of NEETS who are foreign-born has increased steadily since 2015, reaching 19.8% in 2018.

Administrative data likewise suggests that NEETs more commonly were born abroad or had one foreign-born parent. Between 2011 and 2018, the gap in NEET rates between first-generation immigrants and

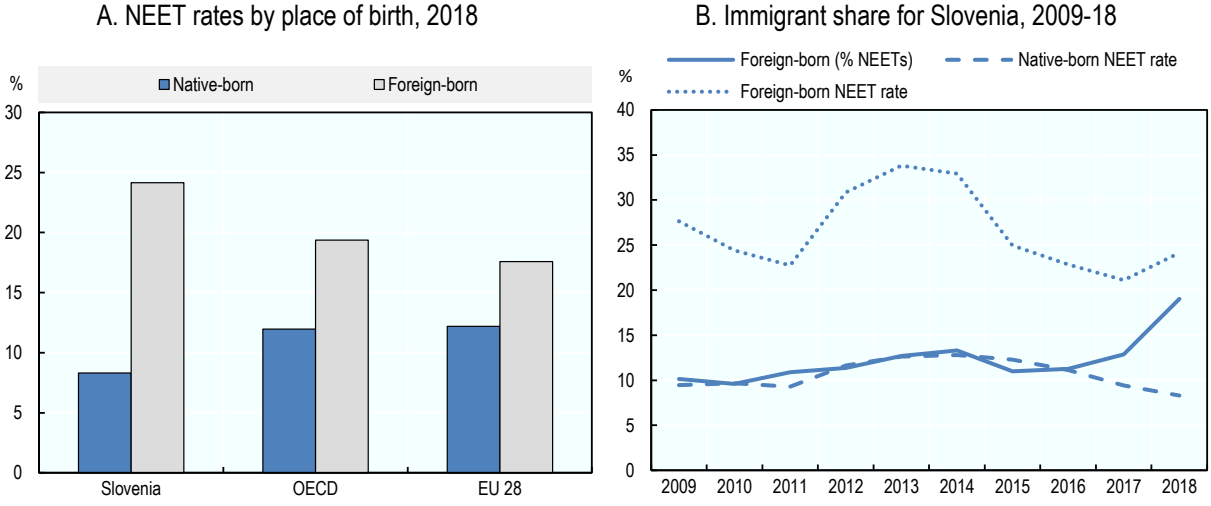
young Slovenians without an immigrant background rose from 8.3 to 13.7 percentage points; and the gap between second-generation immigrants and Slovenians without an immigrant background from 5.6 to 6.3 percentage points (Figure 2.12). Falling NEET rates among native-born Slovenians contribute more to the rising difference in rates than rising NEET rates among first-generation immigrants do. Among first-generation immigrants themselves, NEET rates are highest among those stemming from one of the 15 countries that were members of the European Union prior to 2004, followed by 'other' countries, other EU and Balkan countries. But since a much larger share of 15-29 year-old immigrants were born in a Balkan country, three-quarters of immigrant NEETs stem from a Balkan country.

Figure 2.10. Women and older youth are over-represented among NEETs



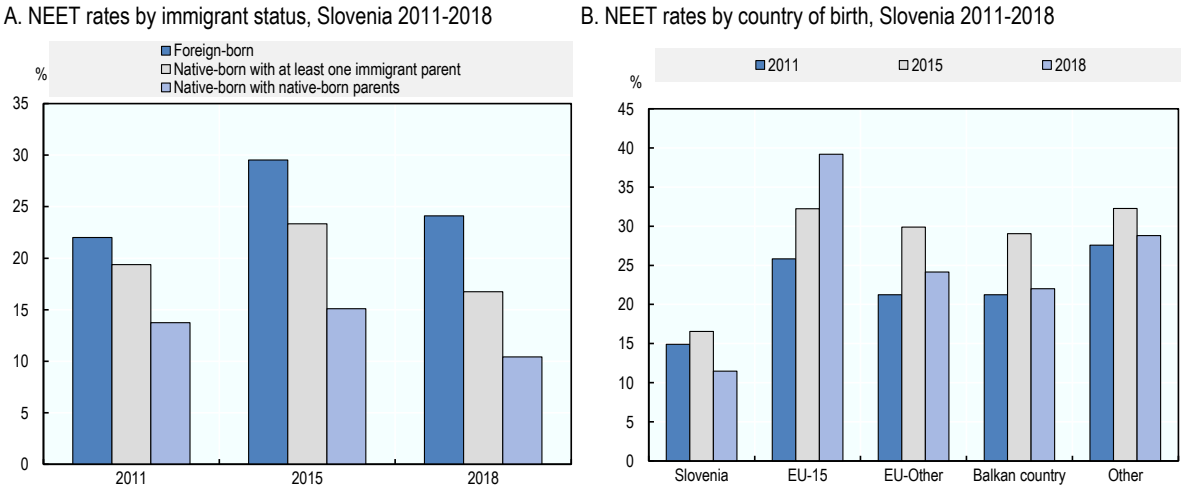
Note: The OECD average does not include Australia, Israel, New Zealand and Turkey. The reference year is 2014 for Japan and 2017 for Chile and the United States.
Source: Calculations based on labour force surveys.

Figure 2.11. An increasing share of NEETs in Slovenia are born abroad



Note: The OECD average does not include Australia, Israel, New Zealand and Turkey. The reference year is 2014 for Japan and 2017 for Chile and the United States.
Source: Calculations based on labour force surveys.

Figure 2.12. The gap in NEET rates between first-and second-generation immigrants on the one hand and native-born Slovenians on the other hand has increased since the early 2010s



Note: NEETs are defined as individuals aged 15-29 who are classified as unemployed with or without prior work experience, social transfer recipients or inactive in January of the reference year according to the population registry data. Non-NEETs are the (self-) employed, farmers and contributing family workers, pupils and students. The category if social transfer recipients may include some individuals who are permanently unable to work.
Source: Own calculations based on Socio-economic characteristics of population and population registry data (SURS, 2020).

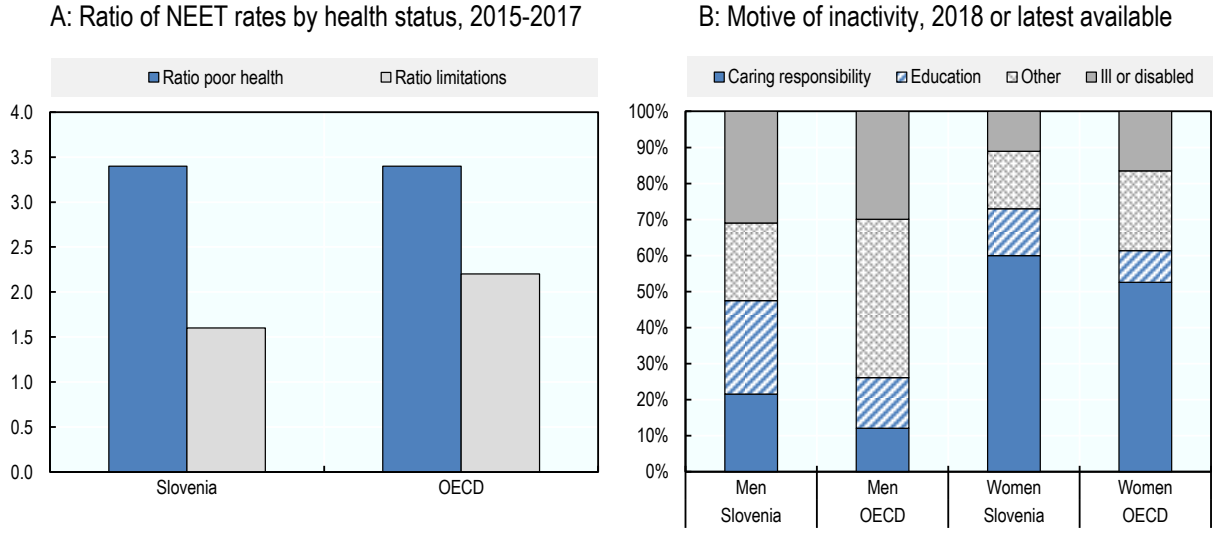
The NEET rate among Roma youth is generally thought to be much higher than among non-Roma youth, but precise figures are difficult to come by. Based on a specialised 2016 survey across nine EU countries (Bulgaria, Croatia, the Czech Republic, Greece, Hungary, Portugal, Romania, the Slovak Republic and Spain), it was found that 63% of the surveyed 16-24 year-old Roma were NEETs; and less than a quarter achieved an upper secondary qualification. Depending on the country, the rate is 3.6 to 7.3 times as high as the overall NEET rate among 15-24 year-olds. Moreover, with the exception of the Czech Republic, the NEET rate among young Roma women is significantly higher than among young Roma men. On average, the share is 55% among men and 72% among women (European Union Agency for Fundamental Rights, 2018[16]). It is likely that the same patterns hold in Slovenia. Relatively outdated data from the 2002 Census, for example, showed that 61% of self-declared Roma (which represent only 3 200 of the estimated 7 000 to 12 000 Roma living in Slovenia at the time) aged 20 to 24 had not attended or completed primary education, compared to less than 1% among the same age group of non-Roma origin. Another 21% completed only primary and 18% any type of secondary education. Only 3.6% had completed upper secondary education, compared to 61% in the general population (MIrovni Institut, 2012[17]).

NEETs tend to be less healthy than young people who work or study. One possible explanation is that health problems may prevent people from holding down a job or pursuing education. Another explanation is that not having a job may in itself lead to health problems, including because some unemployed people may have less access to high-quality health care. Indeed, the association between being unemployed and poor health is less pronounced in countries with higher unemployment benefit replacement rates (Vahid Shahidi, Siddiqi and Muntaner, 2016[18]). This meditating relationship of the welfare state may also help explain why for example in Germany (Schmitz, 2011[19]) and Finland (Böckerman and Ilmakunnas, 2009[20]), becoming unemployed was not associated with worsening health status (though the unemployment tended to be in worse health). Another factor that can influence the association is the extent of and speed at which individuals with health barriers are offered activation measures. The Employment Service of Slovenia's assessments of health barriers, which otherwise follow good practices, often happen relatively late (OECD, 2021[21]). The NEET rates among those reporting poor health is 3.4 times higher than for those who do not in both Slovenia and across the OECD (Figure 2.13, Panel A). In contrast, the

relative difference between those who report and do not report functional limitations is smaller in Slovenia than across the OECD. One in three male inactive Slovenian NEETs state they are inactive because they are ill or disabled (slightly more than the cross-country average of 30%). It is this the most frequently named motive for men, ahead of informal education and training (26% in Slovenia compared to 14% across the OECD) and caring or family responsibilities (22% compared to 12% across the OECD). In contrast, only 12% of inactive Slovenian women say they are so because they are ill or disabled (16% across the OECD). The large majority of inactive women (60%) have caring or family responsibilities, compared to the 53% cross-country average (Figure 2.13, Panel B).

As mentioned, poor mental health may be a risk for and a result of the NEET status. An association between poor mental health and being NEET was indeed found in a number of countries (OECD, 2016[22]; OECD, 2019[23]; OECD, 2018[24]). Different studies suggest that the causality can run in both directions: Rodwell et al. (2018[25]) show that adolescents in Australia with common mental health disorders were more likely to be NEET in their early twenties, whereas O'Dea et al. (2016[26]) did not find any associations between changes in depression and changes in NEET status in Australia among users of youth mental health services. Scottish individuals who had been NEETs 10 or 20 years earlier were 50% more likely to take antidepressant or antianxiety medication compared to individuals without a NEET background (Feng et al., 2015[27]). In the UK, rising self-reported mental health status have offset the 'protective' effects of rising education levels, leading to 2015 NEET rates that are very similar to those observed in the early 2000s (Holmes, Murphy and Mayhew, 2019[28]).

Figure 2.13. Youth who consider themselves ill have a higher NEET rate than those who do not



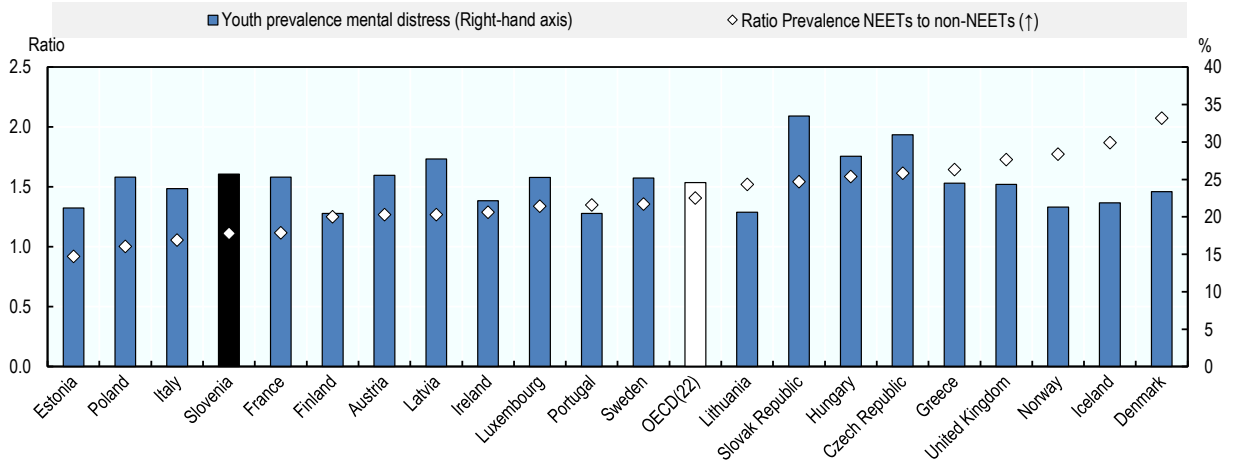
Note: The data refer to youth aged 15-29. Panel A: The ratios are equal to the NEET rates of those that report poor health/limitations over the NEET rates of those that do not. Individuals are classified as being in ill health if they report that their health is (very) poor. They are classified as having limitations if they state that they have had (strong) limitations in participating in activities that people usually do because of a health problem for at least the past six months. The results are based on pooled data from 2015 to 2017.
Source: OECD calculations based on household surveys including the European Union Statistics on Income and Living Conditions (Panel A) and labour force surveys (Panel B).

In Slovenia, the prevalence of mental distress does not vary as strongly between NEETs and non-NEETs as elsewhere. Based on the assumption that in each country, one fifth of the working-age population has some form of mental distress, it identifies the 20% with the most negative answers to eight mental-health related questions concerning for example whether they feel sad, fatigued, have lost appetite or interest in things they used to enjoy, etc. as being mentally distressed. The advantage of setting different cut-off

points for mental distress in different countries is that cultural norms may affect how willing people are to admit that they struggle with mental health challenges. Around one-quarter of youth in Slovenia were classified as being in mental distress, meaning that it is more common for them than the working-age population as a whole (Figure 2.14). This higher prevalence among youth is by no means restricted to Slovenia. With the exception of Estonia and Poland, NEETs are more likely to belong to the 20% with the most mental distress than non-NEETs. Yet in Slovenia, the ratio of the prevalence in the two groups is among the lowest among the included European OECD countries.

Figure 2.14. A similar share of NEETs and other youth in Slovenia experience mental distress

Prevalence of 15-29 year-olds with mental distress and ratio of prevalence among NEETs and non-NEETs, 2013-15



Note: The prevalence of mental distress is set at 20% of the working-age population of each country, corresponding to the 20% with the highest combined scores on eight questions mental health questions. The prevalence across countries can thus not be compared, but a prevalence above 20% suggests that youth experience more mental distress than the entire working-age population; and a ratio of the prevalence among NEETs and non-NEETs above one suggests that it is more common among NEETs than non-NEETs.
Source: Calculations based on the European Health Interview Survey.

Despite affordability not being an issue, relatively few young Slovenians consult psychologists or psychotherapists; 3.1% of young respondents in Slovenia reported that they had consulted a mental health professional in the past 12 months, compared to 6.5% across the included countries. The share of NEETs who did so is 1.4 times higher than among non-NEETs, a difference that is actually larger than the relative difference in mental distress. Only 1.7% of Slovenian youth indicated that they could not afford mental health care, with the difference between NEETs and non-NEETs being marginal. In contrast, across the included countries non-affordability was twice as frequently a problem among NEETs than non-NEETs. Together, these results suggest that mental health service access for NEETs is not a major issue in Slovenia; but that raising awareness of mental health issues and the potential benefits of seeing a mental health professional among all youth could be beneficial.

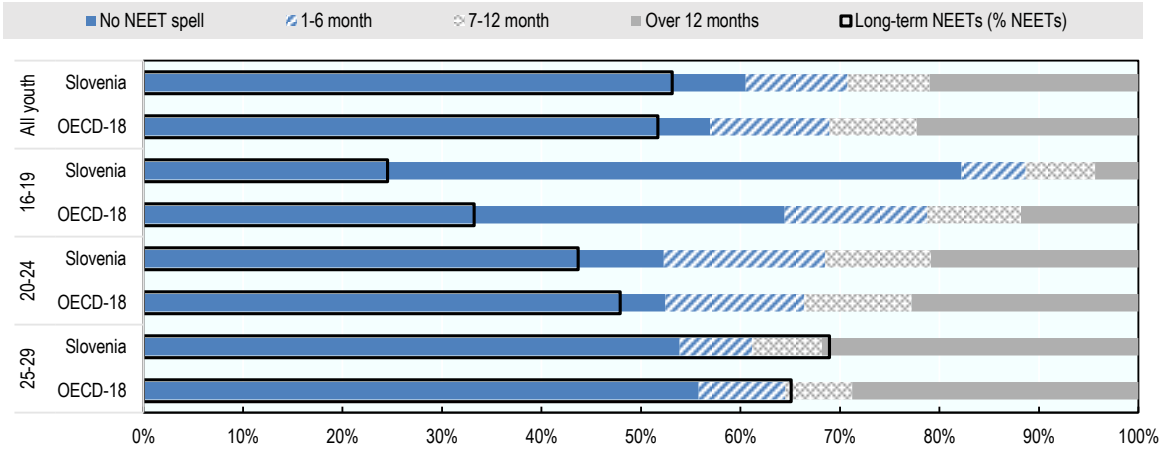
2.4.2. Characteristics of long-term NEETs

Many young people go through short NEET spells without major repercussions on their well-being and future economic opportunities. For example, recent graduates may take a few months to search for a job without future employers thinking any less of them. In contrast, being a NEET for a longer period can (but need not to have) adverse effects on a young person's well-being and ability to complete further studies or find a job. It is therefore important to look in more detail at the length of NEET spells.

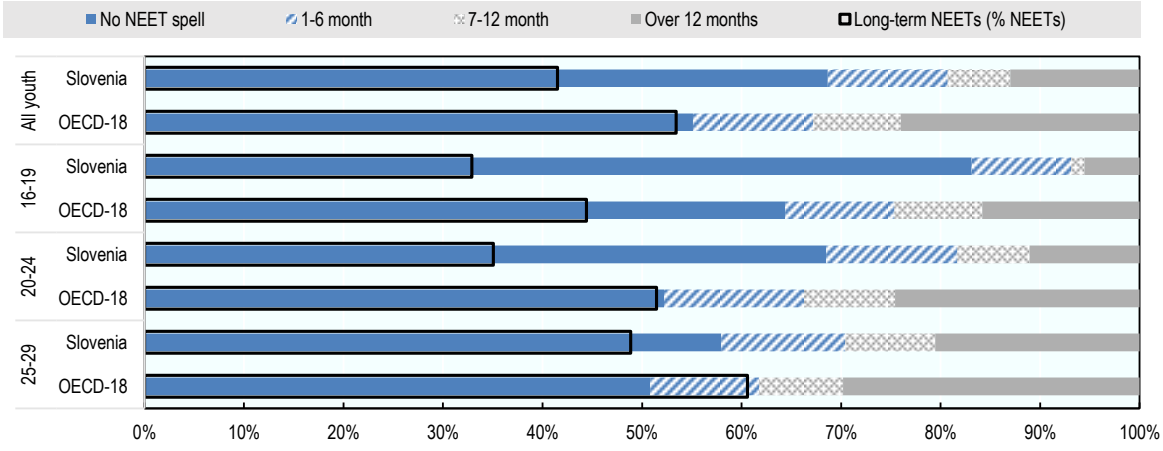
In Slovenia, about half of all NEETs remain in the status for a year or more during the 2014-17 period (dark bar in Figure 2.15, Panel A). This share nearly equals the cross-country average for the 18 European OECD countries for which the same information is available. However, the similarities hide differences across age groups: The share of long-term NEETs among 16-19 and 20-24 year-old Slovenian NEETs is below the cross-country average, whereas it is above average among 25-29 year-olds. Around three in five long-term NEETs in Slovenia are between 25 to 29-year-old, compared to only one in two on average in the 18 European OECD countries. Compared to the 2010-13 period, the share of long-term NEETs in Slovenia dropped in the 16-19 age group but rose in the other two (Figure 2.15, Panel B). This shift was most drastic among 25 to 29-year-olds. In this age group, the share of long-term NEETs among NEETs increased by 20 percentage points.

Figure 2.15. Two in three older NEETs in Slovenia remain inactive for longer periods

A. Distribution of youth across NEET durations and share of long-term NEETs, 2014-2017, by age group



B. Distribution of youth across NEET durations and share of long-term NEETs, 2010-2013, by age group



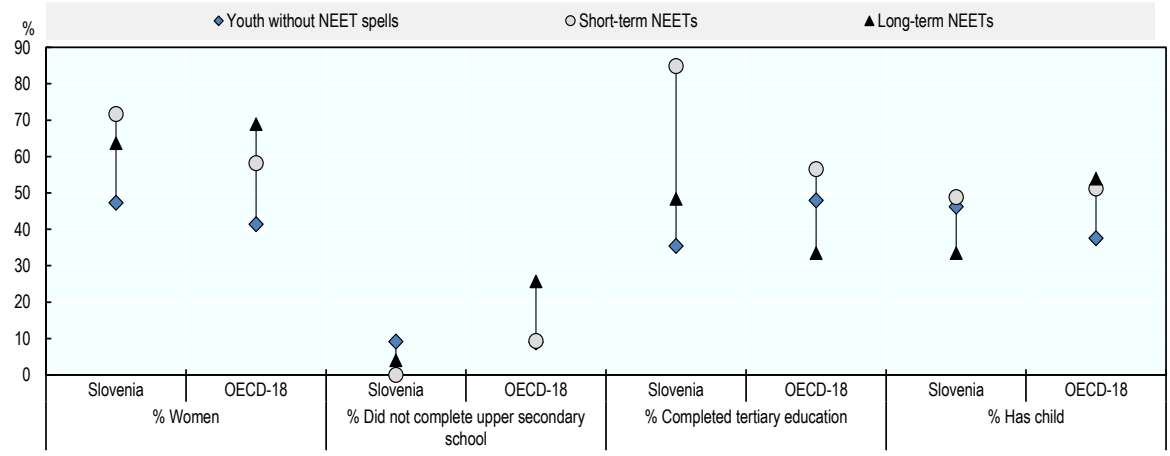
Note: OECD-18 refers to the average for Australia (2013 only), Austria, Belgium, the Czech Republic, Estonia, Finland (2017 only), France, Greece, Hungary, Italy, Latvia (2017 only), Lithuania (2017 only), Luxembourg, Norway, Poland (2017 only), Portugal, the Slovak Republic (2013 only), Slovenia, Spain, Sweden, Turkey (2013 only) and the United Kingdom (2013 only). Long-term NEETs are defined as those that accumulate more than 12 months of NEET status over the respective four-year period. Since the OECD reference groups are not composed of the same countries, they cannot be directly compared between the two time periods.

Source: OECD calculations based on the European Union Statistics on Income and Living Conditions and the Household, Income and Labour Dynamics in Australia (HILDA) Survey.

Further analysis suggests that long-term NEETs in the age group 25-29 are less likely to have completed tertiary education than those with short NEET spells and they are less likely to have a child (Figure 2.16). The difference in educational attainment is particularly large in the case of Slovenia, where 85% of short-term NEETs have a tertiary degree compared with only 48% among long-term NEETs. For the 18 OECD countries for which similar information is available, the gap is only 23 percentage points. Long-term NEETs in Slovenia are also less likely to be female than short-term NEETs, even though the share of women in both groups is quite high (64% and 72% respectively).

Figure 2.16. Long-term Slovenian NEETs are less likely to have completed tertiary education or to have a child than those short NEET spells

Percentage of respective group with stated characteristic among 25-29 year-olds in 2017



Note: OECD-18 refers to the average for Austria, Belgium, Czech Republic, Estonia, Finland, France, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Norway, Poland, Portugal, Slovenia, Spain and Sweden. Short-term NEETs refer to individuals who were neither in employment nor education or training for one to six month over the 2014-17 period; long-term NEETs to those who are NEETs for more than a year.
Source: Calculations based on the *European Union Statistics on Income and Living Conditions* 2014-17 panel.

The different socio-economic characteristics of NEET tend to be interdependent. For example, 28-year-olds are far more likely to be parents than 17-year-olds are. In order to understand the relationship between a characteristic and NEET durations, these characteristics need to be analysed through a regression analysis. This analysis leads to several interesting results (Table 2.1):

- In Slovenia, compared to single childless men, married men and fathers accrue on average fewer NEET months. This result is similar across the European OECD countries, although the coefficient is not statistically significant for single fathers for this group and the difference between childless single and married men is larger in Slovenia than across the included European OECD countries. As a comparison country, the relationships are less strong in Austria.
- Over the entire 15-29 year-old youth group, the average NEET duration for childless women is not statistically different from the average NEET duration for childless single men with similar characteristics, whether or not these women are married. When the sample is restricted to 25-29 year-olds, however, Slovenian childless women living with a partner have average NEET durations that are five months longer than single childless men with similar other characteristics.
- Across the included OECD countries and in Slovenia, single mothers spend 9-11 months longer as NEETs over a 48-months period than otherwise similar single childless men. In contrast, while

married mothers across the OECD also spend about 9-11 months longer as NEETs as unmarried mothers, in Slovenia, the NEET duration of married Slovenian mothers is not statistically distinguishable compared to otherwise similar single childless men.

- Self-reported poor health is associated with six and nine additional NEET months in first, Slovenia and Austria, and across the OECD, respectively. The link is more pronounced among 25-29 year-olds. In this age group, the association between poor health and NEET duration is stronger in Slovenia than across the OECD or in Austria (13.4 versus 10.5 and 9.6 months); and associated with a larger increase in the average NEET duration than any other characteristic analysed in the regression. However, given that the measure is self-reported and imprecise, the cross-country differences should be interpreted with caution.
- Completing upper secondary and tertiary education shaves off 9-13 months of the average NEET duration in Slovenia, Austria and across the included OECD countries. The difference in the NEET durations between high school and university graduates is larger across the OECD than in Slovenia and even more so than in Austria. In Austria, by the late twenties there is no more relationship between educational attainment and NEET duration.
- Parental employment status has a larger influence on the average NEET duration than parental education status, but both characteristics have less of an influence than the youth's personal characteristics.
- In sum, children for single women and low education are the strongest determinants of the NEET duration in Slovenia.

Table 2.1. Having a child is associated with a longer NEET duration only for single women

Regression coefficients indicating the marginal effect of having the listed characteristic on the NEET duration

	Slovenia	Austria	Austria	OECD (25-29)	
-5.4	-5.4	-0.1	-0.1	-3.4	-3.4
-7.4	-7.4	4.2		5.5	5.5
-4.2	-4.2	-3.6	-0.1	-3.6	
0.4	0.4	-0.5	-0.5	1.5	1.5
0.6	0.6	-0.5	-1.6	0.3	0.3
11.7	11.7	1	11.9	8.8	8.8
4.0	4.0	16.1	16.1	10.5	16.1
6.4	6.4	6.3	6.3		16.1
-9.0	-9.0	-10.2	-10.2	-9.6	-
-11.0	-11.0	-10.8	-10.8	-12.5	-12.5
0.8	0.8	-0.4	-0.4	-1.1	-1.1
2.3	2.3	-0.1	-	-0.2	-0.2
-3.5	-3.5	-2.3	5.5	-7.4	-7.4

Note: Linear regression results with robust standard errors based on pooled 2015 and 2016 panel data. Age and age squared are included as control variables. In the cross-country regression, country fixed effects are also included. The sample includes individuals who were not NEETs over the respectively covered 48-months period. Grey cells with figures in italics indicate results that are not statistically significant at the 0.1 level. An individual is considered as single if they are not living with a spouse or partner and as married if they are. Parental status is only identified for youth who live with their parents.
Source: Estimations based on the *European Union Statistics on Income and Living Conditions*.

For several reasons, these results should be interpreted with caution. First, the included individual and family characteristics only account a small part of the variation in the duration of the NEET status over the 48 months: In the Slovenia-specific regressions, they account for around 16% and in the cross-country regression for 27%. Second, the NEET durations are censored, since it is not possible to observe whether

someone who is NEET during the last month they are observed in the panel remains so afterwards or returns to education or finds a job. This means that the linear regression model used above does not yield consistent estimates. However, robustness checks using a Tobit model generally provide results that are qualitatively similar to the ones shown in Table 1.1, apart from the result that the marginal effect of being a mother no longer strongly differs between single and married women. Third, part of the analysed period includes a more difficult labour market environment. While it is possible that the relationship between certain characteristics and the probability of remaining NEET for a long time have changed since then, it is equally possible that the marginal effects of characteristics that make it harder to establish oneself on the labour market remain constant (despite the lower mean duration for all groups).

2.4.3. Social benefit receipt, employment support and poverty

Working-age individuals in Slovenia, including young people, are eligible for a number of benefits:

- **Unemployment benefits:** Unemployment insurance benefits are available to workers whose employers terminate their open-ended contracts or whose fixed-term contracts run out. The minimum insurance period is typically nine months over the previous two years, but workers under the age of 30 only need to have paid into the system for six months. The potential benefit duration for young and middle-aged workers is relatively short: two months for under-30-year-olds who were insured for six to ten months; three months for people insured for more than ten months to five years; and six months for people insured between five and 15 years. During the first three months, benefits can amount to 80% of the prior monthly earnings, but within minimum and maximum amounts from EUR 530 to EUR 893 (Employment Service of Slovenia, n.d.[15]).
- **Financial social assistance:** This means-tested benefit is available for individuals whose families' income and property are below a minimum level. For single individuals, the maximum amount is EUR 402 (Ministry of Labour, Family, Social Affairs and Equal Opportunities, 2020[16]). However, if a person works or volunteers, he or she can receive a supplemental activity allowance. For single individuals, the maximum amount is EUR 607 minus their labour income (provided that the person is active for more than 128 hours per month) or EUR 507 minus their labour income (provided that the person is active between 60 and 128 hours per month and volunteers). Additional emergency assistance is also available. The Centres of Social Work (CSW) administer the financial social assistance, but working-age individuals who are able to work also need to register with the Employment Service of Slovenia (ESS) in the registers of unemployed persons or job seekers. Students who have job seeker status only have to report to the ESS once during the six month following registration; while unemployed persons have to be active job seekers and are not allowed to refuse suitable employment.
- **Child benefits:** Child benefits are granted to one of the parents or legal guardian with a registered residence in the Republic of Slovenia, up to the age of 18, if he or she also fulfils other conditions under the law governing family benefits. The level of the child benefit varies with the number of children, the monthly household income, single parent status, the age of the child and whether or not pre-school children are in childcare.

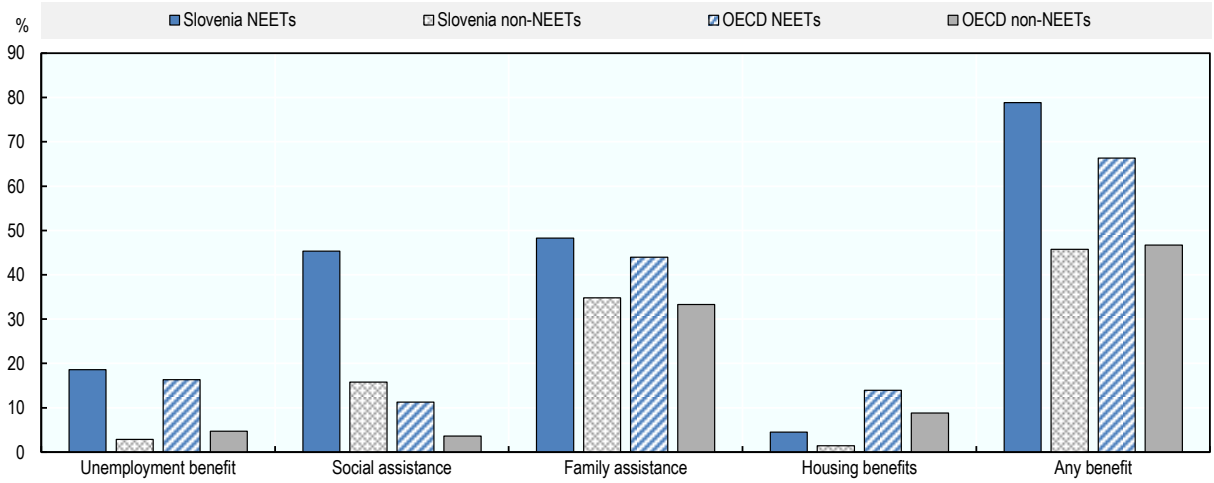
Calculations based on the European Union Statistics on Income and Living Conditions show that nearly four in five NEETs or their families receive some kind of social benefit (Figure 2.17). Even though only one in five NEETs receive unemployment benefit, close to one in two lives in a household that receives financial social assistance (45%) and/or child benefits (48%). The reliance on financial social assistance is particularly high compared with other OECD countries, where only 11% of NEETs lives in a household that benefits from social assistance.

NEETs may receive benefits more frequently because their need is larger due to their inactivity or personal situation, such as having children or being disabled, or because growing up in a socio-economically disadvantaged household increases their probability of being NEETs. Disaggregating the recipient rates

by whether youth are living with their parents or not reveals that the higher receipt rate of financial social assistance among NEETS is particularly pronounced among NEETs who live with their parents (56%) compared to those that do not (29%). In contrast, the share receiving family assistance is much higher among those who no longer live with their parents (81% of NEETS and 45% of non-NEETs) compared to those who do (25% among NEETs and 32% among non-NEETs). Youth living with their parents tend to be younger and less likely to have children. The high share of NEETs receiving social assistance thus indicates that many among them come from households that are socio-economically disadvantaged. The high share of NEETS who are no longer living with their parents who receive family assistance indicates that many among them are young parents who are NEETs because of childcare obligations.

Figure 2.17. A comparatively high share of young NEETs receive social benefits

Share of youth aged 16-29 (living in households) receiving benefits, 2017



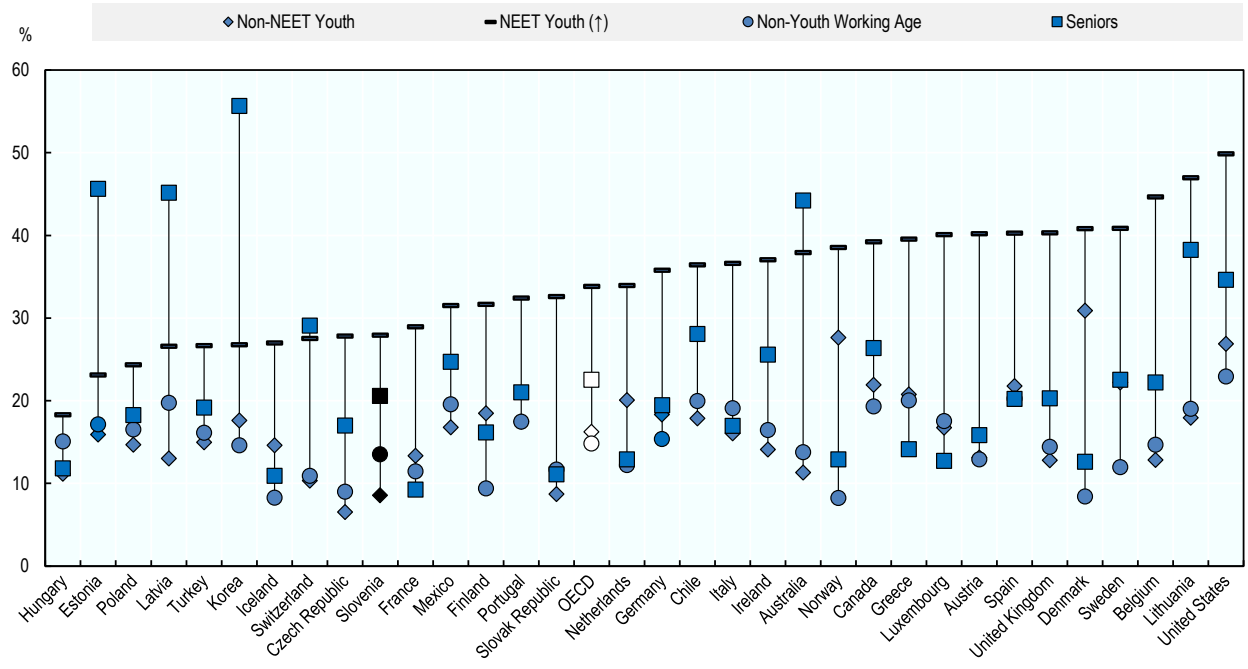
Note: Benefit receipt rates show the share of young people who report having received a positive amount of benefits during the past year as a share of all 16-29 year-olds. The share refers to 2017 or the latest available year – 2012 for Japan, 2015 for Turkey, and 2016 for Canada, Iceland, Ireland, Korea, Norway, Switzerland, and the United Kingdom. Benefit receipt is reported at the individual level for unemployment benefits and at the household level of social and family assistance and housing benefits. The 'any benefit' category also includes youth who receive disability but none of the other named benefits.
Source: Calculations based on household surveys including the European Union Statistics on Income and Living Conditions.

Despite the high benefit coverage, one in four Slovenian NEETs are poor. In contrast, only 8.5% of non-NEETs in 2017 lived in households with an equalised income below 60% of median income, a common poverty measure (Figure 2.18). While this outcome is nearly half the OECD average of 16.5%, the rate among NEETs is much closer to, though still below, the OECD average (27.9% compared to 34.3%). The poverty rate is higher for youth not living with their parents compared to those that do for both NEETs and non-NEETs in both Slovenia and across the OECD. But while among that non-NEETs who have moved out from home, the poverty rate is higher among those that do not have children (20%) compared to those that do (14%) in Slovenia; the opposite is true for NEETs (27% for those without children and 42% for those that do).

