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Improving productivity in Central and Eastern European countries

The OECD Berlin Centre webinar

# **Different country, similar challenges: Insights from Slovakia**

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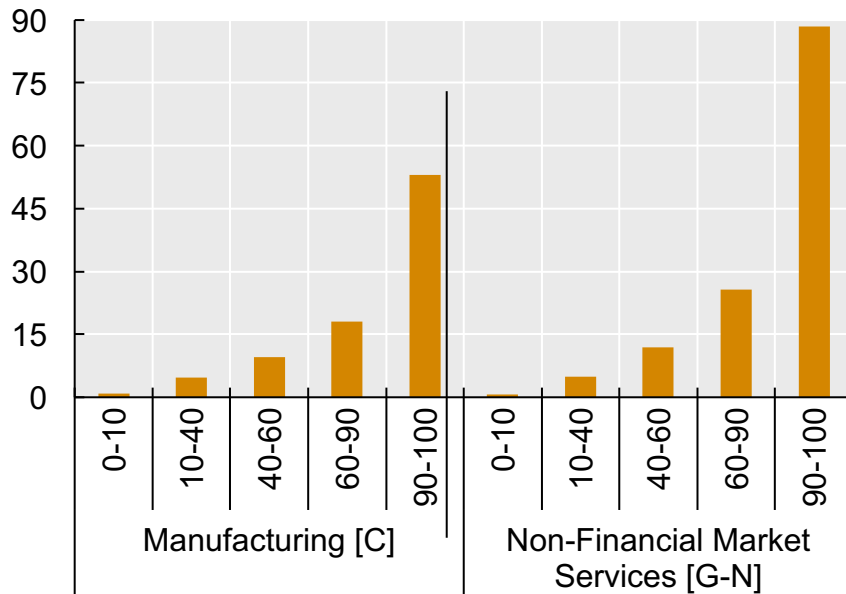
Economist at wiiw

Former member of the Slovak National Productivity Board

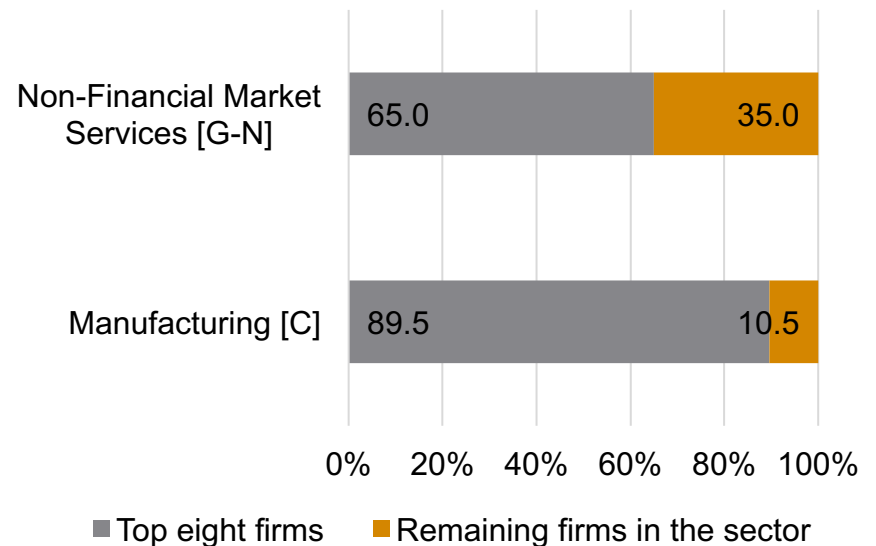
# 1. Fostering labour productivity growth in Slovakia— key challenges

# Leveraging the presence of frontier firms through greater spill-overs

Average productivity per employee in Slovakia (by productivity deciles, in EUR thousands)



