



JOINT MEMORANDUM ON SOCIAL INCLUSION OF SLOVAK REPUBLIC

In accordance with the provisions of the Accession Partnership, the Government of the Slovak Republic has prepared, together with the European Commission, Directorate-General for Employment and Social Affairs, a Joint Memorandum on Social Inclusion, with the purpose of preparing the country for full participation in the open method of co-ordination on social inclusion upon accession. The Memorandum outlines the principal challenges in relation to tackling poverty and social exclusion, presents the major policy measures taken by the Slovak Republic in the light of the agreement to start translating the EU's common objectives into national policies and identifies the key policy issues for future monitoring and policy review. Progress in implementing such policies will be assessed in the context of the EU social inclusion process, whose goal is to make a significant impact on the eradication of poverty in Europe by 2010.

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Minister of Labour, Social Affairs and
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A handwritten signature in black ink, featuring a large, stylized initial 'A' followed by a horizontal line and a vertical stroke.

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Member of the European Commission
Responsible for Employment and
Social Affairs

Brussels, 18 December 2003



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(Signed)

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1. ECONOMIC AND EMPLOYMENT BACKGROUND

1.1. Economic background

Between 1998 and 2000, the Slovak economy went through a period of economic decline, as a result of measures to reduce the high current account deficit in the balance of payments. A more marked economic growth was seen in 2001, with real GDP growth of 3.3 % up on the preceding year. The macroeconomic performance continued to accelerate in 2002, when the real GDP growth was 4.4%. The Statistical Office of the Slovak Republic anticipates a 4,1% growth rate for 2003.

A renewal in domestic demand resulting from the growth of private consumption, and which significantly affected by the positive development in employment and wages and the sharp decline in inflation, was a major factor in the accelerated economic growth.

A double-digit rate of **inflation** in 2000 **fell** to 7.1% in 2001. The election year 2002 saw inflation falling to 3.3%, chiefly due to the brief suspension of regulated price increases. The increases in energy prices, rent, transport, VAT and consumer taxes in 2003 are again expected to bring about a rise in inflation, which is expected to reach 8.9%.

After two years of decline, real **wages** grew slightly, by 0.8%, in 2001. This trend continued throughout 2002, when real wages grew by 5.8% under the weakened dynamics in consumer prices. In 2002, the average gross nominal monthly wage of an employee in the Slovak economy (including estimates for employees in small businesses) amounted to SKK 13 511. The highest average monthly wages were in the financial and insurance sectors (200.5% of the average wage), the lowest in the other social services (75.6%). The wage level in the Bratislava region was 130.4% of the national average, while the figure was only 79.9% in the Prešov region. The average nominal monthly wage is expected to grow, year-on-year, by 8.5%.

Tax reform has also contributed to creating favourable conditions for economic growth, with the aim of improving the business environment. **Corporate income tax** was cut from 40% to 29% in 2000, and then down to 25% in 2002. Personal income tax in the lowest tax bracket fell from 15% to 12%, and then down to 10% in 2002, while in the highest bracket, it fell from 42% to 38%. In addition, some tax allowances were increased and the number of tax brackets was reduced from seven to five. Nevertheless, the rise in the wedge in 2001 was alarming. In 2002, due to changes in the system of taxation, the tax wedge was slightly reduced (by half a percentage point or less) except for the incomes at the level of the minimum wage, where it further increased by 0.4%. The difference in tax wedge between the latter and the average wage was 3.1% in 2002 as compared with 3.6% in 2001. This reduced difference is a hindrance to job creation in low productivity areas. As much as 42% (from total labour costs) of the average gross wages in 2002 went into social insurance contributions and direct tax payments. Despite the worryingly high level of social contributions (50.8%; EU average: 28.8%) the social security institutions have serious difficulties in covering their expenses.

A reform of the tax system is planned for 2004 which should reduce the tax burden, encourage the creation of new jobs and increase people's motivation to seek and retain a job. (In 2002 the average unemployment benefit comprised 33.5% of the average net wage and

65% of the minimum wage. Social assistance benefit in combination with housing benefit for an individual may amount to as much as 98% of the net minimum wage.)

The public finance deficit for 2002 has exceeded the planned level. Budgetary control of the public administration showed a deficit of 7.2 % of GDP. The different levels of the anticipated and actual deficit stemmed primarily from the use of privatisation revenues to cover the outlays in railway transport, health services, education and territorial self-government. The excessive budget deficit was also caused by the provision of state guarantees for credits with a low probability of returns.

The process of internal restructuring of industrial production in the SR has not been completed. A trend towards eliminating over-manning and increasing labour productivity persists in industry (summary productivity is 46% of the EU average). Regional distribution of Slovak industry is very uneven. As regards levels of sales production in Slovak industry, the Bratislava region is most prominent, whilst the highest levels of added value and numbers of employees are to be found in the region of Western Slovakia. The existing industrial capacity is concentrated in a small number of industrial areas. Industrial micro-regions have thus been formed, their importance being a major determinant of the social and economic situation in the individual regions. The micro-regions with a high concentration of industrial production include, in particular, Bratislava, Trnava, Nitra, Trenčín, Prievidza, Žiar nad Hronom, Levice, Žilina, Poprad, Košice and Michalovce. The least developed industrial areas are to be found in south-western Slovakia (Záhorie, the Danube Lowland), in the southern and northern districts of the region of Central Slovakia and, with the exception of three districts, in the entire region of Eastern Slovakia.

It is the services sector in particular that “upgrades” the position of Slovakia in terms of its summary economic level relative to the EU. Within this sector, the greatest potential for growth is offered by tourism, which is generally deemed to be an industry of the future in view of the multiplier effects which expansion brings with it.

1.2. Employment and unemployment

A range of other factors have also affected developments in **employment**: the process of privatisation, adaptation of the business sector to new competitive environment, measures to reduce over-manning in existing firms, and the closing of some unprofitable business operations.

After four years of negative figures, employment growth was 1% in 2001 and in 2002 the year-on-year increase was 0.2%. As regards the sectoral pattern of employment, there was a slight increase in the secondary sector, (growing 0.8%) and in 2002 the industrial and construction sectors employed 30.1% of the total number of persons working. The proportion of workers in the primary sector remained almost unaltered, at 6.2% of those employed, thus halting the year-on-year drop in employment in agriculture. The share of some branches of the services sector saw a decrease on the 2001 figure (by 0.9%), whilst the tertiary sector employed 55.4% of the working population in 2002.

According to the LFS, the employment rate among the working-age population (15–64) has remained unaltered at 56.8% in 2002. At the same time, the gender gap in the rate of employment is narrowing, coming down to 10.6 percentage points in 2002. The employment rate of the older age group (55-64) remains very low (based on quarterly LFS), reaching the level of 22.3% in 2001 and 22.8% in 2002. The employment rate for older women is as low as

9.5% (EU: 30.5%), mainly due to the low statutory retirement age for women. The employment rate for young people (aged 15–24) was 26.8% in 2002, with its level falling even further this year.

The level of employment by level of education shows a marked link between education and job opportunities. The employment rate for the low-skilled was at 15.8% in 2002, which is in strong contrast with the EU average of 49.3%, and is also by far the worst figure among the Accessing Countries (the second worst performer being Poland with 25%). On the other hand, with 86.4% in 2002, the employment rate for the highly skilled exceeds the EU average of 83%.

Regional employment trends did not show any significant changes in proportions of employed persons by individual region in relation to the total number of employed persons in the Slovak Republic, ranging between 11.1% for the Trnava region to 14.2% in the Bratislava region. The estimates of the Statistical Office of the Slovak Republic anticipate a growth in the number of employed persons in the Slovak Republic by 0.3% in 2003, as compared with the first six months of 2002.

Part-time work, which accounted for 2.3% of employment in 2001 and 1.9% in 2002, is practically non-existent, (EU average: 18.1% in 2002). The contrast is particularly striking for women: 2.7% of female employment in Slovakia compared with an EU average of 33.5%.

Despite increased economic growth, **unemployment** did not fall in 2001. On the contrary, the rate of unemployment, based on the Labour Force Survey, rose to 19.2%. Eventually, after five years of sustained increase, the number of unemployed fell by 4.2%, to 486 900 in 2002, whilst the average rate of unemployment dropped to 18.5 %.

In 2002, the number of persons registered with employment offices who found employment was greater than the number registering as unemployed. At the same time, the number of vacancies increased by 62% on the previous year, which represented a favourable development. Despite this, there still was only one vacancy for every 33 persons registered unemployed.

However, the positive development in the unemployment figures has left long-term unemployment unaffected. Long-term unemployment (LTU) continued to increase, from 11.4% in 2001 to 12.1% in 2002 overall, and from 11.4% to 12.5% for women. In 2002, the average period of registered unemployment grew from 13.5 months to 13.7 months.

Groups particularly hit by unemployment include Roma, school-leavers, the disabled and people with small children. The UNDP puts the unemployment rate among the Roma population at 64%.

Young people aged 15 to 29 continue to be over-represented in LTU. Although the slight drop in the overall unemployment rate is also reflected in the youth unemployment rate, the latter remained alarmingly high, at 37.3% in 2002 (EU average: 15.1%). According to the LFS 7.2 % year-on-year decline in unemployment is forecast.

1.3. Social expenditure

In 2000, social protection spending was 20% of GDP compared with an EU15 average of 27.3%. Spending expressed in per capita PPS varied considerably across Europe, fluctuating from 9 235 in Luxembourg to fewer than 4 000 in Spain and Portugal, and 2 097 in Slovakia.

In Slovakia, the largest proportion of these resources (38.4% of total social benefits) was spent on old-age and survivors' benefits. However, this is considerably less than in the EU countries (46.4%). A higher share, 32.9%, is spent on sickness/health care (EU: 27.3%). Despite the high rate of unemployment, the spending on unemployment in Slovakia accounted for 4.6% of total social benefits (EU: 6.3%). On the other hand, Slovakia spends a higher proportion on housing and social exclusion, namely 6.8% (including the social assistance scheme), which compares with 3.7% for the EU.

The percentage of GDP spent on education has been steadily falling since 1998 (4.4%) and in 2001, expenditure on education made up 3.7% of GDP.

2. SOCIAL SITUATION

The transformation processes that have been taking place in Slovakia's economic, political and social sphere have had a significant impact upon the standard of living and the living conditions of citizens. The impact of globalisation, economic internationalism and modernisation of the social protection system have resulted in the increased marginalisation of some groups. The main features of the social situation in relation to poverty and social exclusion are outlined below.

2.1. Demographic changes

There have been significant demographic changes since the 1990s. The main factors include a decline in the number of marriages from 5.2 per 1 000 citizens in 1997 to 4.4 in 2001 (EU: 5.1 in 2000) and in the birth rate from 11.0 per 1 000 citizens in 1997 to 9.5 in 2001 and 2002 (EU: 10.6 in 2000). The divorce rate is still increasing slightly (1.8 in 2001) and has almost reached the EU level (1.9 in 2000). The mortality rate is high (9.6 deaths per 1 000 population in 2002), which is almost the level of the EU (9.7). In 2001, for the first time, a natural decrease occurred (-0.2%). In 2002, the natural decrease continued, whilst the EU saw a natural increase of 0.8% and a total increase of 3.6%. This indicates that in Slovakia, migration does not play such a significant role in demographic development as in the EU Member States.

The population is ageing, with the ageing index rising over the past 10 years from 70,5% in 1991 to 98.5 %in 2001). Owing to the ageing of the population, the current pension system, which is based on pay-as-you-go financing, is becoming unsustainable in the same way as in other European countries. The ageing of the population is also associated with an increasing burden on the health and social systems.

The economic burden on households is growing and family structures are changing. The ratio of single parent families increased by 29 % over the past 10 years. The proportion of single persons increased by more than half. The number of informal partnerships as well as the number of children born out of marriage is growing, accounting for almost 20% of live-births in 2001 (EU: 28.4 % in 2000).

Life expectancy is slightly increasing and in 2001, the average life expectancy of women was 77.6 years whilst that of men was 69.5 years. Slovak women live approximately four years less than the EU average of 81.4 years, and Slovak men six years less than the average for the EU (75.3years). Cardiovascular disease, tumours, external causes, respiratory diseases and alimentary diseases are among the most common causes of death. In 2000, the five most

common causes of death accounted for 94 % of all deaths in the SR. The mortality rate from cardiovascular disease is high among middle-aged men.