The income gap to 'non-poverty' is particularly high for young single people without children. In 2018, a 25-year-old who worked for one year and has been out of work for six months (and hence does not receive unemployment benefits) had an income (financial social assistance EUR 402) amounting to 61% of the at-risk-of-poverty threshold for a one-person household of EUR 662. If the same 25-year-old volunteered, his or her income (EUR 507) amounted to 77% of the poverty line.

Figure 2.18. NEET youth have higher poverty rates than other population groups in Slovenia, but are better off than NEETs in many other OECD countries

Poverty rates by age group as share of age group, 2017



Note: Individuals are defined as poor if they live in a household with an equivalised household income (household income adjusted by the number of household members) below 60% of median income. The poverty rates refers to 2017 or the latest available year, which is 2012 for Japan, 2015 for Turkey, and 2016 for Canada, Iceland, Ireland, Korea, Mexico, Norway, Switzerland, and the United Kingdom. The age categories are 16-29 years for youth, 30-64 for non-youth working age and 65+ for seniors.
Source: Calculations based on household surveys including the European Union Statistics on Income and Living Conditions.

2.5. Transition pathways and groups of NEETs

Even NEETs with similar length of their NEET status may have quite different school-to-work transition patterns. Some may take a yearlong break once they graduate but find and stay with a job immediately after. Others may oscillate back and forth between short employment and unemployment spells, or find themselves unable to return to paid employment after a parental leave. A better understanding of these different pathways and of the socio-economic characteristics that are associated with them could potentially make it possible to create more targeted services that are appropriate for each group.

To get a picture of the different pathways from school to work, unemployment or inactivity, young people who were NEETs at least once during a four-year period are categorised into five to seven different groups, depending on their age group. The groupings are created through a cluster analysis (see the note of Table 2.2). Since the trajectories of 16-year-olds are likely to look very different from those of 28-years old, youth are divided into three age groups: 16-19 year-olds, 20-24 year-olds and 25-29 year-olds. The groups represent the following typologies of school-to-work transitions:

1. *Students:* Individuals in this group spend the majority of the four-year period enrolled in an educational institution.
2. *Workers*: Youth in this group of transition typology are on average working two to three out of the four years.

3. *Stable transitioners*: Young people in this group on average spend two years in education. Their integration into the labour market is often relatively smooth, with the time spent in employment amounting more than three times the time spent in unemployment. This transition pattern only applies to 20-24 year-olds.
4. *Unstable transitioners:* This transition pattern is predominately present among under-25-year-olds. These youth still spend a substantial time in education, but they are often unable to find a job when entering the labour force.
5. *Unstable workers:* Youth that follow this pattern have often already left education and are therefore represented in the over-20-year-old category. They only spend slightly more time working than being unemployed. Many of the individuals in the 20-24 year-old group are often initially unemployed but then transition to a more stable employment, while 25-29 year-olds often go back and forth between employment and unemployment.
6. *Persistent unemployed:* Individuals in this group on average are unemployed for three or more years.
7. *Persistent inactives:* This group mirrors the sixth group, but rather than being unemployed, youth are inactive for three or more years.

Figure 2.19 shows examples of activity trajectories of different groups of 16-29 year-old NEETs, whereas Table 2.2 provides information about the number of months spent in each activity.

The comparison of pattern frequencies between Slovenia and the other included European OECD countries suggests a number of conclusions:

- Reflecting Slovenia's high educational attainment compared to other European OECD countries, the 'student' pattern is over-represented in all age categories and the single largest group among 16-19 and 20-24 year-olds, at 59% and 39% compared to the OECD averages of 37% and 14%, respectively. The unstable transitioners group, in contrast, is less common among Slovenian teenagers than on average across the included OECD countries, but more common among Slovenians in their early twenties compared to the OECD average. Nevertheless, the share of unstable transitioners is higher among teenagers than among youth in their early twenties both on average and in Slovenia, suggesting that the immediate graduation-to-work transition is more difficult for younger than older youth.
- The particularly problematic patterns – persistent unemployed and inactives – are less common in Slovenia than on average across European OECD countries, even though the share rises with age from 11% among 16-19 year-olds (OECD: 17%) to 28% (OECD: 39%) among 25-29 year-olds. The same patterns hold when the trajectories of unstable workers and unstable transitioners are included. This observation confirms that older NEETs in Slovenia tend to struggle more than younger NEETs.

It would be ideal to be able to predict whether a young person who recently became inactive or unemployed will remain so for a long time, but this is difficult to do on the basis of the current survey data. First, many of the factors that likely influence someone's chances of easily transitioning from education to work – such as their school performance or whether they live in a region with a diversified and growing economy – are not captured in the panel data. Second, the panel is relatively short and therefore omits important background information. For example, for older youth we cannot always observe the period following graduation. Whether or not a person lands a job during this period may have long-term effects on their labour market success. Third, the number of young Slovenian respondents that belong in particular to the smaller groups is low, making it difficult to estimate the relationship between even a few characteristics and the probability of belonging to a given group.

Table 2.2. Slovenian youth stay in education longer, but late transitions to the labour market can be more difficult

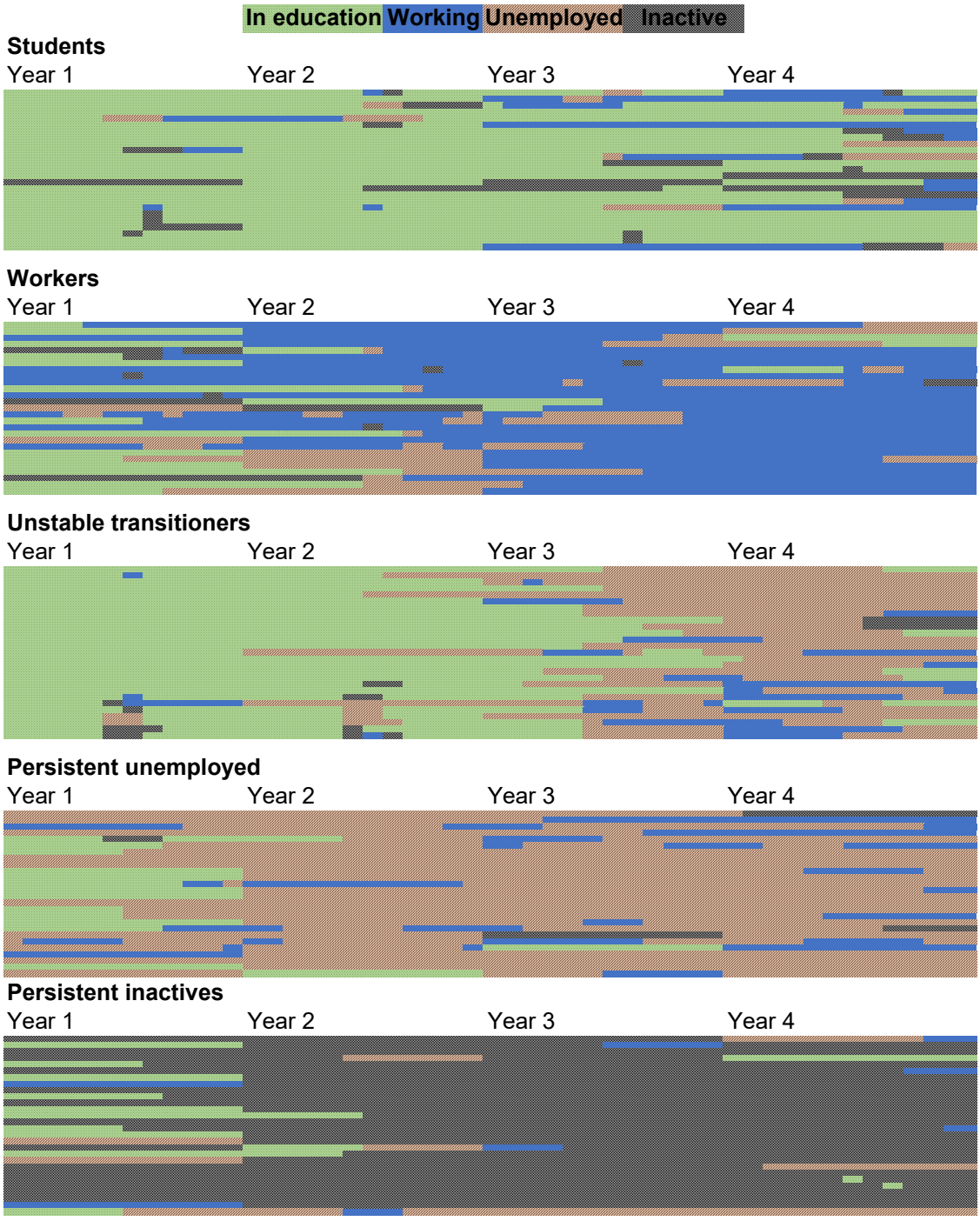
Months spent in different activities over a 48-month period and shares by clusters

	Months spent in each activity in Slovenia				Share (%)	
16-19	In Education	Working	Unemployed	Inactive	Slovenia	OECD
Students	35.7	5.6	2.7	4.0	59	37
Workers	9.9	27.6	7.7	0.3	12	20
Unstable transitioners	27.8	2.4	16.6	1.1	18	27
Persistent unemployed	10.5	5.2	36.9	0.9	10	12
Persistent inactives	6.1	1.0	1.2	3	1	5
20-24						
Students	36.1	3.3	6.8	1.8	39	14
Workers	2.0	37.5	10.5	3.5	14	29
Stable transitioners	23.1	18.5	10.5	1.4	10	10
Unstable transitioners	16.6	5.5	24.6	1.2	12	6
Unstable workers	0.3	24.5	19.7	1.0	11	15
Persistent unemployed	1.8	4.4	40.5	1.3	11	16
Persistent inactives	2.7	3.7	5.5	36.2	2	10
25-29						
Students	28.2	7.0	11.0	1.9	17	6
Workers	0.2	39.8	4.7	3.2	29	33
Unstable workers	2.5	24.2	19.4	1.8	27	23
Persistent unemployed	1.1	3.8	41.6	1.4	21	16
Persistent inactives	0.6	7.8	3.5	36.1	7	23

Note: The OECD share refers to 21 European OECD countries. Each included individual in the sample reported on their activities during each month of the prior year over a four-year period. The included youth are within the age group during the first year they are observed in the survey. The grouping is carried out using Ward's hierarchical clustering separately for each age group. The trajectory characteristics that are taken into account are the most frequent activity status (working, in education, NEET unemployed and NEET inactive) in the first and last five months of the four-year period, the share of time spent in each status and the number of transitions.
Source: Authors' calculations based on pooled data from the 2012-15, 2013-16 and 2014-17 longitudinal EU-SILC.

Despite these caveats, a preliminary analysis nonetheless reinforces the conclusion that mothers are much more likely to be in one of transition patterns with longer average periods of unemployment and inactivity. This analysis is based on multi-nominal logit regressions that relate the likelihood of falling into any of the groups as compared to belonging to the 'student' group to individuals' basic characteristics (age, sex, educational attainment, and being in poor health and being a parent during the first six month of panel inclusion). Many estimated coefficients in these regressions are not statistically significant. Among 16-19 year-olds, only an individual's age provides any information about which pattern someone is likely to follow. Among 20-24 year-olds, the relative risk that a mother belongs to persistent inactives as opposed to the student group rises by a factor of 58 compared to men. For mothers, the relative risk that she falls into persistent unemployed, the worker and the unstable workers groups are also higher, but much less so than the persistent inactive group. Having completed secondary or tertiary education actually lowers the relative risk of being in any of the other groups compared to falling into the student group; though none of the coefficients are statistically significant for the stable transitioners group. In the 25-29 year age group, the coefficients on the educational attainment variables are no longer statistically significant. The relative risk for young mothers to belong to the groups of unstable workers or persistent inactives compared to being students rise by a factor of 7 and 61, respectively; while their relative risk of being workers or persistent unemployed change by a factor of 0.5 and 0.4, respectively.

Figure 2.19. Examples of activity trajectories of young NEETs



Note: The included youth are aged 16 to 19 at the beginning of the period and were NEET for at least one of the observed 48 months.
Source: Authors' calculations based on the 2015-17 longitudinal SILC.

2.6. The fiscal costs of NEETs

2.6.1. Prior estimates and methodology

Existing NEET cost estimates predominantly focus on economic rather than fiscal costs. A first estimate by the OECD (OECD, 2016[29]) concentrated solely on the opportunity costs of youths not working by estimating what their wages would likely have been based on their observed characteristics. The estimated cost of 1.4% of Slovenian GDP was equal to the OECD average. Eurofound (2012[30]) also estimated forgone earnings, but in addition included the 'excess' welfare benefits NEETs received in comparisons to non-NEETs. They arrived at a 1.5% of GDP cost for 2011, compared to the EU-26 average of 1.2%. The two existing estimates rely on a number of simplifying assumptions. First, they disregard some cost categories, such as the cost of employment services. Second, they implicitly assume that NEETs and their families and communities do not derive any value from the activities that NEETs pursue instead of working or studying. The example of a parent staying home to look after their children is one where it is particularly clear that this activity represents a benefit to the family and a saving for the community. A focus solely on the public budget costs associated with NEETs has the advantage of not requiring any assumptions about the value generated by NEETs' non-market activities.

A number of researchers have estimated the long-term costs of NEETs for countries other than Slovenia. Since it is difficult to predict the life course of all NEETs and non-NEETs, they have often relied on fictitious life courses for different NEET sub-groups. In some cases, they can rely on longitudinal studies on the scarring effects of being a NEET. For example, a Swedish twin study found that long-term NEETs on average had 60% lower incomes ten years later than their twins who were not NEETs (Andersson, Gullberg Brännstrom and Mörtvik, 2018[31]).

Focussing on short-term public sector costs of NEETs, several components can be identified, including forgone tax revenues, social security contributions, higher benefit spending for NEETs compared to non-NEETs and the cost of the provision of services by the ESS and CSW. Costs that may arise from higher usage rates of health services (for example, because of negative mental health effects of being NEETs) and potentially higher incarceration are also part of NEET costs, but are even harder to estimate. The costs are counter-balanced by short-term savings, including public education costs of a NEET who would otherwise be in education and the public child-care costs of the children of NEETs who would need child care if their parent(s) were working or in education. Of course, in particular the educational cost saving is only a benefit in the short term. In the medium and long term, lower expected tax payments and higher public benefit payments can be expected to erase any short-term savings.

2.6.2. Estimated short-term fiscal costs of NEETs

The income tax and social security contributions that NEETs would have made if they were not inactive tend to be quite limited. The estimation applies average tax and social security contribution rates (for single workers without children at average earnings) to the imputed annual labour income (using a Heckman correction that adjusts for the selection into employment based on observable characteristics). It likely overestimates the forgone tax and social security revenues because many NEETs would likely have a lower income and thus pay lower marginal tax rates. Despite this potential over-estimation, the fiscal cost of missing tax revenues from NEETs in Slovenia is minor: It only amounted to around 0.14% of GDP in 2017, compared to the average of around 0.16% for 16 European OECD countries (Table 2.3).

Since NEETs receive higher public benefit payments on average, they represent additional expenditures for the Slovenian state. Across European OECD countries in 2017, the difference in average public benefits received by NEETs compared to non-NEETs that year (including unemployment and disability as well as household size-equivalised social assistance, housing and family benefits) ranged from EUR 331 in Spain to EUR 8 749 in Denmark. In Slovenia, the difference was EUR 1 231. This amount translates to

a public finance cost of 0.09% of GDP, compared to the average of 0.13% across the included European OECD countries. A validation based on administrative data shows that the survey-based estimate is of the right order of magnitude: In 2017, youth whom the demographic database listed as unemployed, inactive or social transfer recipients on average received EUR 1 097 more in financial assistance throughout the year than youth who were working or in education. In 2018, the difference amounted to EUR 1 239.

Table 2.3. The short-term net fiscal costs of NEETs in Slovenia are below the average for European OECD countries

Estimates based on the EU-SILC (2018 or latest available)

	Costs						Short-term savings				Net short-term costs	
	Forgone income tax and social security contributions		Transfer payments		PES services		Public education		Child-care expenditures			
	% GDP	Amount per NEET (EUR)	% GDP	Amount per NEET (EUR)	% GDP	Amount per NEET (EUR)	% GDP	Amount per NEET (EUR)	% GDP	Amount per NEET (EUR)	**% GDP**	**Amount per NEET (EUR)**
Slovenia	4	1 851	0.09	1 231	0.05	653	0.21	2 769	0.00	68	**0.07**	**899**
Average	6	2 678	3	2 677			6	2 176	0.05	1 291	**0.06**	**1 888**

Note: The total labour costs of Employment Service of Slovenia (ESS) are estimated based on ESS data (for the global ESS labour and programme costs and the share of youth among the unemployed) and the EU-SILC (for the number of NEETs). The PES service cost and child-care expenditure estimates are for 2018 and the other estimates for 2017. The averages are non-weighted based on Austria, Belgium, the Czech Republic, Denmark, Estonia, France, Finland, Hungary, Italy, Ireland, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom. Denmark, Finland, Lithuania, the Netherlands, Norway and the Slovak Republic are not included in the averages of forgone income tax and social security contributions and the education cost saving estimates. Public expenditures per student and per child in early education and care are derived from OECD (2019[32]), *Education at a Glance 2019: OECD Indicators* and the OECD Family Database (OECD, 2017[14]), respectively.
Source: OECD estimates based on the 2017 and 2018 wave of the EU-SILC.

Registered NEETS also generate costs for the public employment service, though these short-term costs likely pay off quickly in terms of a faster labour market re-integration. For the PES services cost estimates, the ESS provided information on active labour market programme and labour costs, which were multiplied by the share of unemployed in 2018 who were aged 15-29 (to arrive at the cost that could be attributed to that age group)[2] and divided by the total number of NEETs (to arrive at the per-NEET rather than per-registered unemployed youth estimate). The costs amount to EUR 653 per NEET, or 0.05% of GDP. A similar OECD average estimate could not be readily derived.

In the short run, countries can save expenditures on public education due to youth choosing to be NEETs rather than pursuing studies. For selected European OECD countries, these estimated savings range is from 0.06 to 0.27% of GDP. They are a function of the number of NEETS; the share among them that are more likely to be upper secondary or tertiary students rather than working; average educational expenditures per full-time student at the different levels of education and the share of these expenditures that are born by any level of government. At an estimated 0.21% of GDP, the Slovenian state realises comparatively larger short-term savings from youth being NEETs rather than studying compared to the average.

Similarly, the treasury may save some funds in the short run when NEETs look after their young children rather than sending them to public day care. Since the EU-SILC does not contain information about whether young children attend outside childcare, it is assumed that a child younger than four stays at home if their NEET parent defines their activity as fulfilling domestic tasks and care responsibilities. The number of NEETs for whom this is the case is then multiplied by the estimated public expenditure on public child

care and early childhood education per attending child aged 0-5. The estimation assumes that the children of these NEETs do not currently attend public childcare and that they would do so if their parent became employed or returned to education. Based on this estimation, the 'savings' for the Slovenian state are close to zero. The main reason is that few NEET parents of young children in Slovenia define care responsibilities are their primary activity. As with the education of the NEETs themselves, the reduced short-term expenditures may entail higher expenditures in the longer term as the benefits of early childhood education are well established.

Summing up the different costs and savings, the short-term net fiscal costs of NEETs in Slovenia and across the OECD are relatively limited. They amount to 0.07 and 0.06% of GDP in Slovenia and on average across the included European OECD countries. However, these estimates need to be interpreted with extreme caution. First of all, the estimates are largely based on 2017 data and thus refer to a reference year that likely represents one of the years with the lowest share of NEETs in the recent past as well as the immediate future. When more young people become unemployed and inactive, the costs will necessarily rise. Second, the estimates rely on extreme simplifications even for the components that are included, and exclude other relevant costs such as potentially higher health expenditures. They also do not take into account any long-term costs that can arise from the scarring effects of being NEET, nor do they take into account the costs that being outside of education and the labour market imposes on the young people, their families and surroundings in terms of for example their reduced well-being and income. Finally, without the attributed 'savings' of education and child care expenditures that are likely a false economy because they entail longer-term costs, the estimated net costs would be significantly higher.

2.7. Conclusion

In 2019, nearly one in ten Slovenian youth were neither in employment, nor in education or training. This share is lower than in many OECD countries, but it is still higher than before the financial and economic crisis hit the country at the end of the 2000s. The COVID-19 crisis increased the number of unemployed youth and likely altered the composition of NEETs. Nevertheless, those who were already NEET prior to the crisis are also among the ones who will remain most vulnerable in the years to come, making it important to understand who they are. Young people can be NEET for very diverse reasons. It is thus important to better understand the characteristics of the different NEET groups in order to design better support.

Analysis of different national and international surveys reveals the following outcomes for Slovenia. Women and older youth are both over-represented among NEETs and an increasing share of NEETs are born abroad. NEET rates are also 3.4 times higher among those reporting poor health than among those who do not, though the NEET status itself may also cause health problems. Short bouts of inactivity or unemployment do not necessarily have negative repercussions on future employment opportunities and income. But about half of all Slovenian NEETs remain in this status for a year or more, which might affect their future chances of employment. The share of long-term NEETs is particularly high among 25-29 year-olds in comparison with other OECD countries. Further analysis suggests that low education and being a mother are the strongest determinants of the NEET duration in Slovenia. Nearly four in five NEETs or their families receive some kind of social benefit, yet, one in four Slovenian NEETs are poor.

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Notes

[1] Statistical Office (2020), “At the end of 2019 the average age of persons in employment was 42.8 years”, https://www.stat.si/StatWeb/en/News/Index/8658, accessed on 17 September 2020.

[2] The costs of the youth counsellor project were fully attributed to the youth.

3 Preparing young people in slovenia for the labour market

This chapter discusses how the education sector in Slovenia can help to better prepare young people for the labour market. The first section explores the risk of school dropout and policies to reduce it, whereas the second section investigates skills mismatches and discusses how career counselling for secondary students can reduce them. The third section of this chapter discusses the recent reintroduction of apprenticeships in Slovenia and develops ideas to strengthen programmes. The last section explores the role of student-work in delayed graduation and suggests interventions to speed up university graduation and facilitate the first post-graduation job search.

3.1. Introduction

Educational policies cannot eliminate all hurdles youth face when they enter the labour market, but they can shrink them. Young people who complete their education during an economic downturn generally struggle more than during boom periods, and the COVID-19 crisis will likely be no exception. Nevertheless, graduates with in-demand skills will find a quality job more easily than dropouts; and this is where educational and other preventive policies can play a role in decreasing individuals' risks of becoming NEETs.

This chapter follows the order in which obstacles may appear that can lead youth to become NEETs. First, teenagers who drop out of school are likely to have long-term employment problems, be it that they become unemployed or permanently stuck in low-paid positions. The first section explores the risk of school dropout and policies to reduce it. Second, young people who train or study in fields that are not in demand or that they are not interested in or suited for may not be able to find or keep a job. The second section investigates skills mismatches and discusses how career counselling for secondary students can reduce them. Third, countries with strong work-based learning programmes tend to have fewer education-to-employment transition problems. The third section discusses the recent reintroduction of apprenticeships in Slovenia and develops ideas to strengthen programmes. Fourth, tertiary students can take a long time to graduate, with possible negative consequences on the youth labour market. The last section explores the role of student-work in delayed graduation and suggests interventions to speed up university graduation and facilitate the first post-graduation job search.

3.2. Keeping teenagers in school

Few young Slovenians do not graduate from upper secondary school, but those who do not are at a much higher risk of becoming and remaining NEETs. School dropout is more common among some groups of teenagers, such as those of immigrant and Roma descent. The already-strong Slovenian upper secondary system can therefore deliver even better results for all when a few general policy changes that include an extension of the mandatory education participation age are combined with measures that address the obstacles faced by these groups in particular.

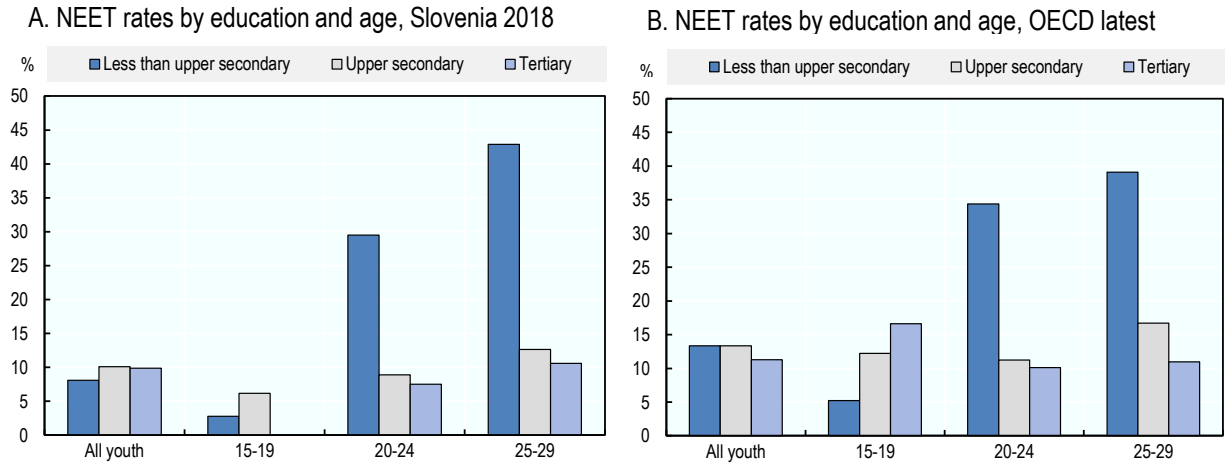
3.2.1. The extent and consequences of early school dropout

Older youth who do not complete upper secondary school are much more likely to be NEETs. This is not initially apparent when looking at NEET rates by educational attainment for youth of all ages combined: in Slovenia among 15-29 year-olds, a smaller share of those who did not complete upper secondary school than of upper secondary and tertiary graduates are NEETs (Figure 3.1, Panel A). Across the OECD, NEET rates are equal between those who did and did not attain an upper secondary degree, and only slightly higher than for university graduates (Figure 3.1, Panel B). However, this statistic is misleading because the majority of youth who have not yet completed their upper secondary education are still in school, and thus automatically not NEETs.

The longer-term risks of school dropout become clear when looking separately at younger and older youth: Among 15-19 year-olds, the NEET rate for those who did not complete upper secondary school are lower than for those who did in both Slovenia and across the OECD. This relationship reverses drastically among 20-somethings: In Slovenia, the NEET rate among youth who did not complete upper secondary school is less than half as large as among those who did in the 15-19 age group, but it is 3.3-3.4 times as large in the 20-24 and 25-29 age groups. Across the OECD, the ratios are similar, with the exception of the 25-29 age group where it is equal to 2.4. Not surprisingly, the higher NEET rate also translates to a higher probability of being a long-term NEET: Among all youth as well as 25-29 year-olds only, completing an

upper secondary or tertiary degree is associated with significantly lower NEET durations (see Table 1.1 in Chapter 1).

Figure 3.1. One in two older youth in Slovenia who did not complete school are NEETs

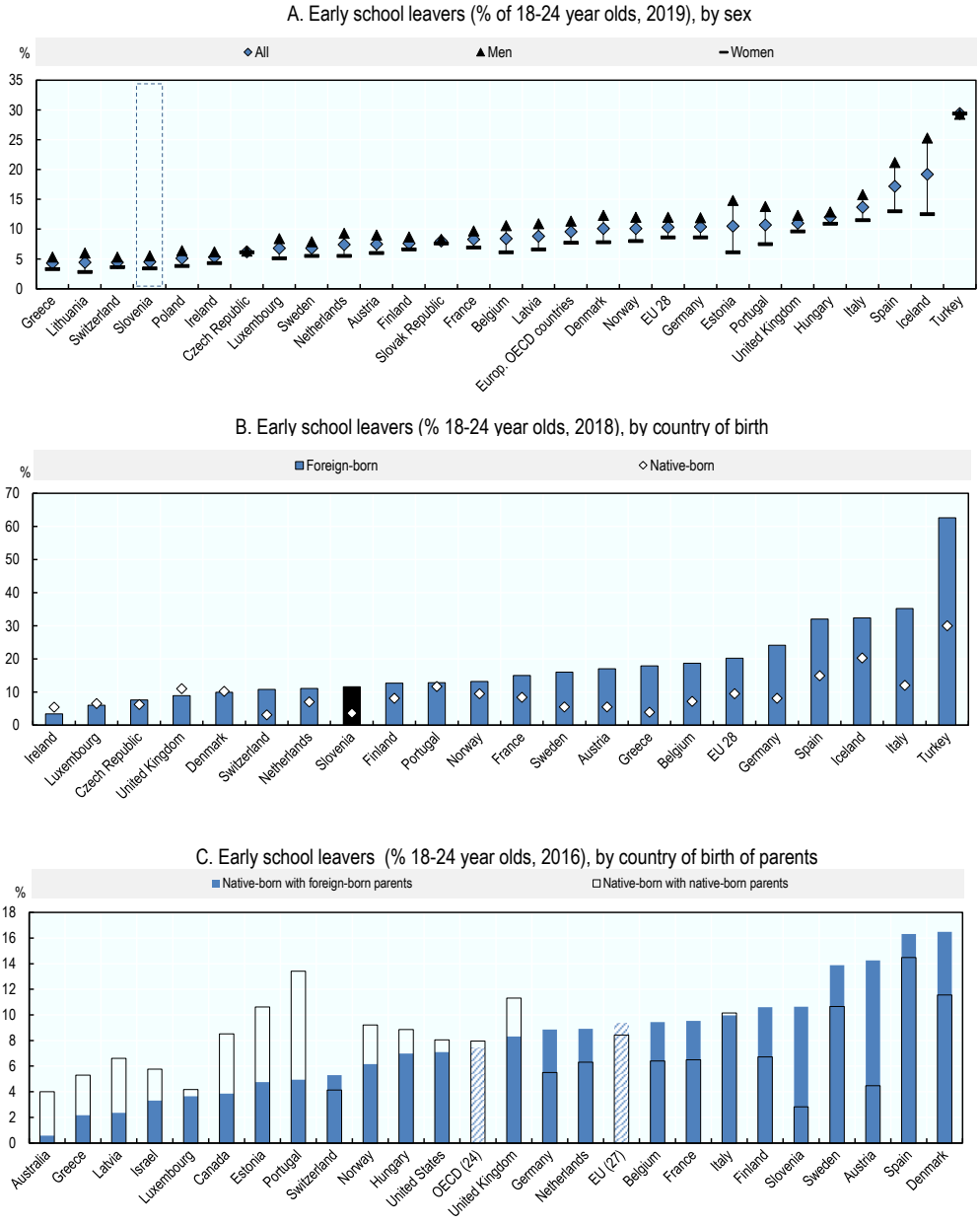


Note: The OECD average is unweighted and excludes Australia, Japan, New Zealand and Israel. The latest year the average is based on is 2018 except for Turkey (2015) and Chile, Korea and the United States (2017).
Source: Estimation based on labour force surveys including the European Union Labour Force Survey.

Comparatively few young Slovenians men and especially women do not graduate from upper secondary school. At 4.5%, the share of early school leavers, meaning 18-24 year-olds who do not have an upper secondary degree and were not in school in the past four weeks, is the fourth-lowest among European OECD countries for which the indicator is available (Figure 3.2, Panel A). The cross-country average for the same countries is 9.6%. Young men are more likely to drop out than young women. The difference in rates between the sexes is 2.1 percentage points in Slovenia and 3.6 percentage points across European OECD countries.

Youngsters with a migrant background and Roma are more likely to leave school prematurely. In Slovenia, at 11.6%, the early school-leaving rate is around three times as large among foreign-born compared to native-born youth (3.6%) (Figure 3.2, Panel B). Nevertheless, the dropout rate among immigrants – who may have spent their schooling years either in Slovenia or in their country of origin – is nonetheless still on the lower end compared to other European OECD countries. In contrast, around 2016, the share of early school-leaving among native-born children of immigrants (so-called second generation immigrants) in Slovenia was 1.2 percentage points above the EU average. Among the 24 European OECD countries included in the analysis, only Austria had a larger difference in the early school leaving rates between native-born youth with and without foreign-born parents (Figure 3.2, Panel C). Young Roma likely also have much higher non-completion rates. This is particularly true in the Dolenjska region, where settlements are less likely to be formally legalised and integration problems particularly pronounced (Necak Lük and Novak Lukanovic, 2011[1]). However, unlike for youth with a migrant background, statistics on the early school leaving rates among Roma youth are unavailable.

Figure 3.2. Early school leaving is rare in Slovenia but higher among immigrants



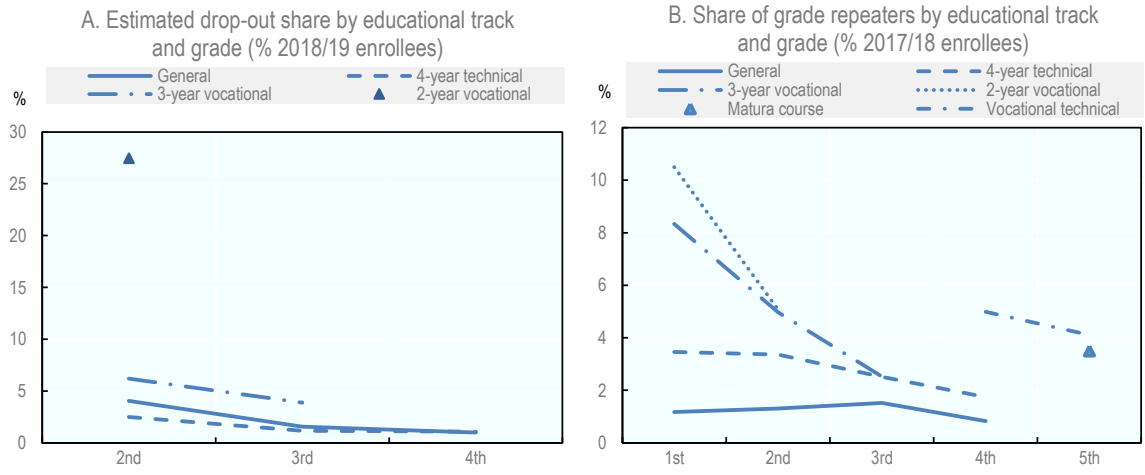
Note: Early school leavers are 18-24 year-olds who completed at most a lower secondary degree and who did not attend an educational institution during the past four weeks. Panel A is sorted according to the total early school leaver rate; Panel B by the early school leaver rate among the foreign-born and Panel C by the early school leaver rate among native-born youth with foreign-born parents.
Source: Eurostat, Educational Attainment Database, https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=edat_lfse_14&lang=en and OECD/European Commission (2018[2]), "Figure 7.17: Early school leavers", http://dx.doi.org/10.1787/888932315602.

The relatively few early school leavers in Slovenia are composed of those who do not graduate from basic education, those who do but do not enrol in upper secondary education and those who enrol in an upper secondary programme but do not graduate from it:

- Around 1.5% of youth leave school after the compulsory nine years without graduating from basic education (which encompasses primary and lower secondary education) (Ministry of Education, 2019[3]).

- The share of youth who do not proceed to upper secondary education cannot be easily estimated. For example, in the 2018/19 school year, the number of new entrants into upper secondary programmes exceeded the number of graduates from basic education by around 1 800, or roughly 10% (Own estimate based on data from the Statistical Office's education database (Republic of Slovenia Statistical Office, n.d.[4]). One partial explanation may be that newly arrived foreign-born students enrol in upper-secondary school, in addition to some youth taking a break from education but returning later and others not officially graduating from basic school but being able to advance to upper secondary education.
- The share that drops out from upper-secondary school differs strongly by educational track. In 2018/19, around one-third (34.5%) of new entrants into the first grade of an upper secondary programme entered a general education programme leading to the general degree for university entrance (matura). Four in ten (40.8%) and two in ten (21.7%) entered a technical four-year or vocational three-year programme, respectively, and 3% a vocational two-year programme. The estimated share of students who drop out (Figure 3.3, Panel A) and repeat a grade (Figure 3.3, Panel B) are generally higher in earlier compared to later grades, suggesting that an initial mismatch plays a role in both. Dropout rates in three-year vocational programmes are slightly higher than in technical and general education programmes, at for example 6% before the transition to second grade compared to 4% in general and 2% in technical programmes. Much more drastically, more than one in four students in vocational two-year programmes do not make it into the second year. Students who attend short vocational courses tend to be academically weaker (Makovec and Radovan, 2018[5]). It is possible that in a different school system, they would have already dropped out.

Figure 3.3. Upper secondary students in lower grades and in vocational programmes are more likely to drop out or repeat a grade



Note: Estimated dropout share = ([Enrolees of prior grade in 2017/18 – grade repeaters of prior grade in 2018/19]-Enrolees of current grade in 2018/19)/Enrolees in current grade in 2018/19. The estimated is not equal to the actual dropout share because it does not take into account youth who transfer from one type of programme to another, who move to or away from Slovenia or who die.
Source: Own estimations based on the education database (Republic of Slovenia Statistical Office, n.d.[4]).

3.2.2. Risk factors for early school leaving

Young people do not to complete school for many reasons. Lack of motivation, lack of identification with the school, lack of educational success, including low marks and grade repetition, absences and delinquent

behaviour all appear to be risk factors for early school leaving. They are in turn connected to the family background and the school environment (Lyche, 2010[6]). For example, an analysis for Slovenia revealed that individual (sex, intelligence, locus of control, social anxiety) as well as family factors (mother's education, familial attachment, economic situation) played a role in students' success in secondary schools (Flere (2018[7]) cited in ReferNet Slovenia (2014[8])). Schools in which teachers can treat students as individuals and avoid interacting with them in a highly bureaucratic way can reduce the risk of dropout.

Even though different studies find similar risk factors for early school leaving, their actual predictive power is limited. A study based on seven European countries notes that while teenagers living with a single parent, blended family or guardian, whose parents had low levels of education and who had health or psychological problems had a higher risk of becoming early school leavers, the vast majority of students with these background factors nonetheless complete their schooling (Tomaszewska-Pękała, Marchlik and Wrona, 2017[9]). Similarly, another study identifies students who are not aware of in-school support programmes, do not participate in any out-of-school programmes, miss class and have low expectations for school success at higher risk of early school leaving; but also notes that the explanatory power of all these factors remains low (Kaye et al., 2017[10]).