Mean concentration of value added in 4-digit industry sectors, in %, 2018

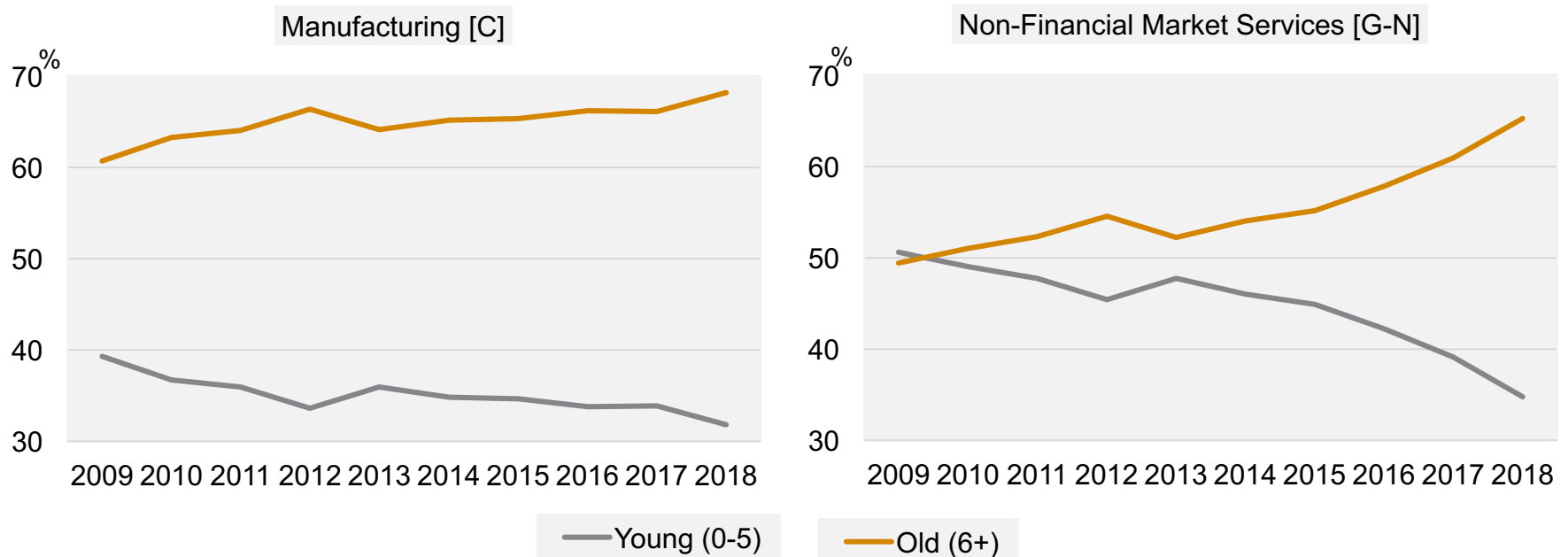


Source: OECD calculations for the Slovak National Productivity Board (2021).

Note: Based on the Multiprod methodology. Numbers are calculated as simple averages of Log-MFP over time

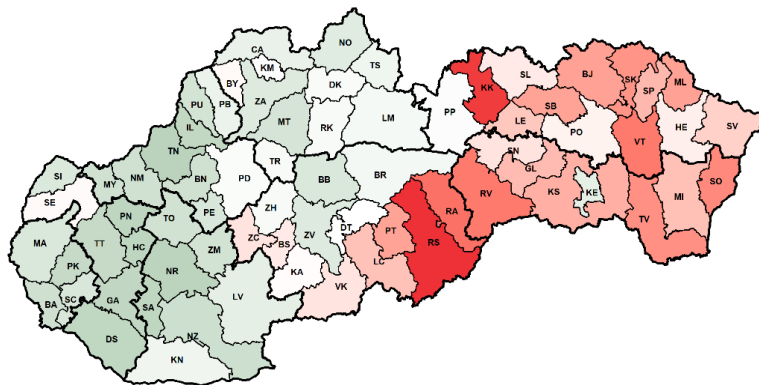
# Restoring the dynamism of the business environment and supporting new and domestic entrants