The demographic profile of the Roma population in Slovakia differs significantly from that for the overall population. It is younger, it has a higher birth rate (10.7 per 1 000 in 1998), but life expectancy at birth is significantly lower than in the overall population (estimates put this at 62.4 years for men and 71.6 years for women). The natural increase in the Roma population in 2002 is put at 5.2, which represents a decline when compared with the natural increase of 8.7 for 1993.

2.2. Income inequality and poverty

Income inequality has grown over the past few years (representative data come from the 1992 Microcensus (LIS)-1996 (World Bank)). The Gini coefficient increased from G-0.187 in 1992 to G-0.250 in 1996. This indicates a slightly higher income inequality than in Denmark, for example, (G-0.227), but is lower than in Spain (G-0.340), Greece (G-0.351), or Portugal (G-0.368). Despite the fact that the Gini coefficient has increased, the SR still remains a country with a very low level of income inequality. The initial results from the Microcensus 2003 show that the ratio between the national equivalised income of the top 20% of the income distribution to the bottom 20% is 2.7 which is lower than for all the other acceding countries (4.2) and for existing Member States (4.4). The main causes of increased inequality include the growing gaps in the income generated by employment (apart from revenues from agricultural activities) and other monetary income (e.g. foreign income). Income inequality has a gender dimension. This is linked to the difference in the employment income of men and women, and these differences have recently become more pronounced to the detriment of women. In 1997, women's income was on average 21.5% lower than that for men, and by 2001 this figure had risen to 25%. The above-mentioned differences were influenced by the sector in which women worked, and a lower incidence of over-time work and night shifts. Motherhood and childcare largely influenced the career development of women, too. In some cases, women also experienced discrimination in terms of work organisation and remuneration.

Income inequality also has a regional aspect. In 2002, the lowest net monetary income per household member was in the Prešov region, namely 8% lower than the average (6 175 SKK), while in Bratislava region, the average income per head and month was about 26% above than the average (8,451 SKK). The price gaps between regions, with the exception of real property, are not particularly significant. The results of the 2003 Microcensus have still to be fully elaborated and bilateral discussions with Eurostat to validate the results for the purpose of transnational comparisons have to be completed. However, initial results suggest that Slovakia has a risk of poverty rate that is well below that of other acceding countries or of existing Member States. The at risk of poverty rate (that is the percentage of individuals living in households where the total equivalised household income is below 60% of national equivalised median income) is 5% which compares to an average for the other acceding countries of 13% and for Member States of 15%.

At national level, the range and frequency of poverty are determined mainly on the basis of the number of social assistance beneficiaries, but these persons cannot all automatically be assumed to be poor. On the other hand, people, who work may be poor despite not receiving social assistance benefits.

As regards data on social assistance beneficiaries, 7% of citizens were at risk of by material hardship in 1996. In 2001, the number of citizens dependent on State social assistance grew to 11.7%, a third of whom were dependant children, which comprises 14.0% of their total number. This significant increase arose mainly from unfavourable developments in the labour market, with a growing number of the unemployed being gradually transferred to social assistance provision (in 2002, the unemployed made up 90.4 % of social assistance beneficiaries). In 2001, of the total number of registered unemployed persons, 57.3% were in receipt of social welfare benefits. Apart from the unemployed, single parents and couples with three or more children are also at high risk of poverty. 22% of single parents were suffering material hardship. Whilst 8.8% of social assistance beneficiaries were to be found among families with two children, the figure rose to 62.7% in families with five or more children.

While social assistance beneficiaries are to be found in all regions of the SR, the regional differences are significantly affected by the labour market situation, level of education and demographic factors. The largest proportion of social assistance beneficiaries and dependent children, who are at risk of poverty, is to be found in the regions with the highest rate of unemployment (Kosice, Prešov, Banská Bystrica and Nitra regions). It is striking that in the Kosice region, which ranks among those with the highest rate of registered unemployment (26.6%) and the highest number of social assistance beneficiaries (19.1%), the average income per household member (7 041 SKK) and the average wage (13 054 SKK) place the region right behind the Bratislava region. Undeclared work and benefit fraud certainly play a role here as well.

The numbers at risk of poverty and social exclusion would be higher if it were not for the effectiveness of the system of social protection. Figures from the 2003 Microcensus show a risk-of-poverty rate before transfers of 19% but this falls to 5% after all transfers are taken into account. However, although the social protection system has been successful in reducing poverty levels, its passive nature and the small difference between levels of benefits and wages in low-paid jobs has contributed to reducing the incentive for some unemployed social assistance beneficiaries to actively look for a job, which in turn contributes to the very high levels of long-term unemployment. The disincentive effect is greatest in regions with low average wages, and among large families whose social income is increased by child and parental allowances

The most recent data available on the number of Roma drawing social assistance benefit in 1997 shows that as many as 80% of the Roma were dependent upon this benefit. This is clearly a high-risk group, and the available data and field research indicate that a large section of the Roma population lives in extreme poverty. This mainly applies to the Roma living in segregated settlements, whose number more than doubled between 1988 and 2000 (from 278 settlements in 1988 to 620 in 2000). It is estimated that a quarter of the Roma live here. These locations saw an increase in the key indicators of poverty and social exclusion.

The risk of poverty is doubled in the case of disabled citizens because of the barriers they face in gaining access to employment and in their limited opportunities to achieve appropriate education. In 2002, significant assistance was provided to 200 000 persons with severe disabilities.

The elderly are another group at risk. Despite the fact that their pensions have almost doubled since 1995, they have actually decreased in real terms relative to average wages. In 2002, the average old-age pension was equivalent to 45.2% of the average wage. This, in part, restricts

access to goods and paid social services, and to private-sector health care services, which are accounting for a growing share of the services sector.

The wage disparities between men and women is ultimately reflected in the amount of pension payable, which is lower for women, who also retire at an earlier age. Linked to the process of feminisation of old age (higher life-expectancy at birth for women than for men) is the risk of feminisation of poverty.

National surveys about other vulnerable groups, such as the homeless, are not available. In general, these persons are hard to reach and most of them refuse any assistance. They cannot be tracked down even as social assistance beneficiaries, as they lack basic identification documents. However, their social isolation and the way of life bear several marks of a struggle for survival. The number of homeless people is gradually growing and, in 1999/2000, was estimated at 2 000 individuals.

The groups at risk of social exclusion also include individuals who are at risk in socio-pathological terms. This group includes drug-addicts, persons addicted to alcohol or gambling, battered and abused children, victims of domestic violence and offenders (citizens serving or having completed a prison sentence, and also children leaving institutional or protective care). Recent data put the number of persons in prison facilities at around 9 000, of which around 2 800 citizens are in custody. The official figure of registered individuals addicted to illegal drugs was 2 186 persons at the end of 2002 (of which almost 67% were dependent on heroine and other opiates), while the number of alcohol-addicted persons was approximately 9 100. At the end of 2002 the number of children with reported reasonable suspicion of battering and/or sexual abuse was 683 children under the age of 18 years (of which 419 were girls). In 2002, a total of 6 737 children (including 4 624 children aged 15 or under) were placed in institutional or protective care facilities, of which 106 children were in protective care.

2.3. Living conditions

The Slovak Republic ranks among countries with a high degree of human development. In 2002, the UN human development index (HDI) ranked Slovakia in 36th out of 173 countries throughout the world, which meant that the country has moved up six places compared with the 1997 survey. Slovakia achieves fairly good health parameters: (adequate sanitation facilities: 100%; access to essential drugs: 95%-100%; 53 doctors per 100 000 people (Sweden: 311; Poland: 236); a relatively good educational level among its citizens (100% adult literacy rate and moderately improving living standard of households (GDP per capita annual growth rate for 1990-2000: 1.9%). International comparisons indicate that the quality of life in Slovakia is improving slowly but surely (HDI value in 1995: 0.817; 2000: 0.835). However, this positive evaluation does not correspond to the people's own perceptions of their social situation. According to the Institute for Public Opinion Research of the SO SR, 43% of respondents assessed the year 2002 from their own life perspective as 'neutral' (i.e. neither good nor bad). However, as many as 45% of respondents anticipate that their situation will worsen in 2003. These include in particular the elderly, unskilled workers, and unemployed persons living in smaller municipalities in the Trenčín and Banská Bystrica regions.

The breakdown of household expenditure is dominated by food and housing. The average expenditure on food declined from 29.6% of total household expenses in 1997 to 24.2% in 2002. This compares with a figure of 17% for the EU as a whole. On the other hand, housing expenses (rent, utilities) are gradually increasing, mainly due to the deregulation of prices for

energy and rents. These increased from 12.7% in 1997 to 16.0% in 2002. The 21% expenditure for accommodation is lower than in the EU, but these expenses do not include the imputed rent, unlike those in the majority of EU countries. The procedure for calculating housing expenses used by the SO SR must therefore be brought into line with the method used by Eurostat in order to enable the Slovak and EU data to be compared.

Comparisons of the censuses of population, houses, and dwellings between 1991 and 2001 show that indices of housing and household furnishing are gradually improving. Apartment units are generally equipped with a bathroom or shower (92.8%), toilet (87.9%) and are connected to a water supply. However, a certain proportion of the housing stock does not meet basic technical and hygiene standards. This mainly applies to Roma settlements, which frequently do not even have official permission for use. The most serious problems include inadequate access to electricity, running water, sewage facilities and refuse collection.

In 2001, there were 310 permanently occupied apartments per 1 000 inhabitants (in countries of the EU: 320 to 460 apartments per thousand). The slight increase in housing construction in 1997 was achieved through the increased number of completed apartments in private ownership, which in 2001 comprised as much as 86.6% of all new housing. This has an effect on the scarcity of accessible rented housing, which comprises roughly 2.7% of the total housing stock. In regions with the highest unemployment, the share of rented apartments is highest (Prešov region: 3.6%; Košice: 3.0%; Bratislava: 1.6%). This is connected with the extremely low internal migration and mobility of the labour force. In 2000, three persons per thousand migrated between regions in Slovakia. In the developed countries, the rate of regional mobility fluctuates at the level of 10 to 25 migrants per 1 000 inhabitants.

The problems due to the housing market could, in part, be tackled through commuting. However, the inefficient infrastructure and the increased cost of travel in recent years have reduced even the small numbers of the population commuting to their jobs.

2.4. Education and unemployment

The education system in the SR guarantees equal access to education for girls and boys in all types and levels of school. The educational structure of the productive population (25-64 years) shows a relatively low share of university-educated people, 10.7%; this compares with 21.6% in the EU, and is lower than most acceding countries (Hungary: 14%; Lithuania: 45%). Relative to the EU countries (36.2%), Slovakia has a smaller proportion of the population educated up to lower secondary level (15.1%), and a very significant predominance of those with an upper secondary level of education namely 74.3% (EU: 42.2%), particularly education/training of a technical nature. This is also reflected in the average age of leaving continuous education or training, which is lower than in the countries of the EU (in Slovakia, on average, students leave school at 18, in Scandinavian countries, between the ages of 21 and 24, and in the remaining EU countries between the ages of 19 and 21). Slovakia shares this characteristic with the majority of other acceding and candidate countries (Hungary, Poland, Rumania, Bulgaria, etc.). According to the LFS SO SR, early school-leavers ISCED 0-2 comprise 5.6% of the 18-24 population in 2002 (EU: 19.4).

One of the most primary functions of the school system, namely the preparation of students for a successful entry into the labour market, is often neglected. Four fifths of secondary students attend schools that prepare for industry, whereas this sector will continue to diminish in relative importance. Only 17% of secondary schools students attend *grammar schools*, which offer a general type of education and prepare them for university/college. One of the

challenges facing the Slovak education system is also the change of emphasis from theoretical knowledge to a greater focus on practical application in daily life, and in particular on preparing students for the labour market. School-leavers lack flexibility, foreign language and information technology skills, which makes it more difficult for them to establish themselves in the labour market. Mechanisms enabling schools to respond more flexibly to the changing needs of the labour market are missing from both educational establishments and employment offices.

