

# DEVELOPMENT REPORT 2021

The Development Report monitors developments according to the strategic orientations set out in the Slovenian Development Strategy 2030 (SDS) adopted by the government of Slovenia at the end of 2017.

After the financial and economic crisis, Slovenia started to catch up with more developed Member States again in 2016 and achieved favourable values of social inclusion indicators; the efficiency of resource and energy consumption was steadily rising. In 2020, the covid-19 epidemic had a strong impact on the Slovenian economy and affected quality of life, while also bringing certain new opportunities. The unresolved development challenges further increased Slovenia's vulnerability during the epidemic, and some of them tightened further.

## RECOMMENDATIONS FOR DEVELOPMENT POLICY

The measures for the recovery should be combined with structural reforms for greater resilience of the economy and society to shocks and more sustainable development in the long term.

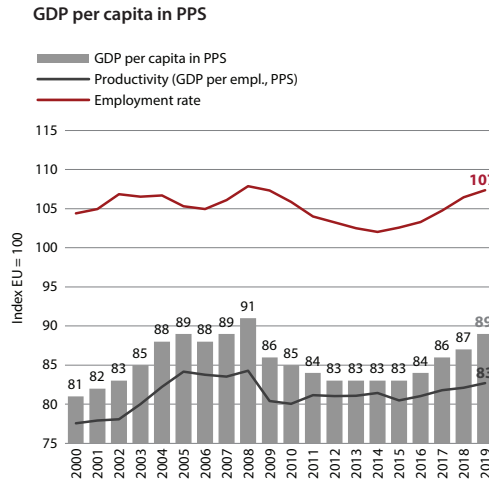
### Priority tasks:

- Accelerating productivity growth
- Inclusive social development and intergenerational solidarity
- Faster transition to a low-carbon circular economy
- Strengthening the developmental role of the government and its institutions

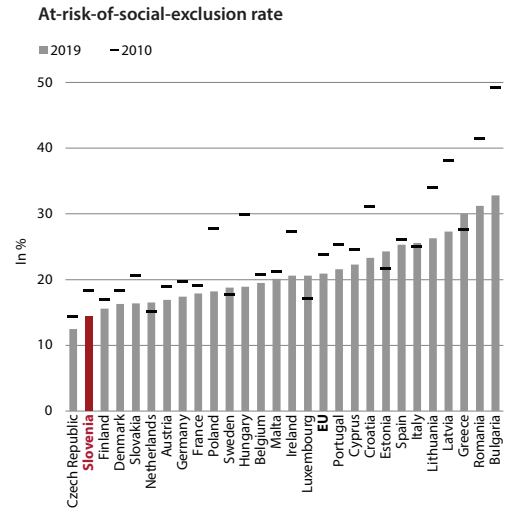
Sources for figures: SURS, Eurostat, OECD, IMD, ESS; estimates and calculations by IMAD.  
 Note: Leading countries by R&D investment: Sweden, Finland, Denmark, Germany and Austria; by ICT investment: Sweden, the Czech Republic, Malta, France and the Netherlands; by health expenditure: Germany, Austria, Sweden, the Netherlands, Denmark; by LTC expenditure: the Netherlands, Denmark, Luxembourg, Germany and Sweden.

## POSITIVE SHIFTS AFTER THE FINANCIAL AND ECONOMIC CRISIS

Renewed catching up in development until 2019, though limited by weak productivity growth

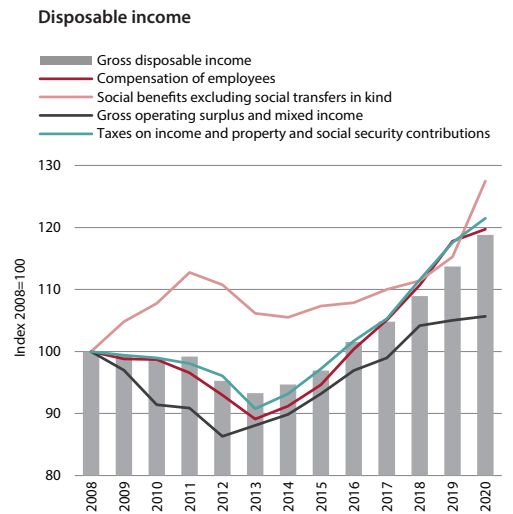
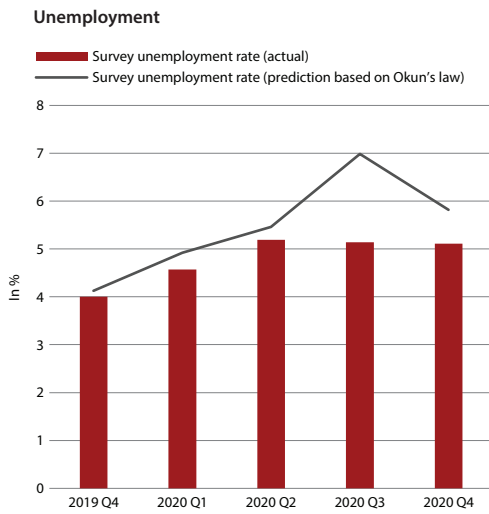