Immigrants of the first and second generation may be at higher risk of early school-leaving for various reasons. First, depending on the country and the composition of their immigrant population, students whose parents or who themselves were born abroad may have more risk factors associated with early school leaving, such as lower levels of parental education. However, students whose parents' economic situation suggests a higher dropout risk may sometimes be 'protected' by the fact that while their parents struggle economically, they are more highly educated than their current economic status suggests. Second, students who do not speak the local language well are more likely to struggle in school. And if their parents are not fluent in the local language, it is harder for teachers to communicate with them about any potential academic or social problems of their children (Smith, Stern. Kenneth and Shatrova, 2008[11]). In contrast, fully bilingual students may have higher graduation rates (Lutz, 2007[12]). An analysis of school leaving expectations of European students who participated in the PISA test suggests that once individual and school characteristics are taken into account, first- and second-generation immigrants are not at an increased risk of believing that they will not complete school (Hippe and Jakubowski, 2018[13]).

Some of the risk factors for early school leaving for Roma youth are similar to those of immigrants, while others are specific. First, as for immigrants, Roma students may have individual or family characteristics associated with increased risk of dropout, such as living in poverty or having parents with low educational achievements. In areas where the socio-economic background of Roma is more comparable to the majority population, such as in Maribor, Roma students' perceived degree of exclusion and hence their risk of dropout, may be much lower (Macura-Milovanović, Munda and Peček, 2013[14]). Second, they may live in remote areas with poor infrastructure, making it more challenging to attend school regularly. In Slovenia, Roma settlements' lack of access to basic infrastructure such as drinking water is one factor that lowers their school attendance and school success (Human Rights Council, 2019[15]). Third, they may face various types of discrimination. In some cases, it may be 'purely' social and expressed through disdainful attitudes of their fellow students or teachers. While in some Central and Eastern European countries, the practicing of isolating Roma students in separate classes or schools appears to have increased relative to the communist period (Messing, 2017[16]), in Slovenia, there has not been a legal basis for forming homogenous Roma classes since 2003 (Necak Lük and Novak Lukanovic, 2011[1]). Yet Roma students are significantly over-represented in special education programmes (Human Rights Council, 2019[15]). As a result, Roma students may receive an education of poorer quality and may feel excluded, leading to less skill acquisition and a higher likelihood of school dropout. Finally, among a sub-set of the Roma population, there may still be social norms that favour early marriage among girls and that see upper- and post-secondary education as less important for girls than boys (Zahova, 2016[17]).

At the time of writing, it is still unclear whether the school closures necessitated by COVID-19 will increase dropouts in the short and medium term. In Slovenia, as of 25 January 2021, schools were fully or partially

closed for 23 weeks since the onset of the pandemic. This is similar to the duration in some EU countries such as Hungary, Italy and Poland (26 weeks), but above the average for Europe and North America (17 weeks) (UNESCO, 2021[18]). The length of school closures in 2020 exceeded the OECD average both for primary and general upper secondary schools (OECD, 2021[19]). Schools organised distance learning and donations made it possible to provide the necessary equipment to students (European Commission, 2020[20]; The Slovenia Times, 2020[21]). With over 95% of 15-year-old students reporting access to a computer for schoolwork and nearly 100% having access to the internet, as well as three-quarters of students of that age being in schools where principals agreed that that teachers have the necessary technical and pedagogical skills to integrate digital devices in instruction, Slovenia is already comparatively well set up to move towards online learning (OECD, 2020[22]). In fact, during the second round of school closures, Slovenia was one of only three countries in which all primary and secondary students received distance education (OECD, 2021[19]). Despite these advantages, some students have likely fallen behind; in particular because not all students returned to school during the periods of school openings. In a Slovenian survey, one-fourth to one-third of students – depending on their grade level – reported that they found it more difficult to learn during the distance schooling phase (National Education Institute Slovenia, 2020[23]). To address this risk, for example Roma teaching assistants have worked on maintaining contact with parents and students and on collecting and distributing ICT equipment (OECD, 2020[24]).

Experience from prior pandemics indicate reduced educational attainment due to school closures (Meyers and Thomson, 2017[25]). Online and other remote learning channels are likely to mitigate some of the negative consequences. However, media reports from different countries suggest that teachers have lost contact with a substantial share of students (Goldstein, Popescu and Hannah-Jones, 2020[26]; Plantard, 2020[27]; Munziger, 2020[28]; Mayr, Riss and Taschwer, 2020[29]). Students who are already weak academically or whose circumstances make it difficult to study at home are at higher risk, deepening existing performance gaps. For older students who are no longer subject to mandatory schooling, this can increase their immediate risk of dropout. Younger students will return to school, but if they have fallen behind compared to their peers, they may disengage from school and drop out several years later.

3.2.3. Policies and programmes to minimise dropout in Slovenia

The Slovenian school system has many features associated with low dropout rates. With a common nine-year basic school that combines primary and lower secondary schooling, the regular education system does not have early tracking. Early tracking usually amplifies performance differences and social segregation, which can contribute to early school leaving. The upper secondary level offers general and vocational programmes, thereby potentially lowering the share of students who drop out because they are less interested in a more academic track (Lavrijsen and Nicaise, 2015[30]). In addition, grade repetition in primary and lower secondary school, which is associated with early school leaving even after taking into account selected background characteristics (Roderick, 1994[31]), is among the lowest in OECD countries (Ikeda and García, 2014[32]).

A further strength of the Slovenian system is that it allows students who dropped out to re-enter either the regular or the adult education system. One of the ramps leading back into the education system is the *Project Learning for Young Adults* programme that primarily addresses 19 and 20-year-olds and increasingly includes immigrants. Three mentors each accompany 15-20 youth over a flexible time span. According to participants' self-reports from a 2010 evaluation, around two-thirds returned to formal education (Slovenian Institute for Adult Education, 2010[33]). Adult education programmes are free at the lower but not the upper secondary level, though tuition fees can be reimbursed under certain circumstances. In the 2017/18 school year, 1 010 adults were enrolled in basic and 18 689 in upper secondary programmes; and 140 and 2 940 graduated from these programmes, respectively. More than 40% of the enrolees in adult basic education are under the age of 20 and 70% are under the age of 30. In upper secondary adult education, 16% are under 20 and 75% are between 20 and 29 years old (Own calculations based on the education database (Statistical Office of the Republic of Slovenia, n.d.[34]).

The government also has specific policies and programmes in place to help raise academic achievement of Roma and immigrants:

- Educational policies promote the inclusion of Roma children in pre-school education and their better integration in particular in primary and lower secondary schools. In close co-operation with the Roma Union of Slovenia, the Ministry of Education, Science, Culture and Sports developed a strategy on the education of Roma in 2004 and updated it in 2011. The strategy introduced Roma language and culture instruction and Roma assistants at school (UNESCO, 2012[35]). The 2017-21 National Programme of Measures for Roma (Republic of Slovenia, 2017[36]) prolongs financing for the Roma teaching assistants. It also includes plans for e-learning opportunities to improve Slovenian and Roma language skills and continues funding for the seven Roma educational incubators. The long-term goal of the incubators is to increase co-operation with educational institutions, local authorities, employment services and centres for social work. Several projects built upon the strategy, including a European Social Fund co-financed 2014 project that offered extra-curricular activities to Roma children and teenagers and supported Roma school assistants (Government Office for Development and European Cohesion Policy, 2014[37]). Multipurpose Roma Centres in settlements offer a variety of extracurricular activities. However, despite these positive initiatives, it is important to not lose sight of one particularly important observation of the Roma education strategy: living conditions shape educational opportunities, meaning that various ministries need to co-operate to reduce the educational disadvantages of Roma.
- Policies for immigrant children mainly focus on language acquisition. Up until recently, newly arrived immigrant children initially took a grade-appropriate 160-hour intensive Slovenian language course. Newly published norms and standards for basic education in 2019 allocate a higher number of teaching hours: during the first year of their schooling in Slovenia, students receive 120 to 180 hours of language training, depending on the number of immigrant students. If the student enrols only in the second semester of a school year, he or she receives 35 hours of language training and then a further 120-180 hours of instruction the following year. Recent immigrant students in upper secondary education benefit from 160 hours of intensive language teaching, if necessary complemented by another 70 hours of language and 75 hours of subject-specific support instruction. Since early 2020, basic schools with many immigrant students are able to hire an additional staff member (European Commission, 2020[20]). Individual schools offer introduction courses to get to know the school and town prior to the beginning of the school year; differentiated Slovenian-learning tasks for academically weak and gifted students; and intercultural lessons during which immigrant students present their country of origin and mother tongue to their classmates. Some schools co-operate closely with local youth centres and encourage immigrant students to participate in the centre's leisure activities (Vizintin, 2013[38]).

Despite these initiatives, some problems persist. While pre-school groups that include Roma children can be smaller than usual and institutions can receive additional funding, Roma children frequently do not attend pre-school, making the transition to primary education more difficult. Similarly, a smaller share of two to five year of children of foreign- compared to native-born parents attend pre-school. The difference is much more pronounced than among the 22 EU countries for which the data are available, but slightly lower than among the OECD-25 average (OECD/European Union, 2018[2]). However, it also needs to be noted that a number of measures have recently been introduced or are in preparation that address this lower attendance of immigrant and Roma children in early childhood education: Since 2018, children who do not attend pre-school can participate in a free 240-hour short programme one year before entering primary school. Yet the number of institutions that offer this programme is still small; and longer 720-hour programmes are not free of charge. Moreover, a Slovenian language syllabus for kindergartens is in preparation. Finally, a proposed evaluation study would analyse the needs, conditions and possibilities of introducing compulsory participation of all children in one of the pre-school programme with the aim of alleviating inequities in education.

3.2.4. Good practices to prevent school dropout and identify early school leavers

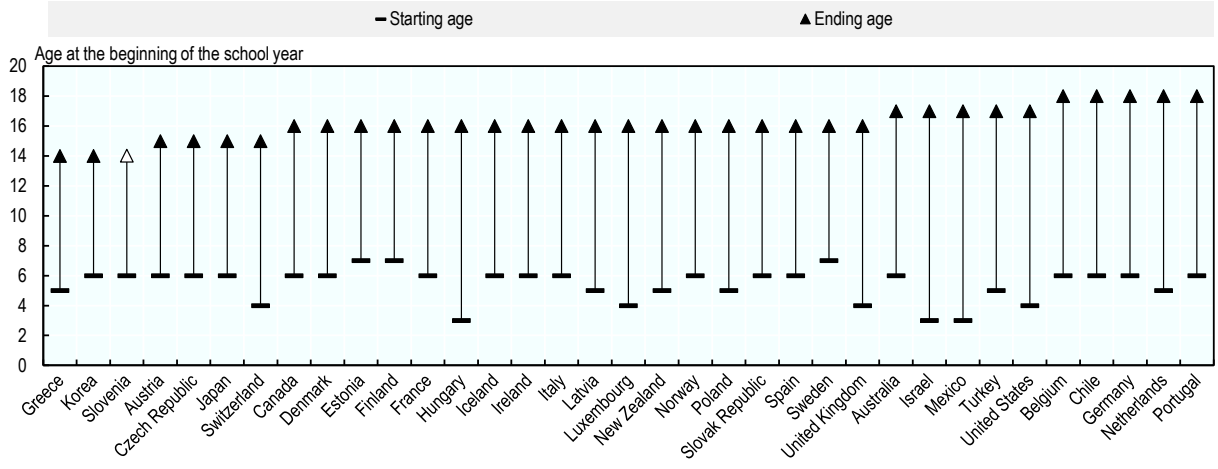
Address sources of academic difficulties and prevent early school leaving

Given Slovenia's low rate of early school leaving, a focus on populations at higher risk – Roma, first and second generational immigrants and youth attending short vocational programmes – is warranted. Nevertheless, certain general measures that would affect all students should also be considered.

Consider raising the mandatory participation age. A first suggested general policy change is to extend the mandatory education participation age from 15 to 18, with an 'early release' clause for students who graduate from an upper secondary programme before age 18. As of now, Slovenia has one of the lowest end ages for compulsory schooling in the OECD (Figure 3.4).The extension would give schools and local authorities the right to intervene with early school leavers aged 15 to 18, while having no repercussions on the majority of Slovenian students who complete upper secondary school in any case. Evaluations of prior extensions of the mandatory schooling age in different countries on the dropout probability are inconclusive (Lyche, 2010[6]). But while higher mandatory school ages may not always boost graduation rates, they do appear to improve employment and earnings outcomes (Harmon, 2017[39]). Finland recently followed the OECD recommendation to increase the compulsory school age to 18 (OECD, 2019[40]; European Commission, 2020[20]). As an alternative to a full-on increase in the compulsory schooling age, the United Kingdom raised the 'participation age' to 18 in 2015 (OECD, 2019[40]). Teenagers can either choose to stay in full-time education, pursue an apprenticeship or be in part-time education or training along with (self-) employment or volunteering for at least 20 hours a week (Cambridgeshire County Council, n.d.[41]). Similar changes have been introduced in Austria in 2017 (Förster and Königs, 2020[42]) and in France from the 2020/21 school year onwards.[1]

Figure 3.4. Slovenian teenagers can leave school at a younger age than students in almost all other OECD countries

Starting and ending age for students in compulsory education (2015)



Note: For countries in which a range was indicated for the starting or end age, the lower age is shown.
Source: OECD (2018[43]), "Table X1.3. Starting and ending age for students in compulsory education and starting age for students in primary education (2016)", *Education at a Glance 2018*, https://doi.org/10.1787/eag-2018-table221-en.

Create comprehensive transition programmes at the upper secondary level. Programmes during the transition period from basic to upper secondary education that can include remedial and other components could facilitate the move from one school to the next for all but in particular higher-need students. At the

start of upper secondary school, some students may have gaps in individual but not all subjects that could put at risk their overall academic success. While these students may end up at all types of upper secondary school, they may be particularly concentrated in short vocational programmes. Other students have the necessary academic skills, but find the change of schools difficult for social or other reasons. For the former group, early identification of weaker students and remedial offers may help. A good practice from New Zealand is that staff from the prior and new school meet and discuss high-needs students (Education Review Office, 2016[44]). Such meetings are likely particularly important in the case of students whose specific remedial educational or other needs are not immediately apparent based on their prior grades. Slovenia already provides remedial classes, but not all who could benefit from them may be enrolled: in a 2011 international test of 4th grade reading levels, teachers estimated that about 20% of students needed remedial classes and 16% received it, leaving a small share out (Doupona Horvat et al., 2016[45]). Remedial programmes have been shown to improve educational attainment in different contexts, though effects may be stronger for girls (Rodríguez-Planas, 2012[46]). Programmes might also include components that concern non-cognitive skills and community involvement. In general, a comprehensive literature review of dropout prevention policies found that successful interventions generally combined actions both within and outside of schools (Lyche, 2010[6]). The review also demonstrated that successful programmes typically included training components (for example for teachers or other professionals tasked with supporting the programme) as well as detailed implementation guides, student or parent workbooks or other written material. Finally, to ease the transition of all teenagers, students and their families in New Zealand can start visiting the new school one or two terms prior to the transition, allowing them to feel 'at home' from the start (Education Review Office, 2016[44]).

Fill learning gaps left by school closures. A very important measure in the wake of the COVID-19-caused school closures will be to help students who fell behind catch up without having them repeat a grade. Students who are older than most of their classmates are at much higher risk of dropping out. One reason can be the stigma associated with being a repeater. Another is that factors that make it more likely that someone will drop out – such as teenage pregnancy or employment – are more frequent in older students (De Witte et al., 2013[47]). It is likely that more students will require remedial instruction. In some contexts, it may be necessary to hire additional teachers or teachers' assistance to carry out this remedial education. In others, peer or cross-age tutoring of older to younger students may be sufficient to fill gaps (Maheady, Mallette and Harper, 2006[48]). A modular structure of grade advancement, whereby a student can advance in those subjects that he or she masters and repeat those where gaps are too important to fix through remedial instruction only, may also reduce overall repetition. This is already successfully practiced in a number of countries including Canada, Finland and the United States (OECD, 2012[49]). Summer programmes can also be considered as an option: Belgium (Flanders region) introduced voluntary summer schools in August 2020 for children and teenagers who wanted to revisit the material covered in the last months before the summer break, and provides financial support to schools to organise extra classes on Saturdays to allow students to catch up with their peers.

Further support for Roma students. Turning to the population groups at higher risk of dropout, Slovenia is already in the process of strengthening existing policies and programmes for Roma student. In particular, the country updated its strategy of education of the Roma students in 2020 and plans to approve it through the competent Council of Experts in 2021. There can be a tension between creating policies targeting specific population groups and thereby potentially stigmatising them as a 'problem group' on the one hand and having non-specific policies that disregard the issues of a particular group (Miškolci, Kováčová and Kubánová, 2017[50]). The combination of ensuring that more Roma toddlers attend pre-school and that Roma pupils attend integrated classrooms with targeted interventions (Roma class assistants in primary school, educational incubators, Roma and Slovenian language training) likely strikes a good balance within this tension. Additional efforts could strengthen these goals:

- Trainings on intercultural communication and Roma history and culture can make teachers more effective when they teach in multicultural classrooms. The *Enhancing social and citizenship*

competencies of professional staff in education project for the continuous professional development of education staff can provide general insights into intercultural teaching and communication. However, the courses need to convey extensive-enough knowledge to have an impact, and should stress that different histories and cultures are interwoven (Symeou et al., 2009[51]). Generally, evidence from Canada suggests that students who learn about their culture and history are more academically successful and less likely to leave school early (Lamb, 2014[52]; Kanu, 2007[53]). Longer-term, the experience of first-nation students in Canada also points to the possibility that increasing the number of Roma school teachers could improve educational outcomes for Roma students.

- Evidence from the UK suggests that a teaching assistant who provide targeted support to Roma students and deepen links between schools and Roma parents can also be beneficial at the secondary and not only the primary level (Gould, 2017[54]). The experience from a 're-launched' school in Spain that many Roma students attend indicates that an increased involvement of parents in the school's decision making process and in students' education can boost attendance and academic results (Flecha and Soler, 2013[55]). A similar involvement of the community in curriculum planning and staff cultural awareness training is also pursued in a school with Aboriginal attendance in Australia (Helme and Lamb, 2011[56]).
- Tailored support and mentoring in lower and upper secondary school could increase graduation rates (European Union Agency for Fundamental Rights, 2014[57]). A low-cost option is mentoring programme that pairs youth in basic education with an adult mentor. Such a mentoring programme that was combined with a classroom-based life-skills curricula and community service was deemed successful for 9 to 13-year-olds in the United States living in communities with few after-school activities and adult role models (Lyche, 2010[6]). The programme need not target Roma specifically, but could be available to all youth living in economically depressed areas with few afternoon activities. Similarly, providing children and teenagers with spaces where they can do their homework and receive help if needed can improve academic outcomes overall. Primary and upper secondary schools already have to provide an extended educational programme of remedial and non-compulsory complementary classes. Finally, having school staff follow up with parents when students miss class unexcused can also significantly improve outcomes (Helme and Lamb, 2011[56])

Institute language level evaluations and train all teachers in the basics of Slovenian as a foreign language instruction. Currently, kindergarten teachers evaluate the language skills of pre-school children through observation and reach out to parents and counselling service where necessary. Since this misses children who do not attend the currently no-mandatory pre-school education, Slovenia could consider instituting mandatory language level evaluations for children of all backgrounds that are one to two years from entering basic education. This could allow them to identify students with any type of language difficulties and to address these early. Such assessments are common across a number of countries including Denmark, Germany and the Netherlands (Lisker, 2013[58]; OECD, 2010[59]; OECD, 2018[60]). In Norway, the assessment at age four occurs in both Norwegian and the child's native language, if different, in order to be able to distinguish between linguistic and cognitive difficulties. In addition to dedicated language learning programmes at the pre-primary, primary and secondary level, a broader knowledge of teaching Slovenian as a second language among primary and secondary subject-matter teachers can reinforce language acquisition (OECD, 2010[59]). Including components on language training for non-native speakers in the curriculum at education faculties and in professional development courses for teachers can thus be beneficial. Moreover, teachers specialised in teaching Slovenian to non-native speakers can provide advice to other teachers on how to incorporate Slovenian learning elements into other classes. The results of a 2017-19 evaluation study on Slovenian as a second language teaching are expected to be released soon and will reveal mportant insights on the strengths of the current system and potential further improvements.

Involve immigrant parents. Informing and involving the parents of first- or second-generation immigrant students in school activities may require more efforts than is the case for the native-born parents. As a first step, basic information on the school system and on support for immigrant children and their parents should be available in the major immigrant languages (OECD, 2010[59]). This information is already available on the website of the Ministries of education and of the Interior, but local events organised by schools or municipalities can further disseminate it. Going further, intercultural mediators, who can be volunteers, can play a role in bridging language gaps and explaining the functioning of the Slovenian school system (SIRIUS Network, 2014[61]).

Reinforce educational and mental health support for young accompanied refugees. Refugee children and teenagers require support that goes beyond what most other students need. In 2019, about one in five asylum seekers in Slovenia were minors, compared to around one in three across the EU-28 (Eurostat, n.d.[62]). In Slovenia, the vast majority among them were aged between 14 to 17, and thus not necessarily subject to compulsory education. On top of the difficulties that students with immigrant backgrounds face in general, these youth may be traumatised and have missed school for prolonged periods. They may also arrive without their parents: at above 75% in 2017, the share of unaccompanied minors among first-time asylum seekers who were minors was the highest among European OECD countries (Cerna, 2019[63]). In Slovenia, unaccompanied minors are placed in the residence hall in Logatec and benefit from support by psychologists and social pedagogue. In schools, they have access to the school counselling services. Several countries, including Sweden and Finland, mandate the creation of individualised learning plans for students that take into account knowledge across different subjects as well as the local language. In Sweden, the assessment of subject-matter skills can be done in the student's mother tongue. This ensures that a student's skills are not under-estimated (Cerna, 2019[63]). In Slovenia, schools are advised to offer introductory and continuing classes to pre-school, primary and lower secondary refugee students, with the continuing activities being defined in an individual programme. Accompanied upper secondary refugee students would likely also benefit from individualised plans. In Australia, through the Refugee Action Support programme, education students tutor refugees one-to-one or in small groups. The young refugees improve their academic skills and knowledge of the country, and the student-teachers gain experience and learn about the special needs of immigrant students (Naidoo, 2012[64]). In addition to these academic supports, students with trauma should have access to free specialised mental health services.

Identify and re-integrate early school leavers

While prevention is always preferable, Slovenia should nonetheless reinforce its procedures to follow up with former students who dropped out. As previously mentioned, Slovenia already has a strong adult education system and a second-chance programme. These programmes guide youth towards their reintegration into education and allow them to complete primary and secondary degrees that they previously dropped out from. The difficulty is that schools currently are not able to inform the employment services, centres of social work or municipal authorities when a student stops attending school or drops out altogether due to privacy regulations. Some young people may thus fall into a period of inactivity that lasts several years and during which no educational institution or other government authority reaches out to them.

Track school dropout. Sweden and Norway offer possible models for the follow-up with early school leavers. In Sweden, where students typically receive student aid, upper secondary schools report unexcused absences to the National Board of Student Aid. In addition, either the municipal administration or schools themselves track youth aged 16-20 who are not attending upper secondary school. They keep in contact with these youth to find out what their current activity is. Where appropriate, they offer the young people activities matching their individual needs, such as educational or counselling programmes or training at the public employment services (OECD, 2016[65]). If privacy laws currently prevent schools from reporting students to municipal or other authorities and if it is infeasible to change these laws, then the

Swedish model could be followed as long as schools are responsible for tracking and follow-up. Several schools could share a co-ordinator in charge of this task. The evidence from Sweden also shows that schools need clear guidelines, such as on the number of contact attempts they have to undertake. A similar tracking approach is followed in Norway. There, an independent follow-up service present in each county compares population registries with school enrolment lists. In the 2016/17 school year, they were thus able to identify and contact 94% of youth who had not completed upper secondary education and who were not currently enrolled. The Norwegian example shows that it can be helpful for the co-ordinator to work in both schools and the public employment service (OECD, 2018[66]).

3.3. Reducing skill mismatches through career counselling

As discussed in the prior section, early school leaving has complex causes and requires complex solutions. But in some cases, dropping out is simply an indicator of a misalignment between a student's expectations or his or her capabilities on the one hand and the content and demands of the programme on the other hand. At the EU level, 17.1% of students who dropped out of upper secondary school stated that they did so because the studies were too difficult or because they failed their exams. A further 28.2% dropped out because the programme did not meet their needs or interests. At the tertiary level, the shares are similar (17.6% and 22.2%) (Eurostat, 2016[67]). The breakdown of the different reasons is not available for Slovenia because of an insufficient sample size. A second type of mismatch becomes apparent only once someone graduates and enters the labour market: demand for their degree may be low, forcing them to search for a job for a long time or to accept one that does not correspond to their educational level or specialisation.

By helping students explore their interests and capabilities and their education options, career education and advice can contribute to reducing both types of mismatches. This section first presents evidence on the scope and effects of skill mismatches in Slovenia. It then discusses the career education and counselling Slovenian secondary students have access to, and provides suggestions on how to strengthen these offers.

3.3.1. Scope of skill mismatch in Slovenia and across the OECD

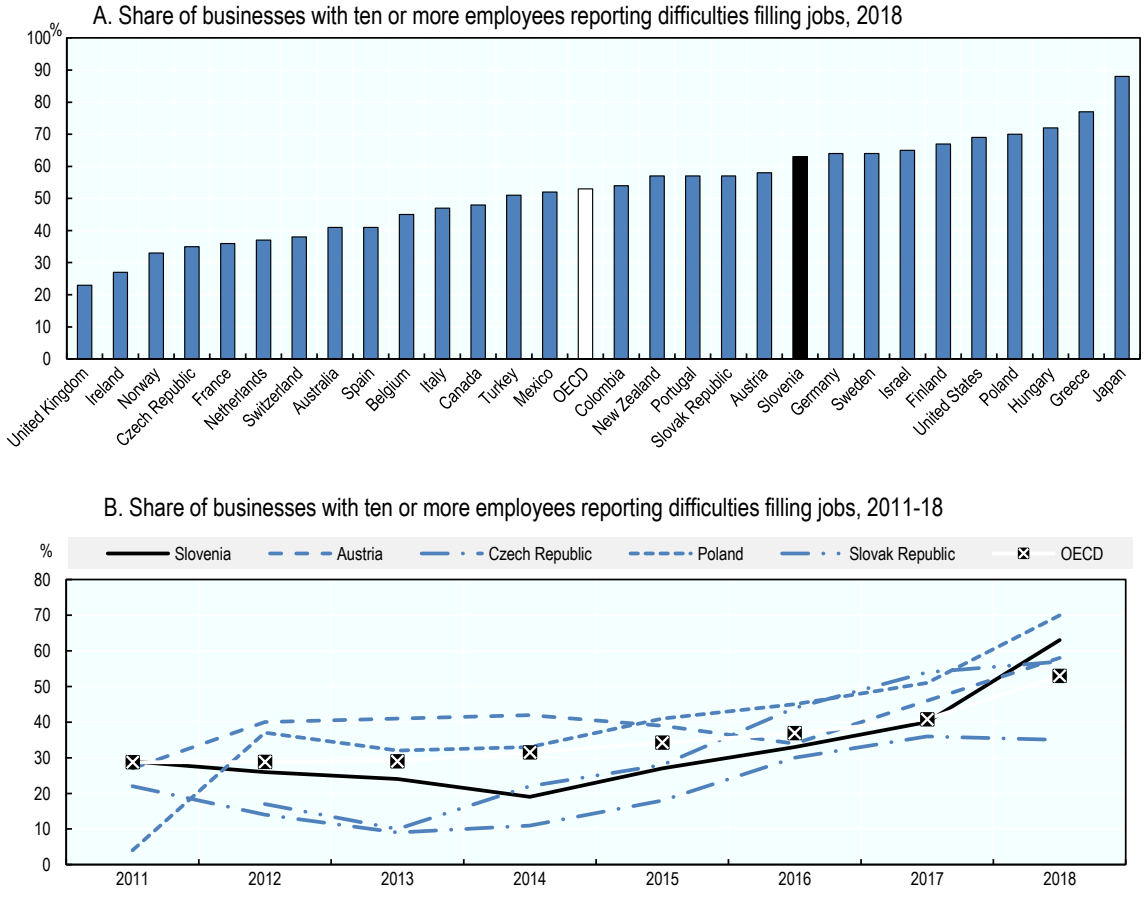
Prior to the COVID-19 crisis, Slovenian employers reported increasing difficulties in filling vacancies. In 2018, about two in three businesses with at least ten employees indicated that they had such difficulties, compared to a cross-country average of around 53% for OECD countries for which the information is available (Figure 3.5, Panel A). In contrast, in 2014, the share of businesses having problems hiring was still 13 percentage points lower than the OECD cross-country average; and it was only in 2017 that the Slovenian and OECD shares were equal (Figure 3.5, Panel B). Other Central and Eastern European countries also saw large increases in the companies with hiring challenges.

Mismatches in the level of skills and qualifications of employed workers and the requirements of their job were relatively uncommon in Slovenia in the mid-2010s. Evidence from the OECD Survey of Adult Skills showed that Slovenia had the second-lowest qualification mismatch, with over-qualification being particularly uncommon compared to the OECD and EU averages (Figure 3.6). Skill mismatches were in the lower third among OECD countries; and field of study mismatches were the fourth lowest. However, given the much tighter labour market in Slovenia in early 2020, it is unclear whether comparatively low rates of under-qualification and -skilling and of field of study mismatch persist. In 2016, health, science and engineering professions were already shortage occupations (CEDEFOP, 2016[68]). Even more unclear is what the effects of the COVID-19 crisis will be on labour demand and, indirectly, on skill mismatches.

Youth may be more or less affected by skill mismatches than the labour force as a whole. According to results from the Adult Survey of Skills, 16 to 24-year-old employees were a few percentage points more likely to be overqualified in Slovenia and across the OECD, but the differences were not statistically

significant (OECD, 2016[69]). Evidence from the 2016 ad-hoc module of the EU Labour Force Survey shows that the share of employed 25-34 year-olds who judge that their formal education helps them little or not at all with the demands of their current job is lower in Slovenia than the EU-28 and European OECD countries averages (Figure 3.7). The phrasing of the question does not make it possible to say whether the respondents who report a poor fit think that they are over- or under-educated (vertical mismatch) or whether they believe they have the right level of education but the 'wrong' degree (field-of-study or horizontal mismatch). People with medium levels of education report the mismatch more frequently. A study that compared the profile of 2007-09 Slovenian university graduates' degrees to their jobs found even higher mismatch rates: according to their assessment, only 30% were well matched on their specialisation and education level. However, the authors note that the mismatch had substantially increased by 2009 compared to 2007 due to the worsening economic situation (Domadenik, Farčnik and Pastore, 2013[70]). If Slovenia slips into a recession as a result of the COVID-19 crisis, in particular over-education may become more prevalent.

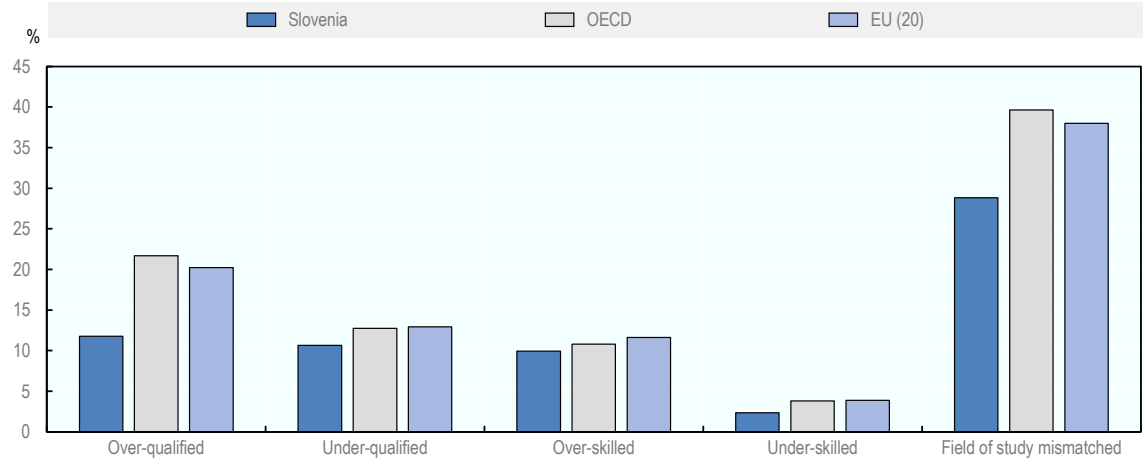
Figure 3.5. Many employers in Slovenia reported difficulties hiring in late 2018, but year-to-year changes are important



Note: The OECD average does not include Chile, Denmark, Iceland, Estonia, Korea, Latvia and Lithuania.
Source: ManpowerGroup (2018[71]; 2019[72]) ManPower Talent Shortage Survey.

Figure 3.6. Overall skill mismatches are relatively low in Slovenia

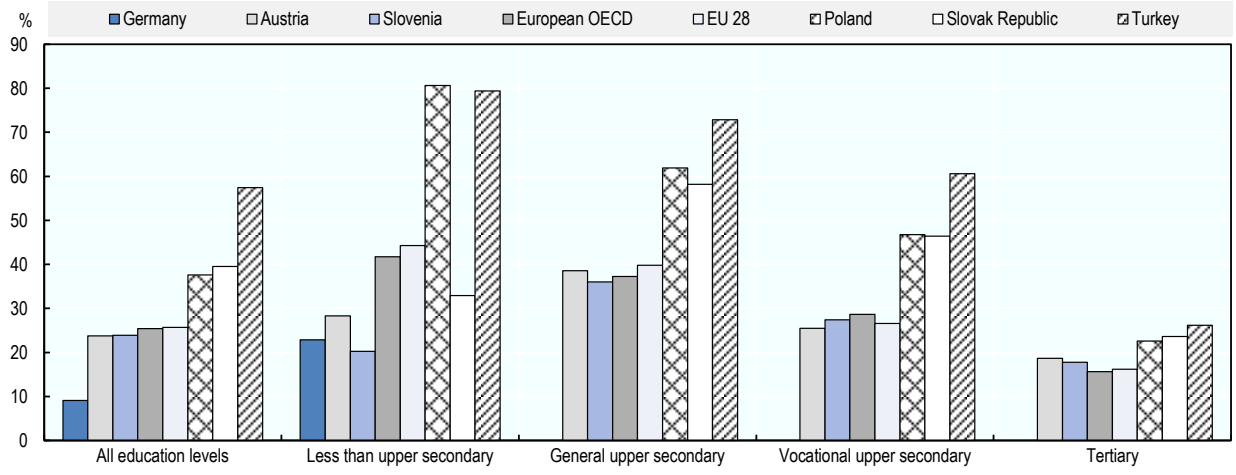
Percentage of mismatched workers, by type of mismatch



Note: The EU (20) average is based on Austria, the Czech Republic, Denmark, Estonia, Finland, Flanders (Belgium), France, Germany, Greece, Ireland, Italy, Lithuania, the Netherlands, Poland, Slovenia, the Slovak Republic, Spain, Sweden and the United Kingdom (England and Northern Ireland).
Source: OECD (2016[69]),*Skills matter : Further Results from the Survey of Adult Skills,* "Table 5.7", http://dx.doi.org/10.1787/888933366353.

Figure 3.7. About one in four young Slovenian workers do not think their highest education provided them with skills necessary for their job

Share of employed 25-34 year-olds who indicate that their highest level of formal education helps them little or not at all in fulfilling the demands of their current job



Note: Germany and Turkey have the lowest and highest share of young worker who do not believe their most recent formal education level helps them meet the demands of their job.
Source: Eurostat (2016), "Employed persons by sex, age, educational attainment level, work experience while studying and match between education and job (lfso_16oklev)", 2016 EU-LFS ad-hoc module on young people in the labour market, https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfso_16oklev&lang=enn.

A mismatch in skills that young people entering the labour market bring and that employers search for can make it difficult to find a well-matched job within a reasonable timeline, and can have negative effects on

earnings and employment quality. While across the OECD, over-qualified, over-skilled and horizontally mismatched workers make less money than those that are well-matched, in Slovenia, only over-qualification is associated with a wage penalty (OECD, 2016[69]). Over-qualified workers tend to be less satisfied with their jobs (Quintini, 2011[73]) and may have worse wage prospects in the long term (Korpi and Tåhlin, 2009[74]). The effects of field-of-study mismatches likely vary according to the overlap in skills requirements between the fields someone studied and trained for and the one he or she ends up working in. Individuals who voluntarily choose a mismatched position because they are interested in a change or because the position has other attractive attributes are less likely to experience a negative income effect than individuals who are forced to accept a position because there are no jobs in their original field (Domadenik, Farčnik and Pastore, 2013[70]).

3.3.2. Career counselling and education for primary and secondary students in Slovenia

Given the potentially large negative consequences of students embarking on a course of study that is a poor fit or for which there is little labour market demand, providing young people with guidance about their options is a worthwhile investment. The latest round of the Programme of International Student Assessment (PISA) demonstrated that the need for this guidance is large: the career aspirations of 15-year olds have narrowed since 2000, with 46% expecting to work in one of ten most commonly cited jobs. About four in ten, and even slightly more in Slovenia, expect to work in jobs that are at a high risk of automation. High-performing students from disadvantaged backgrounds are only about a half as likely to expect to be professionals or managers by the time they are 30 across the OECD, though the difference is smaller in Slovenia. Finally, one in five across the participating countries and one in four in Slovenia underestimate the level of education they would need to attain to work in their expected career (Mann et al., 2020[75]).