The educational situation of the Roma minority is very unfavourable. According to official data, up to 76.7 % of them have only basic education and 3.7 % may never have had any schooling at all. (According to a UNDP report in the Slovak Republic, the drop-out rate for Roma children in the first year of school rose from 46% in 1976 to 63% by 1999). Roma children are over-represented in schools for physically or mentally disabled children (in the academic year 2001/2002, Roma children comprised almost 10% of the overall number of pupils). This appears to stem from their insufficient command of the Slovak language and/or other educational handicaps that result from their environment rather than from innate limitations.

Education significantly determines a person's point of entry and position on the labour market, and the ability of society to combat poverty. The chances of finding a job are most in doubt in the group with basic education (43% of the unemployed), those with vocational training (21.6% of the unemployed) and those with a lower secondary education leaving qualification (19.3% of the unemployed), whose vocational qualifications are narrowly specified. This is then reflected in the high number of young people up to 24 years of age who are unemployed, whereby the youth unemployment rate in Slovakia is highest (15.9%) not only relative to the EU (7.2%) but also to the other acceding countries, where the figure ranges from 15.7% in Poland to 4.0% in Cyprus or 4.1% in Hungary. Equally, the ratio of unemployed young people in the economically active population is very high, 38.9%, whilst in the EU the unemployment in the 15-24 age-group is 14%, as is mentioned in the previous chapter.

Besides education, long-term unemployment is a significant factor in poorer social integration. The longer the spell of unemployment, the greater is the risk of social exclusion. As many as 58.8% of persons registered as unemployed have been without a job for 12 months or more (EU: 44%). As was mentioned in section 1, the Roma population is over-represented in this group.

The ability to assert oneself in the labour market ties in with access to modern information and communication technologies. Unskilled workers, people with the lowest level of education among the older generation, and persons with low social status living in small villages, are among those with restricted access to ICT. In the future, this state of affairs will increase the risk of social exclusion.

2.5. Immigration

In terms of official migration, the Slovak Republic is a country with relatively low levels of emigration and immigration. The largest group of immigrants comprises persons from European countries (85-90%), especially from the Czech Republic, Ukraine and Russia.

Refugees comprise another group at risk of poverty and social exclusion. Between 1992 and 2002, 24 269 persons applied for asylum in Slovakia. Refugee status was granted in 537 cases. A number of players collaborate in providing assistance and protection to these people,

and in helping them to integrate into society (governmental and non-governmental organisations, UNHCR, local administrative authorities, etc.).

In 2000, more than 6 000 illegal immigrants crossed the borders of the SR, most of them from Asia. According to the official estimates, however, the actual number is substantially higher. In terms of illegal migration, Slovakia is considered to be mainly a transit country. The final destinations for most illegal immigrants passing through Slovak territory are the EU countries.

2.6. National and ethnic minorities

The SR is a multinational state. Besides the Slovak national majority (85.8%), a number of other national minorities also live within the country. The largest group claims Hungarian nationality (9.7 %). While only about 1.95% of the population acknowledges Roma ethnicity, estimates run to over 520 000. A realistic estimate is probably between 370 000 and 390 000, i.e. between 6.8% and 7.2% of the total population. There may be several reasons for refusing to acknowledge Roma nationality, such as efforts to distance oneself from the Roma ethnic group and fear of discrimination.

The parameters of socio-economic status for the Hungarian minority are broadly similar to those for the population overall. The situation of the Roma minority is very different. It continues to be very complex, particularly as regards education, access to the labour market, housing and standard of living. According to sociologists, the majority of the Roma are becoming a social minority, rather than an ethnic one. Roma communities overlap with the lowest social strata. Due to cumulative disadvantages, long-term and permanent unemployment among the Roma is widespread and the emerging *culture of poverty* is transferred to the following generations. International surveys confirm that the extent of absolute poverty in Slovakia bears comparison with best-performing transition countries. However, the share of inhabitants living at extremely low-income levels is substantially higher in Slovakia. These pockets of poverty are thought to significantly overlap with the isolated and segregated Roma settlements.

Prejudices and lack of knowledge throughout society has resulted in stigmatising the "Roma issue". Communication between the Roma and non-Roma population is restricted, which elicits negative attitudes on both sides, and is a major barrier to the full participation of the Roma in society.

2.7. NGO sector and the role of family solidarity

Local institutions such as local government, non-governmental organisations and charities are becoming increasingly involved in dealing with poverty and social exclusion issues. In 2002, there were 21 916 non-governmental organisations registered, of which almost 95% were citizens' associations. The activities of the non-governmental organisations are diverse and are directed at different segments of society, which makes a comprehensive analysis of their activity more difficult.

On the whole, NGOs in social and humanitarian fields undertake activities which mainly address the specific problems of citizens with severe disabilities, older people, socially dependent families with children, people living in inadequate conditions in the Roma settlements, children in alternative care, drug-addicts and homeless people with a view to integrating them into society.

The staff resources of public agencies responsible for social protection policy at regional and local level (i.e. district offices, municipal offices, district employment offices) are in most cases exhausted by administering social assistance and unemployment benefits. Activities such as prevention, consultancy, field-work or data-collection are often supplemented by NGOs. Since 1990, the MoLSAF SR has been providing support for the activities of citizens' associations engaged in the social field. In 2002, it granted subsidies totalling SKK 43.7 million to 112 citizens' associations. The highest transfers, 76.5%, were targeted at invalidity and severe disability.

Since July 2002, some responsibilities of the State in the field of social services have been devolved to the self-governing regions and municipalities. In 2002, self-governing regions registered 251 non-governmental bodies providing social services to 29 303 citizens. State contributions towards the reimbursement of costs amounted to SKK 191.4 million. From a regional perspective, the highest level of state support was provided to the non-governmental organisations in Prešov, Nitra, Košice and Banská Bystrica regions, i.e. the regions most affected by unemployment and poverty. In connection with decentralisation and the changes in financing arrangements, the scope of some social services may be reduced because the self-governing authorities will not be able to cover the necessary cost from their own resources. In addition, the capacity of some social-service facilities have already proved inadequate in that they have been unable to deal satisfactorily with all applications for places in retirement homes, and homes for children with physical disabilities or mental disorders.

Despite the above-mentioned cooperation between the social policy stakeholders, there is scope for improvement not only in cooperation but also in terms of mutual information and public awareness of the nature and extent of poverty and exclusion within the country. There is a noticeable lack of experience of inter-ministerial and cross-sectoral collaboration on joint activities, which is a handicap given the importance of an integrated approach to tackling poverty and social exclusion. Insufficient public awareness has much to do with the lack of relevant definitions of these phenomena and, until recently, the failure to acknowledge them in the context of the policy debate. As a result, the institutional responsibilities and staff resources for addressing poverty and social exclusion are underdeveloped. This concerns mainly the State authorities, but also NGOs, academia and the research community.

Family solidarity is a significant feature of the social situation in Slovakia. This solidarity has cultural and historical roots. For 80% to 90 % of the population, the family is facet of life to which the highest value is attached. There is a strong and much longer-lasting economic dependence of young people on their parents than in other countries. On the other hand, older people are dependent on the help of their children as a result of low pensions and the lack, or high cost, of services. This involves an intergenerational solidarity, where the family often assumes the role of the State and becomes one of the most important mechanisms in preventing poverty.

However, solidarity within families in most cases involves placing an excessive burden on women in particular, and their subsequent discrimination on the labour market, as private employers give preference to a workers with no obligations over those with small children or other family members dependent on them for care.

3. KEY CHALLENGES

It can be seen from the analysis in sections 1 and 2 that the SR faces a number of important challenges in relation to poverty and social exclusion. The overall challenge is to mainstream and integrate a concern with tackling poverty and social exclusion across key policy domains such as the labour market, taxation, social protection, education, housing and public services. These challenges are outlined in more detail below.

1. Building an inclusive labour market and promoting employment as a right and opportunity for all, especially for the unemployed:

- creation of a favourable climate for increased job-creation by the private sector;
- development of an integrated system of employment and social services for those who are most at risk of long-term unemployment (such as early school-leavers, older unemployed persons, the disabled, the Roma minority, single parents, etc.);
- improved access to the labour market through greater flexibility in working conditions and measures to assist with the reconciliation of work and family life, with a particular focus on parents with small children, including single parents and those with elderly dependants;
- making work pay by providing incentives to work; raising awareness of these measures among vulnerable, hard-to-reach groups, and encouraging their take-up;
- improved conditions and possibilities for commuting so that people can travel to where the jobs are.

2. Guaranteeing an adequate income and resources for decent and humane living conditions:

- reform of the system of social protection so as to prevent poverty among those who are outside the labour market while at the same time providing incentives for them to seek employment;
- maintaining and improving living conditions for those groups that are at risk and are unable to adequately improve their income through their own efforts owing to old age, sickness, disability, and family composition (single-parent families and families with a large number of children);
- making the tax system more efficient and matching it with the system of social protection so as to help households on low income benefit from gainful employment;
- enhancing the system of child and family income support so as to reduce the risk of poverty and social exclusion among families with dependent children.

3. Tackling educational disadvantage:

- bridging the gap between what is taught in schools and the education that young people need in order to be successful on the modern labour market;

- maintaining and encouraging equal access to mainstream education for everyone throughout the education system (this calls for specific support for the education of the disadvantaged groups: persons with disabilities, low-income families, Roma children);
- increase in the share of general education in secondary schooling relative to the proportion of vocational training, and creation of conditions to meet the increased demand for university education;
- reducing significantly the number of young people dropping out of school early or leaving with poor qualifications or none at all;
- tackling educational disadvantage among low-skilled adults by offering education and retraining opportunities.

4. Ensuring adequate housing for all:

- development of an integrated strategy to address homelessness, which should tackle the issues of housing provision (emergency, transitional and long-term) and health services, settlement services, advice, outreach services and measures aimed at preventing homelessness;
- ensuring higher-quality housing and reasonable infrastructure for the Roma living in settlements, and development of housing policies better able to integrate the Roma into mainstream society;
- creation of conditions for geographic mobility of the labour force and accessibility of reasonable housing for low-income households; these activities mainly involve increasing the proportion of apartments for rent as a proportion of the total housing stock within the country.

5. Guaranteeing equal access to quality social and health services and improving their delivery and forms of provision:

- improving the state of health of the population through high-quality health services, and ensuring that the groups at risk (the elderly, disabled and those on low income, etc.) also have access to these services;
- more preventive social services, social field-work, mobile, fixed-location and residential social services and social welfare counselling for high-risk groups (children and young people at risk of disrupted socio-pathological development, ex-offenders, the homeless, substance-abusers, children and young people leaving institutional or protective education, etc.);
- tackling policy fragmentation, achieving greater policy coordination between the various administrative levels, creating workable partnerships in the design and implementation of social policies (between governmental, non-governmental and local organisations, charities, business sector) and ensuring the participation of those who are poor and/or excluded;
- raising public awareness of the nature and extent of poverty and social exclusion, and of the action needed to build an inclusive society.

6. Combating discrimination, ensuring equal opportunities and protecting human rights:

- tackling discrimination against and stigmatisation of the Roma, promoting understanding of the social and economic situation of the Roma ethnic group as a problem for society as a whole;
- further gender mainstreaming when drafting legislation and key Government documents;
- removal of gender gaps in remuneration and disparities in the career structures;
- maintenance and development of existing social programmes providing necessary support for people dependent upon others for care (children, old people, the disabled etc.) as well as for carers.

7. Regenerating areas of multiple deprivation:

- development of technical, transport and social infrastructure in deprived areas, investment support and creation of job opportunities;
- support for information and communication technologies (ICT) in disadvantaged regions with high rates of unemployment;
- completion of arrangements necessary for more efficient use of the ESF in combating poverty and social exclusion, particularly in areas of multiple deprivation.

8. Extending statistical systems and indicators on poverty and exclusion:

- making statistical systems and indicators compatible with those produced by Eurostat;
- provision of more information on poverty risks among particular groups (e.g. Roma, ex-offenders, the homeless, the disabled);
- introduction of gender as a mandatory classification category in statistical systems and indicators in the field of poverty and exclusion

4. POLICY ISSUES

4.1. Promoting access to steady employment

Greater employment has become a priority task of the economic and social policies of the Government and society as a whole. The rate of unemployment, despite an anticipated decline, is very high. Equally, despite the growing number of newly created jobs, the number of vacancies per registered unemployed person is still inadequate. The main characteristics of unemployed persons include low level of qualifications, long spells of unemployment (over two years) and a high proportion of young people. The deepening of regional gaps coupled with the currently low degree of labour mobility creates an inflexible labour market.

