

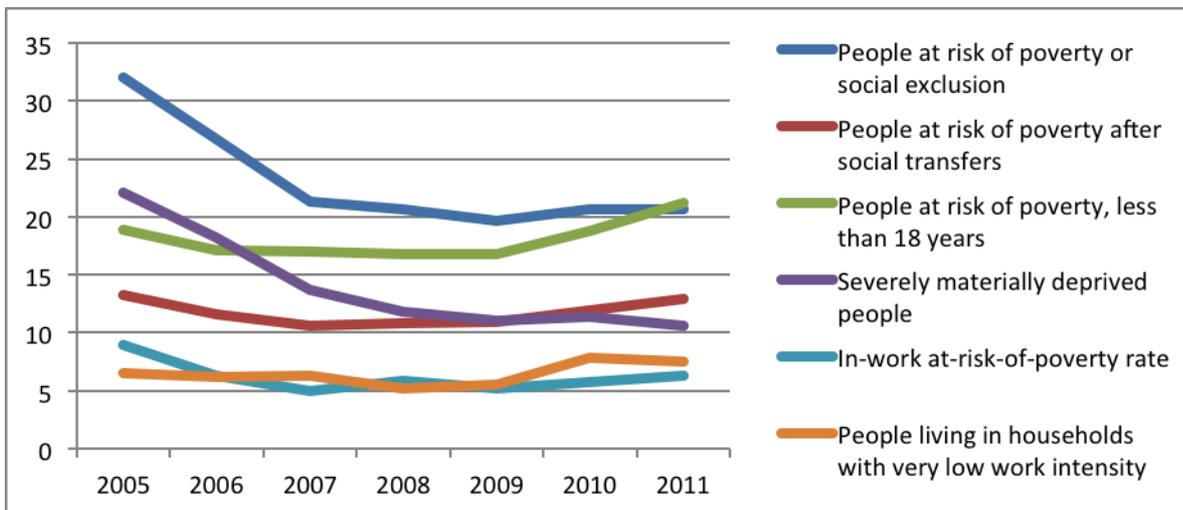
1. POVERTY

1.1. Recent trends

Developments of poverty and social exclusion in Slovakia based on Eurostat:

- At risk poverty indicators continues increasingly reaching 13.2% in 2012
- The severe material deprivation rate and share of people living in jobless households tend to decrease
- Child poverty increased by a worrying 4.4 p.p. to 21.2% in 2012, making **children the age group at highest risk of poverty**.

Poverty trends in Slovakia (% of population):



These poverty indicators are showing that situation is generally improving or at least it is not so bad at times of a global crisis. At least this is how politicians are presenting these figures in the media; but the **facts behind the figures are far more worrying**:

- Experiences on the ground show that there is a **growing number of people living in poverty, especially elderly people, young long-term unemployed and minority groups, such as the Roma**, who are depending on social benefits and the support of NGOs. But their resources are also limited, and therefore the official data does not seem to reflect the real situation of people in need.
- Caritas network experience, together with national statistics at district level, indicates that increase of poverty and unemployment is visible in the eastern regions of the country and is growing towards the east (from Austrian-Czech border in the west to the Ukrainian border in the east). This development is often related to Roma settlements, which also show this west-east imbalance of population distribution, as well as the fact that the eastern regions are of less developed businesses and infrastructure.

1.2. Recent policy developments

Since last year the following policy developments have been registered:

Since 2011 the government has been committed to preparing new policies addressing social exclusion, especially of Roma communities, by putting the focus on designing effective tools towards social inclusion in areas of employment, health care, housing and education. This should result into new **Act on socially excluded communities** (see previous [Shadow report 2012](#)). The preparation process seems to take too long time, possibly due to the fact that this issue is complex and politically sensitive; however, it is still on the government's agenda.