Career education and guidance can help young people understand career options and requirements. It might even motivate them to invest more effort in their schooling, though more motivated students may generally be more likely to seek career guidance: in PISA 2018, students who had participated in career development activities were more likely to agree that ‘trying hard at school will help me get a good job’ (Mann et al., 2020[75]). A literature review notes that the research evidence on the effects of career guidance is relatively weak. Nevertheless, among the studies that do exist, 60% and 67% found modest positive effects of career education on educational achievements and labour market outcomes, and almost all the remainder mixed or no effects. Moreover, there is stronger related literature on the relationship between career expectations, which career education can presumably influence, and outcomes. For example, youth whose career expectations exceed the educational level they plan to achieve are more likely to become NEETs (Hughes et al., 2016[76]).

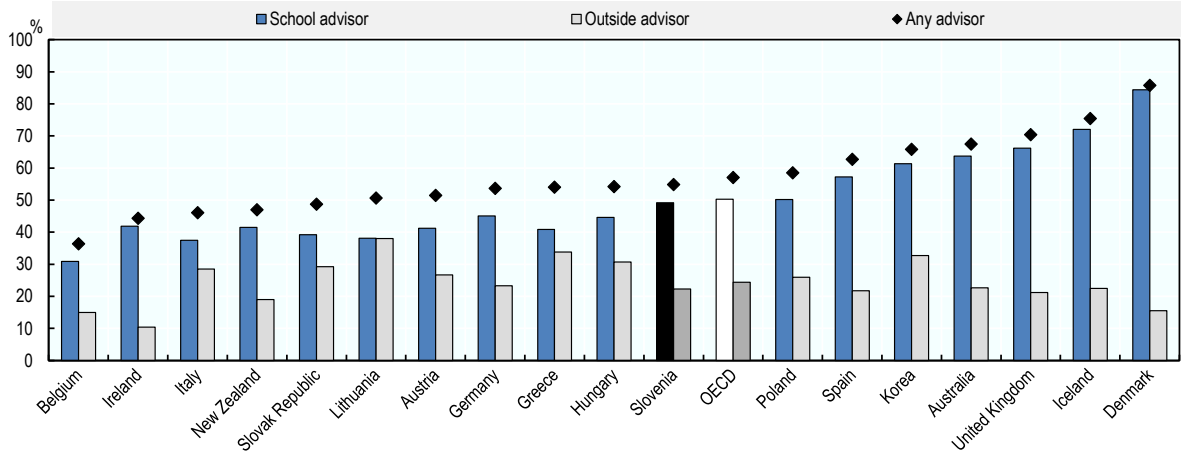
In Slovenia, lower and upper secondary students can receive career counselling from a variety of sources. These include their school’s counsellor, career centres, career centres for youth, youth centres the Employment Service of Slovenia (ESS) and career centres at higher education institutions. Moreover, students can access the ESS’s “Where and How” [Kam in Kako] website that allows them to explore what professions may be suitable for them (ESS, n.d.[77]). However, every school counsellor is responsible for 20 classes of 20 to 30 students each. School counsellors also have a wide rangef of tasks that include career and student welfare counselling, student welfare issues, so their time for career counselling is limited. Certain initiatives target students with added difficulties: for example, the career service at the University of Ljubljana informally co-operates with psychiatric hospitals to guide students with mental health problems. In 2018, the share of 15-year-olds who had seen a career advisor was very slightly below the OECD average (Figure 3.8).

The career education training for counsellors and teachers is relatively limited in Slovenia. The National Education Institute has guidelines for school counselling services, and some Career Centres for Youth also provide them with services (Euroguidance, n.d.[78]). The ESS has been offering a 160-hour non-certificate programme on career counselling for the third year running, but more want to participate than

can. As of now, there is no tertiary programme on school counselling, and career education is not part of initial teacher training.

Figure 3.8. An average share of Slovenian teenagers see a career advisor

15-year-olds who have seen a career advisor, 2018



Note: The OECD averages are equal to the unweighted average of the listed countries. Countries are sorted in ascending order of the percentage of students who met with any advisor.
Source: OECD PISA 2018, http://www.oecd.org/pisa/data/2018database/.

Career education and counselling targeted towards older students about to take concrete decisions about their further education and training should offer a realistic view on the demand for skills and occupations. This requires that a country has a solid skill need forecast systems and that career counsellors remain up to date with its results. In the current situation where many countries brace for a strong – though hopefully temporary – economic contraction, providing an outlook for what occupations will be in demand in the future has become even more complicated. But even before the current crisis, the 2017 OECD Skills Strategy Diagnostic report noted some weaknesses in the skills needs analysis and in the transmission of its results to career guidance services (OECD, 2017[79]):

- At the time of writing of the diagnostic report, Slovenia predominantly based its skill needs assessments on employer surveys. Other OECD countries combined information from these surveys with worker and graduate surveys, quantitative forecasting models, sector studies, labour market information systems and qualitative methods. The ESS was however already in the process of developing new forecasting methods on labour demand and supply; and following the Records and Analytical Information system upgrade, employment outcomes of graduates can be tracked.
- The report notes that results of skill need assessments are typically disseminated through short online documents or complex datasets. This can make it difficult for career counsellors and educators to easily access the information and transmit it in an appropriate way to students.

3.3.3. Strengthening career education and counselling

Basic and upper secondary students in Slovenia can turn to different counsellors within and outside school for information on education and training options. Building on this strong basis, adjustments that include targeted counselling offers, more comprehensive training for counselling staff and educators and deepened links to employers can further strengthen the career education and guidance offered to

teenagers. Additional investments in skills needs forecasting could furthermore benefit current and future workers of all age groups.

Channel young people towards career education and guidance that meets their needs

The fact that Slovenian students can turn to a variety of professionals within and outside of school for career guidance is a strength of the Slovenian system, but some may fall through the cracks. Slovenian in-school counsellors are responsible for many different tasks and students. In this situation, career guidance and especially individual career counselling often takes a backseat because counsellors focus on the immediate problems of at-risk students. To avoid this outcome, some countries including Poland and Norway, have created separate in-school career counsellor positions (Watts and Sultana, 2004[80]). It is clear that if Slovenia were to copy this approach, the financial costs would be substantial.

A mixed approach of creating some new in-school career counsellor positions and making the most of existing within- and out-of-school school guidance counsellors could minimise additional financial costs while maximising the availability of appropriately targeted guidance. In-school career guidance counsellors would be most beneficial in regions that do not have Career Centres for Youth or other counsellors specialised in youth-centred career guidance. In contrast, in areas where such outside options exist, this step might not be necessary.

In schools without a dedicated career counsellor, students can be directed towards the most appropriate form of guidance. 'At-risk' students may require more intensive integrated counselling that is not restricted to career guidance but also addresses the hurdles that harm their well-being and educational success (Watts and Sultana, 2004[80]). For these students, the in-school counsellor may be the most appropriate provider. Ideally, these counselling sessions would occur on a regular basis and would encourage the young person to think about their life, goals and obstacles in very broad way rather than to narrowly discussing the education and training pathways he or she could pursue (Reid, 2008[81]). If the counsellor thinks it is necessary and the student agrees, the counsellor may also involve other professionals that can help the student address any problems. If a student is reluctant to engage with the in-school counsellor, the counsellor or the student's teachers should point him or her towards available outside services. Students without additional support needs, in contrast, could be encouraged to seek career guidance and counselling in Career Centres for Youth or other public institutions.

Cross-age peer counselling can complement professional counselling. Under one model, older teenagers are matched with younger ones and meet on a regular basis. The programme should provide some basic training to the mentor and can propose shared activities. While most programmes in this vein do not have a specific academic focus, they may promote the development and learning of both mentor and mentee (Garringer and MacRae, 2012[82]). Under another model that might be especially relevant to Slovenia, students from upper secondary schools visit lower secondary schools to present their school and talk about future education and employment plans. A Danish programme of this type aimed to raise students' interest in vocational upper secondary tracks (Erhvervsskolernes ElevOrganisation, 2017[83]). In Slovenia, student-mentors from different types of schools could visit the lower secondary schools to present different options.

Ensure the quality of career education

Since the number of in-school and community counsellors as well as the time available for dedicated group or individual counselling are limited, career education activities should be integrated into subject-matter teaching from an early age. First, career education has been shown to be more meaningful if it starts from primary school onwards (Hughes et al., 2016[76]). One of the reasons is that children may otherwise prematurely eliminate certain educational and occupation pathways as being 'not for them'. At this age, career education should be about exploration and developing knowledge about the world of work (Kashefpakdel, Rehill and Hughes, 2018[84]). This type of learning can be integrated well into subject-matter teaching rather than into separate career guidance classes. Second, it can provide students with additional

perspectives on career options in different fields. By bringing in a real-world context, it might even increase students' interest in the subjects themselves.

Teachers who integrate career education into their classes need training, but the prevalence of such training varies widely. In 2015, the share of teachers in nine OECD countries (not including Slovenia) who indicated that career guidance and counselling were taught in their initial training varied from about one in ten in the Czech Republic to seven in ten in Korea (Musset and Mytna Kurekova, 2018[85]). With the exception of Australia and Portugal, this type of training is even less prevalent in teachers' ongoing professional development. Given this lack of training along with a fear that career education takes away valuable time from the core curriculum (Yates and Bruce, 2017[86]), it would not be surprising if teachers are reluctant to integrate career education into their classes.

Relatively short instruction units on career education in the initial and continuous teacher training can materially improve the way they integrate this training into their classes. For example, a pilot programme in North Carolina provided lower secondary teachers with a half-day group training class along with sample lesson plans. Following the intervention, the teachers presented more career-relevant materials to their students. In mathematics, this even had a positive effect on the grades of the students (Rose et al., 2012[87]; Woolley et al., 2013[88]). If spots in continuous training courses on career education are limited, bigger schools could also designate individual teachers across different subjects as 'career ambassadors' who help their colleagues integrate career-related components into their classes (The Gatsby Charitable Foundation, 2014[89]).

Career guidance professionals require in-depth initial and continuous training. As mentioned previously, in Slovenia, there is no tertiary programme in career counselling, and the ESS's training programme on career guidance for school counsellors is over-subscribed. Lacking specific training, counsellors may not have sufficient information to help students explore how their interests and strengths would fit different occupational profiles and what important trends in the labour market are (OECD, 2011[90]). In-school counsellors may generally be more inclined to focus on education as an end in itself, rather than considering the vocational implications (Watts and Sultana, 2004[80]). At the same time, counsellors in Career Centres could likely benefit from training in working with teenagers, as their needs differ from those of adults.

In some OECD countries, school career counsellors have to undergo mandatory training. A common thread in many countries is that school-based career counsellors have teaching degrees. In some, such as in Korea, counsellors need to complete several hundred hours of additional training but do not have a specific counselling degree (Yoon and Pyun, 2017[91]). In others, such as in the Australian state of New South Wales, they need to obtain a post-graduate certificate in career education after their undergraduate degree in education (NSW Department of Education, 2017[92]). The situation is the same in Finland, where in addition to certificates there are also Master degree programmes (Euroguidance, 2020[93]). To further the professionalisation of the role of career counsellor, Slovenia should consider introducing in-depth tertiary-level career education courses or certificates and gradually expanding the share of certified counsellors.

Schools can moreover benefit from tools that allow them to rate the quality of their career education and counselling. Self-rating benchmarking tools have for example been developed by the Career Industry Council in Australia (2014[94]), Careers New Zealand (2016[95]) and the Gatsby Charitable Foundation (2014[89]) in England. Schools that receive additional support can make more effective use of these tools: In New Zealand, schools that were advised by Careers New Zealand reviewed more of dimensions of their career services and did so more confidently (Education Review Office, 2015[96]).

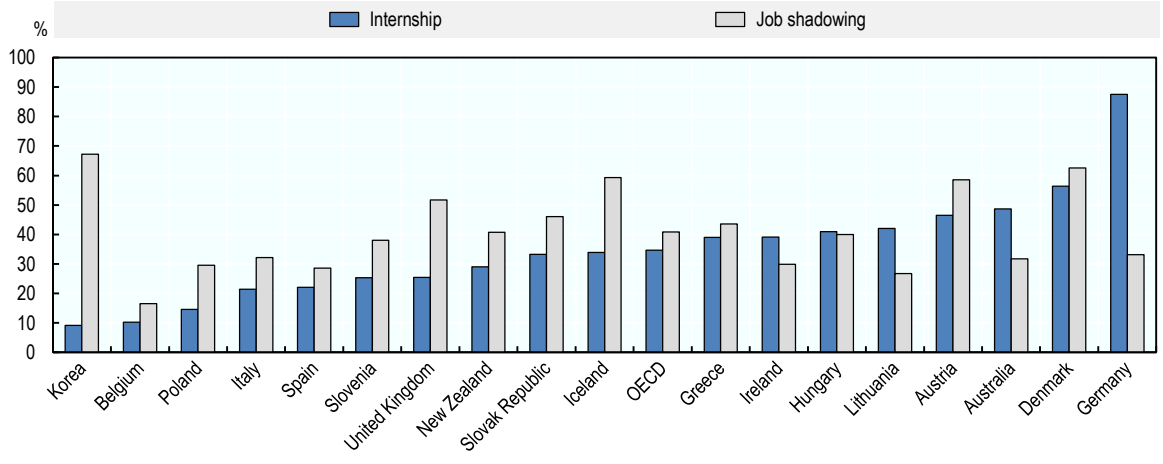
Increasing employers' involvement in career education

Activities involving employers are among the most effective forms of career education, yet these are less frequent in Slovenia than on average across the OECD. In 2018, 25.3% of 15-year-olds in Slovenia had

done an internship, compared to the OECD average of 34.7%; and 38.0% have done a worksite visit, compared to the OECD average of 40.9% (Figure 3.9). Students who interact with employers and workers in different occupations can gain realistic insights into the world of work and generally find these interactions more engaging than other types of career education. In some cases, youth who participate in activities may experience a boost in their later earnings (Mann and Percy, 2014[97]). Formal engagement programmes with the world of work may be particularly important for recently arrived immigrants, youth who live in Roma settlements and other disadvantaged students who are less likely to be able to find interesting opportunities and connections through their parents.

Figure 3.9. Employers are not particularly involved in career education activities in Slovenia

15-year-olds who participated in the named career education activity, 2018



Note: The OECD averages are equal to the unweighted average of the listed countries. Countries are sorted in ascending order of the sum of the percentage of students who completed an internship.
Source: OECD PISA 2018, http://www.oecd.org/pisa/data/2018database/.

Employer involvement in career education can take different forms. They include career fairs at or outside of school, workplace visits and job shadowing, and mentorship and internship programmes. Career fairs and workplace visits are generally the least costly for school and employers. Job-shadowing, which often involves several days of workplace visits, may be particularly interesting for students in the later years of basic education to can gain a first impression of work life. In some OECD countries, including France and Norway, job shadowing is mandatory in lower secondary school. Internships typically last longer and therefore give a more in-depth view of workplaces. In particular for younger students, it is difficult to establish whether internships are more impactful than work shadowing programmes. When it comes to mentorship programmes, it may be difficult to find mentors for all students. Some countries therefore target them to at-risk youth (Musset and Mytna Kurekova, 2018[85]). Mentorship programmes can also be run by non-governmental entities. For example, in the Czech Republic, an NGO-run programme called Gendalos links up Roma secondary students with mentors in different companies (IQ Roma Servis, n.d.[98]; IBM, 2017[99]).

While in particular in technical and vocational schools, employers may approach schools for career education co-operation initiatives to raise students' interest for their sector, in most cases, schools will have to take the initiative. In some countries, such as in the United Kingdom, the government requires schools to create employer engagement programs (Mann and Percy, 2014[97]). Local ESS offices and career centres could help schools set up such programs. For example, the Centre for Social Work in Krško

has a summer employment programme in which employers receive a EUR 5 per hour subsidy to offer a 14-day work experience programme to upper secondary and tertiary students. A similar subsidised summer internship programme in New York city has been shown to have positive social and labour market impacts (OECD, 2016[100]).

Reinforcing the knowledge about current and future skill needs

The advice of career counsellors should first and foremost be related closely to the interests and capabilities of the young person they interact with, but should nonetheless also be informed by a clear idea about current and future skills needs. Through their knowledge of the local and national labour market and any interactions with employers, they will already have some insights into what these skill needs are; but their knowledge and intuition alone is not going to suffice to advise all students with different interests and career goals. They therefore need formal skill-need assessments and forecasts as inputs to their work. Slovenia currently bases these skills needs assessment on employer surveys and is developing new skills needs and supply forecasting methods. Career counsellors have noted that the material they receive on these assessments are not always suited for their purposes. Good practices from other countries can therefore be helpful to strengthen both the skill needs forecasting system and to make the insights more available to career counsellors.

Employer surveys and quantitative skill needs forecasts can provide valuable insights into current and future developments of the national labour market, but may not be fine-grained enough to reveal trends in specific sectors or region; but more disaggregated forecasts can be expensive. The Finnish National Agency for Education therefore selects three or four sectors each year for which it carries out an in-depth skills anticipation exercise (OECD, 2019[101]). The advantage of sector- or region-specific assessments is that they can more convincingly combine quantitative and qualitative evidence and for example integrate expert judgement (such as through focus groups and Delphi exercises) in a more systematic way.

While it can be difficult to forecast what skills will be in demand several decades down the line, the labour market experience of recent graduates can provide relevant insights for which occupations and skills are in demand right now. Italy, for instance, has a graduate survey that investigates the employability of recent graduates (OECD, 2016[102]). Evidence from a survey could be combined with the upgraded Records and Analytical Information System of the ESS in order to understand how graduates from different programmes and in different parts of the country fare immediately after leaving school or university and several years down the line.

Well-designed information systems can make it easier for counsellors, youth and their parents to assess information from skill needs assessment. In Finland, the ForeAmmatti website allows students, workers and counsellors see the historical and forecasted number of vacancies for a given occupation and region and to investigate whether there are any regions where the occupation is in higher demand (OECD, 2016[102]).

3.4. Strengthening work-based learning in Slovenia

While a general education curriculum offers the best basis for many teenagers, others benefit more from work-based learning. Slovenia, like other countries in Central Europe, has a long tradition of having a strong vocational and technical education system. The resulting variety in educational options contributes to the high upper secondary graduation rates. But even good systems can be strengthened further; and the recent re-introduction of apprenticeships is one example of an initiative that tries to do exactly that.

For certain students and employers, apprenticeships and other forms of work-based learning are the best ways to train for an occupation and to ensure that their skills needs are met. This section first discusses the benefits of work-based learning and the status of apprenticeships within Slovenia's vocational

education system. It then provides suggestions on how to boost interest in apprenticeships and how to improve the outcomes of work-based learning further.

3.4.1. The benefits of work-based learning

Trainees can benefit from high-quality apprenticeship in many ways. One advantage is that young apprentices might learn in more depth when they engage in practical training combined with theoretical education than if they attended classes alone. Many youth find it motivating to be part of a real workplace. Another advantage is that the school-to-work transition of apprentices is often smoother than that of other graduates, though the initial advantage declines over time. However, these benefits only occur if the theoretical and practical training parts are well integrated, and if employers invest in the skills of their apprentices rather than using them as cheap employees for basic tasks. If the training is too specialised, apprenticeship graduates may struggle to change employers in the short run, and to move into a different occupation in the medium run if the economy's skill needs shift (Wolter and Ryan, 2011[103]).

The wage premium for young apprenticeship graduates varies across countries but tends to be positive. In an analysis of data from Survey of Adult Skills, among individuals aged 16-35 not in education, apprenticeship graduates earned 5-45% more than graduates from upper-secondary academic programmes even when their age, gender, the size of the firm they work at and their numeracy performance were controlled for (Kuczera, 2017[104]).

Employers can also be better off when they train apprentices. During the workplace training component of the apprenticeship, apprentices typically do a mix of tasks, some of which create productive immediate outputs for the employer and others that build the apprentices' skills. Of these, any productive work is a short-term benefit. If apprentices stay on after their apprenticeship, the employer profits from having an employee with tailored training. The counter-point of these benefits are the costs that are associated with offering apprenticeships. In addition to direct costs, such as the apprenticeship wages, there are the indirect costs of the time that the employer and other employees invest in the training and related administrative tasks.

The employers' net benefits from offering apprenticeships vary considerably across countries and occupations. During the training period, Swiss employers for example derive net benefits and German employers net costs. However, a much higher share of German apprenticeship graduates stay with their training company, allowing the firm to recoup the investment (Mühlemann, 2016[105]). Apprenticeships in technically complex occupations tend to be more costly. For example in Switzerland in 2004, firms that trained electricians derived an estimated CHF 40 000 per student and training year, while those that trained IT specialists bore net costs of CHF 30 000. The reason that employers nonetheless invest in these costly training programmes is that they can often retain the former apprentices as employees with substantial firm-specific knowledge and skills (Swiss Coordination Centre for Research in Education, 2010[106]).

A third party that can benefit from expanding apprenticeship programs is the government. When employers do part of the training, schools can invest less in equipment and teaching staff than would be needed if the vocational training took place entirely at school. In Switzerland, almost three-quarters of the differences in public spending on vocational education and training (VET) across cantons can be attributed to the share of VET students who are in dual programmes (Swiss Coordination Centre for Research in Education, 2018[107]). Even when the government subsidises employers for offering apprenticeships, costs are nonetheless still lower (Kuczera, 2017[104]).

3.4.2. Apprenticeships within the vocational training system in Slovenia

In 2017, the government re-introduced apprenticeships in the Slovenian education system with the aim to equip students with the skills that employers need and to strengthen the ties between the education system and businesses (The Slovenia Times, 2017[108]). The pilot programme aimed for 200 participants;

amounting to around 4% of first-year vocational students (Republic of Slovenia Statistical Office, n.d.[4]; Institute of the Republic of Slovenia for VET, 2018[109]). Compared to the regular vocational programmes, apprentices spend at least twice as much time (50% versus 25%) in workplace training. Apprenticeships were initially offered in four occupations (stonemasons, gastronomic and hotel services, joiner, toolmakers), but this number has since grown to 12, with plans for additional ones. Schools, chambers of commerce and employers all collaborate in the planning and implementation process to ensure that the failure of the 1996-2006 attempt to introduce a dual training system (see Box 3.1) will not be repeated (Institute of the Republic of Slovenia for VET, 2018[109]). While apprentices have a contract with the employer that defines their rights, obligations and learning goals, they do not have the status of employees but rather of students. The employer nonetheless pays the students' social security contributions, compensation for meals and travel and a minimum remuneration of EUR 250 in the first year, EUR 300 in the second year and EUR 400 in the third year (Cedefop, 2018[110]).

An ambitious monitoring programme accompanied the first three years of the apprenticeship programme. The monitoring covered diverse research questions, such as what motivates different stakeholders to participate; whether lower secondary school career guidance discussed apprenticeships as an education option; and how school-employer relations and the training are organised. It also tries to evaluate the learning progress of apprentices (Institute of the Republic of Slovenia for VET, 2018[109]).

In a problem that is far from unique to Slovenia, secondary students do not always have a good opinion of vocational education in general and of work-based learning in particular. The image problem of vocational education extends to parents, who sometimes push away their children who might have been interested from pursuing the track (Cedefop, 2017[111]). Hence, the recently introduced apprenticeship suffers from a lack of demand by prospective apprentices, despite actual apprentices being satisfied with the programme.

Similar to apprentices, employers are generally satisfied with the apprenticeship programme, though they also perceive a few problems. Their motivation for offering apprenticeships is to train workers with the skills they need and to increase interest in their occupations. But they are not always involved in setting training objectives; and in some cases, schools appear to have 'offloaded' parts of the training to employers that are more suitable for theory-based instruction at school (Institute of the Republic of Slovenia for VET, 2018[109]). Four in ten company representatives engaged in the 'regular' form of workplace training indicated that they lacked guidance on training and feedback on students' performance at schools. Many would also like to have access to more training for workplace mentors. The co-operation between chambers of commerce under public authority, responsible for supervising work-based learning, and schools is also often weak (Cedefop, 2017[111]).

Two peculiarities of the Slovenian vocational education system are the vocational programmes' broad focus and that employers are not able to select their apprentices. The broad focus means that there is for example only a general programme in gastronomy and hotel services rather than separate programmes for occupations such as cooks or hotel clerks. It applies to regular and apprenticeship-based programmes equally. The inability of employers to select their apprentices is directly related to the fact that they are not employees.

The COVID-19 crisis is a challenge to dual systems all around the world. For the only recently re-introduced Slovenian system, the threat may be even higher. First, the closures of many schools and workplaces made it difficult for current apprentices and other VET students to continue their classes and practical training. While these closures were a disruption for students and reduced learning progress for many, the impact is likely more severe in fields where practical training is paramount. Second, the pandemic and associated confinement measures created economic difficulties for businesses. Some companies went out of business and others downsized. These circumstances might lead to fewer businesses offering apprenticeship spots and some apprentices who trained with firms that closed to be left in limbo (OECD, 2020[112]). Empirical evidence suggests that there are indeed fewer apprenticeships offered during recessions in the short term (Lüthi and Wolter, 2020[113]; Brunello, 2009[114]). The gastronomy and hotel

educational track may be particularly at risk. Hotels and restaurants had to close completely for two months; and leisure and work travel during the remainder of 2020 is likely to be significantly reduced.

Box 3.1. The unsuccessful attempt to re-introduce apprenticeships in Slovenia in the 1990s

The role of apprenticeships in training young Slovenians declined during the 20th century. In the area that is now Slovenia, the majority of youth who trained in certain craft occupations were apprentices during the early and mid-20th century. However, their importance decreased during the Yugoslav period, culminating in the complete transfer of responsibility for Vocational Education and Training to schools in the early 1980s.

The Education Act of 1996 re-introduced apprenticeships as one of the vocational education pathway. In contrast to the fully school-provided programmes, apprenticeships were provided jointly by employers and schools. Apprentices spent around 50% of their time with the employer. Yet the 2006 Vocational Education Act and the preceding 2001 guidelines on the upper secondary vocational education programmes no longer included a dual apprenticeship option. The Act defined work-based learning as an obligatory part of vocational education, but to a lesser extent than in a dual programme.

One of the factors that contributed to the demise of the apprenticeship option was a lack of demand. Over the 1996-99 period, curricula for 29 programmes were prepared. Ultimately, insufficient interest by employers and students meant that more than one-third of them never got off the ground. Even in the programmes that did exist, apprentices took up only about one in two open spots. Employers, in turn, may have been less interested because of the high perceived costs and because important parts of the practical curriculum were covered at school rather than within the enterprises.

Source: CEDEFOP (2017), *Apprenticeship Review Slovenia: Putting apprenticeship on track in Slovenia*, Luxembourg: Publication Office of the European Union, https://www.cedefop.europa.eu/files/4157_en.pdf.
CEDEFOP (2019), *Slovenia: Understanding Apprenticeships in the National Context,* https://www.cedefop.europa.eu/en/publications-and-resources/data-visualisations/apprenticeship-schemes/country-fiches/slovenia.
Ignjatović, M., A. Ivančič and I. Svetlik (2003), *The Role of National Qualifications Systems in Promoting Lifelong Learning: Background Report for Slovenia*, https://www.oecd.org/slovenia/34258475.pdf.

3.4.3. Ideas for strengthened apprenticeships

The recent re-launch of apprenticeship programmes in Slovenia provides an excellent opportunity to build a strong and continuously evolving system. Possible areas for further improvement relate to the matching of employers and apprentices; helping companies become high-quality training providers; boosting student interest in apprenticeships; and systematically evaluating the outcomes of apprentices and apprenticeship-providing companies. Moreover, apprentices and employers may need additional support during the COVID-19 crisis.

During the programme's pilot phase, some employers criticised that they could not select their apprentices. In particular in a situation where employers see the provision of workplace training as a longer-term investment that they hope to recoup through retaining a former apprentice, this can certainly be a disadvantage. Employers who did not offer earlier forms of workplace-based training likely have start-up costs that dissipate over time. For these employers, the likelihood of having an apprentice who is a good match for the company and who will stay on afterwards may heavily influence whether they are willing to become an apprenticeship provider.

Explore the possibility of a matching service between prospective apprentices and companies through the chambers of commerce. If too few apprenticeship providers can be recruited because they are afraid that their assigned apprentice will be a poor fit, different solutions exist. A first possibility is to

allow employers to become involved in the recruitment. Employers hire apprentices directly in Australia, England, Germany, the Canadian province of Ontario and many other countries and territories. However, this possibility would entail that apprentices are a special category of employees rather than students. Given that the contract status of apprentices was only recently set, it makes sense to maintain it as is at least in the near future. Yet, alternative options could improve the matching. For example, the European Centre for the Development of Vocational Training (Cedefop, 2017[111]) suggests that chambers of commerce could provide a matching service between prospective apprentices and companies. A matching broker can help companies assess their skills needs and capacity for offering an apprenticeship. A broker indeed took such a role during the pilot project on Services for Apprenticeships that occurred in eight EU countries including Slovenia (SERFA, 2016[115]). Following the assessment of the company, the broker could then place suitable students with employers. As an example of such a system, the Australian Apprentice Support Network providers identify some employers and (prospective) apprentices for additional support. This support can include screening, testing and job-matching to ensure that there is a good match between apprentices and employers (ILO, 2019[116]). For this system to work well, brokers should be knowledgeable about the sector and skilled in the support tasks they would provide, which also means that there should not be excessive turnover among the brokers. Staff at the chambers of commerce would already be well-equipped in terms of their industry knowledge, but may need further training when it comes to the matching of apprentices and employers. Given the relatively low interest in apprenticeships from both the employer and student side, a matching service could first be piloted in one industry in which employers are most interested and the chamber of commerce is very engaged.

Identify apprenticeship ambassadors to promote the programme. Engaged employers and apprentices can promote apprenticeships. For example, England has an Apprenticeship Ambassador Network consisting of a group of high-profile employers who spread the word among other employers about the apprenticeship programme. The ambassadors also closely collaborate with the Young Apprentice Ambassadors Network, consisting of current and former apprentices, to raise interest among students in apprenticeships (National Apprenticeship Service, n.d.[117]). Experience from North Carolina also showed that the parents became more open towards their teenager pursuing a career in manufacturing after a workplace visit at a Siemens plant (Mourshed, Farrell and Barton, 2013[118]), suggesting that a respected employer champion can shift perceptions about apprenticeships.

Help employers become high-quality apprenticeship providers. In particular (but not only) new apprenticeship providers may need additional assistance so that they can properly train their apprentices. In Slovenia, the presence of an experienced worker who can act as the trainer is already a pre-requisite for becoming an apprenticeship provider. But individuals who have honed their craft may not necessarily have pedagogical skills. In Germany, potential apprenticeship trainers who are not already certified master craftspersons need to pass a trainer aptitude exam. To prepare for this exam, they typically take a 115-hour "training for trainers" course at a chamber of commerce. In Switzerland, 40 or one hundred hour training programmes are mandatory (Kis, 2016[119]). In Malta, participation in a training course is mandatory for companies that apply for financial assistance for training (European Commission, 2015[120]). If these requirements seem excessive, Norwegian apprenticeship providers can participate in optional two-day programmes. In addition to initial training programmes, continuous education options should also be available. One option are in-person continuing education courses, such as on evaluating apprentices. Low-barrier online offers, such as Norwegian Directorate for Education's short videos on good practices in training, can complement and in some cases even replace in-person courses (Kuczera, 2017[104]). Exchange programmes between company mentors and vocational school teachers can complement formal training courses (Cedefop, 2017[111]). Companies may also need reassurance that the apprenticeship programme is going to continue in the future in order to be willing to invest in training their trainers.

Make apprenticeship more accessible and attractive for students. Creating more interest in apprenticeships among students is another challenge. In Slovenia, where many students already pursue

a vocational degree and where the qualifications earned in apprenticeships and school-based programmes are equivalent, this should be easier than elsewhere. Nevertheless, broadening the base of students that are targeted to include both academically more gifted and more vulnerable students can be beneficial; though the tools of achieving this are necessarily different (Valiente and Scandurra, 2017[121]). For weaker students, some countries propose a pre-apprenticeship programme to help them fill gaps in general, vocational, language or soft skills. These can range from a few weeks, such as in England and Scotland, to one-year programmes, such as in Australia, Germany and Switzerland (Kis, 2016[119]). For more academically gifted students, apprenticeships are likely to be of more interest if they are offered in better-paid occupations and if there is a clear pathway towards higher qualifications later on. In Germany in 2018, there were 327 different apprenticeship occupations (BIBB, 2018[122]). For the best-paid among them, such as bank clerks and chemical technicians, median salaries of first-year graduates were on a similar level as of first-year bachelor degree holders (Staufenbiel Institut, n.d.[123]; Wirtschaftswoche, 2019[124]). Even apprenticeship graduates who do not hold a general upper secondary degree can moreover study for a related degree at college.

Evaluate the success of apprentices and apprenticeship providers over the long term. An evaluation programme that follows up on the three-year pilot monitoring programme could provide insights into the long-term trajectories of apprentices, with possible insights that could lead to further refinements of the programme. The combination of different administrative databases makes it feasible to track individuals over a long period and to therefore compare the outcomes of apprentices with those of graduates from other vocational education programmes. Such an evaluation is for example carried out in the United Kingdom. A continued analysis of administrative enterprise data could also reveal how companies that offer apprenticeships fare over the medium and long term compared to similar companies who do not. Regular surveys can furthermore suggest whether employers and apprentices are satisfied with apprenticeship programs. In Australia, for example, surveys among employers are carried out biannually (ILO, 2017[125]).

Support apprentices and their training companies during the COVID-19 crisis. A number of measures can support apprentices and firms that offer work-based training during the ongoing COVID-19 crisis. First, in several countries including Spain, South Korea and the United Kingdom, apprentices whose practical raining had to be suspended during the confinement period could take a break and their deadlines were extended (OECD, 2020[112]). In the Netherlands, upper-secondary students who were just a module or two or a few weeks of their work placement away from fulfilling their graduation requirements could already be accepted to post-secondary vocational education on a preliminary basis, having been granted an extension to fulfil the requirements. Second, Australia, Austria, England, Ireland, Switzerland and others provide wage subsidies for apprentices. This subsidy is paid either through their regular short-term or job retention schemes or through a subsidy targeted specifically at apprentices and trainees. Finally, several governments including the French, German and Scottish ones offer additional incentives for employers taking over apprentices made redundant by other employers or offering more apprenticeship spots than usual. For Slovenia, certain apprentice programmes, especially in hospitality, are likely to be hit much more severely than others are because employers had to close down altogether for a certain period. For these hard-hit industries, a combination of extended deadlines to complete practical training requirements and financial subsidies to induce companies to keep training and hiring apprentices could be useful. If apprentices trained with a company that had to shut down, they should quickly be placed with a new company.

3.5. Improving the transition of students to work

Most Slovenian teenagers graduate from upper secondary school and many go to university, but once they do, they often take a long time to graduate or do not complete their studies at all. Long durations of study, incomplete degrees and prolonged job search periods after graduation all entail economic costs for the

affected individuals and the government budgets. Helping students graduate (more quickly) and find high-quality employment within a reasonable time frame can reduce NEET rates and reduce displacement of regular job positions by student work.

3.5.1. Study duration and job search

Upper secondary completion and tertiary enrolment rates in Slovenia are among the highest in OECD countries. With 95% of students graduating from upper secondary school, Slovenia ranks notably above the OECD and EU averages of 86%. Only Italy (96%) and Japan (98%) have higher upper secondary graduation rates. And in 2017, 57.7% of 20-year-olds were enrolled in a tertiary education programme, far above the OECD average of 39.1%. This is the highest share among European OECD countries, and second only to Korea's rate of 68.9% (OECD, 2019[126]). Among these, 16% are enrolled in short-cycle tertiary programmes and 84% are bachelor or master students. Accordingly, the focus in the remainder of the chapter is on university students.

The flip-side of high enrolment rates is that a substantial share never complete their studies. In Slovenia, only 24% of full-time bachelor's students complete the degree within the theoretical duration and only 53% do so within an additional three years. At that point in time, 8% are still enrolled at university. But even if they eventually graduate, this means that 40% do not – although it is possible that they return to university at a later point in time. The completion rate of 53% is the lowest among OECD countries for which the necessary cohort data are available, and well below the unweighted average of 68% for these countries and territories (Figure 3.10). Among the eventual graduates, the share that complete the programme within its theoretical duration (typically three years for a bachelor's degree) is also comparatively low: its lower and upper bounds are 39 and 45% (see the note of Figure 3.10 for the explanation of how upper and lower bounds are estimated). Only Chile and the Netherlands have a lower share of on-time graduates.[2] An earlier estimate put the dropout rate at 35% (Zgaga, Wollscheid and Hovdhaugen, 2015[127]).

A comparatively generous student financing system and the possibility of engaging in tax-advantaged student work contribute to comparatively long study durations in Slovenia:

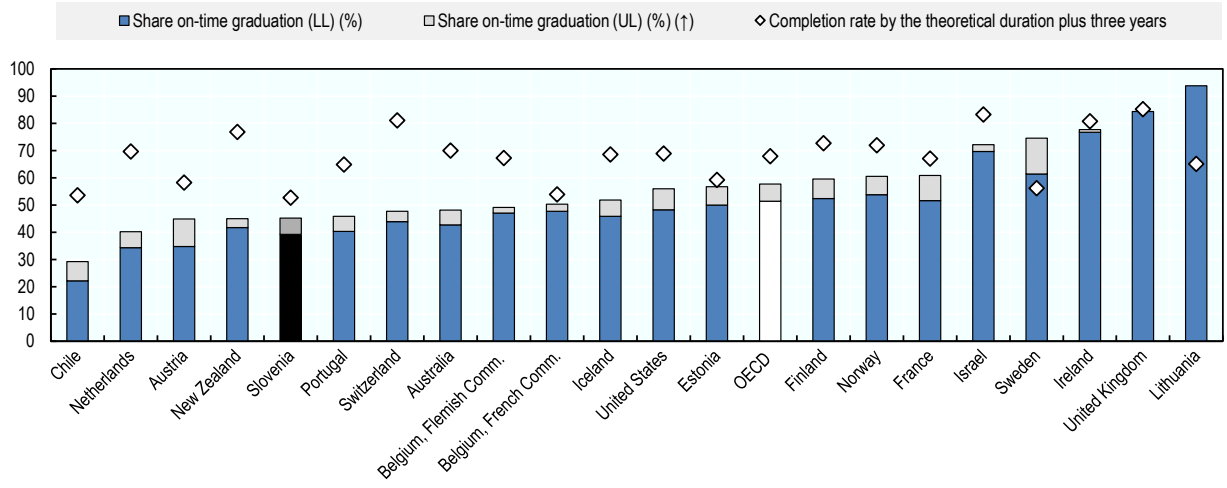
- Tuition is free for under-26-year-old full-time students in bachelor's and master's programmes at public universities or in publically financed programmes at private universities. Students who exceed the length of study for a degree programme by more than one year have to pay the tuition fee that is set by the university (European Commission/EACEA/Eurydice, 2018[128]). Yearly tuition fees can vary from EUR 2 000 to 11 000 for bachelors and EUR 2 000 to 15 000 for masters degree programmes.[3]
- Students can receive needs- and merit-based grants. In 2018/19, these ranged from EUR 840 to EUR 4 320 per year, with possible supplements for living away from home and special educational needs. In 2015/16, 20% of students received needs-based and 4% received merit-based grants (OECD, 2017[79]).
- Students can have a special form of work contract that requires an agency as intermediary but is associated with fewer administrative requirements and somewhat lower labour costs for employers. The legal minimum gross hourly pay for student work in 2020 is EUR 5.40. This pay is lower than the EUR 6.18 that a regular minimum-wage employee who works 40 hours per week and benefits from 35 days of leave and public holidays earns.