Employment policy in the SR builds on the European Employment Strategy; its key challenges have been identified in the “Joint Assessment of Employment Priorities in the

Slovak Republic“ and are reflected in the National Action Plan for Employment for 2003 (NAPE).

Employment and poverty issues have also been looked at in the *Strategy of Supporting Employment Growth on the Basis of the Reform of the Social System and the Labour Market* (adopted on 30 April), which should also create the conditions for the creation and implementation of regional action plans for employment from 2004 onwards. The Employment Strategy is based on the underlying conviction that any purposeful work is better than inactivity, and that growth in employment is the most efficient way of combating poverty. Its objective is to create a system that motivates individuals of productive age to seek and remain in employment. The Strategy stresses the support of the family, and the reconciliation of family and work life, in creating a new balance between the system of social protection and the motivation of individuals to make provision for their welfare. Currently, a new Employment Act deriving from this strategy is being prepared, and should enter into force in 2004.

Responsibility for the development and implementation of measures identified in this area lies with the Ministry of Labour, Social Affairs and the Family in collaboration with other ministries and the National Labour Office.

Given the challenges specified in section 3, this section focuses on selected policies and particular measures for combating poverty and exclusion.

4.1.1. Promoting the employment of young people

As has been noted in the first sections of this report, the age-group most seriously affected by unemployment in 2002 was the 15 to 29-year-olds. School-leavers make up a significant and separate category of registered unemployed persons in their own right, who account for 8.1% of all unemployed persons.

The main measure aimed at reducing unemployment among young people is an employment-promotion programme designed to improve efficiency and intensify work with the young people while they are on the employment office's books with a view to improving their preparedness for entry into the labour market, as well as their employability and motivation.

In 2002, a new active labour-market policy instrument was introduced, which was geared creating job opportunities for a fixed period for this specific group of unemployed persons. The instrument has not been used sufficiently. Another active labour-market policy tool designed for the unemployed school-leavers is the work-experience scheme for school-leavers. There was relatively high interest on the part of employers in this tool; in the first half of 2002, 1 872 contracts for school-leavers' work experience had been concluded with employers, on the basis of which 2 089 jobs were created.

In 2002, in the context of the programmes, projects and individual counselling, a start was made on drawing up individual employment action plans for registered unemployed persons. In the first half of 2002, 11.1% of all unemployed persons aged up to 29 and registered as unemployed for up to 6 months, and 34.6% of the overall number of registered unemployed persons aged up to 30 and registered for up to 12 months, took part in individual advice and guidance interviews. In the fourth quarter of 2002, the use of individual action plans was introduced in all employment offices.

The Slovak Republic has been successfully using Community EU Youth Programme resources, designed to provide informal training to low-opportunity young people (disadvantaged, unemployed, members of ethnic and national minorities, Roma, young people suffering social, economic, geographic or other exclusion.).

Tackling employment among young people remains a high priority for the forthcoming period as well. A sizeable portion of young people leave school with knowledge and skills which are not marketable when it comes to finding a job. Emphasis will be placed on a reform of the education system and, as part of this, on creating conditions to meet increased demand for university education, developing young people's skills, retraining and strengthening of employment services, modernisation of their systems, work operations and methods. It is vital to create the underlying conditions for reducing the drop-out rate among young people in the education system, and to introduce into the curriculum training programmes aimed at entrepreneurship and self-employment.

Under the new draft bill on the alleviation of material distress, many school leavers will not be eligible for benefit on the grounds of material hardship. This is expected to provide an incentive to take up employment, which should result in a decline in the unemployment rate among young people.

4.1.2. Promoting the employability of vulnerable population groups

The promotion of employability must also target those groups at risk, whose employability, despite the rising level of employment, is very low without additional measures. This is especially true of the long-term unemployed and poorly qualified, and persons with altered work capacity, the elderly, women wishing to return to work after having brought up a family (or after their maternity leave), young people from disadvantaged social and family backgrounds, members of the Roma ethnic minority, ex-offenders, drug-addicts and homeless people. The issues of improving employability and support for the inclusion of risk groups on the labour market in disadvantaged regions are dealt with in the NAPE and the measures under the Sectoral Operational Programme Human Resources.

Despite the fact that the Employment Act lays down an obligation on employers with at least 20 workers to provide employment for persons with disabilities (3%) and severe disabilities (0.2%), Slovakia has not been successful in reducing unemployment among these groups. One available tool for making work-suitability assessments more effective is occupational and social skills testing and training for persons with disabilities or severe disabilities at the Social and Occupational Rehabilitation Centre.

With an ageing population, it is necessary to maintain the productivity of the ageing labour force and the adaptability of older workers on the labour market, notably by developing the system of retraining and other forms of further education. In the light of the relatively large disparity between the average pension and the average wage in Slovakia, there is, on the whole, not much concern about loss of motivation among older people to remain in the labour market. However, the problem does arise in the case of low-paid occupations in regions with high unemployment. The Ministry of Construction and Regional Development provides support within the state support programme for the development of districts with high unemployment, which takes the form of a subsidy for the development of regions, including support for the development of small businesses capable of employing older people as well. The policy of 'active ageing' should be included among the priorities, since the rate of

employment of the 55-64 age group is bound to be growing in the light of the planned reform of the pensions system, which is expected to increase the retirement age for both sexes.

Given that women with small children constitute a highly disadvantaged section of the labour force which is subject to hidden discrimination, there is a need to make specific provision for placing them on the labour market. The National Labour Office and the National Agency for the Development of Small and Medium-Sized Enterprise organise motivation and retraining courses for this disadvantaged group, whilst special projects are also run by non-governmental organisations.

As part of the modernisation of employment services self-service information and communication technologies started to be utilised which give an overview of job vacancies, recommendations to job-seekers and answers to their questions. The creation of an integrated framework for social affairs and the labour market in 2004-2006 is a prerequisite for further development and modernisation, and for more flexible forms of public employment services (PES). Modernisation of PES will make for equal conditions as regards access to employment services for all citizens while responding to their differing needs (for example ex-offenders, drug-addicts, the homeless, people with learning disabilities).

In order to promote the employment of disadvantaged job-seekers (school-leavers, the long-term unemployed, the elderly, single parents, migrants, the disabled, etc.) the Ministry of Labour, Social Affairs and the Family (MoLSAF SR) proposes in the Act of Employment Services that allowances be paid to employers taking on persons from these groups. The sum involved will vary depending on whether the district where the employer creates a job falls within the category of region eligible for State aid, on an undertaking by the employer to employ, for 12 uninterrupted months, the employee to which the allowance relates, and on the average registered unemployment rate in the district concerned. Furthermore, there are plans to extend the programme for the purpose of maintaining the working habits of the long-term unemployed persons by means of community work in the municipalities, with job-seekers involved in this programme being reimbursed their travel costs.

The success of the planned measures will depend on closer cooperation between and coordination of a number of stakeholders (local offices, self-governing authorities, NGOs etc.).

4.1.3. Creating the conditions for motivating the long-term unemployed to seek work

In order to address the problems of lack of motivation and disincentives to work, and to tackle social benefit fraud (in the form of moonlighting while claiming benefits), the government is introducing changes to the social welfare and tax systems. These are aimed at increasing incentives to seek and take up jobs.

The Government's objective is to create a situation in which meeting the needs of those who do not work will be limited to basic living conditions, whilst the income gap between recipients of benefits and those on low wages will be widened. The changes to the system of social assistance will lay stress on limiting advantages and incomes associated with unemployment and giving the long-term unemployed more incentive to seek employment by retaining an entitlement to a portion of a person's social assistance benefit when they take up employment. As part of the reform of the tax system, the Ministry of Finance, in collaboration with the Ministry of Labour, Social Affairs and the Family (MoLSAF SR) are preparing for

the introduction of a “tax bonus” for working families with children as an incentive to seek and remain in employment, and a support tool for a proactive approach to family care.

While on the one hand these measures make for greater inclusion, they may on the other hand entail a risk of exacerbating the poverty of those groups within the population which have less opportunity to participate fully in the labour market.

As from 2004, various projects are planned in order to solve the problem of long-term unemployment and the lack of incentives among unemployed persons dependent on social assistance benefits. Job-seekers will be provided with 'activation allowances' if they improve their qualifications, participate in small-scale community work projects, or projects approved by local authorities.

4.1.4. Reconciliation of work and family life

The adoption of measures permitting reconciliation of work and family life is one of the strategic objectives of the State family policy being pursued by the MoLSAF SR. The protection of families and their members in employment relationships is mainly provided for in the Labour Code, which covers equal employment opportunities for men and women, women's working conditions, parents, single parents, child labour and flexible working hours.

Parental leave is available to a man or woman for a period of 22 weeks, or up until a child reaches the age of 8 months, subject to special provisions. Entitlement to parental leave to care for a child until the child is 3 years old (or until the child is 6 years old in the event of health problems) applies to either parent. During a period of parental leave, an allowance is granted; if the parent opts to engage in gainful employment and arrange for the child be cared for by another adult person, the allowance is not withheld, but granted at a reduced rate.

As regards the unfavourable position of women, mothers on the labour market is an issue partially addressed by the measures identified under *The National Action Plan for Women in the SR*, which was approved by the Government in 1997; some issues are also dealt with in the *National Plan of Employment*. The ratification by the Slovak Republic of the *ILO Workers with Family Responsibilities Convention No. 156 of 1981* on equal opportunities and equal treatment between men and women workers, represented a significant step by Slovakia. Although non-discriminatory legislation in this connection creates an adequate framework, *de facto* it is the specific measures provided for in firms' social plans, drawn up in collaboration with trade unions and the management, that are important and help to create a *family-friendly environment* in the interests of reconciling work and family duties and responsibilities.

In order to promote the development of family-friendly employment for both women and men with family responsibilities, the MoLSAF SR, working together with the International Centre for Family Studies, in 2000 initiated the Social Audit: The Family and Work, as part of which an annual competition is held which awards the title of *Family Friendly Employer*.

Despite the above measures, in *The Report on the State of the Family in the Slovak Republic*, which was produced in 2001, notes that the unfavourable position of mothers on the labour market still persists as a consequence of their dual role (child-rearing and work). Private-sector employers in particular prefer to employ those with no family responsibilities rather than those with children or other family members who are dependent upon others for care.

A number of surveys have shown that flexible working time, or part-time working arrangements, are offered by only a third of employers. However, from the employees' perspective in the 25-45 age-group, full-time employment with flexitime arrangements is preferred, which may be due to the economic situation of most families with dependent children.

For those job-seekers who are caring for a dependent child and taking part in training and preparation for the labour market, the MoLSAF SR has devised a programme whereby 'services allowances' are granted to families with children, as well as a programme under which grants are paid to persons who move away in order to take up a job – the aim also being to encourage work mobility. Both allowances will be in place from the beginning of 2004. Further measures for reconciliation of work and family life should also be focused on properly functioning and affordable household and childcare services, which should be promoted and developed both by municipal authorities and employers.

4.1.5. Encouraging the creation of new job opportunities

The high tax and social insurance burden is currently considered to be one of the major barriers to the creation of new jobs. Over the past few years, the tax policy has focused on reducing the income tax burden on natural persons and legal entities, on introducing and extending the number of natural persons who may apply the so-called flat tax rate, on raising the tax-deductible threshold for tangible and intangible assets, and on providing for tax allowances on corporate income tax in line with the Investment Promotion Act. The aim of these measures was to improve the business environment and thus increase employment.

The amended Labour Code should also help businesses which are starting up or already operating in that it introduces more flexibility into employment relationships, particularly in the area of flexible working time, overtime, and simplified recruitment and dismissal procedures.

An important support tool, particularly for new businesses, is training in basic enterprise programmes run by the network of regional business and information centres (RPIC) and business and innovation centres (BIC) and other bodies. Gender gaps as regards business start-ups are dealt with on special training courses for women wishing to set up in business; micro-credit schemes, which women tend to prefer, are also looked at.