Favourable values of social inclusion indicators



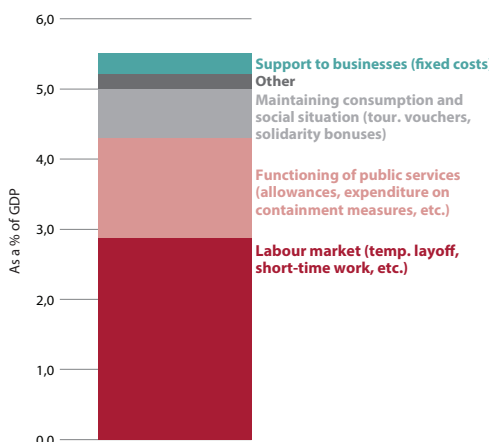
## A STRONG IMPACT OF THE COVID-19 EPIDEMIC ON THE ECONOMY AND POPULATION

The consequences of the epidemic were significantly mitigated by government measures ...

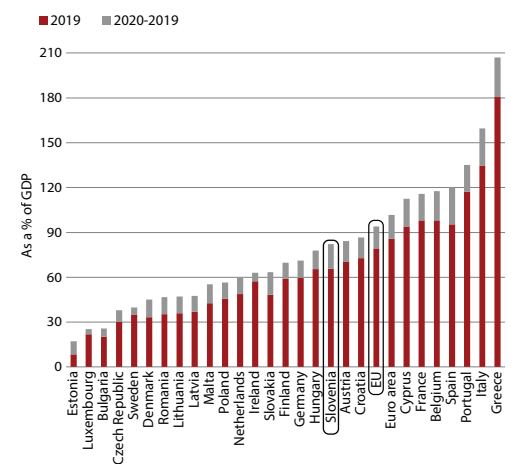


... therefore a significant increase in general government debt

Assessment of expenditure to mitigate the impact of the epidemic in 2020

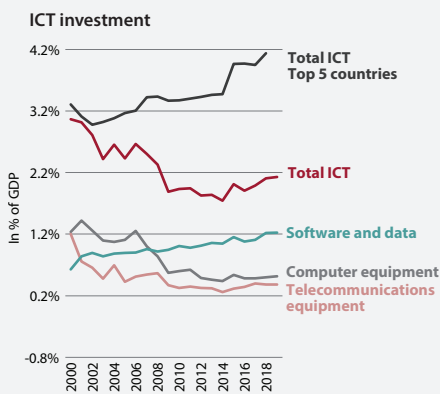
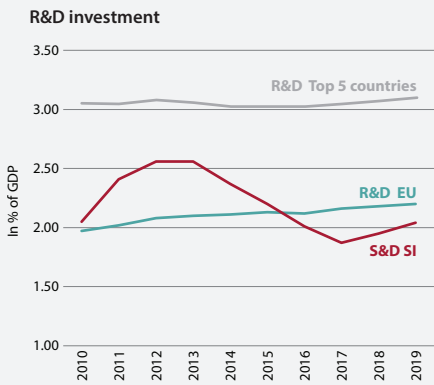


General government debt

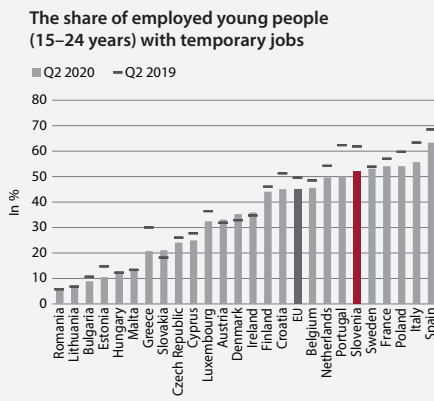


# SOME DEVELOPMENT CHANGES HAVE DEEPENED WITH THE EPIDEMIC

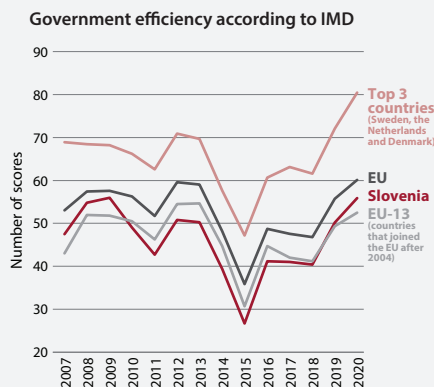
## Low investment in long-term productivity factors