The recent reform in university financing as well as strengthened career education may decrease the share of non-completing students. Until 2016, the principal source of funding for universities were lump-sum payments for enrolled students. This incentivised universities to enrol students regardless of whether they could complete their degree and later find a job. Following the reform, three-quarters of funding is a fixed amount per institution and one-quarter depends on enrolment but also indicators such as graduate employability, scientific output and industry co-operation (O'Farrell, 2017[129]). It is worthwhile to track

whether these incentives are strong enough to alter the behaviour of universities in a way that affects graduation rates and the speed and quality of the university-to-work transition. At the same time, high-quality career education, as discussed in one of the prior sections, can help youth gain a realistic understanding of whether a particular degree programme fits their strengths and interests. This might make it less likely that they pick a degree programme that is a poor fit and that they end up dropping out from.

Figure 3.10. Only one in two Slovenian students graduates during the programme's expected duration plus three years

Completion rate within the theoretical duration plus three years of full-time students who entered a bachelor's or equivalent programme and lower and upper bound estimates of share of graduates who complete the programme within its theoretical duration, 2017 or most recently available



Note: The lower-bound (LB) estimate of on-time graduation is equal to the share of full-time students who complete the programme within its theoretical duration, divided by the sum of the share who complete it within its theoretical duration plus three years and the share who are still enrolled after the theoretical duration plus three years. The upper-bound (UB) estimate is equivalent but does not include the share who are still enrolled. The lower-bound estimate hence assumes that all students who are still enrolled three years after the theoretical duration will eventually graduate; while the upper-bound estimate assumes that none of them will. The OECD average is the unweighted average across the listed countries and territories. The estimated shares are listed for countries for which true cohort data are available. Data for the French-speaking part of Belgium refer only to the hautes écoles (HE) and the écoles des arts (ESA), representing about 60% of entrants to bachelor's or equivalent programmes.

Source: Own estimation based on OECD (2019[126]), "Indicator B5.How many students complete tertiary education?", *Education at a Glance 2019: OECD Indicators*, https://doi.org/10.1787/62cab6af-e.

Taking a long time to complete higher education is problematic if it makes it difficult for youth to find a job after graduation. Indeed, using administrative data on the cohort of 2007 Slovenian university graduates, Domadenik and Farcnik (2020[130]) showed that long study durations were associated with a lower probability of having found a job after three, six and nine months for graduates who were not employed at the time of graduation. However, the effects are not the same in all fields of study. For example, business, computing and engineering graduates who studied longer than average were more likely to have a job later on that matched their field of study. The opposite was true for law graduates. In many other fields, there was no association whatsoever between the duration and the probability of employment. A possible explanation is that computing graduates were more likely to have studied for a long time because they were doing relevant student work on the side; while for law students, long study durations signalled weaker ability (Domadenik, Farcnik and Pastore, 2013[131]).

One of the factors that may contribute to longer study periods is student work, even though the share of students who work during the lecture period is not exceptionally high in Slovenia. In 2016, 58% of students worked at least occasionally during the lecture period, a share that is equal to the one in the Slovak Republic and only 4 percentage points higher than the unweighted average for the EU countries for which the statistic is available (Figure 3.11, Panel A). Slovenia situates itself in the middle of the range that goes from 31% in Portugal to 76% in the Netherlands. In addition, about one in two of the working students in Slovenia state that they would not be able to afford their studies otherwise (Figure 3.11, Panel B). This share is once again similar to the unweighted EU, and close to the mid-point between the lowest (Italy, 32%) and highest shares (Norway, 73%). With a few exceptions (Germany, Ireland and Norway), the proportion of students who state that they are working to gain experience is larger than the proportion who would otherwise not be able to study. Administrative data suggests that among the cohort who were 18-21 year-old in 2011, youth who were NEET in 2018 reported income over an average of 2.2 years of their studies, compared to 2.7 years for non-NEETs.

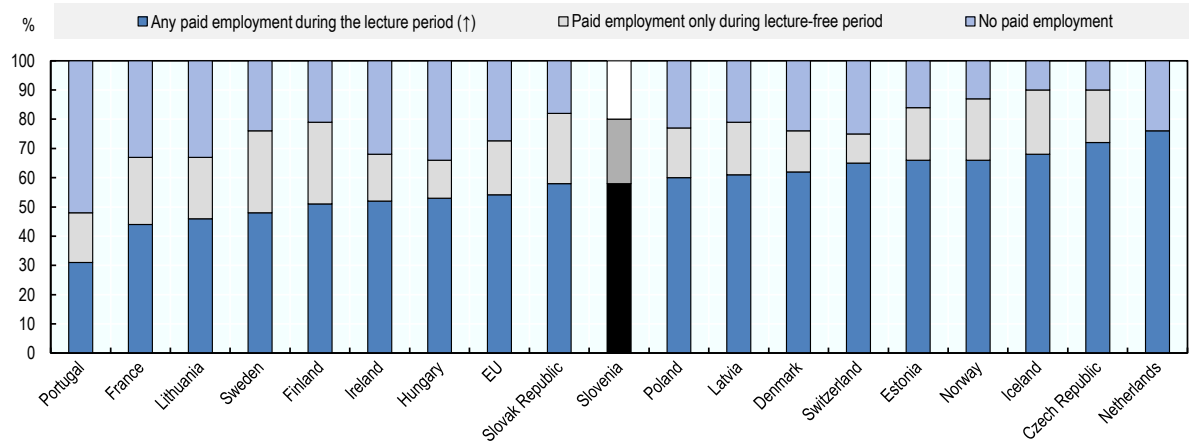
Some people in Slovenia worry that student work may prolong studies or even make it harder for young people to find a job after graduation. The counter-factual is unknown; but it nonetheless appears that the availability of student work as a separate category of temporary contracts does not increase the share of students who work during the lecture period beyond the shares in many other countries. However, this does not mean that individual employers might not replace a regular worker with a student worker; or that individual students do not prolong their studies so that they can maintain their student status because their employer indicated that they would not be able to keep their job otherwise. One piece of evidence is that around 32% of students who work occasionally or regularly during the lecture period consider themselves primarily as workers who study on the side. This share is not exceptionally high compared to the average across countries that participate in the EUROSTUDENT survey (35%), but way above values observed in countries such as Denmark (9%) and the Netherlands (15%). Administrative data suggests that relatively few students earn amounts that suggest full-time employment: in 2018, the average yearly income of students was below EUR 2 490; and even the 95th percentile only earned EUR 6 800. Another issue is that only about one in three of students in Slovenia employed during the lecture period are working in a job related to their field of study; second lowest among countries for which the information is available (Masevičiūtė, Šaukeckienė and Ozolinčiūtė, 2018[132]).

A priori, student work could have both positive or negative impacts on students' performance and subsequent employment chances. Working besides their study can raise their subject-specific and broader skill levels, boosting their grades and attractiveness for future employers. At the same time, excessive work hours might reduce the time they can invest in their studies and thereby harm their performance and prolong their studies. If their work does not foster any skills required in their field, employers may discount their work experience or even regard it negatively. Whether the positive or negative effects dominate can therefore only be answered empirically. One study on economics students at the University of Ljubljana in 1997 to 2004 found that students who worked had a lower probability of passing the first year than students who were otherwise similar and did not work. The effect was stronger for those who worked over seven months than those who worked two to seven months. Effects on the average (passing) grade and on the probability of passing other year were negative throughout, but usually not statistically significant (Bartolj and Polanec, 2018[133]). Another study of students who engaged in any student work during the years 2005 to 2008 also found small negative impacts of more work hours (Kosi, Nastav and Sustersic, 2013[134]). Looking at the university-to-work transition, Slovenian students graduating in 2003 found a job more quickly if they had field-specific work experience while students who worked outside their field tended to take a longer time to find a job. Having study-related work experience increased graduates' chances of finding a professional first job, while non-study related work experience did not have any impact (Róbert and Saar, 2012[135]). The study controls for other factors including the field of study and the parental background, but other relevant factors such as their exam results are not included. It is also possible that the relationship has changed for more recent graduate cohorts. In a study of 2002/2003 graduates from Hungary, Lithuania, Poland and Slovenia, students who had study-related work experience were less likely

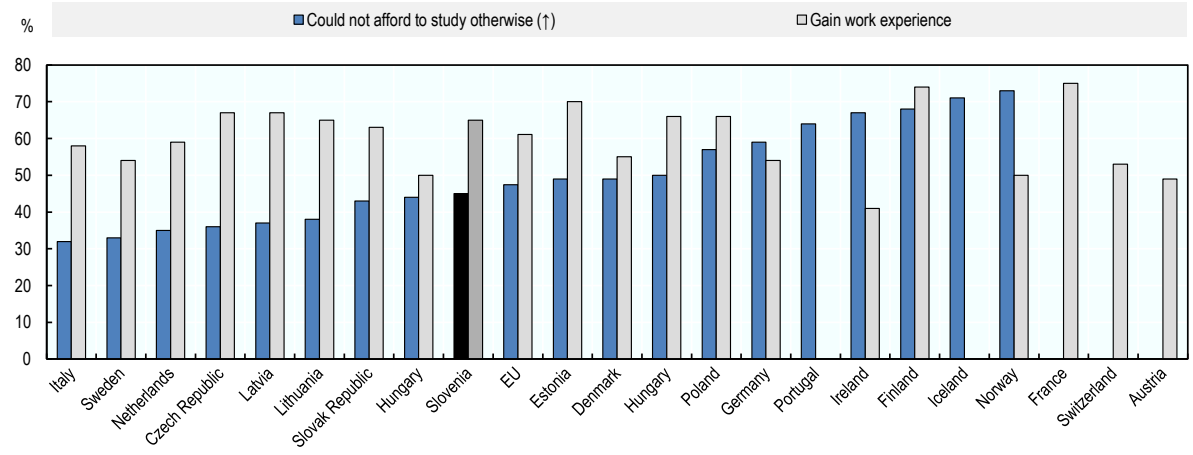
to have a post-graduation job that did not match their field of study, but there was no effect on the likelihood of being over-qualified. Having non-field of study related work experience, however, made it both more likely that the graduate's job would be below their qualification level and outside their field of study (Peter, 2014[136]).

Figure 3.11. About half of Slovenian students work for pay during lecture periods

A. Distribution of students across their employment status during the lecture and lecture-free period, 2015-17



B. Share of students who agreed with statement about why they work for pay, 2015-17



Note: The EU averages do not include all EU countries, but only those who are included in the figures as well as Romania. The survey's field phase occurred in 2015, 2016 and 2017 depending on the country.
Source: Hauschildt, Vögtle and Gwosc (2018[137]), "Figure B6.1: Students' employment during the lecture and lecture-free period", "Figure B6.4: Students who work in order to gain experience on the labour market in E: V and E: VI" and "Figure B6.5: Students who could not afford to study without paid jobs", *Social and Economic Conditions of Student Life in Europe EUROSTUDENT VI 2016-18,* https://www.eurostudent.eu/download_files/documents/EUROSTUDENT_VI_Synopsis_of_Indicators.pdf.

Student work could theoretically have displacement effects on the labour market. Employers may replace lower-skilled workers or tertiary graduates with regular contracts with student workers. Regarding the crowding out of lower-skilled workers, an analysis based on the distribution of students in EU countries across sectors and occupations suggests that student workers do not only work in low-skilled occupations and that employers in the service sector employ student and low-skilled workers alike. The authors of the study conclude that the two groups do not compete with each other, though the available evidence is not sufficient to rule it out. The same study also found that in Hungary and the Slovak Republic, vacancies

advertised to students tended to have lower demands in terms of education, skills and experience. This could suggest that student workers are also not seen as substitutes for university graduates and that student work hence does not displace graduate employment (Beblavý et al., 2015[138]). It is unclear whether the same conclusion applies in Slovenia.

3.5.2. Facilitating the university-to-work transition

Helping students complete their programmes and finding well-matched employment more rapidly are interlinked issues. Providing quality career advice and student support, incentives for on-time graduation and opportunities for field-related work experience can ease students' university-to-work transition.

Enhance support services for students

Quality career counselling and support prior to and during university studies can increase graduation rates, reduce time to graduation and speed up the job search. Prior to enrolment, career education can help youth identify a course that is a good fit and that they are hence more likely to complete. During their studies, career counselling can assist students in carrying out steps that will make it easier for them to find a job once they graduate, such as interning with different companies, and in understanding the full breadth of employment opportunities graduates with their type of degree have. Other support services can help students address academic and other difficulties that affect their well-being and ability to study. In some cases, a one-time counselling session, for example on learning strategies, may be enough. In other cases where the needs go deeper, the support service may need to point students towards other resources outside the university.

In Slovenia, there are already many counselling offers at the secondary and tertiary level. The section above on *Reducing Skills Mismatches through Career Counselling* already discussed Slovenia's approach to career counselling in basic and upper secondary education and suggested for further improvements. At the tertiary level, the University of Ljubljana already has a career centre that offers a variety of services including career counselling, workshops on different topics including the job search, career planning and interview preparation, and events with employers (University of Ljubjana, n.d.[139]), and the same is true for the centres at other higher education institutions. Turning to non-academic counselling, the University of Ljubljana's Faculty of Education has a Psychosocial Counselling Centre. The Centre offers counselling and psychotherapeutic work. In order to provide expanded counselling during the COVID-19 crisis, graduate students in psychology also offered online appointments for students and university employees (University of Ljubljana, 2020[140]). Finally, the university has a tutoring system that offers introductory and subject-specific tutoring as well as tutoring for special-needs students (University of Ljubljana, n.d.[141]).

The relatively comprehensive general support services already available at many institutions should be available at all colleges and universities. Plans already exist to expand their activities through enhanced support programmes for certain groups of students at higher risk of non-completion. These students can access tutoring by teacher and student tutors, who in turn can receive training to help them become effective tutors. Several examples of tailored programmes for students at higher risk of non-completion come from the United States. While there are many differences in the higher education landscape of the two countries, in particular as regards tuition costs, one feature they share is that a high proportion of youth initially enrol but do not complete their degrees.

- A comprehensive assistance programme for low-income students at New York City community colleges greatly improved the odds that participating students graduated. In addition to financial support, structured course enrolment and messages about remedial courses and on-time graduation, the programme included intensive support by dedicated advisors, who typically had a caseload of 60 to 80 students, and career and employment specialists. The three-year graduation rate (which corresponds to the theoretical duration plus one year) of participating students was 18 percentage higher than among comparable non-participating students, up from a baseline of

22%. Replications of the programme at other colleges in the United States also show promising results (Weiss et al., 2019[142]).

- Accompanied learning groups have also been shown to improve course outcomes. For example, the Enhanced Academic Success Experience Initiative for first-year students in biological sciences placed those with lower standardised aptitude scores in 30-person learning groups that were enrolled in the same lectures and discussion sections. A higher-year student within the same major met with each group for one hour a week to provide advice. Students assigned to the learning groups had significantly better grades than students whose standardised scores were just high enough to disqualify them from participating (Xu et al., 2018[143]). Another learning communities programme that in addition offered enhanced support services and tutoring had positive impacts on graduation rates (Visher et al., 2012[144]).

Automatic enrolment of at-risk students in support programmes may be one of the important features of the success of such programmes. The reason is that even if the same types of assistance is already open to students who request it, struggling students may be reluctant to approach the counselling service themselves. Current plans for career centres at universities indeed foresee that a system will be developed to identify students who need additional support. The selection of included students could for example be based on their prior academic record. In Slovenia, one criterion for inclusion into an enhanced support programme could for example be the type of secondary degree, as general high-school graduates have higher tertiary graduation rates.

Strengthen the financial incentives for on-time graduation

The financial incentives for universities to promote faster graduation and good employment outcomes could be strengthened. As noted previously, the 2016 university financing reform introduced a 25% performance-related funding component. Provided that evaluations of the reform show the desired effects, the performance-related component could be increased. Finland for example reshaped the funding of its universities of applied science towards performance-related measures in 2013. In order to limit the immediate effects and to give universities time to re-adjust, the Ministry of Education limited the per-year funding changes to 3%. Correlational evidence suggests that the number of students who graduated on time and who took a full case load increased following the reform (Koivisto, 2018[145]). Following the positive example, the Finnish Government similarly increased the funding component for upper secondary vocational schools dependent on the number of completed modules and qualifications and the students' subsequent employment and education outcomes in 2018. Core funding now makes up only 50% of their budgets (OECD, 2019[40]).

If the Slovenian Government were to consider such further changes to the funding formula, it would need to set realistic benchmarks that for example adjust for the composition of the student body and the subject mix. The UK Higher Education Statistics Agency for example publishes performance indicators on widening participation, non-continuation and post-university employment that present institution-specific expected performance indicators (HESA, n.d.[146]; Thomas and Hovdhaugen, 2014[147]). However, the UK methodology would need to be adjusted to fit the situation in a small country with much fewer universities.

Build stronger university-private sector links.

One of the mechanisms through which universities can improve the placement of their students is through strengthened links with industry. While there are good links between some universities and firms (Melink and Pavlin, 2014[148]) and while some firms even provide scholarships, most of the links are on an ad-hoc basis (O'Farrell, 2017[129]). One example of a closer co-operation between companies and universities is the European Social Fund co-funded programme on "On the creative path to practical knowledge" (Pokreativni poti do praktičnega znanja). In this programme, higher education institutions could apply for projects in different fields. If they are successful, groups of four to eight students work on three to five months projects under the guidance of an academic and a company mentor (SRIPS-RS, n.d.[149]). It is

positive that activities aiming at enhancing such cooperation will continue until at least 2027. Evidence from other countries also suggests that more in-depth and multi-channel engagements with employers tend to be more lasting. One positive example is the Innovation Centre at Linköping University in Sweden. The university co-operation with Saab housed at this Centre for example entails company employees teaching at the university; university students and doctoral students working at Saab; and joint projects (Galán-Muros and Davey, 2017[150]). Another positive example is a co-operation between Korea Polytechnic University and 3 000 small and medium enterprises. Students do worksite placements with the companies, and in return, companies have access to university experimental equipment (OECD, 2019[151]).

3.6. Conclusion

Educational credentials are the best insurance against long-term inactivity and unemployment. Making sure that students do not fall through the cracks of the educational system is hence one of the most important preventative measures a country can take against youth becoming NEETs. This approach is all the more relevant in the light of the current pandemic. While many young people struggle to enter the labour market during an economic downturn, graduates with in-demand skills will find a quality job more easily than dropouts. Educational and other preventive policies can therefore play an important role in decreasing individuals' risks of becoming NEETs.

Most young Slovenians graduate from upper secondary school, but those who do not are at a much higher risk of becoming and remaining NEETs. School dropout is more common among certain groups of adolescents, including Roma youth, first and second generational immigrants, and youth attending short vocational programmes. Slovenia already has a strong education system that leads most students to an upper-secondary degree and a relatively smooth transition into the labour market. However, a few additional measures to address the sources of academic difficulties and prevent early school leaving could help to keep the highest-risk students at school.

Slovenia should also reinforce its procedures to follow up with former students who dropped out. Currently, schools are not able to inform the employment services, centres of social work or municipal authorities when a student stops attending school or drops out altogether due to privacy regulations. Some young people may thus fall into a period of inactivity that lasts several years and during which no educational institution or other government authority reaches out to them.

Young people who train or study in fields that are not in demand or that they are not interested in or suited for may not be able to find or keep a job. By helping students explore their interests and capabilities and their education options, career education and advice can contribute to reducing those skill mismatches. In Slovenia, basic and upper secondary students can turn to different counsellors within and outside school for information on education and training options. Building on this strong basis, adjustments that include targeted counselling offers, more comprehensive training for counselling staff and educators, and deepened links to employers can further strengthen the career education and guidance offered to teenagers. Additional investments in skills needs forecasting could furthermore benefit current and future workers of all age groups.

While a general education curriculum offers the best basis for many teenagers, others benefit more from work-based learning. Slovenia, like other countries in Central Europe, has a long tradition of having a strong vocational and technical education system. The resulting variety in educational options contributes to the high upper secondary graduation rates. But even good systems can be strengthened further; and the recent re-introduction of apprenticeships is one example of an initiative that tries to do exactly that. Possible areas for further improvement to the apprenticeship programme relate to the matching of employers and apprentices; helping companies become high-quality training providers; boosting student interest in apprenticeships; and systematically evaluating the outcomes of apprentices and apprenticeship-

providing companies. Moreover, apprentices and employers may need additional support during the COVID-19 crisis.

Many Slovenian teenagers go on to university, but once they do, they often take a long time to graduate or do not complete their studies at all. Long durations of study, incomplete degrees and prolonged job search periods after graduation all entail economic costs, both for the affected individuals and for the government budget. Helping students complete their programmes and finding well-matched employment more rapidly are interlinked issues. Indeed, providing quality career advice and student support, incentives for on-time graduation and opportunities for field-related work experience can ease students' university-to-work transition.

List of recommendations

Keeping teenagers in school

Reduce early school leaving.

Measures directed at all students:

- Consider raising the mandatory participation age to 18 for students who have not yet attained an upper secondary degree.
- Create transition programmes from basic to upper secondary school that allow students to gain a quick foothold at their new school and fill knowledge gaps.
- Allow students to flexibly catch up after the COVID-19 school closures, such as modular grade advancement and voluntary summer school.

Measures targeted at Roma students:

- Further train teachers in intercultural communication and Roma history.
- Extend the Roma teacher assistant programme to upper-secondary school and enhance activities to involve parents in schools' decision-making processes.
- Create mentorship programmes.

Measures targeted at students with a migrant background:

- Consider introducing language level evaluations for pre-school age children and equip non-language teachers with basic training in teaching Slovenian as a foreign language.
- Point immigrant parents to information on the school system and activities in their native language.
- Assess the skills and special needs of young accompanied refugees and provide them with reinforced academic and mental health support.

Identify and re-integrate early school leavers

- Establish clear responsibilities for tracking and contacting early school leavers, in accordance with existing restrictions of the privacy law.

Reducing skill mismatches through career counselling

Direct students to counselling and guidance that meets their needs.

- Consider creating new positions for in-school career counsellors in regions where there are not enough career education professionals specialised in career guidance for youth.

- Offer students with high levels of need the possibility to have regular meetings with in-school counsellors.
- Direct students without additional needs towards out-of-school counselling options.
- Create cross-age peer counselling opportunities.

Ensure the quality of career education.

- Train subject-matter teachers in career education during their initial university degrees and professional development courses and integrate career education activities into different school subjects from an early age.
- Create tertiary-level certificates and degrees in career education and counselling.
- Develop benchmarking tools that schools can use to assess the quality of the career education and guidance they provide.

Increase employers' involvement in career education.

- Strengthen school-employer engagement programmes that can encompass career fairs, workplace visits, job shadowing and internships.

Reinforce the knowledge about current and future skills needs

- Consider comprehensive sector- or region-specific skill needs assessments.
- Make it easier for counsellors and youth to access information about current and future shortage occupations.

Strengthening work-based learning in Slovenia

- Explore the possibility of a matching service between prospective apprentices and companies through the chambers of commerce.
- Identify apprenticeship ambassadors to promote the programme.
- Promote initial and continuous education courses for apprenticeship providers and exchange programmes between company mentors and vocational education teachers.
- Expand the apprenticeship occupations to include tertiary and highly technical occupations whose graduates can expect a comparatively high salary.
- Establish pre-apprenticeship programmes for prospective apprentices with knowledge gaps in key subjects.
- Evaluate the success of former apprentices and apprenticeship providers over the long term based on administrative and survey data.
- Consider whether subsidies for employers and extended training deadlines are necessary to ensure the success of the apprenticeship programme during the COVID-19 crisis and reallocate apprentices whose companies go out of business or close temporarily.

Improving students' transition to work

Enhance support services for students

- Ensure that all colleges and universities can offer a similar quality of career and other support services.
- Identify students at high risk of non-completion and offer them enrolment in structured academic and social support services. Programmes can include regular meetings with dedicated advisors and fixed learning groups that are accompanied by a more advanced student close to graduation.

Strengthen the financial incentives for on-time graduation

- Evaluate the effects of the 2016 university financing reform and consider whether a larger performance-related component would be useful.

Build stronger university-private sector links.

- Continue existing university-industry co-operation projects that allow students to work on practical projects with university and company mentors.
- Favour co-operations that include different engagement channels such as joint university-company projects, staff exchanges between firms and universities and student internships.

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Notes

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4 Activating young people in Slovenia

This chapter analyses how to improve support for young people who left the education system and became unemployed or inactive. It examines the services that registered unemployed youth in Slovenia receive from the public employment services and explores the impact of the COVID-19 crisis. Particular attention is devoted to three groups of young people with a high likelihood of becoming long-term NEET in Slovenia, i.e. young mothers, young people with a migrant background and Roma youth. The chapter also provides a detailed profile of young people who do not, or no longer, reach out to public employment services and discusses ways to improve outreach to these hidden NEETs.

4.1. Introduction

Successful engagement of young people in the labour market and society is crucial not only for their own personal economic prospects and well-being, but also for overall economic growth and social cohesion. Chapter 1 provided a good overview of the size and composition of the group of young people who are neither in employment nor in education or training (NEETs), as well as their risk factors and dynamics. Chapter 2 then discussed how the education sector can help to better prepare young people for the labour market by reducing early school leaving and skill mismatches, strengthening work-based learning and improving the transition to work. This third and final chapter analyses how to improve support for young people who left the education system and became unemployed or inactive.

The main government agency where NEETs in Slovenia can find support for their labour market integration is the Employment Service of Slovenia (ESS). The ESS is a public agency directly reporting to the Ministry of Labour, Family, Social Affairs and Equal Opportunities and is steered by a tripartite board that consists of 13 members, representing employers and trade unions (three members each), the government (six members) and the ESS workers' council. The ESS has 58 local offices and 12 Career Centres around the country and combines the functions of job-brokerage, employment counselling, referrals to active measures, administration of unemployment insurance benefits, provision of life-long career guidance, and issuance of work permits to foreign workers. Young people can go to a local office of their choice, for instance in the area where they live or where they intend to work. However, not all young NEETs contact a local ESS office, and a first step in improving support is to find out who registers with the ESS and who does not.

The first section of this report analyses in detail the group of NEETs who are not or no longer in contact with the ESS and provides examples of how the ESS can expand its reach. The second section describes the services that the ESS offices offer to young people who register with the ESS and explores the impact of the COVID-19 pandemic on the ESS services and the implications for the activation of NEETs. The third section devotes particular attention to three groups of young people with a high likelihood of becoming long-term NEET, i.e. young mothers, young people with a migrant background and Roma youth, and discusses how to improve activation support for these groups. Finally, the concluding section proposes a list of concrete actions that the Slovenian authorities can undertake to reduce the NEET rate in their country and improve the activation of young people.

4.2. Unregistered NEETs

Young people who are unemployed or inactive can contact the ESS on their own initiative, for instance, when they are looking for support in finding a job or when they want to claim their unemployment benefits. However, not all NEETs will reach out to the ESS, and that for a variety of reasons: they are not entitled to income support; they are not aware of the support they can receive; they lack trust in public authorities; or they are simply not looking for a job. To improve the activation of NEETs and reduce inactivity and unemployment among young people in Slovenia, it is important to better understand who does not reach out for support and why.

4.2.1. Identification of unregistered NEETs

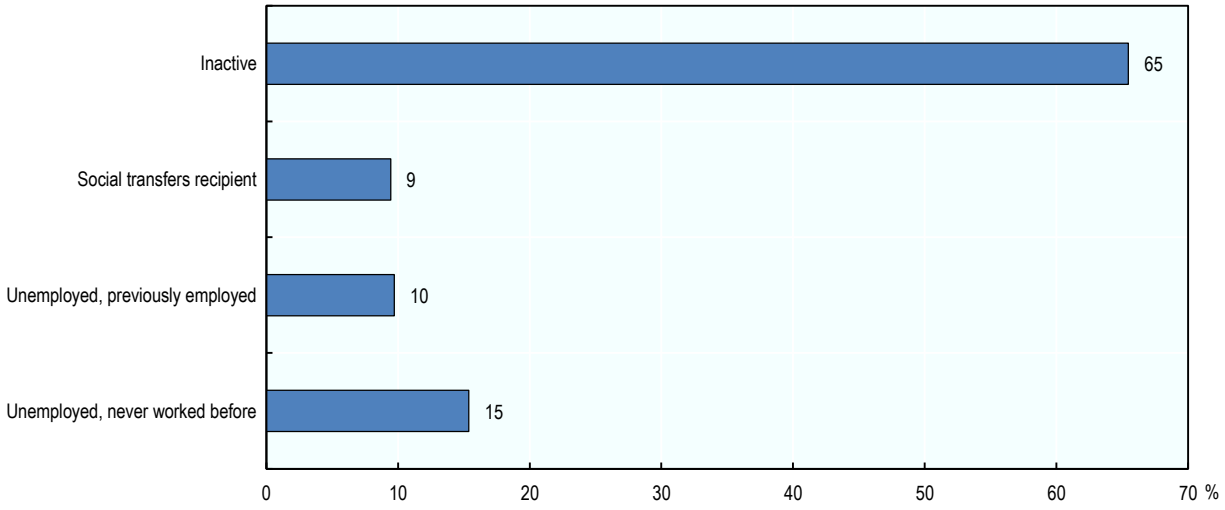
The identification of unregistered NEETs is not straightforward, since these young people do not appear in the registries of the Employment Service of Slovenia by definition. However, by combining selected parts of the population registry, the socio-economic characteristics, various educational databases, the income database and several ESS databases, it was possible to identify unregistered NEETs and study their profile. Box 1.1 in Chapter 1 gives more details about the merged administrative dataset that was kindly put at the disposal of the OECD team for this report by the Statistical Office of Slovenia.

Calculations based on this merged dataset show that less than half of all NEETs in Slovenia register with the ESS. Between 2011 and 2018, 53% of 15-29 year-olds who were classified as unemployed or inactive according to the once-yearly demographic database were not registered with the ESS at any point during the same year. That number is surprisingly high and reveals the importance of better understanding the composition of this group. Moreover, the share of unregistered NEETs remained more or less constant over the period 2011-18.

Further analysis illustrates that about one in four unregistered NEETs are unemployed and actively looking for work, with 15% having no work experience and 10% having worked before (Figure 4.1). Although they are looking for a job, they are not registered with the ESS and do not receive public support for their job search. Another 9% of the unregistered NEETs receive social assistance and are thus in contact with a Centre for Social Work, as these centres administer the financial social assistance benefits in Slovenia (see Box 4.1). Finally, about two-thirds (65%) of unregistered NEETs are inactive and not looking for work.

Figure 4.1. Two-thirds of unregistered NEETs are inactive

Unregistered NEETs aged 15-29 by activity status, average over the period 2011-18



Source: OECD calculations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

Box 4.1. Centres for Social Work

The Centres for Social Work (CSW) provide material subsistence to families and children and administer a range of social assistance benefits, including financial social assistance. There are currently 61 Centres of Social Work covering the whole territory of Slovenia, represented by the Association of Centres of Social Work. The CSW are managed at the local level, but they report directly to the Ministry of Labour, Family, Social Affairs and Equal Opportunities. Individuals requiring assistance must apply to the CSW in the area where they live.

Family responsibility, illness and informal education are important motives for inactivity among unregistered NEETs (Table 4.1). About 44% of female unregistered NEETs say they are inactive because of caring responsibilities. This finding is important as our analysis later in this chapter shows that over-representation of young mothers among NEETs in Slovenia seems to be largely the result of the weak

financial incentives that parents of young children have to move into employment. Among men, illness and participation in informal education or training are the two main reasons for inactivity among unregistered NEETs.

Table 4.1. Family responsibility, illness and informal education are important motives for inactivity

Unregistered NEETs aged 15-29 by motive, 2018

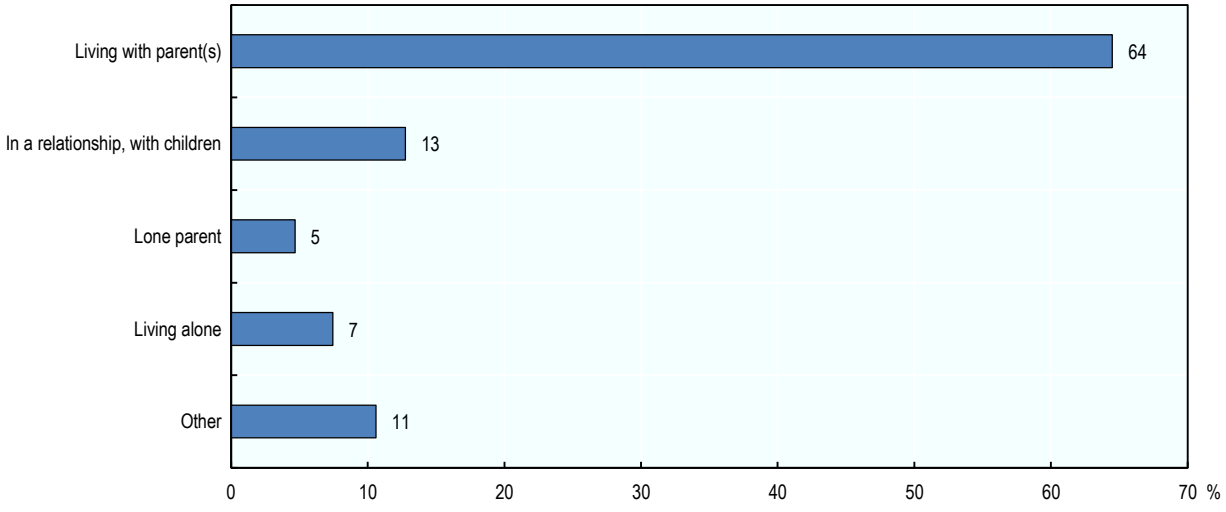
	All	Men	Women
Actively searching for work	24	28	21
Family responsibility	32	15	44
Ill or disabled	16	24	10
Education or training	16	21	12
Belief no work is available	1	0	1
Awaiting call to work	0	1	0
Other	9	9	9
Missing information	3	2	4

Source: Calculations based on labour force surveys.

Information on the household composition reveals furthermore that two-thirds (64%) of the unregistered NEETs live with their parent(s) (Figure 4.2). Much less important categories, though not negligible, are unregistered NEETs who live with their children and partner (marriage or consensual union, together accounting for 13%), live alone (7%), or are lone parents (5%). The household composition of unregistered NEETs is very similar to the household composition of registered NEETs, among whom 64% live with their parent(s), 11% live with their children and partner, 10% live alone and 6% are lone parents.

Figure 4.2. Two-thirds of unregistered NEETs live with their parents

Unregistered NEETs aged 15-29 by household composition, average over the period 2011-18



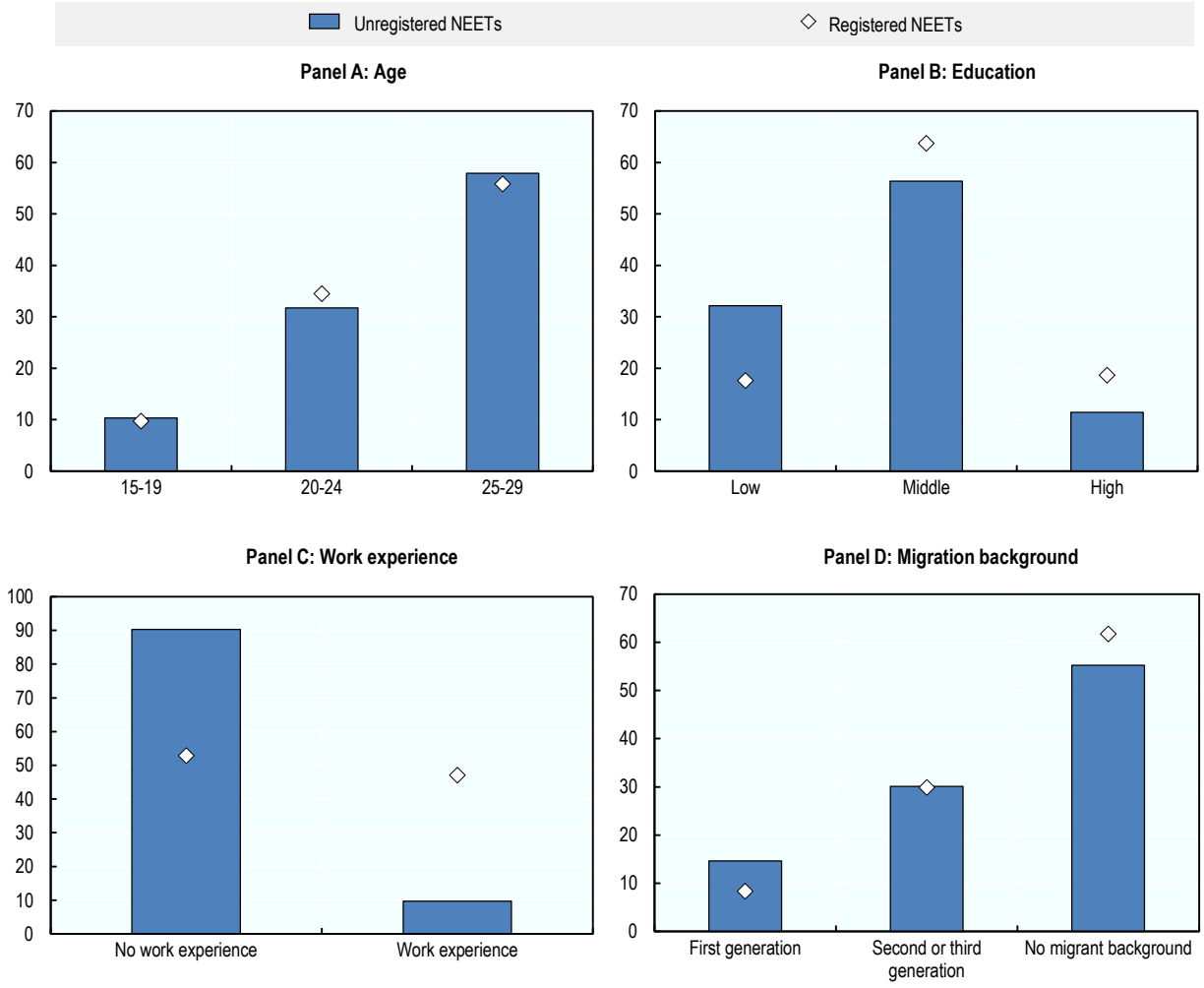
Source: OECD calculations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

The gender distribution among unregistered NEETs is nearly equal, with 51% of women and 49% of men. The majority of unregistered NEETs are older youth (age group 25-29 years) and are medium educated,

accounting respectively for 58% and 56% of all unregistered NEETs (Figure 4.3). The age composition of unregistered NEETs is almost similar to that of registered NEETs, but unregistered NEETs are more frequently low educated than registered NEETs (32% versus 18%). There is also an important difference in work experience between both groups. About 90% of unregistered NEETs have never worked, compared with only 53% of those who are registered with the ESS. Figure 4.3 also shows that most unregistered NEETs do not have a migration background (55%), but first generation migrants account for a higher share of unregistered than of registered NEETs.

