



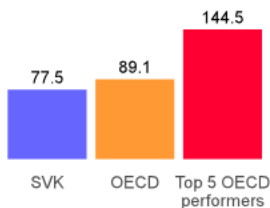
Performance gaps

Recommendations

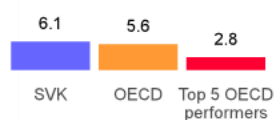
Product and labour markets functioning

- Product market regulation in Slovakia is slightly more restrictive than the average OECD country. The administrative burden for small start-up firms is high, mainly due to licenses and permits. Regulations restrict competition in professional services especially for lawyers, notaries, architects, and civil engineers.
- Perceived corruption is high and trust in institutions and the judiciary system is low.
- Reduce the administrative burden on start-ups by introducing “silence is consent” licensing rules.
- Continue efforts to fight corruption, including by adopting and implementing ongoing reforms to strengthen trust in the judiciary and public sector integrity.

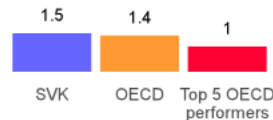
Labour productivity
GDP per employee, USD
2022



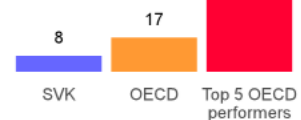
Unemployment rate
%, 2022



Product Market Regulation Economy-wide
From least to most restrictive
Index of 0-6, 2018



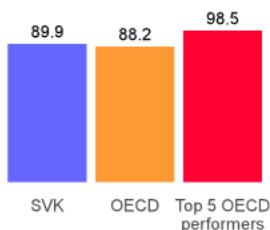
Active labour market policies expenditure per unemployed
% of GDP per capita
2020 or latest available



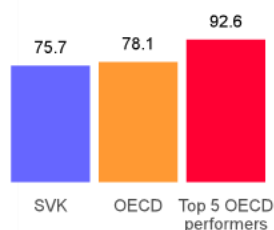
Digital transition

- Slovakia has a vast underexploited potential to unleash the benefits of the digital economy. Firms, especially the smaller ones, lag in the adoption of digital tools and there are significant shortages of digital skills among workers.
- Expenditure in business R&D, especially in the information industry, is low in international comparison.
- Boost business R&D funding especially in the information industry by expanding the use of direct R&D support, such as grants, and make the R&D tax allowance refundable for small and young firms
- Reduce digital skill shortages in the economy by improving the responsiveness of tertiary education to labour market needs via supporting the establishment of employer-led training associations.

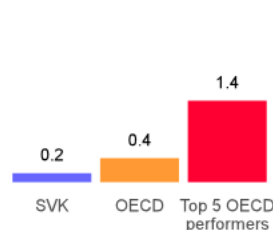
Households with broadband Internet access at home
%, 2021 or latest available



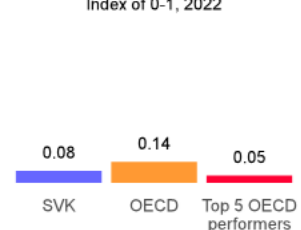
Businesses with a website or home page
%, 2021 or latest available



Business R&D expenditure in information industries
% of GDP, 2019 or latest available



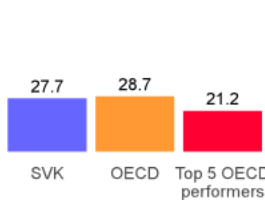
OECD Digital Services Trade Restrictiveness Index
From least to most restrictive
Index of 0-1, 2022



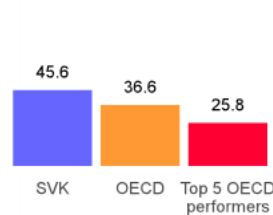
Inclusiveness, social protection, and ageing

- Inequality and poverty are low overall, but socioeconomic and wellbeing gaps remain in several areas. Educational results are weak compared to other OECD countries and highly dependent on socio-economic background.
- The participation rate of women and low-skilled workers is low and the gender wage gap wide.
- Pension expenditure is rising faster than in other EU countries, reflecting a low effective retirement age.
- Expand the supply of high-quality childcare facilities, especially in underserved regions and strengthen teacher training with a focus on methods to identify and address learning weaknesses.
- Reduce the maximum duration of parental leave and make part of it conditional on the father's participation.
- Expand active labour market programmes, in particular re-training measures for the low-skilled.
- Link the minimum number of years of contributions required for early retirement to life expectancy and phase out the early retirement option for mothers.