In order to support creation of new jobs, the MoLSAF SR proposes, in the new Act of Employment Services to grant allowances for those in gainful self-employment. The amount of any allowance will vary depending on whether the district where the employer creates a job falls within the category of region eligible for State aid, on the groups of disadvantaged job-seekers involved, and on the average registered unemployment rate in the districts concerned.

As part of the strategy of supporting employment growth, the MoLSAF SR proposes that the means of funding the active labour-market policy should be shifted from unemployment insurance contributions to funding from the State budget. This will allow a reduction in employers' unemployment insurance contributions from 3% to 1% and, together with the resources under the ESF and the SDF, will enable greater funding of the activation measures on the labour market for recipients of benefits owing to material hardship. In 2004, the level of funding of active labour-market policy is expected to be at least the same as in 2003.

Although the income tax rate for natural persons and legal entities has been progressively falling since 2000, the rate of social contributions payable by the employer and the employee has still remained one of the highest when compared with the countries of the EU and OECD, and is the reason for a high tax wedge. It is therefore necessary to continue the tax reform, and further cut the tax burden in close conjunction with the reform of the social security system. There are signs that these two reforms are not well-coordinated and that only high income groups benefit from the them; low income groups do not benefit at all, or only marginally, whereas "middle-income groups" face a drop in their disposable income. For the future, it will be necessary to ensure that the reform of the tax system and the system of social protection help all households with low income from gainful employment.

4.2. Facilitating access to resources, rights, goods and services for all

4.2.1. Social protection – guaranteeing the resources necessary for decent and humane living conditions

The subsistence minimum (SM) is the amount, laid down by law, which is considered necessary to meet the most basic living needs of individuals and families. Below this income threshold, the situation is defined as a state of material distress. The Subsistence Minimum Act does not in itself establish entitlement to any benefit; it merely serves as a criterion for determining the personal situation of beneficiaries and for working out the amounts of some social security benefits. In practice, the earmarking of specific amounts of SM is used as one of the potential tools for measuring the incidence of poverty, as the subsistence minimum represents the officially recognised poverty line at national level. The subsistence minimum sums are annually adjusted for inflation. For the future, the amount of subsistence minimum will have to be reviewed in the light of the real costs incurred by of low-income households identified using the recent income distribution data (2003 Microcensus).

The state of material distress of citizens is addressed in the Social Assistance Act. The protective principle is relied on to provide for basic living conditions (one cooked hot meal a day, clothing and shelter), which are guaranteed for every person under the SR Constitution. If a person meets other requirements under the Social Assistance Act, they are granted social assistance benefit at a higher level.

Social assistance expenditure represents a long-term burden on the State budget, and there are doubts as to the efficacy of this spending. As far as basic living conditions are concerned, the planned reform of social assistance provision will preserve the protective function of social assistance for those groups among the population which are at risk. There are also strong incentive elements aimed at making people become more active by various means, such as acquiring new qualifications, further education courses, reintegration into working life, etc. These activities, backed up by activation benefit for persons suffering material hardship, specifically aim to prepare people for integration into the labour market and allow them to gain independence. The law will oblige local offices, in collaboration with the municipalities, to draw up activation projects and make financial provision every job-seeker in material distress. In addition to activation benefit, provisions are also in place for a 'protection benefit', i.e. assistance provided to persons who, owing to old age, health problems or other reasons, are not able to find a way out of unfavourable social situation, either temporarily or in the long term. The establishment of an integrated system of employment and social services (specialised state administration) from 2004 will create the institutional framework for the implementation of the goals as set out in the Act.

If persons are unable to acquire the necessary financial means to meet their living expenses through their own efforts owing to old age, disability or the death of a family member, they are provided with pension security benefits. The minimum level of pension, being the sole source of income, represents 1.1 times the subsistence minimum, thus eliminating the risk of poverty.

An entitlement to an old-age pension arises upon completion of 25 years of employment and when a person reaches the required age (60 for men and 53-57 for women, depending on the number of children raised). There is also a ceiling on pension amounts, as a result of which pensions are levelled down to a generally low level. Where the conditions of entitlement to an old-age pension are not met, a social pension is provided at the level of the subsistence minimum.

The reform of pension security is currently under way. The introduction of a three-pillar pension insurance system is being planned as from 2004. The essential changes will include the extension and gradual equalisation of men's and women's retirement age. When calculating pensions, the merit principle will be applied and the levelling-out of pensions will be eliminated. At the same time, a risk of poverty may arise for those pensioners who, during their productive age, had a low income or worked for smaller number of years.

State social support for families with children comprises a system of single-payment and multiple-payment State social benefits (system of State social support). State social benefits are granted for the birth of a child and throughout the entire period during which dependent children are present in a household, but not when a dependent child is older than 25. Annual costs incurred for the payment of these benefits for approx. 1.2 million dependent children amount to around SKK 15 billion. This system of benefits incorporates certain elements for increased protection of low-income families with dependent children, single-parents families and families including a person with severe disability. An ongoing weakness of this system which increases the possibility of poverty and social exclusion, in particular for the above-mentioned at-risk groups of families with children, is the failure to maintain the real value of the benefits in the face of increasing costs of living. The need to increase benefits usually has to be set against the lack of funds from the State budget. On the other hand, the provision of these benefits for each child within a family, and in some cases depending on a family's income level, adds to the risk of benefit fraud, as has been already mentioned.

Reduction of the risk of poverty and social exclusion of families with dependent children requires:

- maintenance of the value in real terms of State social benefits in relation to the increase in the cost of living for families;
- greater financial support for families with children where parents are working so that this will motivate them to accept lower-paid jobs; this problem is to a certain degree addressed by the tax reform;
- increased support and assistance for those at-risk groups of families which are objectively unable to secure or increase their income through their own efforts, such as single parents during the period when they are personally occupied in caring for a child of up to three years of age, or where a member of the family with severe disability has to be cared for;

- prevention of abuse of benefits provided from public funds; this should be ensured by means of qualified social workers dealing directly with families presenting social problems.

A statutory minimum wage has been in place since 1990 and represents the lowest wage entitlement within an employment relationship. The amount of the minimum wage is derived from the average wage in the national economy and is adjusted so as to exceed the subsistence minimum (currently amounting to 41.23% of average monthly wages for 2002, its net amount corresponding to 119.2% of the currently effective subsistence minimum for an individual). The amount of the minimum wage is fixed by Government decree, always on 1 October each year, provided the Government has decided to increase it, which involves the risk that the adjustment does not always reflect the real increase in the cost of living. The minimum wage, as a rule, is the lowest assessment base for fixing contributions for social insurance funds. Ensuring that the increase in the minimum wage corresponds to the increases in prices and wages, consistent with other economic conditions, thus remains a priority in order to meet current basic needs and, on the basis of contributions to the insurance funds (basic, health, sickness and pension insurance), to guarantee reasonable replacement income in the event of maternity, sickness and old age.

4.2.2. Education

The right to education is enshrined in the Constitution of the Slovak Republic, according to which access to education is open to all nationals of the Slovak Republic. School attendance is compulsory for children aged 6 to 16 without exception. This means that even a child with severe disability or other problems must be provided with a suitable education, either at school or individually.

Another important aspect of equal access to education is that, according to the Constitution, it is free of charge until completion of vocational training at secondary schools. School textbooks are also provided free of charge in these schools. The 2002 Universities Act provides for continuity of the right to a free university education however this has recently been of an issue of animated discussion and new proposals may be put forward soon that could change this situation from 2004-2005.

The social conditions of the family are taken into account when fixing fees for pre-school childcare, school meals, accommodation or scholarships for students in secondary or higher education. These costs are met from the State budget.

College students from low-income families are also eligible for a loan from the Students Loan Fund, offering favourable interest rates and repayment terms. The parent of a student has the right to derive an entitlement to State social support benefits on the basis of the student being a dependent child until the latter has completed a college/university education up to second-degree level, but only up until the child reaches the age of 25. In the light of the planned introduction of tuition fees at colleges/universities, the above social support instruments will need to be reviewed from financial and equal-opportunities perspectives for all who are interested in acquiring a university education.

By drawing up the *Draft concept for Development and Training (Millennium)* and, in addition to this, the *National Programme for Education and Training for the Forthcoming 15-20 Years*, steps have been taken towards addressing the key issues in the development of education and training. The programme briefly sets out the main priorities, which should be

adhered to and implemented by State and public bodies, individual schools, teaching staff and all other education-policy stakeholders in Slovakia.

In order to narrow the gap between what is taught in schools and the education that young people need to be successful on the modern labour market, in 2002 the rationalisation process continued in the secondary schools network. The number of secondary vocational and secondary apprentice schools has been reduced, while the number of *grammar schools* offering general education has increased. At the same time, rationalisation is in progress in courses and branches of study, training programmes currently on offer are being modernised in line with regional and national labour-market requirements. Employers, the social partners and other interested parties are playing an increasing role in determining the content of vocational training courses.

In an effort to reduce the number of young people leaving school prematurely with low or no qualifications, a measure has been put in place as from 2003 to suspend the payment of child allowance where a child avoids compulsory school attendance. Those who have not achieved a basic level of education (ISCED 2) through compulsory school attendance can do so by means of courses at primary or secondary schools.

The background to preparations for the *National Programme for Education and Training* also involved partial concepts aimed at solving the issues of equal opportunities for at-risk groups of socially disadvantaged children and young people. For example, the *Concept of Education and Learning for Children and Students with Disabilities* was approved in 2000, and the *Concept of Education and Learning for Roma Children and Students* in 2001.

Students who are diagnosed as having specific learning needs are enrolled in special schools or included in the system of education for students with special needs. Such schools include not only children with disabilities but also those from socially disadvantaged backgrounds. At present, children with specific learning needs are to an increasing extent being integrated into mainstream schools.

A separate issue in the area of access to education is that of the *Roma children*, who are neglected in terms of social development and stimulation; these children are often enrolled in special schools for children with disabilities or they leave compulsory education early with only a very low level of education.

In the *National Programme for Education and Learning*, measures have been adopted to ensure that these children are at least to an extent given the same start as other children. This involves for example: introduction of whole-day education; the drawing-up of alternative curricula and school plans; individual learning programmes taking into account the specifics of Roma children and with emphasis on raising and maintaining the motivation to learn; drafting of a system of incentives for parents of Roma children for cooperating with the school; implementation of support learning programmes for entrance examinations for secondary schools and colleges. Currently, the position of 'assistant teacher' is being introduced, as well as the possibility of preparatory schooling for children from socially disadvantaged environments in the form of 'zero grades' at primary school.

Under the draft bill on the financing of schools, the education budget will depend on the number of pupils. It may be assumed that special-needs schools will under these circumstances have an interest in keeping their Roma pupils, which would worsen their segregation into separate schools and classes. Therefore, integration of the Roma children into

mainstream education has to remain high on the agenda if the problem of segregation of Roma children is to be solved.

Retraining activities are a special kind of training enabling participants to acquire new knowledge and skills enabling them to fully exploit their potential on the labour market. In 2002, 8.9% of those registered unemployed completed retraining programmes, which was an increase on 2001. Retraining was aimed more at the long-term unemployed (40%) and young people aged up to 25 years (32%). More than a third of the overall number of persons retrained found jobs, which represented a slightly higher success rate than in 2001.

As part of the plans for lifelong learning, the Ministry of Education has included among its main tasks the reciprocal linking of further vocational training with school education and the establishment of common criteria for the quality evaluation of education in schools and non-school systems of training.

4.2.3. *Healthcare*

The right to health is one of the fundamental human rights. The priority objective of the healthcare sector is to improve the condition of health of the population at reasonable cost. Those in material distress, persons with health and mental problems, children up to six years of age and nursing mothers are exempted from the obligation to pay for healthcare, as provided for by law.

Under the established legislation, access to healthcare is currently provided through doctors in primary and secondary healthcare in the individual branches of medicine. As has been already mentioned in Chapter 2, the most frequent cause of death among the Slovak population is cardiovascular and oncological diseases. Since 2000, cardiovascular and oncological disease prevention programmes have been under way, which aim to ensure early diagnosis and treatment of these diseases. Funds from outside the sector have also been allocated in order to implement these programmes, which serve to improve the health of disadvantaged and vulnerable groups, such as the poor and members of the Roma population. Early diagnosis of these diseases contributes significantly to their successful treatment and, as a result of these projects, increases the life-expectancy of the Slovak population.