Figure 4.3. Most unregistered NEETs have no work experience, are older youth, and they are more frequently low educated than registered NEETs

Personal characteristics of registered and unregistered NEETs aged 15-29, as a percentage within each group, average over the period 2011-18



Source: OECD calculations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

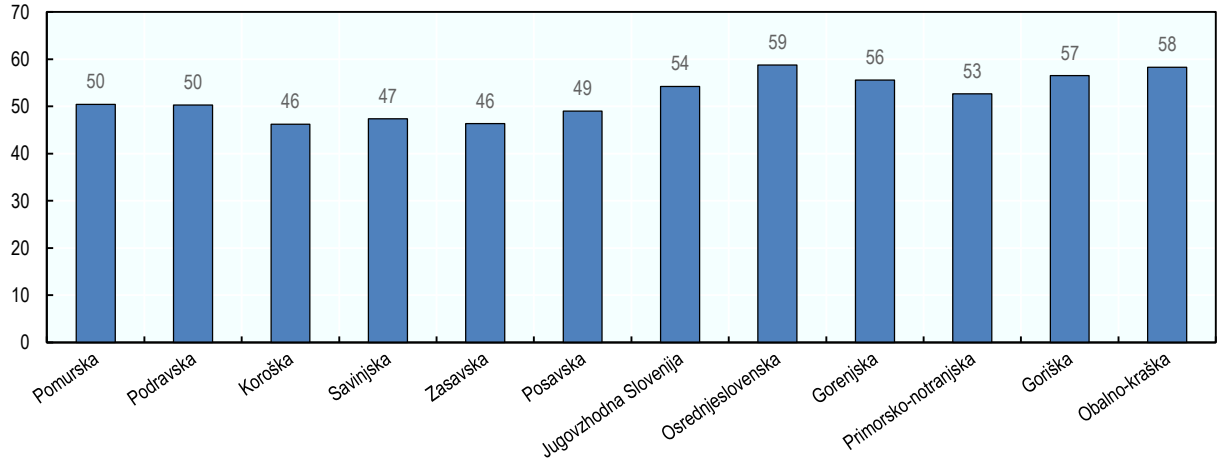
Differences in the prevalence of unregistered NEETs across regions are rather small. The regions with the highest share of unregistered NEETs among all NEETs are Littoral-Inner Carniola and Coastal-Karst with 58-59% of all NEETs unregistered (Figure 4.4). The lowest shares can be observed in Carinthia and

Central Sava where 46% of all NEETs are not registered with the ESS. Overall, the share is considerable in all regions and cannot be ignored anywhere.

Finally, nearly half (46%) of all unregistered NEETs have never been in contact with the ESS. This group tends to be long-term NEETs, with an average NEET spell of 2.4 year over the period 2011-18. However, the statistic also suggests that more than half of all unregistered NEETs have been in contact with the ESS at some point in their (relatively short) labour market career. More information about their experience in dealing with the ESS would be needed to better understand why they did not remain in contact with the ESS or why they did not return to the ESS for support when experiencing a new NEET spell.

Figure 4.4. The prevalence of unregistered NEETs does not vary much across regions

Share of NEETs aged 15-29 who are not registered with the Employment Service of Slovenia among all NEETs aged 15-29, by region, average over the period 2011-18



Source: OECD calculations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

4.2.2. Outreach strategies for unregistered NEETs

Evidence from the global financial crisis shows that early intervention is crucial for a successful labour market integration of young people. Early action is also the basis of the European Union's Youth Guarantee, a commitment made by all EU Member States in 2013 and reinforced in 2020, including Slovenia, to ensure that all young people below 30 receive a good-quality employment or training offer within four months of leaving education or becoming unemployed. While the current crisis and the rising caseloads at public employment services may not leave much room for caseworkers to reach out to unregistered jobseekers, there are ways for employment services to collaborate with other organisations to reach young people and bring them in contact with the employment services. Basic support could be sufficient to put many of them on track to find a job, while for others, early identification of labour market barriers and the provision of adequate support could prevent long-term unemployment and inactivity. Outreach is particularly important as there has mainly been an increase in inactive NEETs in Slovenia during the COVID-19 crisis, and not in unemployed NEETs (OECD, 2021[1]).

There is no single method that works best to reach out to young people (European Commission, 2018[2]). Depending on the specific target group, different channels can be used, including focal points or one-stop-shops, information stands at events/open days, and the use of different types of (social) media. For the groups that are hardest to reach, effective approaches include mobile units, young 'ambassadors', social work, street work, as well as co-operation with youth clubs, NGOs and other stakeholders that are in

contact with (specific groups of) young people and 'speak their language'. Experiences from other EU countries also show that outreach strategies generally consist of mechanisms to identify and contact inactive young people, in-depth assessments of individual needs, tailored services and individualised support. Finally, the guide for developing national outreach strategies for inactive young people put together by the International Labour Organization stresses the importance of strong partnerships between stakeholders as youth disengagement cannot be tackled through fragmented and isolated interventions or by government agencies alone (Corbanese and Rosas, 2017[3]).

The following subsections present different approaches that are used in EU countries to reach out to young NEETs who are not registered with the public employment service, including peer-to-peer outreach, collaboration with associations and community-based organisations, national outreach strategies, institutional mandates, and monitoring frameworks. More specific outreach strategies that are targeted at sub-groups of NEETs (e.g. Roma youth and young mothers) are discussed in the section on Specific target groups below.

Peer-to-peer outreach in Sweden and Bulgaria

In 2012, the Swedish public employment service set up a joint project with the youth centre Fryshuset, the National Police Board, municipalities, employers and the Swedish Association of Local Authorities and Regions, and recruited "young marketers" to reach unregistered NEETs (European Commission, 2016[4]). The project targeted isolated teenagers and young adults between 16 and 24 years who were neither studying nor working, many of whom had developed a distrust of government agencies.

The young marketers had the same background as the target group and promoted the project at concerts, sport events, schools and other arenas where the target group would meet. In addition, social media and other communication tools were used for reaching NEETs, such as strategic positioning of flyers and posters in the underground and radio advertisements in selected programmes for young people, which proved effective and generated good results. The young marketers would encourage young NEETs to register with the public employment service, where they would met with their designated caseworkers. After an assessment of the young persons' competencies, needs and required support, multi-competent teams would help them to (re-)enter the labour market or education system.

With financial support from the European Social Fund, the project initially ran from June 2012 to May 2014 under the name *"Unga In"* and was then scaled up to 20 municipalities and renamed *"Ung Komp"*. Between 2015 and 2017, 8 584 young people were reached, of whom more than 60% pursued employment or training (for at least 6 months), 29% left the project for other known reasons (e.g. illness, relocation) and 8% left for unknown reasons (i.e. the participant inexplicably ceased contact with the team). The programme also improved co-operation and co-ordination between government agencies and generated higher trust in the PES among the participants (European Commission, 2017[5]).

In Bulgaria, a similar programme, called "Youth Mediators", was launched in 2015 with the aim of reaching out to young NEETs who are not registered with the PES. Approximately 100 youth mediators were hired by the public employment service to work in municipalities with high proportions of inactive young people. These mediators often experienced a spell of inactivity themselves and shared many characteristics with their clients. The primary objective of Youth Mediators is to identify young NEETs who are not registered with the Bulgarian PES, contact them, and inform them of careers' services and opportunities for education, employment or training. By the end of 2017, 62% of the 16 846 young NEETs who were identified and received support from a youth mediator subsequently took steps towards activation (e.g. registering with relevant services, attending a job interview) (European Commission, 2017[6]).

Collaboration with associations and community-based organisations in Belgium, Luxembourg and Lithuania

The public employment services of the Brussels-Capital Region (Actiris) and Flanders (VDAB) built partnerships with associations and community-based organisations to implement the FIND-MIND-BIND approach. The "FIND" phase consists of actively identifying and seeking young NEETs who are not registered with the public employment service by going out to meet them in the streets, sport clubs and music events. An outreach worker then spends time with the young person to build a trust relationship ("MIND"), so that the young individual becomes confident and willing to develop a career plan with the help of the outreach worker. During the "BIND" phase the young person receives guidance and monitoring, through both individual counselling and group counselling.

A similar collaboration with a youth association is followed in Luxembourg through the "Outreach Youth Work" (INFPC, 2018[7]). With financial support from the European Social Fund, the Ministry of Education, Children and Youth and the Alliance of the Managers of Youth Houses developed a systematic procedure to identify young people who have not been in school or employment for several years, nor are they registered with the public employment service. In the first step, they launched a large campaign with a mass mailing in order to inform young people and parents of the service. The youth workers from the Alliance then got in touch with young people in their social environments (like youth houses or other places where they hang out). Through informal talks, the youth worker build up a relationship of trust and identify the young person's current activities, their education, employment or training status. In addition to making contact in public spaces, educators go door-to-door or make telephone contact with young people who initiated a measure with the public employment service but did not finalise it.

In Lithuania, the municipal youth co-ordinators collect information on young people in families receiving social services. The co-ordinators of the Youth Guarantee Initiative also co-operate with various institutions operating in their municipality in order to find inactive young people (probation services, open youth centres, non-governmental organisations, social workers, etc.).

Development of national outreach strategies in Latvia and Portugal

As part of the Youth Guarantee, Latvia developed a national outreach strategy (KNOW and DO!) to support young NEETs who are not registered with the State Employment Agency in their progression towards the labour market (European Commission, 2018[8]). The Agency for International Programmes for Youth, subordinated to the Ministry of Education and Science, developed a comprehensive set of guidelines for the delivery of outreach activities, in collaboration with strategic partners in NGOs, social services, youth centres, police, trade unions and social businesses. The development of a common methodology at the national level was important in ensuring a common and joint approach by partners. In addition, supervisions and facilitation of experience exchange between mentors and programme managers across municipalities enabled key personnel to learn from each other and provide better support. Finally, creating and strengthening local strategic partnerships was crucial to ensure that the strengths of local partners are utilised fully in reaching and supporting the target group.

Portugal also developed a "National Outreach Strategy for non-registered young unemployed and inactive young people in Portugal" (Corbanese and Rosas, 2017[3]). The outreach strategy was launched in July 2017 and encompasses the expansion of partnerships at the local level, the adjustment of local partners' services to offer a continuum of assistance, the delivery of individualised support to help disengaged young people to access the Youth Guarantee service delivery system, and the enhancement of integrated service delivery. The central office of the Institute for Employment and Vocational Training provides the overall co-ordination and monitoring of the implementation of the outreach strategy. At the local level, the organisational units of the Institute are responsible for managing local partnership networks, providing advice and guidance to local partner organisations, organizing and delivering capacity enhancement training and disseminating information and awareness raising materials. Partner

organisations (social centres, youth organisations, training providers) are responsible for implementing the services and measures set out in the strategy.

Institutional mandates for outreach in Denmark and Belgium

In about two-thirds of EU countries (21 out of 31), public employment services have the responsibility to reach out to NEETs; the Employment Service of Slovenia does not have such a mandate (European Commission, 2019[9]). Nevertheless, the ESS is involved in NEET outreach through proactive work with schools, co-operation with NGOs and careers centres. An official mandate for the ESS to undertake outreach to NEET would allow them to develop a more elaborated outreach approach.

For instance, shortage on the labour market in Flanders, Belgium, between 2017 and 2019 prompted the public employment service VDAB to reach out to vulnerable groups, including young NEETs who were not registered. They set up partnerships with the National Institute for Health and Disability Insurance and the Association of Flemish Cities and Municipalities, and launched a Social Impact Bond to involve the social and commercial sector in the activation of vulnerable youth.[1]

In Denmark, the 60 youth guidance centres covering the country have an established place in both the national policy and the regulatory framework to get in touch with all young people under the age of 25 who are not involved in education, training or employment, including those who do not register with public employment services. The centres use a variety of outreach methods, including contacting identified individuals and inviting them to take part in an informal meeting at the centre or in a community setting (European Commission, 2018[2]).

Monitoring frameworks in Estonia and Portugal

In Estonia, the *Youth Guarantee Support System* is a tool for municipalities to reach out to NEETs and, if necessary, provide them with support to help them continue their education or integrate into the labour market. The tool was initiated in 2016, but it could only be implemented in 2018 as it uses personal data and its implementation required changes in legislation to comply with data protection regulations. The tool links data from nine registers to detect young people in need of support and provides results to the municipal case managers, allowing them to contact the youngsters and explore ways to support them.

Portugal works with a *Signaling and Registration Network* that is open to all stakeholders working with youth, including social charity institutions, NGOs, municipalities, youth associations, sport associations and other. Each of these organisations have access to the network and can register a young inactive or unemployed person and put them in contact with the public employment services or a training centre.

4.3. Activation support for registered NEETS

4.3.1. Declining number of registered young jobseekers

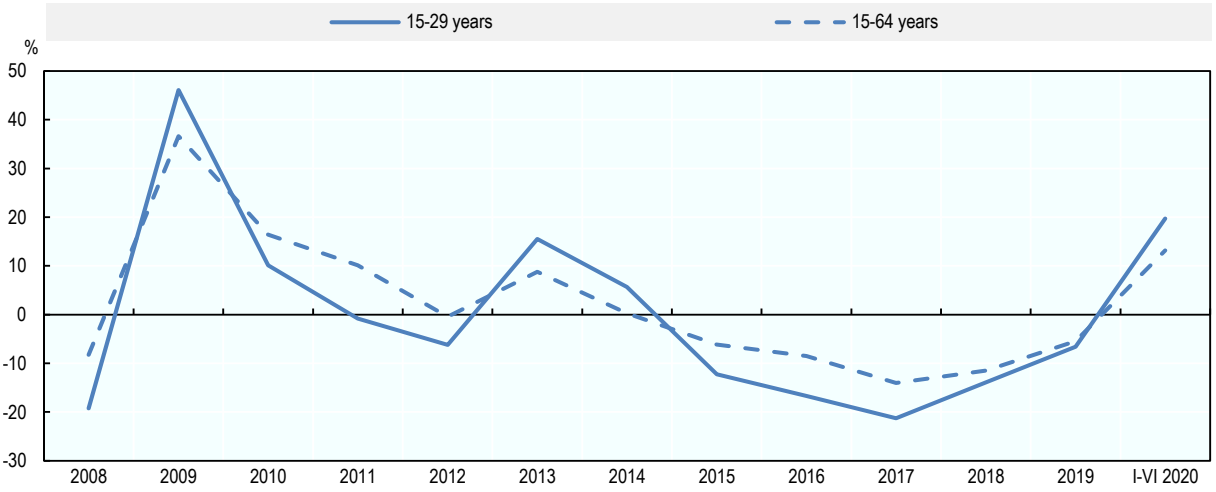
In the first half of 2020, about 17 000 young people between 15 and 29 years old were registered with the ESS, with an equal share of male and female. Close to 60% of the registered youth are older youth (aged 25-29), whereas the younger cohorts, aged 15-19 and 20-24, account for respectively 7% and 34%. The stock of registered NEETs attained a height of 30 500 in 2014, but has been gradually declining since then, reaching a low of 14 000 registered youth in 2019. The COVID-19 pandemic generated again an increase in the number of registered jobseekers in the first half of 2020.

The year-on-year changes in the stock of registered jobseekers in the age group 15-29 mirror the changes for the total population, though economic shocks tend to affect young people more than the total population (Figure 4.5). Stocks rose more for 15-29 year-olds than for 15-64 year-olds during the three economic

crises that affected Slovenia's labour market in the past 13 years, including the global financial crisis in 2009, the domestic banking crisis in 2013 and the COVID-19 crisis in 2020.

Figure 4.5. Economic shocks affect young people more than the total population

Year-on-year changes in the stock of registered unemployed people, by age group, January 2008 – June 2020



Source: Calculations based on data provided by the Employment Service of Slovenia.

To tackle high youth unemployment in the aftermath of the global financial crisis and the domestic banking crisis, Slovenia strengthened its support for young people in line with the Youth Guarantee of the European Commission. Under this initiative, EU countries commit to the goal of providing all young people a good quality offer for employment, training or education within four months of becoming unemployed. Slovenia's Youth Guarantee implementation plan for the period 2016-20 reinforced early activation measures, including the hiring of youth counsellors at the offices of the Employment Service of Slovenia (see Box 4.2), and strengthened active labour market programmes for long-term unemployed youth (see Table 4.2).

Box 4.2. Additional counsellors for young unemployed people

In 2016, the Employment Service of Slovenia hired and trained 45 counsellors to improve support for young jobseekers. Twenty counsellors focus on early activation and twenty-five counsellors concentrate on long-term unemployed youth. While the number of young unemployed people decreased slowly in the subsequent years, the remaining group of unemployed youth became more difficult to activate. As such, the counsellors are continuously trained in different counselling technics to boost the motivation of young unemployed, support them in overcoming multiple obstacles towards employment and guide them towards more suitable career goals. The counsellors also devote specific attention to the co-operation with NGOs and local youth organisations, which are important in the activation of young long-term unemployed people.

Source: Information provided by the Employment Service of Slovenia.

Table 4.2. Overview of active labour market programmes available to young people who are registered with the Employment Service of Slovenia

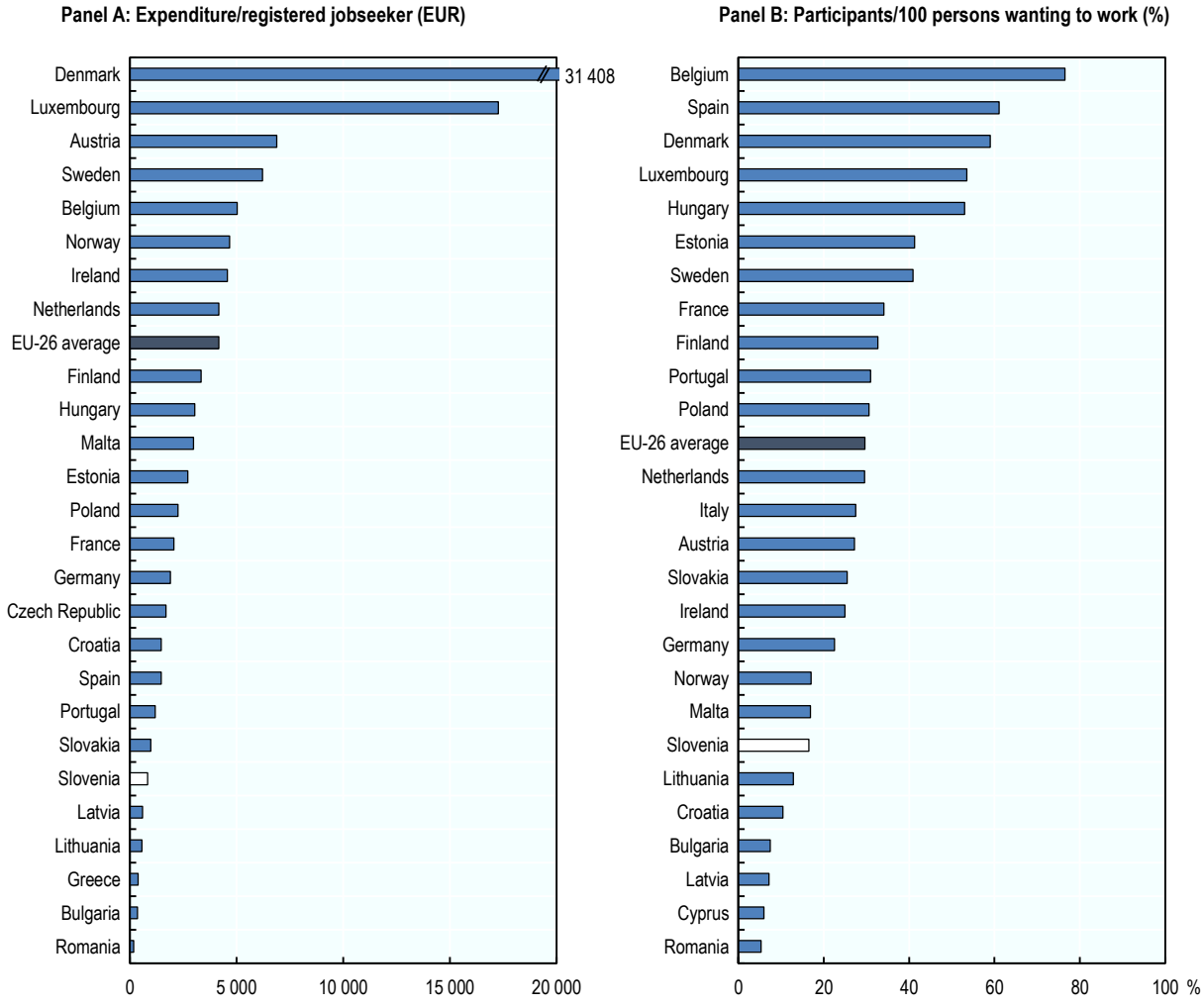
Employment measures	
Employment incentives for young unemployed	Employers receive a monthly subsidy of EUR 208 when hiring a young unemployed person under 30 years of age who is registered with the Employment Service of Slovenia for employment of 40 hours per week. The subsidy is paid for a maximum of 24 months. The employment contract must be for an indefinite period.
Public works	Youth who have been registered with the ESS for one year or more can join public works for one year (or two years if they are Roma or disabled youth).
Learning workshops	Registered unemployed youth can join a learning workshop for at least 6 months, with a possible extension to 12 months, to gain practical knowledge and work experience. They receive a regular wage and other benefits, while employers receive a subsidy of EUR 740 for each full-time contract.
Social contribution exemptions for new self-employed persons	People who register for the first time as self-employed are partially exempted from paying contributions for compulsory social insurance (50% in the first year and 30% in the second year).
Education measures	
Non-formal education and training programmes	The programmes are targeted at registered unemployed under age 30 and are offered nationally with funds from the European Social Fund. It includes tailor-made trainings, focused on local employer's needs financed by the national budget. Participant receive a transport compensation and activity allowance.
Project learning for young adults (PLYA)	PLYA is a social integration programme to help young people back into work or education. The programme is targeted at early school leavers aged 15-26 who are registered with the ESS and has a maximum duration of 10 months. Participant receive a transport compensation and activity allowance.
The inclusion of unemployed people in new and development programs	Payments to the participants differ depending on the programme. These programmes are financed and implemented by other providers, and PES supports the inclusion of unemployed in these programmes by covering some of costs for participation. For most of the programmes PES covers two cash benefits: travel compensation and activity allowance. In 2018, the measure included training for entrepreneurship for youth.
Traineeships	
Work trial	Registered unemployed can undertake a work trial with a registered employer, lasting from a minimum of 100 hours to maximum one month. Participant receive a transport compensation and activity allowance.
On-the-job training	The programme is targeted at registered unemployed under age 30 without work experience. Individual training lasts for three months and takes place under the expert guidance of a mentor provided by the employer. Participant receive a transport compensation and activity allowance.

Source: Information provided by the Employment Service of Slovenia.

However, Slovenia still devotes relatively few resources to labour market programmes compared with other EU countries. In 2018, Slovenia ranked sixth lowest among 26 EU countries for which data on programme expenditure is available – for the total population, not youth specific (Figure 4.6, Panel A). The EU-26 average expenditure on labour market programmes expressed per registered jobseeker was five times higher than the Slovenian ratio. The number of participants in labour market programmes per 100 persons wanting to work is also low in comparison with other EU countries, ranking seventh lowest and reaching about half of the EU26 average (Figure 4.6, Panel B). As pointed out in the OECD report on *Connecting People with Jobs: Slovenia* (OECD, 2016[10]), funding for active labour market programmes is very volatile and the choice of which programme to offer to a jobseeker depends heavily on available funding.

Figure 4.6. Slovenia has relatively low expenditure and participation rates for labour market programmes

Expenditure on and participants in labour market programmes in EU countries, 2018



Note: Participant and expenditure figures refer to labour market programmes of categories 2 to 7, i.e. training, employment incentives, supported employment and rehabilitation, direct job creation and start-up incentives. Panel A shows total expenditure on labour market programmes divided by the total stock of registered jobseekers. Panel B shows the number of participants in labour market programmes per 100 persons wanting to work.

Source: Calculations based on data from the European Commission, Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL), https://ec.europa.eu/social/home.jsp.

Even so, participation rates in labour market programmes and services among young jobseekers are considerably higher than among the population as a whole. In 2019, three-quarters of 15-19 year-old registered jobseekers participated in an active labour market programme, compared with 50% of 25-29 year-olds and 38% of the total population (Table 4.3). Training and education measure the highest participation rates, irrespective of the jobseeker's age, followed by employment incentives. Job creation (public works), promotion of self-employment and life-long career guidance are used less.

Table 4.3. Young people participate more frequently in labour market programmes than the overall population

Participants in labour market programmes as a percentage of the stock of registered jobseekers, by age and by type of programme, 2019

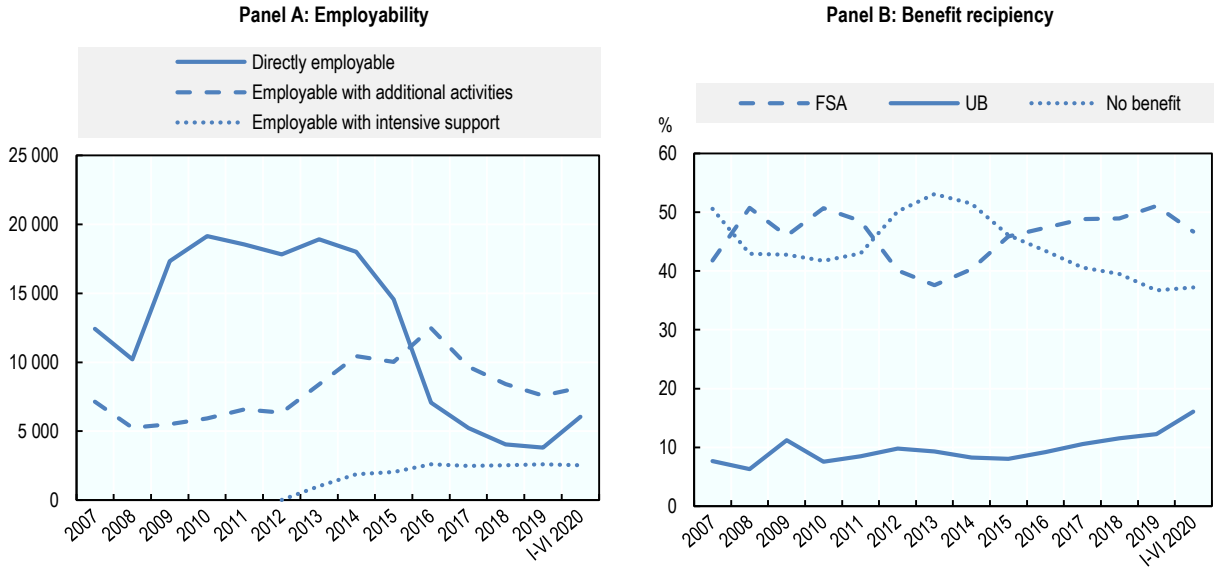
	15-64 years	15-19 years	20-24 years	25-29 years
Training and education	18.2	61.0	34.9	30.3
Employment incentives	13.7	12.5	16.5	13.4
Job creation	4.6	0.9	1.5	4.1
Promotion self-employment	0.4	0.1	1.0	1.7
Life-long career guidance	0.5	0.2	0.6	0.7
All measures	37.5	74.6	54.6	50.2

Note: People may participate in several programmes.
Source: Calculations based on data provided by the Employment Service of Slovenia.

The improved economic climate and the increased efforts of the Employment Service of Slovenia to support young jobseekers resulted in a decline in the stock of registered unemployed youth and a change in the composition of jobseekers. Prior to 2016, directly employable jobseekers accounted for the bulk of registered youth, whereas those who are employable with additional activities (such as training or support measures) became the largest group from then onwards (Figure 4.7, Panel A). The latter group also started shrinking in 2017, whereas the group of jobseekers who are only employable with intensive support (such as public works) remained stable between 2016 and 2020.

Figure 4.7. Employability of registered NEETs and benefit recipiency

Annual averages of the stock of youth aged 15-29 who are registered with the Employment Service of Slovenia, by employability and benefit recipiency, for the period January 2007 – June 2020



Source: Calculations based on data provided by the Employment Service of Slovenia.

As the maximum duration of unemployment benefits in Slovenia is rather short for people with a short work history (two months for those aged under 30 with a contribution history of six to nine months and

three months for those with a contribution history of one to five years), very few registered NEETs receive unemployment insurance. The share has been gradually increasing from 8% of all registered NEETs in 2015 to 16% in the first quarter of 2020 (Figure 4.7, Panel B).[2] Much larger is the group that relies on financial social assistance (47%) and the ones who do not receive any income replacement benefit (37%).A recent evaluation shows that employment incentive measures have been successful in bringing young unemployed into employment: 80% of the 21-29 year-old participants in the "*First Challenge 2015*" programme between 2015 and 2018 were employed at the end of the 15-months programme and 76% of the participants were still employed six months after the end of the programme. The employment rate was nearly twice as high as for the control group (Deloitte, 2018[11]). To further improve the programme, the report recommends a stronger focus on youth who are more vulnerable; faster responsiveness to labour market changes; improved monitoring of the quality of the proposed jobs; and stronger requirements for on-the-job training.

To some extent, the quality of the jobs that are offered are already monitored by the Labour Market Regulation Act. Employers that do not observe the legislation and do not pay the social security benefits or wages are automatically and placed on a list of employers with negative references. The list of employers with positive references, in turn, provides a signal to job seekers that these employers nurture career development and are reliable employers. Job vacancies also include any certificates or awards that specific employer may have. In addition, employers that have unresolved issues from previous participation in active labour market measures are not eligible for father participation. Finally, employers are required to employ at least 50% of the previous participants before they can participate again.

Other active labour market programmes also have been evaluated positively, but the studies refer to earlier periods. For instance, Burger et al. (2017[12]) evaluated programmes that were in place during the period 2009-14 and found particularly positive effects for employment subsidies, credited training programmes and on-the-job training programmes, though the effects were less strong for young people than for older generations. MK Projekt (2017[13]) considered the programme to promote self-employment as successful (evaluated over the period 2007-13), but the evaluation was not youth-specific.

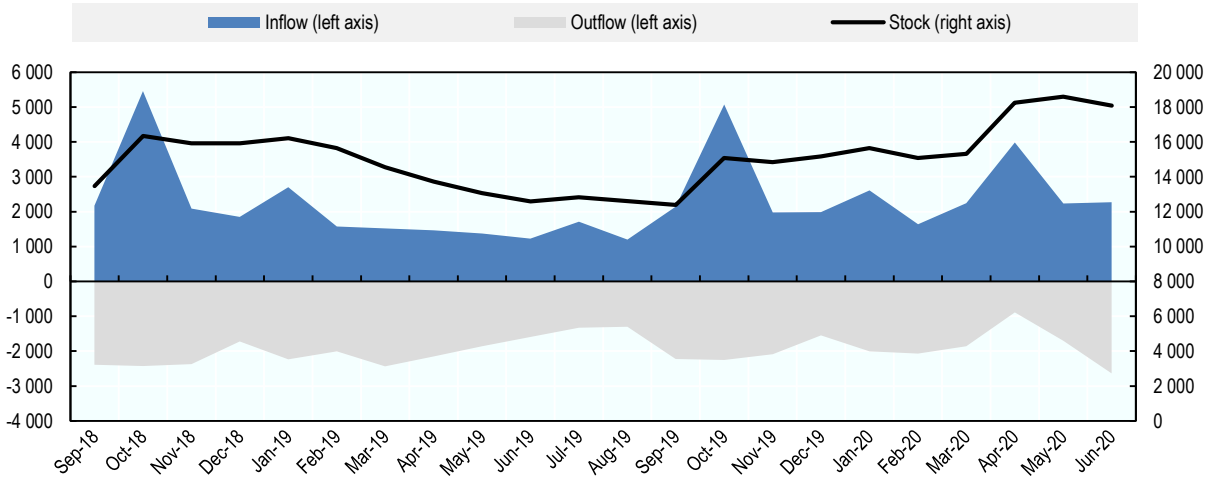
As evaluations are crucial to ensure effective and efficient spending of (limited) public resources, investment in regular monitoring exercises is recommended. The ESS already collects very rich data and systematically tracks post-participation outcomes. Rigorous monitoring and evaluation would allow the authorities to gain better insight into the effects of the different programmes and policies, and adjust them where needed.

4.3.2. The impact of the COVID-19 pandemic

The economic crisis as a result of the COVID-19 pandemic generated an increase in the number of jobseekers aged 15-29 who registered with the ESS by respectively 37% and 77% in March and April 2020 (Figure 4.8). While the impact was substantial, inflows did not rise as much as they usually do in September and October when many young people register with the ESS. The main difference in spring 2020 was the drop in outflows from the unemployment registry caused by the lockdown imposed by the Slovenian Government to slow down the spread of the virus and the temporary freezing in hirings by companies. As a result, the stock of registered unemployed youth rose by 21% in two months' time. In the following months, May and June 2020, outflows picked up again and the stock of registered youth started to decline slowly. However, the improvements were of short duration as COVID-19 infections accelerated again in fall 2020 and the Slovenian Government re-imposed a series of restrictions. In addition, whereas the unemployment rate for the total population quickly returned to its pre-crisis rate in a few months' time, the unemployment rate of 15-29 year-olds was 38% higher in the last quarter of 2020 than the same period a year earlier (at respectively 10.4% and 7.5%).

Figure 4.8. Registered unemployment among youth rose due to the COVID-19 crisis

Inflows, outflows and stock of registered unemployed young people aged 15-29, September 2018 to June 2020

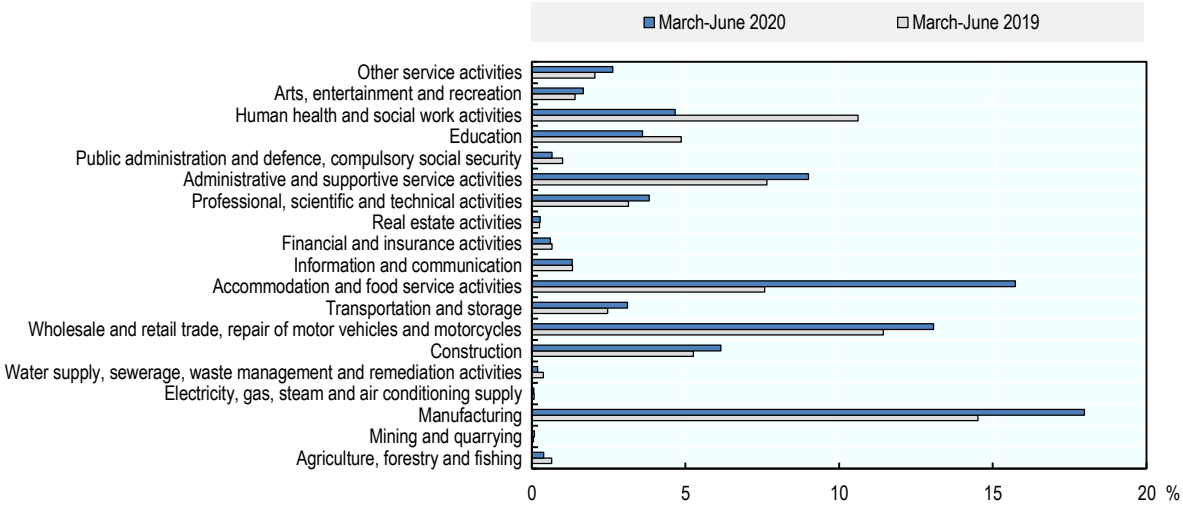


Source: Calculations based on data provided by the Employment Service of Slovenia.

Inflows in registered unemployment among youth rose most for the sectors manufacturing and accommodation and food services, accounting for 18% and 16% respectively of all inflows during the period March-June 2020, and wholesale and retail trade, accounting for 13% (Figure 4.9). The impact was particularly noticeable in accommodation and food services, which doubled its share in inflows compared with the same period a year earlier. The results for young people mirror the results for the total population.