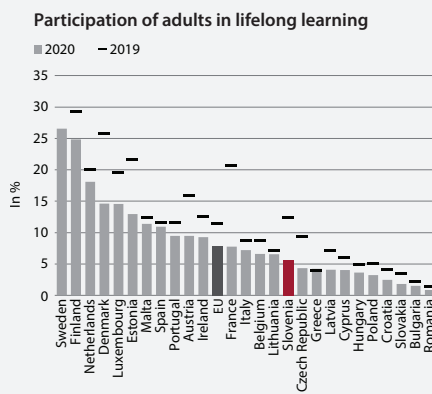
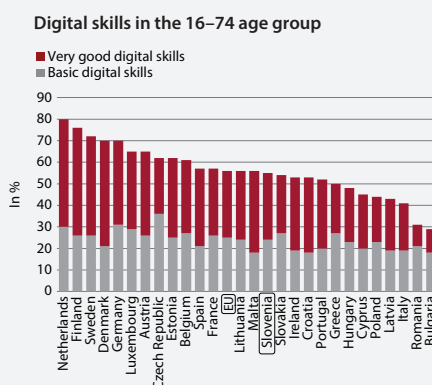
## High labour market segmentation for young people



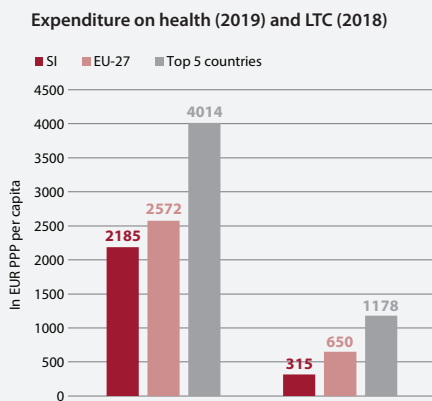
## Government efficiency is below the EU average but is improving



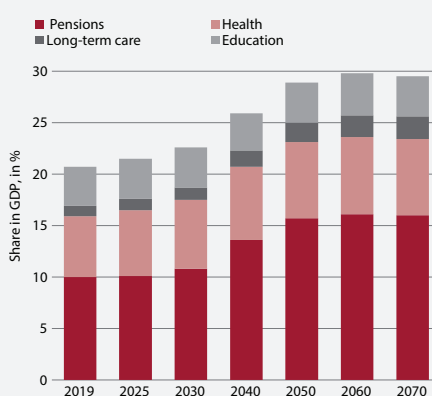
## Lack of digital skills and low participation in lifelong learning



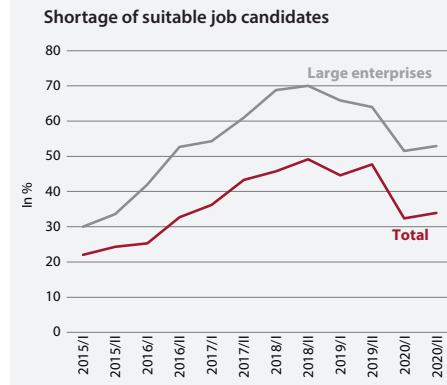
## The problems of social protection systems have tightened



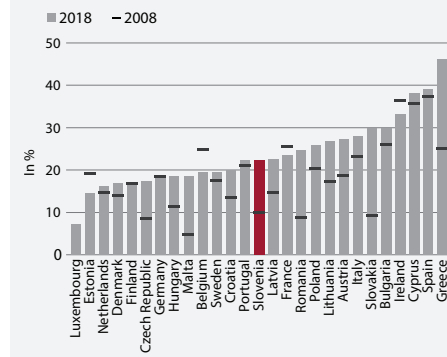
## Projections of age-related public expenditure, Slovenia



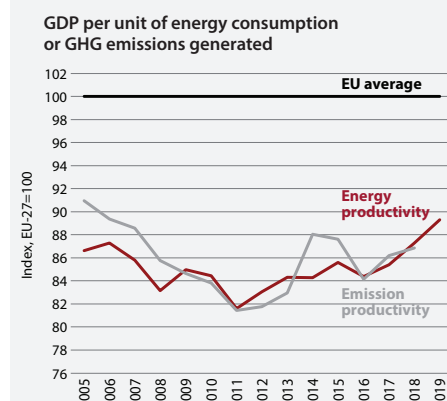
## Labour market mismatches



## The share of tertiary educated young people (25–34 years) employed in occupations that require not more than upper secondary education



## Green transformation of the economy is slow



## Renewable energy resources