The frequency of cardiovascular, oncological and infectious diseases among disadvantaged groups in population is double the level among the majority population group. The Ministry of Health (MH SR) has adopted measures that will increase the participation of such groups in preventative programmes. In 2003, projects are still in place for socially disadvantaged groups living in remote areas, and in communities with a low standard of living. As part of the project strategy to reduce the risk of disseminating A-type hepatitis virus in localities with low hygiene standards, which is being prepared by the State Faculty Health Institution, SKK 6 million has been allocated to buy A-type hepatitis vaccines. Preparing stable ambulances in Roma communities a by reconstruction of suitable public buildings for this purpose will assure improving the provision of preventative and curative primary health care for the Roma living in remote regions. In cooperation with Roma assistants, the re-inoculation rate among the Roma to protect them against infectious diseases will be increased.

In the interest of more cost-effective treatment and patient satisfaction, the main emphasis is gradually being shifted from institutional healthcare to out-patient and nursing-home care. Decentralisation of the decision-making process to a lower level, increased flexibility during decision-making and greater accessibility of healthcare in underdeveloped regions will make

for a higher level of participation in the preventative programmes and early identification of patients.

The MH SR currently supports the implementation of the *National Programme for Health Support* and the *National Action Plan for Women, Concept of Equal Opportunities for Women and Men*. During implementation of these programmes, the project *Health of Children and Women in Poor Communities* was implemented in 2002. Research was undertaken into the state of health and reproductive behaviour of respondents, and into the care of their children. The results of the research were summarised in a final report containing recommendations for improving the general state of health, in particular that of socially disadvantaged sections of the population in Slovakia. From 2000 to 2002, the Society for Planned Parenthood implemented a pilot project *Protection of Reproductive Health of Roma Women and Girls in Selected Region of Rožňava* at the gynaecological department in Plešivec. The project was targeted at Roma women and a minor group of non-Roma women from socially disadvantaged groups. In order to fully address the issue of reproductive health in Slovakia, the MH SR will present for approval a project entitled *National Programme for Reproductive Health of Women in Slovakia* by 31 December 2003 at the latest.

In 2001, the MH SR in co-operation with the MoLSAF SR adopted measures to deal with the issue of long-term healthcare provision for patients in special facilities with mental and behavioural disorders. Based on the recommendation issued by the CPT, two specialised facilities for adults are being established for this purpose.

The weak points of the above-mentioned programmes and projects, which may hamper their successful implementation, primarily include:

- significant regional disparities in terms of access to material, technology and equipment, and as regards overall levels of infrastructure;
- lack of qualified professionals, their varying qualifications and differing degrees of willingness to participate in the implementation of programmes and projects;
- low degree of willingness among segregated groups to participate in the preventive programmes, owing to cultural, historical, ethnic, social or other differences of habit;
- the need for a continual funding and the allocation of greater financial resources to the long-term implementation of programmes and projects (renewal/replacement of equipment and technology).

In addition to State and non-State entities, civic associations also make provision for the implementation of various projects aimed at assisting the socially maladapted and disadvantaged families in ensuring a balanced personality development for their children. Activities have been also started in the field of counselling for alcohol-related issues in order to eradicate or reduce the incidence of this harmful habit and its associated behavioural problems. For chronic drug-addicts suffering material hardship, free medical care (sustenance treatment and prevention of communicable diseases) is provided. The Slovak Republic runs accredited courses for counselling in this field. In future, activities involving the Ministry of Health and the Ministry of Labour, Social Affairs and the Family, and NGOs will need to be coordinated and sufficient funds will have to be found for ongoing funding of the above projects, given that current funds are rather limited.

4.2.4. *Social services*

Social services are specialised activities designed to deal with material and social hardship (home care, community provision of meals, transport services, care in social service facilities, social loans). Social services are an integral part of public services and play a dual role as regards the elimination of social exclusion. On the one hand, they constitute a source of job opportunities and, on the other, they provide support for those suffering material or social hardship by facilitating their integration into the society, thereby creating the conditions for employment and employability.

With effect from 1 July 2002, as part of the continuing process of decentralisation of social services, responsibility for running certain types of State social service facilities was devolved to the relevant municipality or self-governing region. This also involved the transfer of the properties concerned to the self-governing authorities.

At present, the network of social services and field social services does not meet the legitimate demands of citizens. (There are in Slovakia around 12 000 people waiting for provision in social service facilities, of which about 2 000 are waiting for home care) Equally, the quality of social services rendered – in material, technical and staffing terms – is inadequate. The network of 'support social services' is unable to ensure, for example, care of an elderly person during their family's absence, in addition to which there is a lack of continuity and coordination in medical and social care. Financial support for families caring for an elderly person in cases where dependency results from longevity rather than severe disability is non-existent.

In view of the above-mentioned facts, the main priorities in the area of social services include securing their accessibility for the citizen, both in material, and financial terms, which is linked to the need to extend the network of social service providers, including an expansion of the network of social service facilities. The marked strengthening of the functions, powers and responsibilities of municipal and regional self-governing authorities in social service provision must be combined with efforts to ensure adequate returns on employment-policy measures. At the same time, co-financing from the State is needed in connection with the activities of the tertiary sector as a social-service provider.

4.2.5. *Housing*

Ongoing efforts to provide the highest possible measure of financial and overall accessibility of housing are of significance, particularly in relation to the low-income groups in the population, i.e., those who are unable to themselves secure adequate housing on the property market. It is thus crucial to encourage the construction of rented apartments in the public sector, given that they account for a very low proportion of the total housing stock.

Currently, this support is provided through subsidies for the procurement of rented apartments, and by the State Housing Development Fund. In 2002, 17% of the total of 14 213 new apartments were built by the municipalities for renting out, for which purpose they received sizeable State funding.

A subsidy of up to 50% of the acquisition cost is provided for the construction or completion of apartments, the purchase of newly constructed apartments, and for the conversion of a non-residential building into an apartment house. The city, community, city ward, or non-profit-making organisation may apply for the subsidy. A tenancy apartment is provided only to a

citizen whose monthly income does not exceed three times the amount of the subsistence minimum. A minimum of 1% of the total number of apartments (not less than one apartment, however) must satisfy the conditions of the Implementing Regulation of the Ministry of Environment on general technical requirements for buildings used by persons with restricted mobility.

The level of State subsidies may amount to as much as 80% of the acquisition costs in the case of housing construction for persons in material distress in Roma settlements. In these settlements, subsidies may also be granted for the construction of utility networks for buildings under construction as well as those already existing. The basic requirement is the participation of the Roma, who should undertake work worth at least 20% of the acquisition costs for such dwellings, and the establishment of a Roma self-governing body to ensure the proper use of these dwellings. Even though the number of projects is increasing, only a little progress has been made in solving the housing situation for the Roma. The problems arise from the staff of self-governing bodies not being properly qualified, and from the lack of suitable land for buildings for the Roma community.

Future priorities still comprise not only a building-up of the infrastructure in settlements (so that the inhabitants have access to a reliable supply of drinking water and the collection of household waste, the electricity supply, sewage system construction and gas supply are provided for), the question of legal titles to lands on which the settlements are constructed and other related problems, while at the same time ensuring that housing policies generally aim to integrate the Roma into mainstream neighbourhoods more effectively.

Alongside the subsidy, the construction of rented apartments also makes use of favourable credit schemes run by the State Housing Development Fund. In 2002, this method of 100% financing was used in the construction of rented apartments in the public sector.

Persons with severe disabilities may be granted a favourable credit from these funds, as well as a subsidy of up to SKK 100 000 (depending on the number of rooms in the apartment) for the construction, completion, or conversion of an apartment or house, or for the purchase of a new apartment specifically adapted to a disabled person's requirements.

A municipality may receive funding from the State Housing Development Fund when constructing social service facilities. These facilities are designed for citizens suffering material or other social hardship (the elderly, abandoned children, single parents, the Roma living in settlements, homeless people, etc.).

In October 2003 was approved the *Concept of the Development of Housing Construction*, in which economic instruments for the support and development of housing was reviewed. Given the limited volume of financial resources allocated from the State budget, it is vital that the support be channelled to the area of social housing (for limited-income households, and with a maximum stipulated floor area and acquisition costs per square metre).

Housing policy should be tied to employment, particularly the construction of industrial estates in areas with high rates of unemployment. In the light of specific conditions and marked regional disparities in Slovakia, the issue of labour force mobility in search of work is of great significance. The MoLSAF SR strategy of supporting growth in employment lays stress on two options in the solution to the problem, namely encouraging people to change their place of residence if they find a job, or providing an adequate transport system.

In connection with the deregulation of prices on the housing and energy markets, there has been an increase in the number of population groups at risk, who are unable to secure or retain decent housing through their own efforts. Low-income households are provided with a housing allowance from the State, which reflects targeted direct support for households which is designed to cover the rising costs of accommodation. In the context of the social system reform, the financial support of housing is intended only as an element of social assistance, which is bound to reduce the number of beneficiaries.

Homeless people also rank among most vulnerable groups. Particularly Bratislava, but also some major towns in the regions have a high concentration of homeless persons. This is determined by a number of circumstances, such as the anonymity of a large city, higher level of migration, etc. The main factors give rise to a risk of falling into this category include: imprisonment (especially long-term incarceration), leaving a children's home, domestic violence, expulsion from school, family problems, financial problems, poor qualifications, drug addiction and sickness.

Care of the homeless is currently undertaken chiefly at local level through collaboration between municipal offices, non-governmental organisations and charities. Their assistance covers distribution of meals, hygiene and, in some cases, temporary accommodation. However, there is a lack of legislation on homelessness, which should oblige the municipality in which the homeless person was born or is registered as a permanent resident to cooperate in providing basic personal documentation (identity card, birth certificate,). Without these documents, it is not possible to start the process of resocialisation of homeless persons. The solution to the issue of homelessness is also considered under the EQUAL initiative with a view to devising a comprehensive approach encompassing the fields of housing, counselling services, healthcare, motivation and retraining courses, etc.

4.3. Eliminating the risk of exclusion

4.3.1. Social prevention

Provision of different forms of social prevention is an important tool in ensuring the prevention of social exclusion. Social prevention comprises a set of professional activities laid down by law, which are designed to eliminate the causes for the occurrence, deterioration or recurrence of mental, physical or social development disorders and is a part of the Social Assistance Act.

Social prevention measures are aimed particularly at the population groups at risk. These include children and young people at risk of socio-pathological development, maltreated and abused children, drug addicts, offenders and homeless people. The aim is to provide timely and effective assistance, particularly within the normal social environment, and to continually link up the individual forms of social prevention (ranging from investigative activities to social diagnostics and planned assistance planning) with to reintegration into the original social environment.

Social prevention creates conditions for the effective prevention of social exclusion, protection of rights and legally protected interests. It also comprises the solution to already occurring crises, prevents their deterioration or recurrence, and eliminates or reduces their potential social impact.

In order to create better conditions for the exercise of social prevention and ensure its methodological, institutional and organisational coverage within the competence of State and non-State entities, the MoLSAF SR has drawn up the *Concept of Prevention of Socio-Pathological Phenomena and Resocialisation*.

This concept, together with the *Outline of Social and Legal Protection of Children and Substitutional Care*, resulted in the preparation of the *Draft Rationale underlying the Act on Social and Legal Protection of Children and on Social Prevention* approved by the SR Government in June 2002. This Act, which will comprehensively regulate the protection of rights and legally protected interests, and the provision for the exercise of social prevention and social counselling for individuals and groups potentially or actually at risk of socio-pathological development, is expected to enter into force in January 2004. The drafted legislation will significantly extend the opportunities, forms of social prevention and, together with further drafted outlines and legislation (in particular, new amendments to the *Code of Criminal Procedure* and the *Penal Code*, amendments in the civil law, *Probationary and Mediation Officers Act*, etc.) will create the necessary conditions for the further improvement, extension and increased efficiency of the preventive arrangements.

Even though the efficiency and effectiveness of the preventative activities is generally accepted, the importance of social prevention is not adequately and fully appreciated and supported. Personal and professional social prevention coverage for minors and adults is falling short of the actual needs in local authorities and self-governing bodies. There is also little involvement in or support for social prevention on the part of non-State bodies.