Figure 4.9. Young people in accommodation and food services, and to a lesser extent in manufacturing, experienced the largest inflows into unemployment

Inflows into registered unemployment for young people aged 15-29, by sector, for the period March-June 2019 and March-June 2020

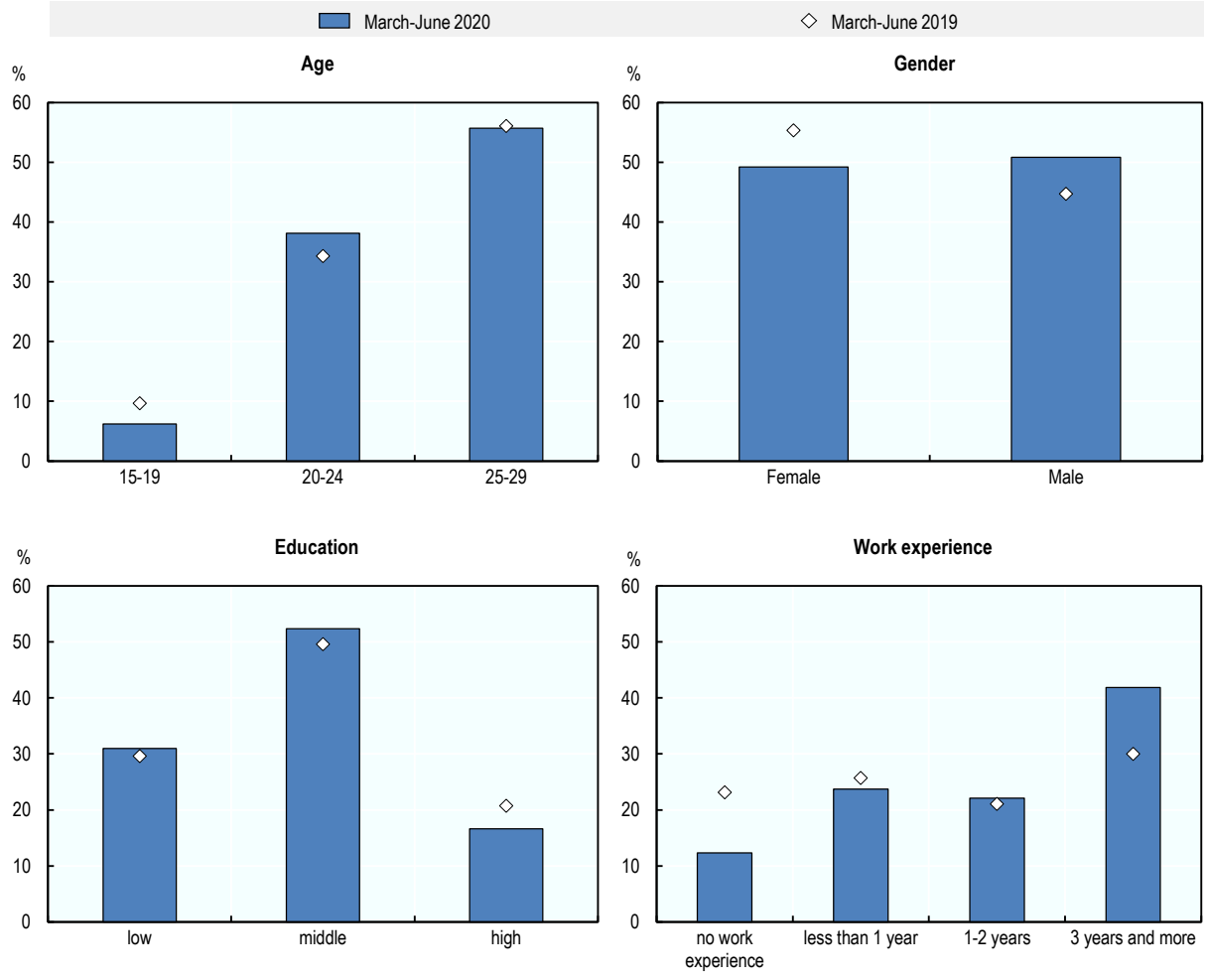


Source: Calculations based on data provided by the Employment Service of Slovenia.

The COVID-19 crisis slightly changed the composition of registered jobseekers. Comparing inflows for the age group 15-29 during the period March-June 2019 with the inflows during the period March-June 2020, jobseekers are more frequently in the age group 20-24 in the second period and less frequently from the youngest cohort – though the largest group in inflows remains the age group 25-29 (Figure 4.10). Most inflows concern young people with middle education, representing 52% of all inflows, and the share of highly educated youth in total inflows further dropped during the crisis. Finally, the crisis significantly affected young people with work experience: those with three years and more of work experience accounted for 42% of all inflows, a considerable increase compared with the same period a year earlier.

Figure 4.10. The composition of newly registered unemployed youth changed slightly during the COVID-19 crisis

Inflows into registered unemployment for young people aged 15-29, by personal characteristics, for the period March-June 2019 and March-June 2020



Source: Calculations based on data provided by the Employment Service of Slovenia.

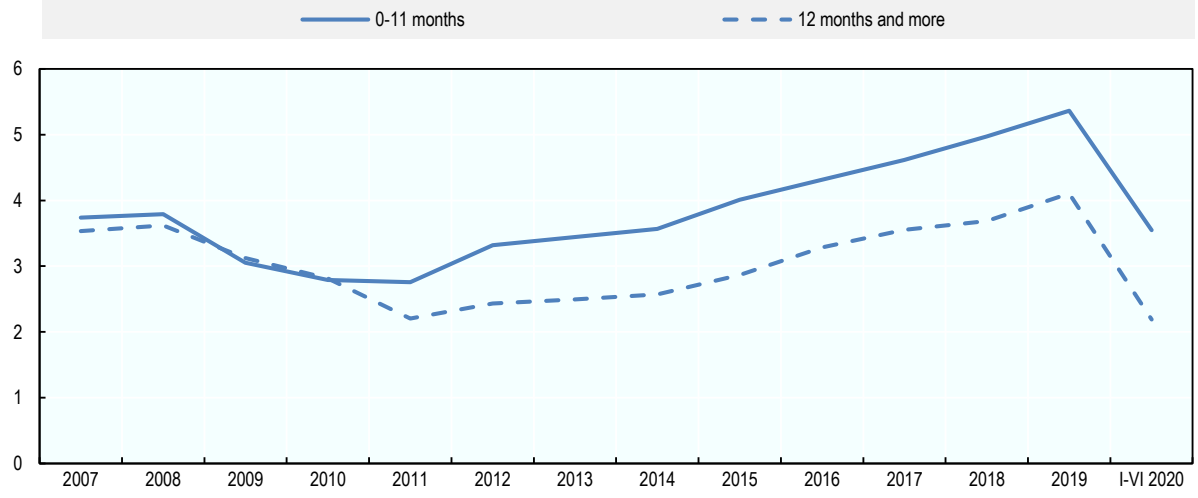
In response to the economic crisis, the Slovenian Government took unprecedented social and employment measures, including full coverage of income support for sick workers and their families; income support for quarantined workers who cannot work from home; paid leave for parents who needed to take care of their children; income support for workers who lost their jobs or self-employment income during the crisis;

support for firms to adjust working time and preserve jobs; financial support for firms affected by a drop in demand; and solidarity allowances for vulnerable groups. Box 4.3 provides more details about each of these measures. As discussed in the 2020 OECD Economic Survey of Slovenia, the measures to support jobs and incomes limited the rise in unemployment during the first wave of the pandemic, saving jobs and protecting the survival of many companies (OECD, 2020[14]). For young people, no specific measures have been introduced, as the existing measures described in Table 4.2 were deemed sufficient.

Nevertheless, participation in each of the active labour market measures dropped in the first half of 2020. Between January and June 2020, barely 17% of young registered jobseekers aged 15-29 participated in a measure, as opposed to 54% in 2019. As the country moved into a lockdown of economic activity between mid-March and mid-April, ESS caseworkers focussed on securing the timely pay-out of income support benefits and a rapid processing of the job retention scheme (funding employees who were not working due to lack of business, funding part time jobs and funding quarantine absence). From May onwards, regular employment services were offered again, initially via telephone and from June onwards in the public employment offices. Yet, with the increase in caseload from 270 to 370 jobseekers per youth counsellor, service provision remains challenging. Whereas ESS services delivered to young people were on an increasing trend prior to the crisis, service provision quickly dropped in the first six months of 2020 (Figure 4.11).

Figure 4.11. Service delivery of the Employment Service of Slovenia was strongly affected by the COVID-19 pandemic

Number of services per registered jobseeker aged 15-29, by unemployment duration, January 2007 – June 2020



Note: The ratio for 2020 is adjusted for the fact that the period only covers the first six months of the year.
Source: Calculations based on data provided by the Employment Service of Slovenia.

Box 4.3. Policy responses in Slovenia during the initial stages of the COVID-19 crisis

Helping firms to adjust working time and preserve jobs.

The government fully reimbursed employers for paid workers' compensation (since 13.3.2020) who had been ordered to temporarily wait for work for business reasons resulting from the coronavirus pandemic. It also reimbursed paid wages for workers who were forced to stay at home due to force majeure (because of closure of kindergartens and schools, inability to come to work due to the shutdown of public transport or the closure of borders with neighbouring countries). The amount of the compensation equalled the average salary for 2019, which amounted to EUR 1 754 gross. (Not eligible were employers whose share of revenues in 2019 of direct or indirect funds from state exceeded 70% and employers in ISIC class K Financial and insurance activities.)

Income support to persons losing their jobs or self-employment income.

Workers who lost their job during the pandemic and did not fulfil conditions for statutory unemployment benefits were entitled to temporary unemployment benefits at EUR 513 per month between March and May 2020. Self-employed people who declared themselves affected by the crisis using a special electronic application received EUR 350 for March if they proved that their income declined by at least 25% compared to February 2020, and received EUR 700 for April and May 2020 if they proved that their income declined by at least 50% compared to February 2020. At the same time, the state also covered all related social security contributions.

Income support for sick workers and their families

Sick and confirmed infected with COVID-19 employees were entitled to sick pay covering 90% of pay for the first 90 days and 100% thereafter. Sick pay started from the first day of absence from work. The government assumed the entire cost of all sick pay from 11 April until 31 May 2020 – in regular circumstances employers are required to cover the cost for the first 30 days.

Income support for quarantined workers who cannot work from home.

Workers in mandated quarantine who could not work from home were paid 80% of their average full-time gross monthly wage from the last three months before the start of the absence. The amount of the wage compensation was not limited by the minimum wage; firms were fully reimbursed by the government.

Solidarity payments for vulnerable groups.

The government introduced a series of one-time solidarity payments to vulnerable groups, usually tied to the receipt of existing benefits, and which were not counted as income for social security/tax purposes. For instance, beneficiaries of financial social assistance or care allowance received a one-off solidarity allowance of EUR 150 for April 2020. Recipients of unemployment benefits and disability insurance benefits and pensioners who receive less than EUR 700 in benefits per month received a one-off payment of EUR 130, 230 or 300 (depending on their benefit levels). Recipients of child benefit on low- and medium incomes received a EUR 30 per child means-tested payment and recipients of the parental or childcare allowances received EUR 150 per family. The large family allowance also increased by EUR 100 for families with three children and by EUR 200 for families with four or more children. All entitlements from public funds (social security benefits, child benefits, etc.) that expired on 31 March 2020 were automatically extended by one month.

Financial support to firms affected by a drop in demand.

Stimulus package included short- and long-term measures such as tax deferrals, state guarantees and credit lines. On 18 March 2020, the tax burden on business was eased with a 12-month deferral of credit payments.

The ESS is organising counselling services via video calls and increasing the number of young people they can reach per day. However, additional structural changes may be needed to streamline and digitalise service delivery. The forthcoming OECD note on *Active labour market policies to mitigate the rise in (long-term) unemployment in Slovenia* lists a number of ideas, lessons and policy approaches that are highly relevant for the service delivery to young jobseekers in Slovenia (Box 4.4). Implementing these reforms could also improve support for young people, increase their chances of a successful labour market integration and reduce the long-term impact on their careers. Early intervention is particularly important for young people as the global financial crisis showed how damaging an economic crisis can be for young people. Indeed, high and persistent youth unemployment in the aftermath of the global financial crisis showed that once young people have lost touch with the labour market, re-connecting them can be very hard.

Modernising and streamlining practices at the ESS towards a digital service delivery is particularly important in the current pandemic and the need for social distancing. It would also allow the ESS to increase the counselling frequency and support for young people. Currently, the counselling frequency for many ESS clients is too low to support an effective reintegration into employment (OECD, 2021[15]).

Box 4.4. Ideas, lessons and policy approaches to mitigate the rise in unemployment

The note prepared by the OECD on *Active labour market policies to mitigate the rise in (long-term) unemployment in Slovenia* discusses different ways for Slovenia to improve its active labour market policies and address the labour market challenges related to the COVID-19 pandemic. The note focusses on three areas in particular: (1) encouraging and supporting a quick reintegration of jobseekers into the labour market, (2) addressing limits on expanding PES resources through contracting out, and (3) adjustments to active labour market programmes.

Across these three areas, a non-exhaustive list of ideas, lessons and policy approaches that Slovenia could consider adopting include:

- Modernising and streamlining practices at the Employment Service of Slovenia (ESS) towards a digital, lean service delivery.
- Increasing the counselling frequency, especially for jobseekers with additional labour market barriers to support an effective reintegration into employment.
- Prioritising the introduction of a statistical profiling tool at the ESS to target and tailor employment services and programmes more efficiently.
- Further developing and expanding the mental health competencies and support at the ESS and to the ESS.
- Considering the introduction of contracted-out employment services, which offers the possibility of scaling-up employment services capacity without long-term cost commitments.
- Delivering more training programmes for jobseekers (partly or fully) online.
- Increasing investments in adult training to facilitate the reallocation of workers across industries and occupations.

- Streamlining the various skill assessment and anticipation exercises conducted in Slovenia to guide workers to the most efficient job transition.
- Scaling up well-targeted employment subsidies of limited duration to support job creation and strengthen employability of workers.

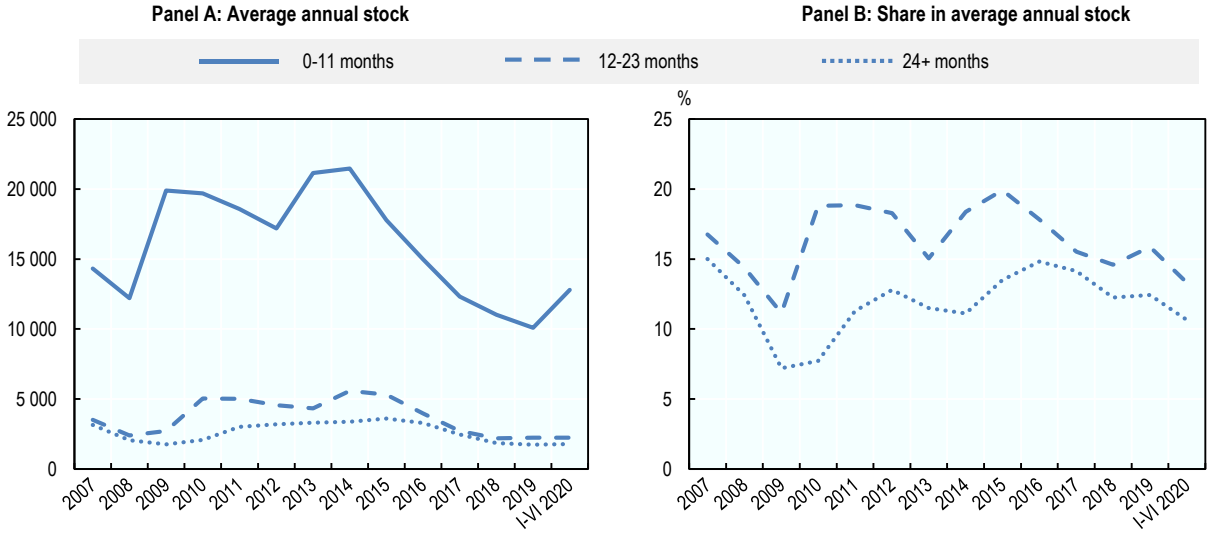
Source: OECD (2021[15]), Active labour market policies to mitigate the rise in (long-term) unemployment in Slovenia, *forthcoming*, OECD Publishing, Paris.

4.3.3. Long-term NEETs

Short periods of inactivity or unemployment do not necessarily have negative repercussions on future employment opportunities and income, but Chapter 1 illustrated that more than half (53%) of all Slovenian NEETs remain in that status for a year or more. Among those NEETs who are registered with the ESS, the share with a long-term NEET spell is considerably smaller than among unregistered NEETs (see the section on Unregistered NEETs above) and it has been declining since 2015. The share of jobseekers who have been registered with the ESS for one to two years declined from 20% in 2015 to 13% in the first half of 2020, whereas the share of those who have been registered for longer than two years declined from 15% in 2016 to 11% in the first half of 2020 (Figure 4.12). In total, one in four registered jobseekers were long-term NEETs in the first semester of 2020.

Figure 4.12. Long-term unemployment among registered unemployed youth has been declining

Stock of young people aged 15-29 registered with the Employment Service of Slovenia, by duration of unemployment, over the period January 2007 – June 2020



Source: Calculations based on data provided by the Employment Service of Slovenia.

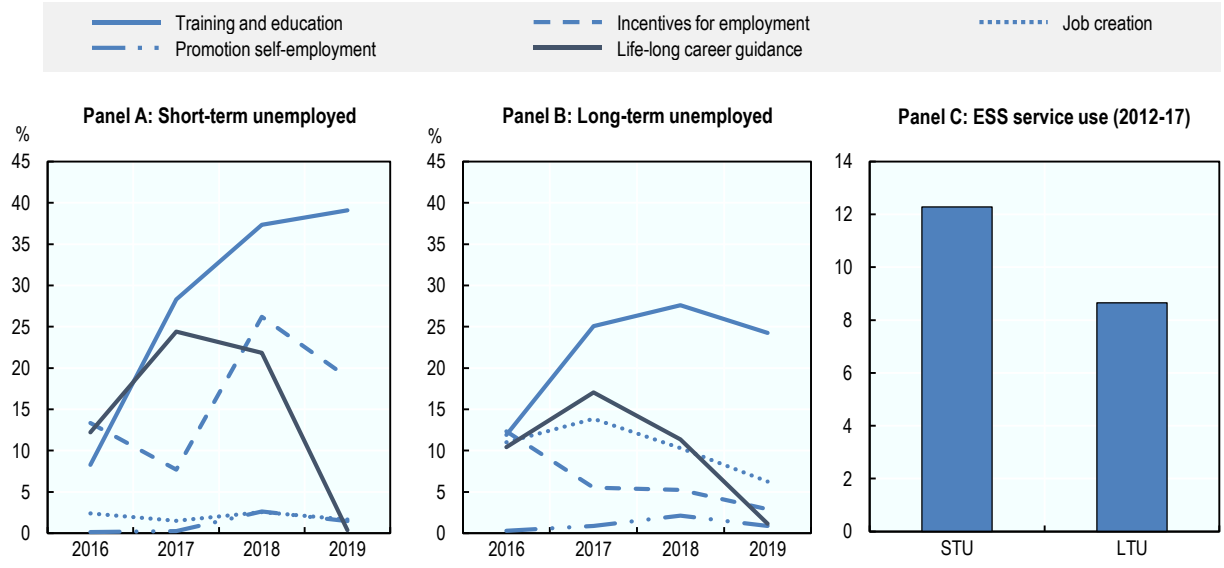
ESS counsellors have a range of active labour market measures at their disposal for registered long-term NEETs (see Table 4.2). However, long-term unemployed youth participate much less in these measures than short-term unemployed youth. In 2019, barely one in three young jobseekers who were registered with the ESS for more than one year participated in one of the active labour market measures, compared with nearly two in three short-term unemployed jobseekers (Figure 4.13, Panel A and B).

For both groups, training and education is the most used measure, which is provided to 39% of short-term unemployed youth in 2019 and to 24% of long-term unemployed youth. Employment incentives are only used by 3% of all long-term unemployed youth in 2019, compared with 24% of all short-term unemployed youth. Participation in active labour market measures is very volatile, reflecting to a large extent the availability of funding.

Participation of long-term unemployed youth declined for each category of measures in recent years. For some of the measures and services (like employment incentives and life-long career guidance), this decline in participation rates is observed among both short-term and long-term unemployed youth, but not for all. To improve labour market integration of long-term unemployed, the active measures that the ESS has at its disposal would need to be scaled up significantly.

Figure 4.13. Participation of long-term NEETs in active labour market programme declined in recent years

Average annual participation in active labour market programmes as a share of the total stock of registered unemployed youth, by measure and duration of unemployment, 2016-19 (Panel A and B), and the average number of services received during the first four months of registration with the Employment Service of Slovenia, by duration of unemployment, 2012-17 (Panel C)



Note: The figures focus on young people age 15-29. The ESS services use refers to the number of services short-term unemployed youth (STU) and long-term unemployed youth (LTU) receive during their first four months of registration with the Employment Service of Slovenia.
Source: Calculations based on data provided by the Employment Service of Slovenia.

In addition, long-term unemployed systematically receive less employment services during their first four months of unemployment than short-term unemployed youth (Figure 4.13, Panel C). Data on the number of services provided by the Employment Service of Slovenia shows that short-term jobseekers receive, on average, 12 different services during their first four months of unemployment, including an individual action plan, short workshops, referrals to vacancies, etc. In contrast, long-term unemployed youth receive only eight services on average. The gap in service use has been fairly constant over the past decade.

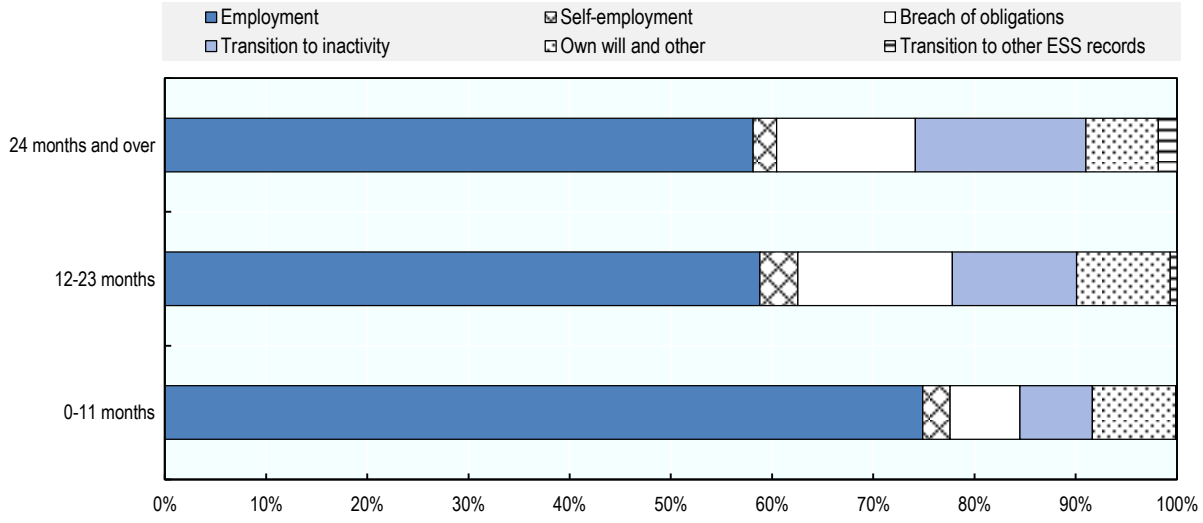
Investigating the reasons behind the gap in service use would help the Employment Service of Slovenia understand how to improve service delivery for young people with a risk of long-term unemployment. For instance, do these youngsters participate less in the offered services, or are they offered less services? It

could be that their personalised situation prevents them from actively participating in programmes (e.g. difficult situation at home, or hidden psychological issues), which suggests that more personalised services would benefit them. Conversely, if they are offered less services because the caseworker believes the young jobseeker is not ready, then alternative services would need to be developed adapted to their needs.

Given their lower participation rates in active labour market programmes and employment services, it is not surprising that long-term NEETs in Slovenia are less likely to leave the unemployment records for employment than short-term NEETs (though the direction of causality would have to be investigated). Nearly four out of five jobseekers who were registered with the ESS for less than one year find employment or self-employment (Figure 4.14). Among those who remain registered with the ESS for 12-23 months or longer than 24 months, (self-)employment accounts for respectively 63% and 60% of all outflows.

Figure 4.14. Long-term NEETs are less likely to leave unemployment records for employment

Outflows by reason of deregistration and duration of unemployment, youth aged 15-29, 2017-19



Source: Calculations based on data provided by the Employment Service of Slovenia.

A regression analysis helps to understand the relationship between the personal characteristics of NEETs and their participation in an active labour market programme. This analysis leads to several interesting results (Table 4.4):

- The more educated, the more likely NEETs are to participate in active labour market programmes. Compared with low-educated NEETs, the odds of participating in an active labour market programme are nearly two times higher for middle educated and three times higher for high-educated NEETs.
- Immigrants have a much lower likelihood of participating in active labour market programmes than native borns. NEETs born in Balkan countries and EU15 countries are respectively five and 12 times less likely to participate in a programme than NEETs born in Slovenia. In addition, the odds are lower for immigrants arriving after age 10 compared with those arriving before they turn 10.
- Young NEETs with work experience are 1.8 times more likely to participate in an active programme than their peers without work experience.
- The likelihood of participating in an active labour market programme decreases with age, as well as when they have a child.

Table 4.4. Migrants and low-educated NEETs are less likely to participate in active programmes

Odds ratios indicating the likelihood of participating in an active labour market programme, for young people aged 15-29 over the period 2011-18

	Odds ratios
Gender (1=M, 2=F)	1.05
Has a child (Y/N)	0.76
Work experience (Y/N)	1.75
Compared with 15-19 year-olds	
Age 20-24	0.77
Age 25-29	0.63
Compared with low educated NEETs	
ISCED 3-5	1.84
ISCED 6-8	2.94
Compared with youth born in Slovenia	
EU15	0.08
Balkan	0.20
Rest	0.21
Compared with immigration at age 0-10	
Immigration at age 11-18	0.83
Immigration at age 19-29	0.85

Note: Logistic regression of participation in active labour market programmes on main characteristics for 15-29 year-old NEETs in Slovenia. Outputs are presented as odds ratios. Regional and year dummies as well as parent characteristics (education and employment status) are included as control variables. All odds ratios presented in the table are statistically significant at the 0.01 level.
Source: Estimations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

4.4. Specific target groups

This section zooms in on three groups that face particular challenges in the labour market: young mothers, young people with a migrant background and Roma youth. Indeed, analysis in Chapter 1 illustrated that children for women is one of the strongest determinants of long-term NEET spells, in particular for single women. The NEET rate among foreign-born youth is nearly three time as high as among native born. For Roma youth, there is no reliable data on their labour market outcomes in Slovenia, but scarce information shows that they are very weak. The following sections discuss the exisiting policy framework and make proposals to improve support for each of these groups.

4.4.1. Young mothers

The analysis in Chapter 1 illustrated that 60% of female NEETs in Slovenia are inactive because of caring or family responsibilities. This share is higher than in other OECD countries where on average 53% of female NEETs are at home for care responsibilities. The analysis also showed that the presence of a child in the household is the strongest determinant for the NEET duration of young women in Slovenia.

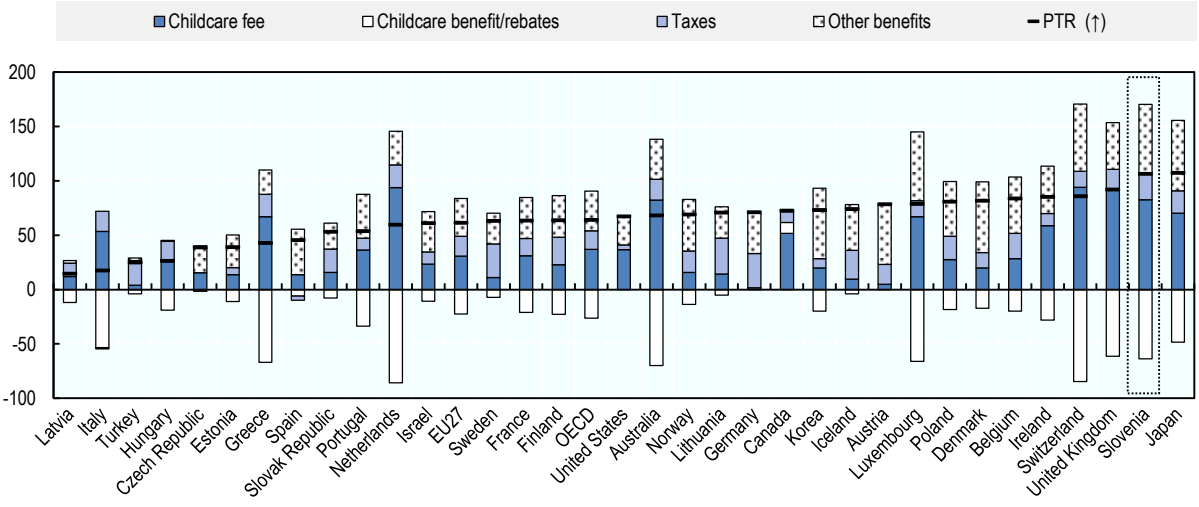
Work does not necessarily pay for young parents

The over-representation of young mothers among NEETs in Slovenia seems to be largely the result of the weak financial incentives that persuade parents of young children to move into employment. Whether or not it pays to work is determined by a complex combination of benefit entitlements, the tax treatment of earned income and the cost of childcare for young children. To illustrate the financial impact of moving from inactivity to employment, Figure 4.15 shows the effective tax rates – also called participation tax rates

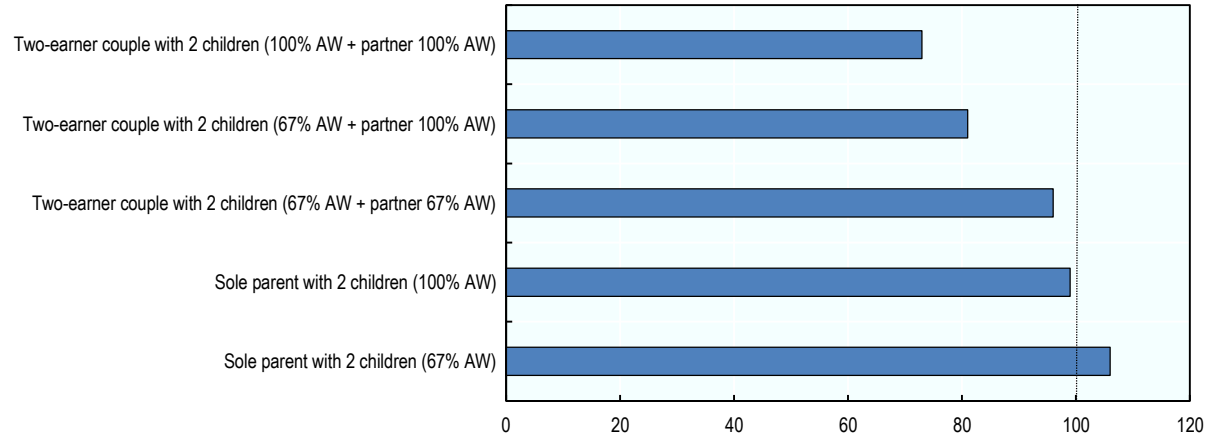
– for different types of families and earning levels. With an effective tax rate of 106% for a sole parent with two young children (aged two and three) moving into low-paid employment, Slovenia ranks second highest among OECD countries. This rate indicates that single mothers who take up a low-paid job in Slovenia would lose more than 100% of their earnings to childcare costs, lower benefits and higher taxes. The average across OECD countries is only 62%. In addition, Panel B of Figure 4.15 shows that the effective tax rate reaches nearly 100% for sole parents in Slovenia who enter average-paid employment and for couples with small children where both parents have low-wage jobs. While financial incentives are stronger when both parents earn the average wage, they would still lose three-quarters of one wage to childcare costs, lower childcare benefits and higher taxes.

Figure 4.15. Work does not pay for sole or low-earning parents in Slovenia

Panel A: Effective tax rates on entering low-wage employment for a single parent when using childcare services for two children, by category, 2019



Panel B: Effective tax rates on entering employment when using childcare services, by family type and earnings, 2019

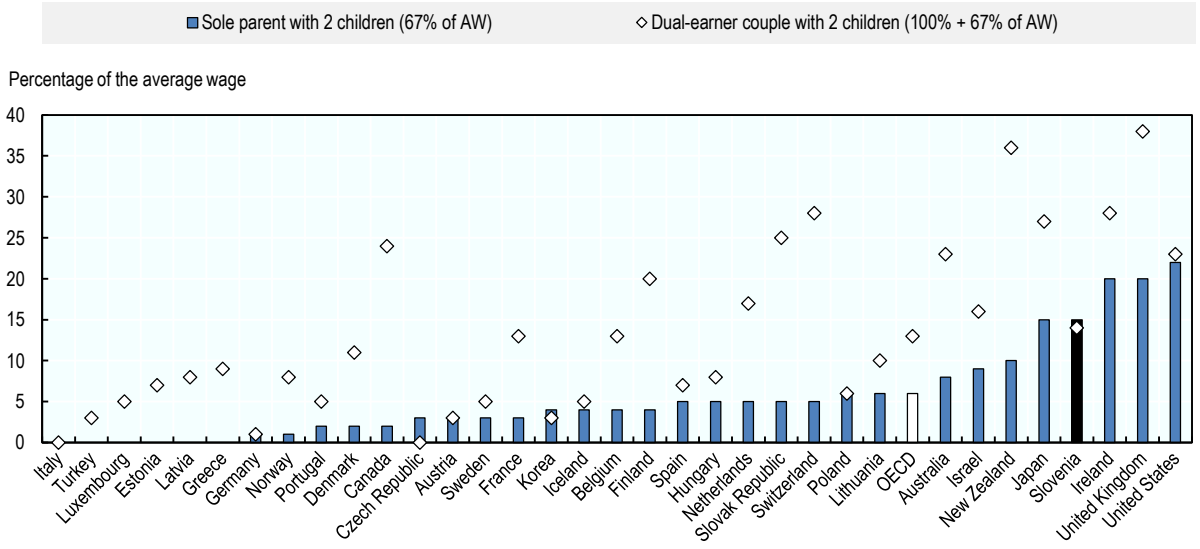


Note: The effective tax rate measures the proportion of earnings that are lost to either higher taxes, lower benefits or childcare costs when a parent with young children takes up full-time employment and requires use of centre-based childcare services. The tax rates are calculated for different types of households with two children aged 2 and 3. Transitions are from labour market inactivity (i.e. without unemployment benefit entitlements but possible entitlement to minimum income benefits) to a full-time job, at either 67% or 100% of the average wage (AW). The model uses tax and benefit regulations that were in place in 2019, or latest available. See the OECD Tax and Benefit Systems website (http://oe.cd/TaxBEN) for more detail on the methods and assumptions used and information on the policies modelled for each country.
Source: OECD Tax and Benefit Models 2019, https://stats.oecd.org/Index.aspx?DataSetCode=PTRCC

In particular, out-of-pocket childcare costs in Slovenia are fourth highest among OECD countries and far above such costs in other countries in Continental Europe (Figure 4.16). For a single-parent household with a low-paid job in Slovenia, the net costs of using childcare services for two children (aged two and three) account for 15% of the average wage. This cost is nearly three times the OECD average (5%) and five times the cost in neighbouring country Austria (3%). Net costs for a typical dual-earner couple family in Slovenia are at a similar level (14% of the average wage) as those for single-parent households, but they are more in line with those in other OECD countries where the average is 13%.

Figure 4.16. Childcare costs are high in Slovenia

Out-of-pocket childcare costs for parents using full-time childcare for two children (age 2 and 3) as a percentage of the average wage, 2019



Note: Data reflect the net cost (gross fees less childcare benefits/rebates and tax deductions, plus any resulting changes in other benefits received following the use of childcare and/or change in family income) of full-time care in a typical childcare centre for two-child family with children aged 2 and 3. Gross earnings for the two earners in the dual-earner couple are set equal to 100% of the average wage (AW) for the first earner and 67% of the average wage for the second earner. Those for the single-person household are set to 67% of the average wage. 'Full-time' care is defined as care for at least 40 hours per week. Where benefit rules are not determined on a national level but vary by region or municipality, results refer to a "typical" case (e.g. Michigan in the United States, the capital in some other countries). See the OECD Tax and Benefit Systems website (http://oe.cd/TaxBEN) for more detail on the methods and assumptions used and information on the policies modelled for each country.
Source: OECD Tax and Benefit Models 2019, https://stats.oecd.org/Index.aspx?DataSetCode=NCC.

Childcare costs in Slovenia are determined by municipalities based on identified costs of education, care and food in kindergartens. In 2019, the average price for children between one and three years of age was EUR 474 and EUR 357 for children from three years of age to the age of entering basic compulsory school. To reduce the costs for families, significant discounts are in place, depending on the household's income, number of household members and number of children in care. However, these rebates are insufficient to bring to cost of childcare services closer to OECD averages.

In addition, out-of-pocket childcare costs experienced opposite trends for different types of households over the past decade and significantly worsened the situation of single-parent households (Table 4.5). While gross childcare fees remained around 55% of the average wage between 2008 and 2019, childcare rebates decreased considerably for single-parent households, whereas they increased significantly for dual earner couples with children. As a result, out-of-pocket childcare costs for single-parent households rose

from 9% of the average wage in 2008 to 15% in 2019, whereas they decreased from 21% to 14% over the same period for dual earner couples with children.

Table 4.5. Childcare costs increased for sole parents and decreased for couples

Out-of-pocket childcare costs for parents using full-time childcare for two children (age 2 and 3) as a percentage of the average wage, by family type and cost item, 2008 and 2019

	Single-person household with 2 children (67% AW)		Dual-earner couple with 2 children (100% + 67% AW)	
	2008	2019	2008	2019
Gross childcare fees	56	55	56	55
Childcare benefits	50	43	36	43
Change in taxes	0	0	0	0
Changes in other benefits	-3	-2	-2	-1
Total	9	15	21	14

Note: Data are separated by gross childcare fees, childcare benefits/rebates, tax deductions, and any resulting changes in other benefits received following the use of childcare and/or change in family income. The data are presented for full-time care in a typical childcare centre for two-child family with children aged 2 and 3. Gross earnings for the two earners in the dual-earner couple are set equal to 100% of average earnings for the first earner and 67% of average earnings for the second earner. Those for the single-person household are set to 67% of average earnings. 'Full-time' care is defined as care for at least 40 hours per week. See the OECD Tax and Benefit Systems website (http://www.oecd.org/els/soc/benefits-and-wages.htm) for more detail on the methods and assumptions used and information on the policies modelled for each country.
Source: OECD Tax and Benefit Models 2019, https://stats.oecd.org/Index.aspx?DataSetCode=NCC.