Share of firms by age group in Slovakia, %

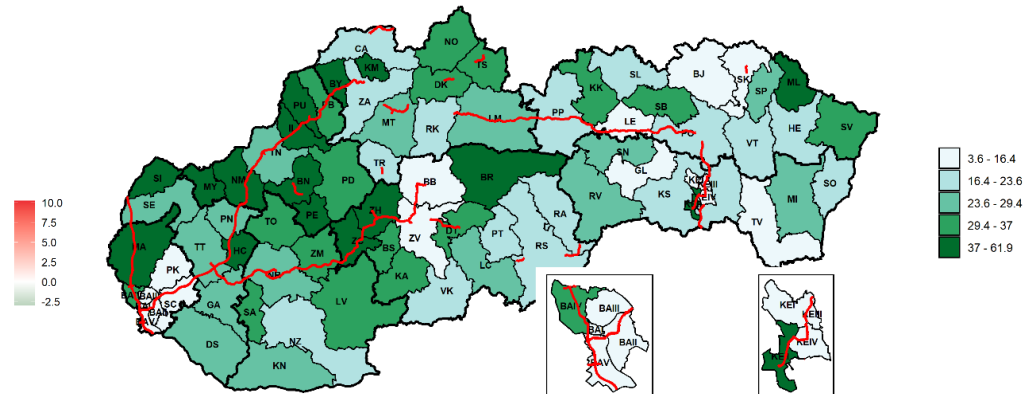


# Demographic trends advance the need for a more inclusive and mobile labour market

Difference between regional and national registered unemployment rate in Slovak districts in 2020 (in percentage points)

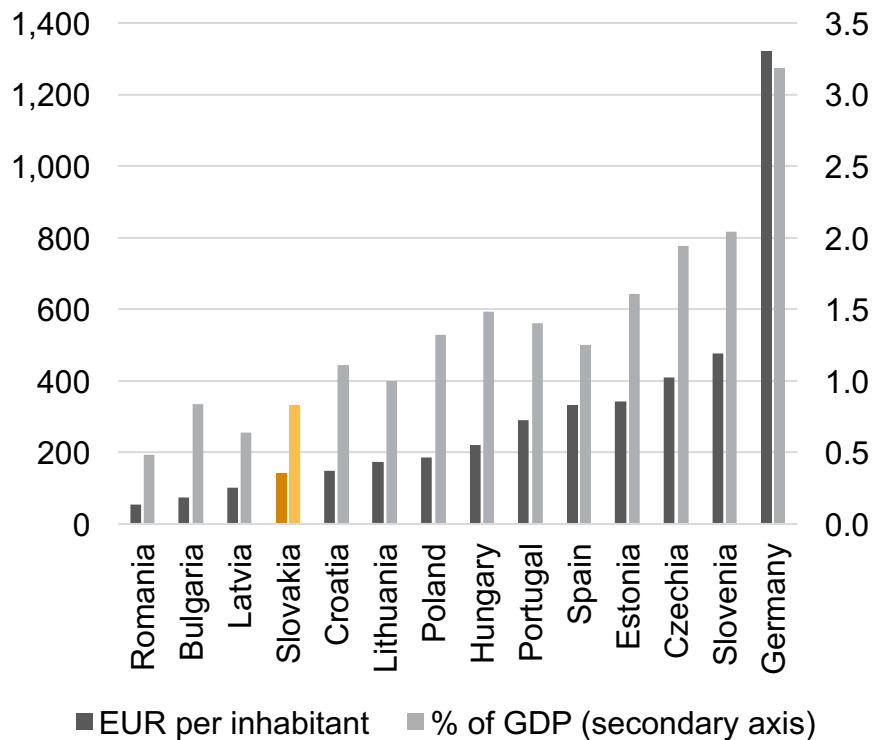


Share of persons employed in manufacturing on total persons employed in a district in 2019 (in %) and highway network (in red) in Slovakia