On the positive side, there is an intensification and extension of social prevention activities in social service establishments. There are currently 24 crisis centres established in Slovakia with a capacity of 277, which provided care to 779 children. In shelters, care is provided for the homeless, those in material distress or those released from institutional or protective care, as well as citizens who are victims of violence from a person sharing their household. However, given the number of homeless people and the fact that the right to elementary necessities of life needs to be guaranteed, such care in 50 shelters with capacity cca 700 places cannot be viewed as sufficient. The quality of establishments caring for maltreated women is still inadequate. This situation is very similar to that of resocialisation centres (RS) – there are 15 such centres with a capacity of 202 in Slovakia. With a total of around 2 200 registered drug addicts, there is insufficient capacity to provide long-term care. Last year, the first four projects for the provision of follow-up social services to drug addicts in protected dwellings ('half-way houses') were put into operation.

Social prevention plays a key role in preventing the marginalisation and exclusion of individuals and groups. For this reason, there is a need to establish the right conditions – in legislative, professional, economic and staffing terms – for its extended use, mainly at the level of self-governing bodies and non-State entities, in order to broaden the range of social prevention activities consisting primarily of on-the-spot, out-patient and residential work.

4.3.2. *Preserving family solidarity*

Even though the institution of the family and strong inter-generational family ties enjoy a long tradition in Slovakia, these are also subject to changes (see Chapter 2) reflected in family structure and overall way of life.

With the aim of emphasising the relevance of the family to the individual and society, the Government adopted in 1996 a new *Outline of State Family Policy*, which includes definitions of strategic objectives and principles for encouraging and supporting the concept of the family. The adopted measures for the implementation of the State family policy are focused on legal protection of the family, meeting social and economic requirements for family life, education and learning, preparation for marriage and parenthood, and life-long protection for family members.

Prevention of poverty and the risk of social exclusion represents the practical fulfilment of one of the strategic objectives of State family policy, i.e. economic independence of families as a prerequisite for their civic independence. The social and economic conditions for family life are ensured through a range of policy tools (in the fields of employment, social insurance, and taxation, for example).

When the need arises to care personally for children or family members with disabilities, or to deal with family crises or problems concerning relationships, an important role is played by various types of social services, from counselling services to nursing services. Within the SR, there is a comprehensive and long-standing network of free counselling and psychological centres for the family. Maintaining the accessibility and professionalism of these services requires a successful transfer of current State competences to other entities. This also applies to services for families with children provided in pre-school facilities and to social services for old-age family members and those with disabilities, where the transfer of competences to municipalities and upper-tier territorial units is beset with financial problems. Nursing services provided through the tertiary private sector are usually unaffordable for lower-income families.

Unobstructed access to these services will help to avoid the risk of social exclusion, both family members being cared for, and the carers themselves. Carers, usually women, are often forced to suspend their employment or carry an excessive burden in addition to their job. The provision of access to these services, mainly to old-age family members and those with disabilities, is becoming an urgent challenge for all organisations operating in this sector, given the demographic development in the country.

4.3.3. *Supporting access to ICT*

Lack of access to modern information and communication technologies, and the associated digital literacy, is becoming one of the new risks of social exclusion. Slovakia lags behind in the process of ICT introduction, not only in comparison with the EU Member States, but also the acceding countries. The NAPE notes that the rate of Internet use in Slovakia is only 9%, while in Poland it is 15%, in the Czech Republic 22%, and in the Netherlands 46%.

It is desirable that all children should be given an equal chance to exploit their potential in the modern information society and get a real opportunity to work with the Internet in schools, including children from poor families and disadvantaged regions. The *INFOVEK* (=INFOAGE) Project has been implemented at the initiative of the Ministry of Education since 1999, its objective being a complex ICT coverage of schools, i.e. linking all primary and secondary schools in the Slovak Republic to the Internet within a period of five years, and training teachers to use and exploit ICT. It is a part of the 2000 *Outline of Education and Learning of Children with Disability* to make computer literacy an integral part of the learning process for students with specific learning needs, and to provide the necessary material, space and staff to meet these needs.

Improving people's skill in information and communication technologies is also one of the priorities of the NAPE. Besides the INFOVEK Project, the Plan includes provision for increasing the number of retraining courses aimed at the development of ICT skills. The guarantor of the programme, the Ministry of Education, cooperates here with the self-governing regions.

The relatively backward regions, small settlements and vulnerable marginalised groups of the population deserve greater attention in their efforts to encourage digital literacy in order to enhance employability. At this time, there are no special programmes designed to help these vulnerable groups gain access to ICT.

4.4. Helping the most vulnerable

European Community legislation prohibits racial discrimination in employment, education, social security, health care, housing and access to goods and services. Discrimination on grounds of religion or belief, age, disability and sexual orientation are also covered in the areas of employment and training¹. The transposition and effective implementation of these directives should form part of then Slovak Republic's strategy for promoting the integration of ethnic minorities and other disadvantaged groups.

4.4.1. The Roma ethnic group

Roma families are the most endangered population group at risk of long-term social exclusion. This ethnic group accounts for a relatively high percentage of the population suffering material hardship, with children making up a considerable proportion of those dependent on State support. This group of children is as a rule over-represented in the group of dependent children who, upon completion of compulsory school attendance, do not continue in vocational training but enter into partnerships or marriage at a young age, and become parents at a much faster rate. As they have a low level of vocational and educational attainment, they make up a large segment of the unemployed, and are in a weaker position as regards their employability on the labour market. Their basic living needs are met almost solely from social welfare provision, which as a rule shuts off their chance of moving beyond the constraints of their way of life. The question of identifying effective tools for their integration is still a relevant issue not only at national level but also in an international context.

In 1999, a *Strategy of the Government of the SR for the Solution of Problems of the Roma National Minority and a Set of Measures for its Implementation* were approved and further specified in more detail in 282 measures proposed directly by sectoral organisation or regional and district offices. Both strategies have attempted to incorporate all critical areas of the life of the Roma minority, concentrating on measures in the area of human rights and the rights of persons belonging to national minorities, such as education and training, language and culture, (un)employment, housing, social and healthcare. These strategies led to creation of the three important programmes, such as the *Priorities of the Government of the SR relating to Roma communities for 2002*, with the essential priorities being the pilot schemes for the *Comprehensive Development Programme of the Roma Settlements* and the *Programme of Social Field Workers*, the special importance of which was underlined by the SR Government in 2003 with the adoption of the *Basic Theses of the Outline of the SR*

¹ Directives 2000/43/EC and 2000/78/EC.

Government Policy on Integration of the Roma Communities. The objectives of the *Comprehensive Development Programme of the Roma Settlements* include the solution of the housing problem and building of infrastructure, support for education, raising the level employment and encouraging people to set up their own business. The means for achieving this include a combination of activities by sectoral organisations and regional and district offices, upper-tier territorial units, and municipal self-governing authorities, non-governmental organisations, and an exchange of experience between these players. A prerequisite for starting up the programme is the implementation of the *Programme of Social Field Workers*, which will draw on successfully implemented pilot programmes – *Social Field Workers, Community Centres in Settlements, Pre-school Child Preparation, Head Start Classes in Schools, and Assistants in Schools.*

Other priorities include the launch of a secondary bilingual school (Slovak/Romany), training of social workers and teaching assistants, greater support for the construction of public rented housing not segregated from the district concerned, work to favourably influence public opinion, support for a greater focus on the Roma settlements, establishment of a Roma social and cultural institution, and an employment agency acting as an intermediary in finding employment for the Roma from the affected regions.

The solution of the Roma issues in the area of employment, social assistance, Government family policy, social and legal protection and social prevention are the subjects for the MoLSAF SR, which drew up a draft entitled *Rationale for internal institutionalisation of the Roma problems in the Ministry of Labour, Social Affairs and the Family of the SR.* MoLSAF SR also participates in the development and implementation of the *Action Plan for the Prevention of All Forms of Discrimination, Racism, Xenophobia, Anti-Semitism, and other Manifestations of Intolerance.*

In spite of these programmes, there is no established, long-term approach to addressing the Roma issue by means of sustainable programmes elaborated to the point where there are real opportunities to draw on funds. Public awareness of the Roma issue as a question that concerns society at large is still not very apparent. This results in deepened prejudice against the Roma people and in the separation of the Roma from the majority society. This in turn increases discrimination and makes the implementation of any programme more difficult.

Future priorities include the development of programmes up to the point of implementation, and the extension of such programmes to include all members of the Roma ethnic minority who are at risk. At the same time, legal provision should be made for dealing with discrimination directed against the Roma in society.

4.4.2. Persons with severe disabilities

In Slovakia, an important legal framework designed to eliminate poverty and the social exclusion of people with severe disabilities is the social assistance system. This seeks to alleviate the material hardship suffered by these persons by providing *compensation for the social impact of severe disability.* The compensation is designed to overcome or mitigate those disadvantages in society which arise for persons with severe disability, and to put them on an equal basic footing with those who are not disabled. The aim is to encourage their social inclusion in society in the common areas of education, work, family and social life.

The forms which this compensation takes are social services and monetary contributions to help those with severe disability in the areas of mobility (access to personal items, civic

amenities, helping these persons to find their way within the physical environment), communication (communication with the people around them, accessibility to all types of information), key aspects of life in general, and in the home, and also as regards increased costs. Personal assistance is one of the most progressive forms of social assistance to persons with severe disabilities. This gives them effective assistance in the area of mobility, transport, communication or self-service, and in running a household. It is progressive mainly in that it encourages the independence the severely disabled, who then have more opportunity to influence the decisions affecting their lives.

For the purposes of systemically alleviating living conditions for persons with disabilities, the Government in 2001 approved a document entitled the *National Programme for the Development of Living Conditions for Citizens with Disabilities in All Areas of Life*. Its aim is the creation of equal opportunities and the integration of persons with severe disabilities into life within society (both in and outside work). It also aims to establish the conditions for preventing the occurrence of disability, and for early diagnosis, therapy and registration. The approved National Programme reflects the structure of 22 rules set forth in the UN document *Standard Rules for Creating Equal Opportunities for Persons with Disabilities*. Each rule gives an original wording under the Standard Rules, a current situation report on how it is reflected in Slovak legislation, a brief proposal for a solution and a draft of measures for specific periods of time. The implementation of the obligations under the National Programme is assessed on an ongoing basis, and the programme is supplemented in line with the needs at any given time.

Neither the National Programme nor the social assistance system contains specific provisions concerning social protection for people with mental disabilities. The specific nature of assistance provided to this group derives from general principles of compensation, which are always based on the individual needs of the person concerned.

With particular regard to persons with mental and behavioural disorders, the Slovak Government adopted in 2002 a *Draft Concept for Solving Problems in the Area of Social Services in Care for the Citizens with Mental and Behavioural Disorders in Social Services Establishments*. The need to address issues arising in social services when providing care to those with mental and behavioural disorders in social services establishments also arose from the conclusions drawn from the visit to Slovakia of the European Committee for Prevention of Torture and Inhumane or Degrading Treatment or Punishment. The strategic solution of issues of this target group is also based on the model for the Reform of Psychiatric Care in the Slovak Republic (health care model) that was drawn up by psychiatric experts and approved by the Ministry of Health.

Key priorities for the future in the area of social assistance for persons with severe disabilities include strengthening of the principle of encouraging independence, activation of the learning and working process and, as a tie-in with this, increasing the capacity to target compensation for the social consequences of severe disability. For these purposes, the opportunities to finance capital expenditure from the European Social Fund will be made use of.

Particular attention needs to be given to the position of people with intellectual disability who make up approximately 3% of the total Slovak population. While major changes in services for people with intellectual disability started after 1989 and positive developments have taken place more needs to be done in order to ensure their better integration into society, their participation in normal social, cultural and recreational opportunities and increased respect for their human rights. In particular further improvement of health care, rehabilitation and

community-based support services, including the better training of staff, together with enhanced income maintenance and family supports will be important. Tackling prejudice and discrimination through raising awareness will also be vital to increasing integration into mainstream education and employment. Tackling the problem of large residential institutions has just begun. Ensuring that this process of de-institutionalisation leads to a better support system in the future will be very important while in the short term improving quality standards in the large institutions must be a priority. Ensuring the rights of people with intellectual disability as citizens and their right to legal personhood will be very important.