Creating incentives for young NEET mothers to take up work

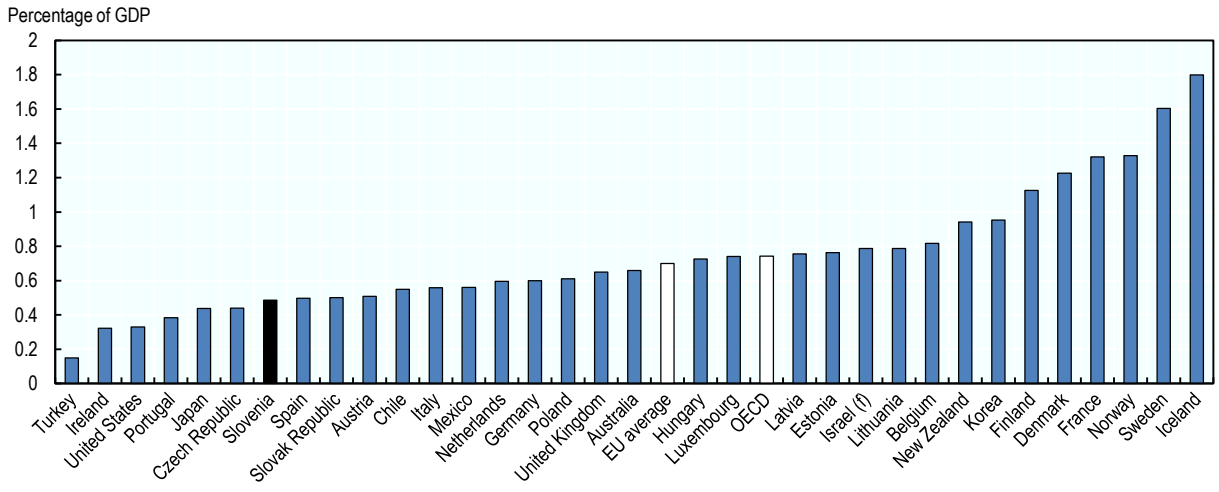
To address the low work incentives for young NEET mothers, Slovenia should find a way to reduce the out-of-pocket costs for childcare services for single parents, possibly through higher discounts for single parents. Overall, public spending on early childhood education and care remains low in Slovenia. At 0.5% of GDP, Slovenia ranks in the lowest quarter of OECD countries and below the EU and OECD averages of 0.7% (Figure 4.17). For instance, those countries that have succeeded in providing affordable early childhood education and care on a wide scale – most notably, the Nordic countries and France – direct more than 1% of GDP to early childhood education and care.

However, higher spending and increased public childcare support do not guarantee better access to affordable early childhood education and care. Without suitable regulations in place, there is a danger that providers 'capture' public support for themselves, rather than passing it on to parents through lower costs. One option to prevent such capture is to combine public support with fee caps and regulations, such as maximum fees (OECD, 2020[16]). Fee regulations are common in countries that operate public systems for early childhood education and care. For example, in Denmark, fees vary locally but regulations stipulate that parents cannot be charged more than 25% of the operating cost of care, with additional discounts for families on low incomes, single parents, large families and children with disabilities.

High-quality early childhood education and care bring also many social and economic benefits. A growing body of research recognises that participation is beneficial for young children, especially those from low-income backgrounds (OECD, 2018[17]). Accessible, affordable and good-quality childcare also helps to protect children against poverty and strengthens equality of opportunity by promoting child development, child well-being and success later in life, and by facilitating parental employment and boosting family income (OECD, 2018[18]).

Figure 4.17. Slovenia spends very little on early childhood education and care

Public expenditure on early childhood education and care, as a percentage of GDP, 2015



Note: Data for Poland refer to 2014. In some countries, local governments play a key role in financing and providing childcare services. Such spending is comprehensively recorded in the Nordic countries, but in some other (often federal) countries it may not be fully captured by the OECD social expenditure data.
Source: OECD Family Database, http://oe.cd/fdb.

4.4.2. Young people with a migrant background

Chapter 1 showed that the NEET rate among foreign-born youth is nearly three time as high as among native-born and Chapter 2 discussed that part of the problem relates to higher school dropout rates among migrant children. Analysis based on the anonymised merged administrative dataset furthermore reveals that young people with a migrant background are over-represented among unregistered NEETs (Table 4.6). For instance, young people born in a Balkan country accounted for 11.3% of all NEETs in 2018, yet their share among unregistered NEETs reached 15.7% in that year. For young people born in EU-15 countries, their share among unregistered NEETs is double as high as among all NEETs. Similar findings appear when we compare first- and second-generation migrants with native-born youth (Panel B). Especially first-generation migrant youth are over-represented among unregistered NEETs.

Table 4.6. Young people with a migrant background are over-represented among unregistered NEETs

Panel A: Share (in percentage) among all NEETs and unregistered NEETs by country of birth, for 15-29 year-olds, 2018					
	Slovenia	EU15	Eurest	Balkan	Other
All NEETs	85.1	1.9	0.3	11.3	1.4
Unregistered NEETs	77.4	3.9	0.4	15.7	2.6
Panel B: Share (in percentage) among all NEETs and unregistered NEETs by migrant status, for 15-29 year-olds, 2018					
	Natives	First-generation migrants	Second-generation migrants		
All NEETs	67.7	14.9	15.8		
Unregistered NEETs	58.6	22.6	16.6		

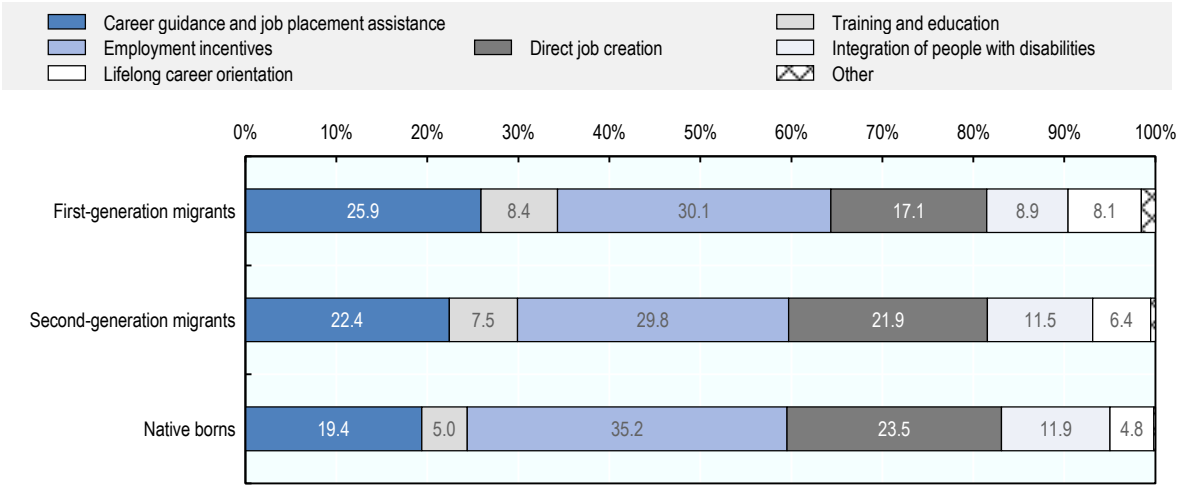
Source: OECD calculations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

To further reduce the NEET rate among young people with a migration background, the ESS will have to do major efforts to reach out to those who are not registered, to better understand their barriers to employment and offer targeted services. In particular, about two-thirds of unregistered migrant NEETs are women, most likely accompanying partners who stay at home. In addition, low-educated youth account for more than half (57%) of all unregistered migrants NEETs, with nearly half of that group not having fulfilled basic education.

The analysis in the section on long-term NEETs revealed that long-term unemployed immigrant youth have a much lower likelihood of participating in active labour market programmes than their native born counterparts. Among those who do participate, the support for first-generation migrant youth is more heavily concentrated on career guidance and job placement assistance than for second-generation migrants and native borns (Figure 4.18). The same finding holds for training and education as well as lifelong career orientation, whereas direct job creation (i.e. public works) is less used for first-generation migrant youth. Among native born young jobseekers, employment incentives are the most frequently used active labour market programme, accounting for 35% of all measures provided to this group.

Figure 4.18. Support for first-generation migrant youth is more heavily concentrated on guidance and training than for native-borns, who receive more frequently employment incentives

Participation in active labour market programmes among 15-29 year-old jobseekers, by type of measure and migrant background, 2018



Source: OECD calculations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

Native borns and first-generation migrants are equally likely to leave the ESS unemployment records for employment, but the latter are less likely to re-enter education, move to self-employment or participate in an ESS public works programme (Table 4.7). Instead, they are more likely to be de-registered for maternity leave or for lack of active job search. The latter reason is also particularly important among second-generation migrants, where one in five is de-register because they are no longer actively searching for a job. Outflow to employment is lowest among second-generation migrants.

The first step for successful labour market integration of young people with a migrant background is to ensure they acquire the necessary skills to succeed, including a qualifying diploma. Where prevention and early intervention fail to avoid early school leaving, second-chance programmes allow young people to obtain a basic qualification and find a way into the labour market. Such programmes offer alternative

pathways that can lead participants back into mainstream education or prepare them to integrate into vocational education and training to obtain a professional qualification.

Table 4.7. Outflows are less positive for young people with a migrant background

Outflows by reason of deregistration and duration of unemployment, for young people aged 15-29, 2012-18

	Natives	First-generation migrants	Second-generation migrants
Employment	66.1	66.7	60.3
Self-employment	3.8	1.9	2.9
Public works inclusion	3.4	0.8	2.4
Re-enter education	3.6	1.8	3.5
Maternity leave	4.9	6.0	5.2
Not active job seeker	14.3	18.8	21.0
Moved abroad	0.4	0.8	0.8
Mistake when listing into unemployment database	1.1	1.0	1.0

Source: OECD calculations based on anonymised merged administrative data provided by the SURS and ESS (see Box 1.1 in Chapter 1 for more information).

As discussed in Chapter 2, Slovenia already has a strong adult education system and second-chance programmes. In particular, the Project Learning for Young Adults (PUM-O) programme helps young people aged between 15 and 26 ready themselves for re-entering formal education or finding a job. The length of participation is adjustable to individual needs and the programme operates with small groups of 15-20 youth with an average age of 19-20 supported by three mentors (see OECD (2017[19]), Box 3.8, for more details about the programme). While the PUM-O programme is not specifically targeted to young people with a migrant background, their share among participants has been growing in recent years.

However, the programme is not necessarily adapted to the needs of migrant youth. Some of these young people would better fit in an official second-chance programme, but such programmes are too expensive for migrant youth without resources. Others have considerable language barriers and would need intense language courses in addition to social support. The number of participants in the programme had also been declining prior to the COVID-19 crisis, suggesting that additional outreach efforts to unregistered youth, in particular those with a migrant background, would be welcome.

Targeted guidance or mentoring schemes for youth with a migrant background can also help them in their search for a (first) job and can help counter the lack of relevant parental contacts or information about the host-country labour market and its functioning. For instance, France has a large-scale mentoring programme with voluntary mentors – either business executives or newly retired people – who mentor a young person in a personal relationship over a number of months (OECD, 2021[20]). These mentoring networks operate within a structure, most often a ‘local mission’ (a body jointly financed by the French authorities and cities to facilitate youth employment), in partnership with chambers of commerce and companies. The mentors use their contacts, facilitate relations with companies and re-motivate young people. This programme, which has existed since 1993, is particularly effective since two-thirds of these young people either find stable employment or a training programme leading to a qualification, and youth with migrant parents account for a large share of the participants.

Another example of such mentoring programme is the programme ‘Schotstek’ run by the city of Hamburg, Germany (OECD, 2021[20]). The scheme provides excellent students from immigrant families with a close-knit and high-end professional network of entrepreneurs, founders of start-ups, scientists, artists, managers, politicians and other outstanding personalities, as well as a growing community of successful alumni. At the centre of the programme are individual coaching and mentoring activities, measures to improve the youngsters` networking and self-organisation skills and projects aimed at broadening their

horizons. The programme also provides financial support and assists with the search for internship opportunities and a first job.

4.4.3. Roma youth

A group of young people who are considered as particularly vulnerable are Roma youth. While specific data is not available for Slovenia due to personal data protection laws,[3] scarce information for other EU countries shows that labour market outcomes for Roma youth are very weak. In 2011, an estimated 58% of young Roma people aged 16-24 were neither in employment nor in training or education in the 11 EU countries (not including Slovenia) surveyed by the European Union Agency for Fundamental Rights, compared with a NEET rate of 13% on average in the EU-28 at the time (European Union Agency for Fundamental Rights, 2014[21]). According to the survey, NEET rates among Roma ranged from 37% in Hungary to 78% in Portugal. Accumulated disadvantages in a range of areas and systematic discrimination complicate the labour market integration of Roma youth, not only in the surveyed countries, but also in Slovenia.

In 2017, the Slovenian Government adopted a new National Programme of Measures for Roma for the period 2017-21 to address the challenges and problems of the Roma community in a comprehensive way (The Government of the Republic of Slovenia, 2017[22]). The programme, drafted in close co-operation with the Roma stakeholders in Slovenia, contains a wide range of measures in the field of education, social protection, health care, anti-discrimination, empowerment, and employment. The proposed programmes are implemented with close co-operation between the concerned municipalities, the government and key Roma stakeholders. Some projects are co-financed by the European Social Fund.

Employment support for Roma

In the area of employment, mainstream public employment services are available to Roma jobseekers and Roma are an explicit target group of several employment measures. For instance, they can participate in public work programmes for two years (as opposed to one year for persons not belonging to vulnerable groups) and a higher share (95%) of their public work wages are subsidised. Two public works programs are designed specifically for Roma: i) “Assistance in arranging Roma settlements” (assistance in arranging and maintaining settlements, education of collecting waste in correct way, collecting rainwater, etc.); and ii) “Assistance to Roma in socialization” (assistance in school learning, organization of leisure activities in settlements, assistance in removing language barriers, establishing dialogue, monitoring to official institutions, integration into the local environment, etc.). The fifth public tender for social activation programmes also developed a specialised programme for Roma women (Box 4.5). However, the Employment Service of Slovenia does not have a comprehensive approach to tackle the problem of high unemployment among young Roma, comparable to specialised councillors for young people and long-term unemployed.

As the Slovenian law on protection of personal data prohibits collecting records of persons based on national or ethnic affiliation, the ESS does not systematically collect information on Roma people. Only those jobseekers who provide information on their origin at the registration on a voluntary basis appear in the records as Roma. In 2019, only 973 young people aged 15-29 identified themselves as Roma when registering with the ESS; for all age groups, the counter stood at 2 407. There are about as many female as male Roma jobseekers registered with the ESS. More than half of the registered Roma jobseekers have not completed basis education, and their share is about as high among young jobseekers (54%) as jobseekers of any age (56%), showing no improvement over generations. Another 38% of young Roma jobseekers completed basic education, but did not proceed with secondary education.

Despite their significant labour market disadvantages, young people who voluntarily identify themselves as Roma participate much less in active labour market programmes than youth in general. In 2019, 30% of the registered Roma youth participated in active labour market programmes, compared with 54% of all

young jobseekers (Table 4.8). A similar disparity is observed for all age groups combined. Employment incentives are hardly used for Roma youth and, instead, there is a stronger focus on job creation (i.e. public works) – a measure that rarely leads to employment in the open labour market and traps them in a vicious circle of welfare subsidies and public work (Messing, 2014[23]). Box 4.6 provides additional information about public work programmes and how their value as an activation tool can be improved.

Box 4.5. Social activation in Slovenia

In response to the increase in the number of long-term unemployed persons and recipients of financial social assistance, the Ministry of Labour, Family, Social Affairs and Equal Opportunities launched a pilot for social activation in 2017. Since then, five public tenders have been filed for the organisation of diverse social activation programmes. These programmes, co-financed by the European Social Fund, move away from classical welfare state practices towards more active social policy. The aim of the social activation programmes is to strengthen the capabilities, competences and daily functioning of long term unemployed and long-term beneficiaries of financial social assistance (i.e. most vulnerable social groups) and to facilitate their labour market entry and social integration. The fifth public tender introduced specific programmes for Roma women and women from foreign cultural background, and put additional emphasis on individualised approaches.

By the end of October 2020, 179 programmes had been organised, with 3 152 participants. The number of positive exits – defined as entry into the register of unemployed people, (re)entry in training and education programs/process, joining the programs delineated in the active labour market policies, protected working environments in the context of public work or the employment in the regular labour market – hovered between 14% for short-term programmes (organised in 2017-2018), to 27% for longer-term programmes (2017-2019), and 47% for hybrid programmes (2018-2019).

Source: Lemaić and Juvan (2020[24]), Social Activation – A Pilot Project of a Comprehensive Approach, https://www.oecd.org/els/emp/Slovenia.pdf.

Table 4.8. Roma youth participate much less in active labour market programmes than other young jobseekers

Participants in labour market programmes as a percentage of the stock of registered jobseekers, by age, self-identified ethnicity and type of programme, 2019

	Roma jobseekers aged 15-29 years	All jobseekers aged 15-29 years	Roma jobseekers aged 15-64 years	All jobseekers aged 15-64 years
Training and education	23.8	34.9	14.2	18.2
Employment incentives	0.1	14.3	0.6	13.7
Job creation	3.8	2.9	3.8	4.6
Promotion self-employment	0.0	1.3	0.0	0.4
Life-long career guidance	2.4	0.6	5.8	0.5
All measures	30.0	54.1	24.3	37.5

Note: People may participate in several programmes.
Source: Calculations based on data provided by the Employment Service of Slovenia.

Box 4.6. Reforming public work programmes

Public work programmes have a long tradition, used by countries under different names to address unemployment and provide social assistance to the most vulnerable, while simultaneously supporting the local community. Countries implement public work programmes in various forms, though they are typically organised in close collaboration with local government authorities and non-profit organisations to ensure direct benefits to the local community, whilst simultaneously (re)introducing the habit of working for participants.

One of the main criticisms of public works programmes is that they seldom represent a transition to the open labour market. Apart from monitoring of attendance and basic supervision, participants are often left to their own devices. In most programmes there is no training to help the participants learn the job, little or no ongoing support or contact from the PES, and no guidance aimed at helping them make the transition to regular work afterwards.

The multiple disadvantages experienced by typical public work participants and the low transition into regular employment stress the importance of providing complementary measures alongside the programme, such as training and job search counselling. For instance, in Poland, the public employment service organises preparatory support for participants, including basic training where necessary, whereas in Austria, participants can attend up to eight weeks of preparatory training, and there is also funding for works managers (e.g. supervisors and skilled trainers) to provide ongoing support and guidance to participants. Continued personalised support is particularly important in order to help participants find their first job.

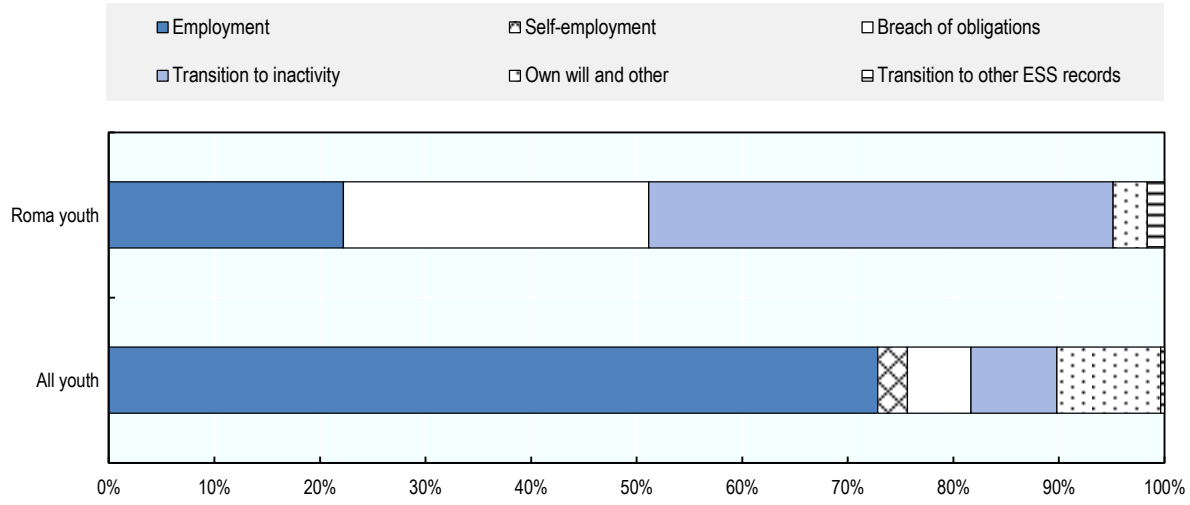
Source: European Commission (2013[26]), Public Works: How can PES contribute to increasing their value as an activation tool?, Small scale study 2013, Mobility Lab, https://ec.europa.eu/social/BlobServlet?docId=13384&langId=en.

Young Roma jobseekers are also much less successful than other young jobseekers in obtaining employment. In 2019, a year when the Slovenian economy was still functioning well and jobseekers found relatively easily employment, only one in five (22%) Roma youth deregistered from the records of the Employment Service of Slovenia because they found employment (Figure 4.19). The difference with the youth population as a whole is considerable: three in four (76%) of them left the ESS records for employment or self-employment. Most Roma youth transition from the ESS records into inactivity (44%); another important group comprises those who breach obligations (29%).

Overall, the limited data that is available on the use of employment services among Roma youth suggest that significant efforts are needed to improve support for this group. The lack of education and accumulated disadvantages in a wide range of areas add to the complexity of this task. The mid-term evaluation in November 2018 of the new National Programme of Measures for Roma for the period 2017-21 by the Mirovni Institute (2018[25]) on behalf of the Slovenian Government also highlighted the difficulty for Roma people to enter the open labour market in Slovenia because of discrimination against Roma by employers.

Figure 4.19. Only one in five Roma youth leave the ESS records for employment

Outflows by reason of deregistration and self-identified ethnicity, for young people aged 15-29, 2019



Source: Calculations based on data provided by the Employment Service of Slovenia.

Slovenia can learn from interesting experiences in other countries to improve labour market inclusion of the Roma population. The following elements are worth considering:

Employment support

- In many countries, Roma people see public employment offices and centres for social work as purely administrative units where they are obliged to come regularly to register and retain benefit entitlements, without useful support for labour market inclusion, as the services are not tailored to their needs. Interesting initiatives aiming to bridge the resistance to work with public offices can be found in Bulgaria, Hungary and Spain, where public employment services employ mediators of Roma background. Experience in these countries showed that Roma mediators who belong to the local community and have proper professional backgrounds tend to achieve better results, as they generate greater trust and have a better knowledge of the community (Messing, 2014[23]).
- The strong reliance on public work and the limited transition to the open labour market could be addressed by integrating guidance, skills assessment and post-placement activities into the public works programme. For instance, agreeing on individual targets for each participant at the start of the programme and introducing employer assessments of the skills and achievements of the participant both mid-way and at the end of the programme, to be undertaken in close collaboration by the ESS and the employer, can make progress more visible for all actors involved. To ensure the public work programme is not the end in itself, but a stepping stone for labour market integrations, individual post-placement activities such as targeted training, other active labour market programmes, psychosocial support and on-the-job-support, are crucial.
- The Spanish programme *Acceder* has been in place since 2000 and has served as an example for many other programmes (Maya, Pernas Riaño and Santiago, 2012[26]). The programme offers an integrated approach, including individual pathways, a wide range of training initiatives oriented towards real job opportunities, a close public-private partnership and a one-to-one relationship with companies to overcome discriminatory attitudes. More than one-quarter of the 90 000 participants accessed a job (of which 24% were first work experiences) and more than 27 000 people were trained. About 40% of the participants in the programme are younger than 30.

Collaboration with other stakeholders

- Preconditioning participation in active labour market programmes to entitlement to social welfare benefits in a restrictive way does not necessarily enhance Roma employment, but can increase their distrust in government agencies. Experiences in the Slovak Republic and Spain demonstrate that a close co-operation of social workers and local employment offices may increase knowledge about and the willingness to actively use labour market services and participate in programmes (Messing, 2014[23]). The social activation programmes in Slovenia (see Box 4.5) are very useful in this regard, as they tend to improve coordination between the Employment Service of Slovenia and the Centres for Social Work.
- Collaboration with worker and employer organisations to develop mentoring, apprenticeships, and workplace coaching geared to giving young Roma experiences could strengthen their prospects for long-term employment.
- Hungary's Integrom programme brings together a diverse set of stakeholders, including Roma and pro-Roma civil organisations, multinational companies and training and consultancy firms. The programme specifically targets young Roma with at least secondary school education to facilitate their access to quality employment and long-term career options. The programme supports young Roma by providing information about job opportunities, helping with the application process, offering career guidance, connecting young Roma directly with employers with relevant openings, and mentoring support during employment (ILO, 2016[27]).

Outreach to Roma youth

- Targeted outreach and mentoring schemes for young Roma in secondary schools or out of work could be developed in close collaboration with, or executed by, Roma (youth) organisations. As mentioned in the section on Outreach strategies for unregistered NEETs earlier in this report, the use of grassroots NGOs and cultural mediators is especially successful for reaching for NEETs with an ethnic minority background. They already have established trusted relationships with the community, either through a shared cultural heritage or through ongoing work and support.
- For instance, the city of Derby in the United Kingdom has developed interesting initiatives of positive engagement with young Roma through the Roma-led advocacy organisation Roma Community Care. As Roma young people take the lead in the implementation, it removes the feeling of being targeted by government organisations and enables communities to take ownership (Henry and Williams, 2015[28]).
- Bulgaria works with Roma mediators (appointed in the labour offices) and youth mediators (appointed in the municipalities with the highest youth inactivity rates) to guide inactive people towards the labour market. Thanks to the work of these mediators, about 16 000 young people aged up to 29 registered with the public employment service between 2014 and 2017 (European Commission, 2018[2]).

Anti-discrimination

- In the Czech Republic, the non-profit organisation IQ Roma Service created a project to tackle employment discrimination against Roma and other ethnic minorities. The project, which operated during 2007-13, awarded the title "Ethnic Friendly Employer" to those who embraced the principle of equal treatment and who did not discriminate against job applicants and employees based on their ethnic origin. The project gave Roma a clear signal that there were employers who would give them a fair chance. It targeted both non-profit and private sectors, as well as government employers, and included measures for improving employability of Roma and supporting their job searches (ILO, 2016[27]).

- Finland also developed measures to raise discrimination awareness among employers. They distributed awareness raising material, such as the handbook "*Would I Employ a Roma?*", and asked employers to sign the Diversity Charter, a model for monitoring discrimination that has been tested in the workplace (ILO, 2016[27]).
- Other ways to address discrimination include giving preference to Roma applicants for jobs in public offices; promoting active participation of Roma NGOs in the design and monitoring of ALMP targeting disadvantaged long-term unemployed; and introducing mandatory awareness-raising training for ESS and CSW employees.

Social support for Roma

The National Programme of Measures for Roma for the period 2017-21 proposed the establishment of 11 multi-purpose Roma centres in areas with a large Roma concentration and a greater need for multidisciplinary support. The Ministry of Labour, Family, Social Affairs and Equal Opportunities published a public tender in 2017 and seven centres were established by 2020. The aim of these centres is to improve inter-departmental collaboration in the field of social protection, education, culture, health and employment, with co-ordination and supply of various activities and programmes to generate greater social inclusion and help the Roma population in approaching the labour market. In particular, the Roma "activators" of the centres are responsible for (1) linking content for Roma groups from the different Ministries that are involved in the project; (2) organising workshops and activities; (3) reaching out to Roma communities; and (4) promoting networking and co-operation with local stakeholders.

However, the first evaluation of the new National Programme of Measures for Roma for the period 2017-21 by the Mirovni Institute (2018[25]) suggested that there was too much focus on organising activities and too little focus on providing support to Roma people. Each centre is supposed to organise around 150 activities over the period of four years, focussing on issues like financial literacy, first aid and other health issues, teaching support, creative activities, sports and other leisure activities, camps for children, and cooking. However, interviews with the Roma activators of the centres suggested that more individualised work with members of the Roma community was needed. Currently centres are required to devote only one and a half hour per day to individual counselling.

In addition to a stronger focus on individual counselling, the Roma activators could also promote more dialogue between Roma families and professionals from municipal institutions and government agencies. For instance, Roma mediators in Latvia play an important role in identifying the most problematic issues at the local level and finding appropriate solutions in co-operation with the representatives of the municipal social administration, education administration and other institutions (European Commission, 2019[29]).

4.5. Conclusion

Successful engagement of young people in the labour market and society is crucial not only for their own personal economic prospects and well-being, but also for overall economic growth and social cohesion. Young Slovenians who are unemployed or inactive can count on support of the Employment Service of Slovenia and the Centres for Social Work to help them (re-)join the labour market or education. However, a unique anonymised data set based on various administrative databases revealed that more than half of all NEETs in Slovenia do not register with the ESS. Most of them are 25 to 29 years old, have no work experience, are inactive and still live with their parent(s). Family responsibility, illness and informal education are important motives for inactivity among unregistered NEETs. However, half of this group has been in contact with the ESS at some point in their career, which suggests that there is room to improve the support the ESS offers to young jobseekers.

Different approaches can be used to reach out to young people; countries' experiences show that there is no single method that works best. Examples from other EU countries can provide ideas for Slovenia to develop an outreach strategy for unregistered NEETs, including peer-to-peer outreach in Sweden and Bulgaria, collaboration with associations and community-based organisations in Belgium, Luxembourg and Lithuania, national outreach strategies in Latvia and Portugal, institutional mandates in Denmark and Belgium, and monitoring frameworks in Estonia and Portugal.

Support for young jobseekers who reach out to the Employment Service of Slovenia improved over the past couple of years, in line with the implementation of the Youth Guarantee with reinforced early intervention measures and a range of active labour market programmes for long-term unemployed youth. However, Slovenia still devotes relatively few resources to labour market programmes compared with other OECD countries and the choice of programmes heavily depends on available funding.

The Covid-19 crisis further affected service delivery of the Employment Service of Slovenia, as caseloads rose and the digital services required for social distancing are still underdeveloped. The ESS is developing ways to organise counselling services via video calls and increase the number of young people they can reach per day. However, additional structural changes are needed to streamline and digitalise service delivery and help young jobseekers find their way (back) to the labour market.

The share of long-term jobseekers (i.e. for more than one year) among youth has been declining in recent years, but the groups that remain require additional efforts. While ESS counsellors have a range of active labour market measures at their disposal for young people, only one in three long-term unemployed youth make use of such measures. In addition, long-term unemployed systematically receive less employment services during their first four months of unemployment than short-term unemployed youth and their participation in active labour market programmes has been declining in recent years.

Certain groups face particular challenges in the labour market, including young mothers, migrant youth and Roma youth. First, young women with children have an increased risk of long-term unemployment, largely due to the weak financial incentives that parents of young children have to move into employment. For instance, single mothers who take up a low-paid job in Slovenia would lose more than 100% of their earnings to childcare costs, lower benefits and higher taxes – the average across OECD countries is only 62%. Out-of-pocket childcare costs are particularly high in Slovenia compared with other OECD countries and have been increasing in recent years for sole parents. Reducing those costs would not only help to bring young mothers (back) into the labour market, but can also help to protect children against poverty and strengthen equality of opportunity.

Second, the NEET rate among foreign-born youth is nearly three time as high as among native-born. While part of the problem relates to higher school dropout rates among migrant children, a significant share of NEETs with a migrant background do not register with the Employment Service of Slovenia. The ESS will therefore have to make major efforts to reach out to this group of unregistered NEETs with a migrant background. Targeted guidance or mentoring schemes for youth with a migrant background like in France or Germany could also help migrant youth in their search for a (first) job and can help counter the lack of relevant parental contacts or information about the host-country labour market and its functioning.

Finally, young people from Roma communities also have a high NEET risk. The Government of Slovenia introduced a range of measures in the National Programme for Roma for the period 2017-2021 to address the challenges and problems of the Roma community, including employment support. However, the Employment Service of Slovenia does not have a comprehensive approach in place to tackle the problem of high unemployment among Roma youth, comparable to specialised councillors for youth and long-term unemployed. Among registered young jobseekers who voluntarily identify themselves as Roma only a small share participates in active labour market measures (even though they are an explicit target group) and they are much less successful than other young jobseekers in obtaining employment mostly due to incomplete and low education attainment. Personal data protection laws impede a better understanding of

their specific challenges, but the available scarce information suggests that significant efforts are needed to improve the labour market integration of Roma youth.

List of recommendations

Reaching out to unregistered NEETs

Develop an outreach strategy

- Give the ESS the institutional mandate and necessary resources to co-ordinate and implement the outreach strategy.
  - Map existing local outreach initiatives;
  - Strengthen existing collaborations and scale up local outreach initiatives where needed;
  - Explore the involvement of additional stakeholders;
  - Offer support to all stakeholders through information sessions on youth activation and integration services and distribution of awareness-raising material;
  - Encourage all relevant stakeholders to identify, contact and engage unregistered NEETs and bring them in contact with the ESS.
- Reach out to Estonia to learn about their data protection regulations in setting up a tool to link data from different registers to detect the young people in need of support (*Youth Guarantee Support System*).

Integrate monitoring and evaluation mechanisms

- Use the merged data put together for the purpose of the OECD NEETs study to learn more about the services unregistered NEETs received from the ESS in the past.
- Make better use of the annual satisfaction survey to learn more about young people's experiences with the ESS.
- Develop detailed targets and indicators in the design of the outreach strategy to evaluate the effectiveness of the interventions and programmes.
- Regularly monitor the implementation of the outreach strategy and improve where needed.

Mitigating the impact of the COVID-19 crisis

- Modernise and streamline practices at the ESS towards a digital, lean service delivery to free up resources for young people who need more support.
- Provide additional resources to the ESS to increase the counselling frequency and guarantee early intervention, especially for young people with additional labour market barriers, to support a sustainable integration into employment.
- Prioritise the introduction of a statistical profiling tool at the ESS to target and tailor employment services and programmes more efficiently to those youngsters who need it.
- Increase the resources for mental health support at the ESS, in order to increase internal mental health competences and to expand the network connections with the mental health sector.
- Consider the introduction of contracted-out employment services, which offers the possibility of scaling-up employment services capacity without long-term cost commitments.
- Deliver more training programmes for jobseekers (partly or fully) online.

Improving the activation of NEETs

- Improve the youth employment subsidy by introducing stronger requirements for post-placement investment in skills and monitor its implementation to raise the quality of the proposed jobs.
- Make better use of the rich ESS data by undertaking a rigorous evaluation of active labour market programmes to make well-informed decisions about where to invest the limited funding.
- Investigate and address the reasons behind the gap in service use between short-term and long-term unemployed youth, to improve service delivery for young people with a risk of long-term unemployment.
- Ensure stable funding sources for both ESS staff specialised in supporting young people and active labour market programmes for youth.
- Reach out to France and the city of Hamburg in Germany to study their mentoring programmes for (migrant) youth.

Reforming the public works programme

- Integrate guidance, skills assessment and post-placement activities into the public works programme, by
  - Agreeing on individual targets for each participant at the start of the programme, in close collaboration with the employer;
  - Introducing employer assessments of the skills and achievements of the participant both mid-way and at the end of the programme, to be undertaken in close collaboration with the ESS;
  - Providing individual post-placement activities;
  - Following up with targeted training, other active programmes or psychosocial support where needed;
  - Offering 6-12 months of on-the-job-support for participants who make a successful transition into the open labour market after a public works programme.

Improving activation support for Roma

- Explore hiring Roma mediators from local communities in the ESS local offices in areas with weak labour market outcomes among Roma youth, to bridge resistance among Roma people to work with public service providers (like in Bulgaria, Hungary and Spain).
- Study the feasibility to pilot an integrated support programme similar to the Spanish programme *Acceder*, which offers individual pathways, a wide range of training initiatives oriented towards real job opportunities, a close public-private partnership and a one-to-one relationship with companies to overcome discriminatory attitudes towards Roma.
- Discuss collaboration with worker and employer organisations to develop mentoring, apprenticeships, and workplace coaching geared to giving young Roma experiences that could strengthen their prospects for long-term employment.
- Explore targeted outreach and mentoring schemes for young Roma out of work that could be developed in close collaboration with, or executed by, Roma (youth) organisations (taking the city of Derby in the United Kingdom as an example).
- Shift the focus of the multi-purpose Roma centres from organising activities towards providing more individualised counselling to members of the Roma community, as suggested by a recent evaluation.

- Reach out to Latvia to see whether their approach in promoting more dialogue between Roma families and professionals from municipal institutions and government agencies could provide new insight for the Roma centres in Slovenia.

Making work pay for young parents

- Explore how to address the financial disincentives to work for young parents, and in particular single parents, by
  - Studying the interplay between taxes, benefits and childcare costs, and their impact on the employment decisions of (young) parents;
  - Analysing the option to lower the out-of-pocket costs for childcare services for single parents, possibly through higher discounts for this group;
  - Brainstorming with all relevant stakeholders about alternative ways to improve the financial incentives for (parents) to take up work.

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Notes

[1] https://www.vdab.be/vdab/geschiedenis (in Dutch only).

[2] The data for 2020 also include young workers who were entitled to emergency unemployment benefits in response to the COVID-19 pandemic. Workers who lost their job during the pandemic and did not fulfil conditions for statutory unemployment benefits, were entitled to temporary unemployment benefits between March and May 2020 and between October 2020 and June 2021 at EUR 513 per month – a level close to minimum unemployment insurance.

[3] The Slovenian law on protection of personal data prohibits collecting or maintaining records of persons based on national or ethnic affiliation, and there are no official statistics on this population group. The only official numbers date back to 2002, when 3 246 citizens declared in the Population Census to belong to the Roma minority (European Commission, 2019[29]). However, experts estimate the number between 7 000 and 12 000, many of whom refuse to officially self-declare.

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SLOVENIA

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Co-funded by the European Union via the Structural Reform Support Programme

PRINT ISBN 978-92-64-38959-5
PDF ISBN 978-92-64-31602-7

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