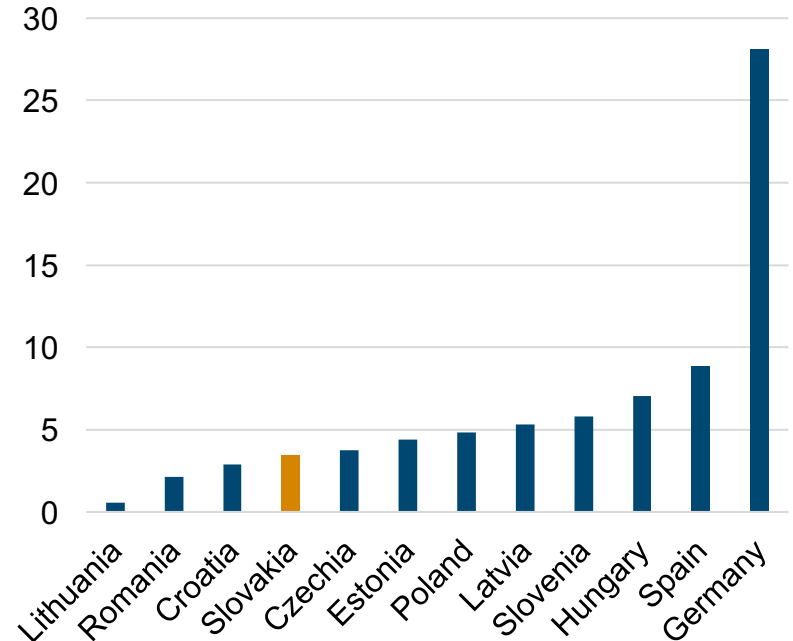
# Continue with the efforts of closing the gaps in innovation financing

Annual R&D expenditures, all sectors, 2019



Source: Eurostat.

Number of patent applications per thousand R&D personnel, 2015



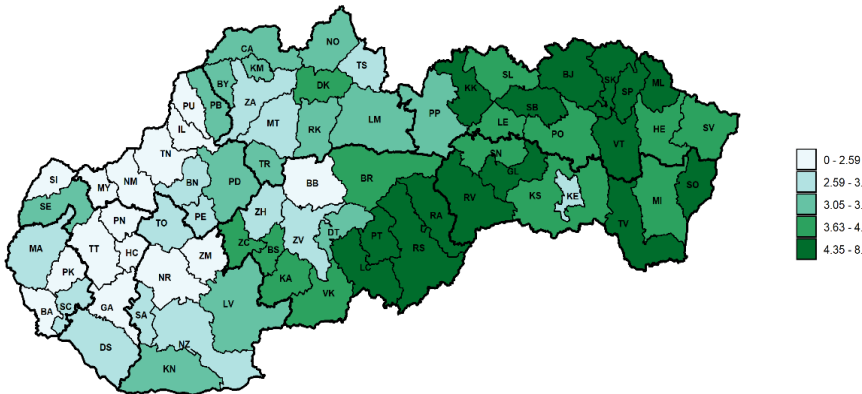
Note: applications filed under the Patent Cooperation Treaty (PCT)

Source: Calculations based on OECD's Patent statistics database and Eurostat's R&D personnel database. Number of R&D personnel in full-time equivalents.