In January 2012, the Slovak Government adopted the **Strategy for the Integration of Roma until 2020**. The strategy reflects the need to move away from the passive provision of social services to **assistance based on activation**. The strategy seeks to minimise the impacts of individual types of social exclusion in relation to Roma communities and to develop an inclusion policy. It covers areas such as education, employment, healthcare services, housing, access to financial services, non-discrimination and awareness-raising among the general population. However, the implementation status of these plans remains difficult to assess, as there is hardly any public information available.¹

An **Act on Assistance in Material Need** is currently **under discussion again** (its first phase amendments were approved in November 2012). The document aims to improve the social situation via jobs' creation, introducing more tools of active labour market policies, increasing the number of community centres, and improving assistance at schools. The aim is to secure families and individuals at risk of poverty with basic conditions for human dignity. Despite the good intentions of the proposed Act, the matter is rather complex and no coordinative leadership among all partners from other ministries and relevant institutions is visible to change the social situation.

Assessment of Slovakia's NRP and policies it refers to:

As part of an integration of marginalised communities programme, it is planned that the European Social Fund will support a **national project focused on social field work in municipalities**, the aim of which is to promote social inclusion by improving access to and quality and effectiveness of social services for persons at risk of social exclusion, with the focus on increasing their chances of employment.

In addition to the above-mentioned new acts and amendments to existing ones, there are other legislative plans and initiatives, which may contribute to the improvement of the social system of Slovakia:

- Adjustments to the benefit systems (**new Act on Child allowance**, amendments to the **Act on Parental Allowance** and to the **Act on Child Birth Allowance**)
- Plans to ensure the quality and accessibility of social services (**New Act on Social Work**, amendment to the **Act on Social Services**)
- Plans to promote **sustainable housing of low-income households** (new legislation, not named yet)

Assessment of Slovakia's Country Specific Recommendations (CSRs) adopted in 2013:

The CSRs for Slovakia are based on the philosophy that a more effective economy may solve all social problems of the country. The document addresses long-term and youth unemployment. In general, these recommendations can be considered adequate and are not expected to have an explicitly negative impact on poverty. However, they are **not addressing poverty** as such as they are based on the theory of solving poverty problems via economical measures. This is a limited vision of the reality.

1.3. Recommendations

- Rewrite **Act on assistance in Material Need** after open discussion with relevant partners and to secure in its implementation a more coordinative role in order to harmonise all aspects of material needs.
- Prepare an **Act on socially excluded communities**, and ensuring it is non-discriminatory.
- As a **preventive measure to keep vulnerable people from falling into poverty**. Youth employment should be promoted (after school without any working experience) and actions should be taken to tackle long-term unemployment, focusing on persons aged 50 and above without a job before reaching pension age, as well as on female unemployment.

¹ Some information in English is available at <http://www.minv.sk/?romske-komunity-uvod>

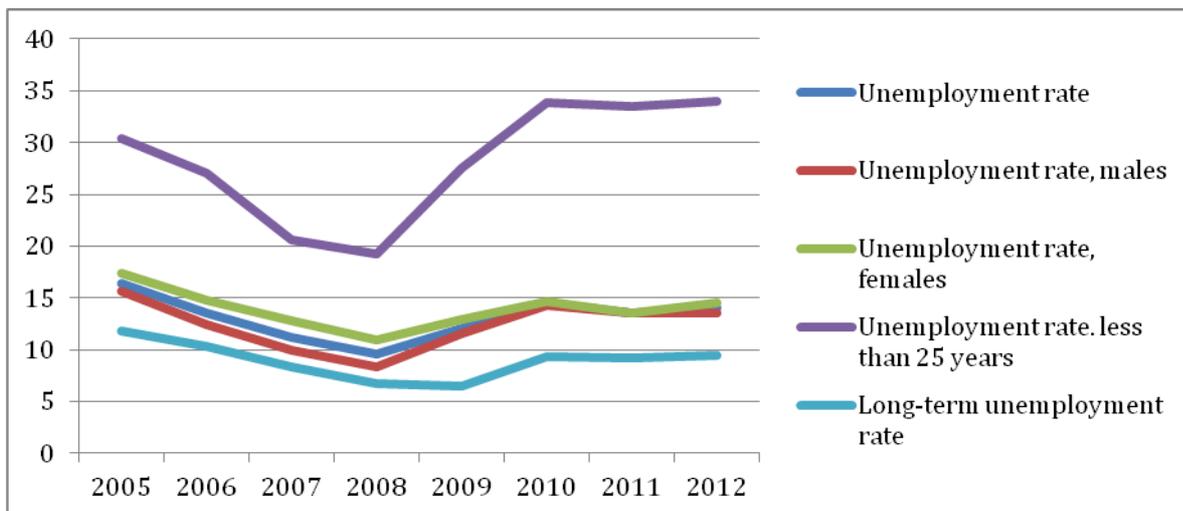
2. EMPLOYMENT

2.1. Recent trends

Developments of the employment situation in Slovakia:

- The overall unemployment rate rose from 9.6% in 2008 to 14% in 2012. **Young people were the age group most hit by unemployment** as youth unemployment rose by a worrying 14.7 p.p. to 34% in 2012.
- **Long-term unemployment rose by 2.7 p.p. to 9.4% in 2012 – more than twice as high as the EU average (4.6% in 2012).** Long-term unemployment increased more sharply (by 3.5 p.p.) among men than among women (by 1.8 p.p.), considerably **narrowing the gender gap of this rate, which keeps affecting a larger share of women (9.5% in 2012) than men (9.3% in 2012).**

Employment trends in Slovakia (% of population):



In addition to the above analysis of employment indicators, it has to be highlighted that there are large regional imbalances in Slovakia (see chapter 1.1.). There are regions where these already worrying indicators are even worse, with **unemployment rates reaching between 90 and 100% in some villages** and places mostly inhabited by Roma.

The following indicators² put Slovak employment statistics into a broader perspective:

- Productivity of work in Slovakia accounts for 80% of the EU average
- Average wage in Slovakia accounts for 20% of the EU average
- Expenses on social protection are 18,9% of GDP (EU average 29,8%)

2.2. Recent policy developments

Since last year the following policy developments have been registered:

No significant new measures have been taken to address Slovakia's unemployment problem. The tax wedge, including all compulsory payments, remains relatively high for low-income workers and a high proportion of **jobseekers have little incentives to move from social assistance to a low-paid job.** Most programmes and initiatives in this field are highly influenced by the EU agenda and covered through EU funds, especially the ESF, managed by state agencies (labour offices via local authorities) with little participation of NGOs, which are strongly underfinanced from public resources in social and health care services in comparison with state institutions.

Assessment of Slovakia's NRP and policies it refers to:

² Slovak Anti-Poverty Network, www.sapn.sk

With the amendment of the Act on Employment Services, **active labour market policies (ALMPs) were subjected to a significant reform**. As a follow-up action, it will be necessary to internally unify organisational structures of the offices of labour, social affairs and family, and the provision of public employment services all around Slovakia.

Long-term unemployment is one of the major problems faced by the Slovak economy. The main obstacles to improving the situation in this area can be attributed to a **mismatch between the education system and the labour market needs**, as well as to the tax burden faced by low-income earners. The first problem is handled by the National System of Occupations with measures aimed at creating a sustainable mechanism for the monitoring and forecasting of the labour market needs, a lifelong learning system attuned to the requirements of employers and the preparation of the labour market with active involvement of the social partners.

The NRP gives special attention to the promotion of the youth employment mainly via a **national project for creating new jobs** and the **Youth Action Plan**, an incentive scheme for low-skilled young people which aims to link the education system with to labour market.

Assessment of Slovakia's Country Specific Recommendations (CSRs) adopted in 2013:

CSR 1 on correcting the excessive deficit in a sustainable manner, avoiding cuts in growth enhancing expenditure and improving the efficiency of public spending, and **CSR 2** on combatting tax fraud and improving VAT collection are considered positive.

However, there is a need to be realistic in evaluating what is happening in the social area in Slovakia now. The truth is that most of the changes in this area are driven by the EU agenda. It is also a fact that government officials are acting via acts, amendments, mechanisms of control, assessments, as well as by capacity building of public servants. All these processes need time to be implemented and their results have to be evaluated in order to plan new steps ahead. Each government is setting its priorities and therefore it is clear that changing all at once is not possible. However, the question remains whether the set priorities and planned actions are in balance with the economic possibilities and the social agenda for citizens.

2.3. Recommendations

- ➔ Ensure the labour market reintegration of adults through **activation measures and targeted employment services, second-chance education and short-cycle vocational training**, especially for the Roma, young people, long-term unemployed, people from disadvantaged groups such as the homeless, or disabled people.