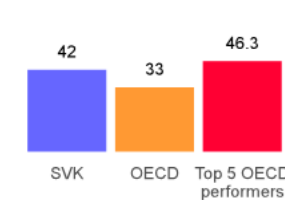
Mean poverty gap after taxes and transfers
Line at 60% of median disposable income 2021 or latest available



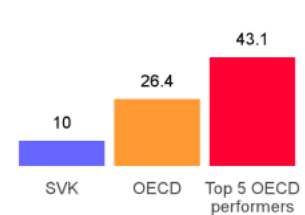
Impact of socioeconomic background in PISA reading score
%, 2018



Strength of redistribution
Differences in Gini coefficients between market & disposable income relative to coef. on disposable income %, 2021 or latest available



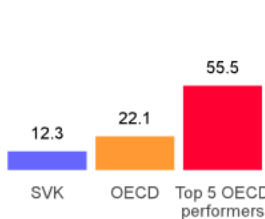
Income levels provided by cash minimum-income benefits
% of median disposable income, 2021 or latest available



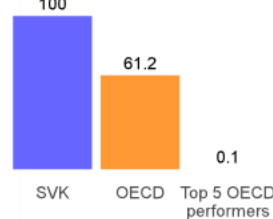
Climate transition

- Slovakia has reduced its carbon and energy intensity over the past decades, but progress has slowed down in recent years. Air pollution is among the highest in OECD countries. The residential sector accounts for a high share of carbon and other emissions, due to the use of inefficient boilers and heaters and burning of poor-quality fuel such as coal, wood or waste.
- The share of carbon emissions priced above EUR 60 per tonne of CO2 is low relative to OECD peers.
- Accelerate the green transition by investing in energy efficiency renovation in buildings and sustainable transport.
- Introduce an explicit carbon tax in sectors not covered by the EU-ETS and gradually phase out remaining environmentally harmful subsidies. Redistribute revenues towards the most vulnerable households.

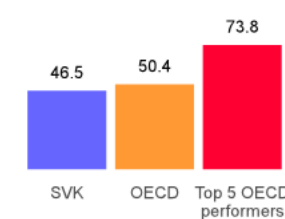
Share of renewables in the energy mix
%, Average over 2019-21 or latest available



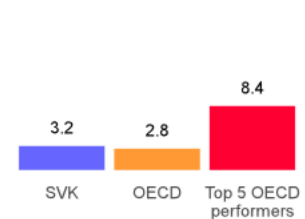
Share of population exposed to more than 10 µg/m3 of PM2.5
%, Average over 2017-19



Carbon pricing score
%, at EUR 30 per tonne CO2, 2018



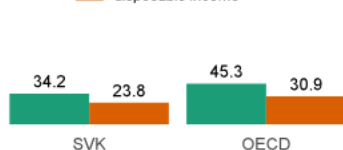
Environmentally-related government R&D budget
% of total government R&D 2021 or latest available



Overall performance

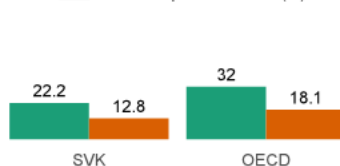
Economy

Thousands USD per capita 2022 or latest available
Gross Domestic Product
Household gross adjusted disposable income



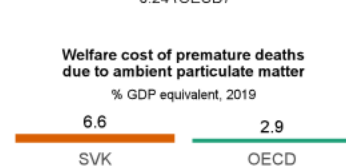
Inequality and poverty

2021 or latest available
Gini coefficient after taxes and transfers (index of 0-100)
Poverty rate, line at 60% of median disposable income (%)



Environment and climate

1 unit of GDP, 2021
0.23 GHG emissions
0.24 (OECD)





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