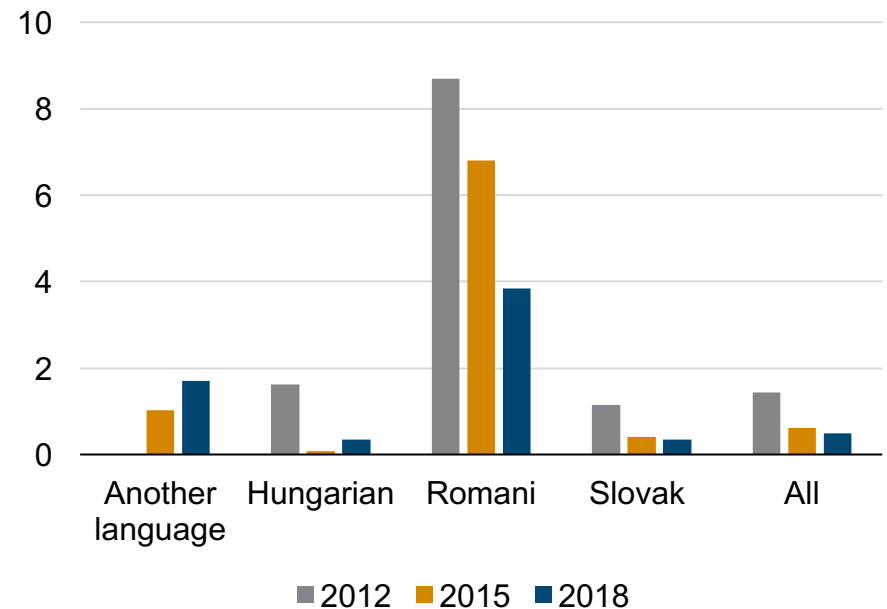
## 2. Implications of COVID-19

# The adverse impacts of the pandemic were most pronounced among socioeconomically vulnerable groups

Difference between districtual unemployment rates in 2020 and 2019 (in p.p.)



Share of 15-year-old students without access to ICT devices at home by language spoken at home (in %)



Source: Slovak National Productivity Board (2021) based on data from ÚPSVaR,

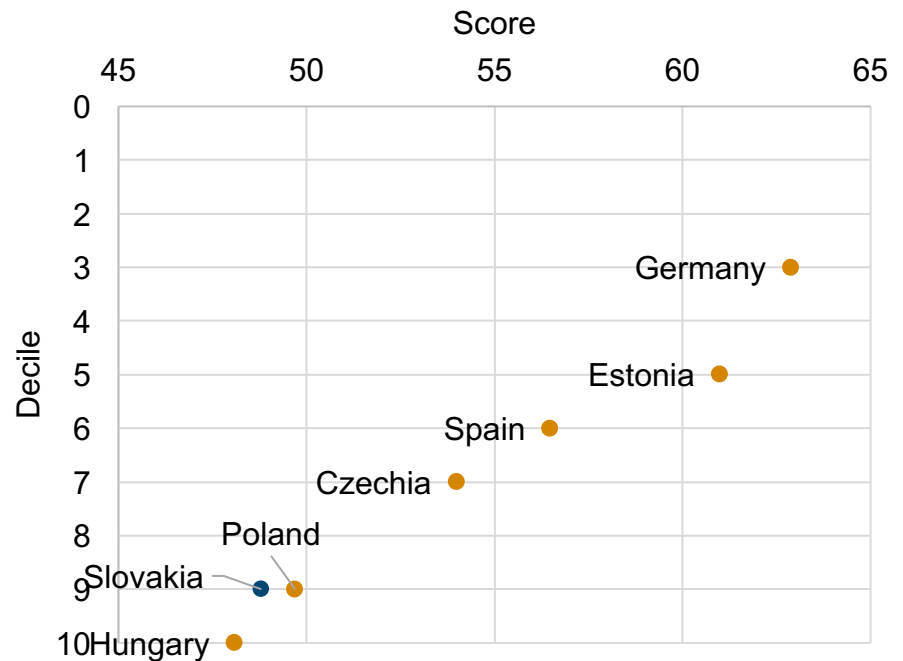
Source: OECD PISA ICT questionnaires



# Megatrends can represent a springboard for development latecomers, but preparedness is key

- Green transition
- Changes in the automotive industry
- Digital transformation
- Demographic decline

Performance on World Economic Forum's Economic Transformation Readiness (score and ranking decile)



Source: World Economic Forum (2020).

Note: the score is displayed on a scale of 0-100. The minor axis shows the decile in which the country is located. The higher the decile, the worse the result for the country.

## OECD Economic Survey: Hungary—some points for discussion

- The duration of employment benefits
- Relatively high labour taxes
- Revisions in the retirement age