

## Summary

Labour market flexibility is a broad concept considered by economists from a wide range of different angles. The two most important and most frequently analysed aspects of labour market flexibility are 'numerical flexibility', referring to the adjustment of labour (or hours worked) to changes in demand in goods markets, and 'wage (or labour-cost) flexibility', which roughly denotes the adjustment of real wages to employment and production levels, and whose main determinants are the degree of centralisation in wage bargaining and minimum wage regulations. Because of the many aspects encompassed by the notion of labour market flexibility, it is impossible to determine one single comprehensive measure for it. Different partial criteria are therefore commonly used instead, although, due to their shortcomings, they often fail to portray the true picture. The analysis of the labour market performance in Slovenia focuses on the following key problems: the low employment rate, the high unemployment rate among low-skilled people, the remarkably low employment rate among the elderly (aged 55-64), and the relatively high unemployment rate among young people (aged 15-24).

As regards flexible forms of employment, Slovenia lags behind the EU average but this gap is linked entirely to the underdevelopment of part-time employment in Slovenia. Contrary to popular belief according to which fixed-term employment is widespread in Slovenia, comparisons with other EU countries show that the proportion of fixed-term employment to total employment in Slovenia only slightly exceeds the EU average and is by no means among the highest levels in Europe. The Slovenian Employment Act is very 'European' with regard to the Employment Protection Legislation Index. Moreover, in comparison with countries where a predominantly 'Anglo-Saxon' model is in use, Slovenian law is actually highly protective. Concerning the rigidity of employment legislation, the Slovenian system diverges most markedly from that of other European countries, including Scandinavia, in its treatment of collective dismissals.

**Key words:** labour market flexibility, employment, unemployment, Slovenia