4.4.3. Other disadvantaged groups

Among the groups facing the most severe risk of social exclusion are drug addicts (including alcoholics – alcohol being the most abused substance) who, as a result of their dependency, have lost touch with their family, working, economic and social backgrounds, whilst the means of restoring their ties with their original environment (i.e. finding a job, accommodation, re-establishing family and social links) presents considerable difficulties.

Similar problems also arise with offenders released from prison, young people released from institutional or protective care after reaching the legal age of majority. In such situations, the absence of a family and working background is a considerable risk factor which makes integration into society more difficult. Special attention should be therefore paid to these groups in order to prevent the deterioration and persistence of problems, or relapses, and to minimise and reduce their physical, mental and social impacts. For this purpose, provision should be made for social and specialised counselling, all forms of social prevention, on-the-spot social work (such as post-incarceration and postmural care), programmes for resocialisation and protected housing, programmes for social and professional rehabilitation, harm-reduction programmes etc. These are interdisciplinary measures and therefore call for the collaboration and coordination of all parties involved at national and local level, the adoption of current draft legislation (such as the Act on Social and Legal Protection of Children and on Social Prevention, the Probation and Mediation Act, the Crime Prevention Act, the amendment of the Penal Code and Code of Criminal Procedure, etc.) and preparations for social work with these specific groups carried out by properly qualified professionals.

4.5. Mobilisation of all relevant bodies and organisations

The fight against poverty and exclusion is a multi-faceted one. It is therefore crucial that all relevant players participate in it, from state bodies, through public and private-sector organisations, to all individual citizens, including those who suffer from exclusion.

4.5.1. Mainstreaming and integrating social inclusion policies at national and local levels

Even though the work content of the MoLSAF SR has always been concerned with the affected groups in the population, the JIM is the first integrated programme with which the Government has officially announced and launched a fight against poverty and exclusion, not only at national but also supranational level. Mainstreaming and integrating social inclusion policies at national and local levels draw on the common objectives approved by the EU in Nice. At the same time, they also rely on particular national programmes, action plans and measures which are being continually drawn up at the MoLSAF SR in line with the strategic and conceptual goals in order to ensure the inclusion of the various disadvantaged groups which have been explicitly referred to in the previous sections of this chapter.

Solving the problems of poverty and social exclusion is determined by the political acceptance of these phenomena as priority issues for Slovak society. Mainstreaming of poverty and social exclusion is crucial for enhancing the quality of cooperation at horizontal level (between sectoral ministries), at vertical level (between individual tiers of the State administration and self-governing authorities), as well as at inter-sectoral level (between the Government institutions, non-governmental organisations, and the private sector). Integration of social inclusion policies will require a strengthening of the sense of responsibility and motivation among individual stake-holders to take part in the solution to these problems. This requirement also ties in with the need to continue developing the areas of responsibility of self-governing authorities (cities and communities), which are closest to where poverty and social exclusion arise and spread.

4.5.2. Mobilising all the stake-holders

In Slovakia, the MoLSAF SR has been assigned the agenda for the creation of the Joint Inclusion Memorandum (JIM) and mobilisation of all stake-holder structures. Representatives for the working team from the relevant ministries (the Ministry of Education, the Ministry of Health, the Ministry of Construction and Regional Development, self-governments, statistical authorities, trade unions, research and non-governmental institutions, etc. have been nominated. Successful mobilisation of stake-holders implies the use of mechanisms that will motivate them to participate in combating poverty. The establishment and support of public/private partnerships at national and local levels, in which representatives of different sectors may contribute to the solution in their own field of activity, may prove to be a major asset.

Within the Ministry of Labour, Social Affairs and the Family, a wide institutional backdrop was created for addressing the issues of the fight against poverty and social exclusion. This involved establishing the Strategy and Coordination Section (responsible for overall coordination of the JIM), the Social Inclusion Section (composed of several divisions, covering population groups at risk) and the European Social Fund Administration Section. However, the development of partnerships at local and also national level is only in its initial stages.

In order to mobilise all stake-holders it is first of all necessary to know who they are. The MoLSAF SR is therefore creating a database of governmental and non-governmental institutions that focus their work on excluded population groups. In the future it will be necessary to identify the most active organisations, establish collaborative contacts with them through local offices and provide them with counselling and financial assistance in engaging in the struggle against poverty. This concerns not only the NGOs, which help solve these phenomena directly on site, but also research, training and other organisations.

4.5.3. Encouraging the participation of those who are excluded

For measures to help at-risk groups to be effective, it is crucial that the groups concerned should accept them readily. Recently, there has been a slightly higher participation rate in the process of the inclusion in society of the targeted groups. New NGOs are being created from the ranks of persons with disabilities, old people, or the Roma ethnic group. The role of the MoLSAF SR will be to continue encouraging the participation of further marginalised groups in decision-making and in implementing measures designed to combat their exclusion.

5. SUPPORTING GENDER EQUALITY IN ALL MEASURES ADOPTED AS PART OF THE FIGHT AGAINST POVERTY AND SOCIAL EXCLUSION

Support for gender equality is provided for in the relevant legislation and, in institutional terms, is ensured at Government level through the Department of Equal Opportunities and Anti-discrimination at the MoLSAF SR and is being prepared by the Expert Committee for Gender Equality. At parliamentary level, there is a Subcommittee for Equal Opportunities and the Position of Women in Society, working with the Committee of the National Council of the SR (= Parliament) for Human Rights, National Minorities and the Position of Women.

Gender issues and equal opportunities are important aspects of the approach to addressing problems of poverty and social exclusion, gender mainstreaming being at its core. Women and men experience poverty differently and create different strategies to overcome it. In introducing the strategy of gender mainstreaming, the issues emerge of the status that these problems enjoy across society and the political will for introducing the principle into the mechanisms that govern that society. One of the prerequisites for gender mainstreaming is also equal representation of women and men in the power and decision-making structures (while there is no woman in the current Government, following the election in 2002, women's representation in Parliament was up by 5.3% on the preceding term (to a current level of 19.3%). Entrenched stereotypes continue to persist in this area. Their elimination is also of significance for solving the issues of poverty and social exclusion.

As part of the moves to encourage gender equality, the Government in 1997 approved the *National Action Plan for Women (NAP)* and in 2001 the *Concept of Equal Opportunities of Women and Men (CoEOoWaM)*. These documents also constitute basic schemes for devising special measures for the elimination of poverty from gender viewpoint. In the NAP for women, this area is covered under priority III, *Creating conditions for the elimination of economic disadvantages which may result in women's material distress* and VII, *Creating conditions for personal development and employment of women with smaller development chances (women living in rural areas, women of the Roma ethnic group, unemployed women, women not adequately prepared for their motherly role, women with disabilities, etc.)* and in KRPŽaM – *Supporting projects to enhance the position of rural women and men, and women and men with limited opportunities*. In April 2003, the Government adopted a resolution by which it called on the MoLSAF SR to draw up measures specifically aimed at creating equal opportunities for Roma women (*Government resolution on the evaluation of the Priorities of the Government of the SR relating to Roma communities for 2002 and the Strategy of the Government of the SR for the solution of problems of the Roma community for 2001 and basic rationale for the outline policy of the Government of the SR in the integration of Roma communities*). The Government has also monitored the issues of poverty and social exclusion through the prism of gender equality by other means, which have been discussed in the preceding chapters.

Key risk areas or "gender poverty gaps", in which gender equality needs to be fostered, and which have been discussed in other contexts in the preceding chapters, include:

1. With regard to gender equality in the area of employment and income distribution it is crucial to eliminate the long-term unemployment of women, increase the attractiveness of women with children as members of the labour force, specifically adapt job positions to various flexible work arrangements (flexible working time, job-sharing, part-time jobs, teleworking, home workers, etc.), reduce disparities in the remuneration of women and men, prevent gender segregation in the labour market, with women significantly over-represented

in lower paid sectors (health, education, public administration, light industries, etc.), ensure equalisation in the amount of pensions, thus eliminating the risk of feminisation of old age and poverty. In the near future, programmes will be devised for the purpose of enhancing the employability of those women who are at increased risk of social exclusion, particularly long-term unemployed women, women from the Roma ethnic group, women with disabilities, older women, women with problems of social integration (female ex-offenders, homeless women, women addicted to alcohol and/or drugs), women in families with a large number of children, and incomplete families with dependent children, young women raised in disadvantaged social and family environments, girls with unfinished primary education, special school-leavers, migrants, refugees, and asylum-seekers.

Measures to tackle the existing state of affairs are difficult to implement and call for improved economic performance and a change in gender stereotypes within society, particularly among employers.

2. Gender equality in access to health services and provision of quality reproductive health services is an important prerequisite for the prevention of poverty. Information for women on their rights and the options available to them, which the healthcare system has to offer, particularly in the field of prevention, is crucial here, especially for those from disadvantaged sections of society. Violence against women has a relevance which is wider than the health aspect alone, although this does play an important part. Recent amendments to legislation dealing with violence against women have taken important steps in the interest of the protecting victims of violence, and also as regards working with offenders inflicting violence. Roma women become mothers at a young age. Compared with non-Roma girls, they much more frequently give birth to their first child when still of compulsory school age. When caring for their children becomes the sole occupation of these girls, this obviously has an impact on their personal development, and their opportunities in life and on the labour market. Next to preventing these young girls from becoming parents at an age when they are still children themselves, the main priority should go to offering them alternatives and opportunities. What is thus needed is a linking of the kind of preventive health policies mentioned in the previous chapter to policies aimed at getting and keeping Roma girls in education so that they get a degree or diploma and thereby increase their opportunities to make their own choices in adult life.

3. Gender equality in access to education, training and retraining – women's relatively high level of education offers a fairly good starting point for employment. Family duties which are mainly assigned to women as a result of stereotyped views create a barrier upon their entry onto the labour market after a period spent raising a family. Despite this, women show greater interest in training and retraining.

Training for women who have finished bringing up a family is given greater emphasis in active employment measures and projects. It is typical of the female labour force that women are more ready, for the sake of their family responsibilities, to take jobs for which their level of education makes them over-qualified. The prevailing inclination of women in education towards the humanities reduces their attractiveness as part of the labour force. Therefore, in training women, emphasis is placed on computer literacy and mastery of information technologies.

4. Gender equality in access to social services and provision for their accessibility and quality may be an important factor in reducing the poverty risk. In this context, childcare services in nurseries and kindergartens are also of significance. Inadequate housing and living

in cumulatively disadvantaged areas contributes to the feminisation of poverty and creates a breeding ground for multiple victimisation and cross-discrimination (for example, a Roma woman with many children, an incomplete education, unemployed, and exposed to cultural stereotypes). Exploitation of solidarity within the family results in women doing an increased amount of unpaid work and in the disproportional burdens placed on them. With regard to reconciliation of work and family life, a major advance can be seen in the constructive approach of regional and district offices towards extending social services. Employers are adding to their social programmes and seeking innovative, integrated and less costly avenues and means of extending fringe benefits. Non-governmental organisations are actively involved in this respect, setting up, for example, Mother Centres, Centres for Women Victims of Violence, etc.

The MoLSAF SR coordinates institutional provision and is responsible for the progress to be achieved in the above areas, in which it cooperates with other ministries and senior State administrative bodies, the social partners (employers, trade unions) and, above all, non-governmental organisations. Enhancing institutional provision for gender issues focusing on social cohesion and social dialogue has been incorporated in MATRA, "*Equal opportunities in the SR*", a PHARE project involving cooperation between the Netherlands and Slovakia, which is being implemented by the MoLSAF SR. The Department of Equal Opportunities and Anti-discrimination has devised a project on the introduction of equal-opportunity issues onto the of local and regional self-government agenda. Implementation of the project began in 2003. The Department of Equal Opportunities and Anti-discrimination specifically monitors groups of women that are at particular risk of poverty and social exclusion (referred to in the earlier text) by reviewing the outcome of measures set out in the relevant national action plans. A separate piece of legislation on equal opportunities has not been adopted as yet, although a bill on the application of the principle of equal treatment (known as the Anti-Discrimination Act) has been drawn up.

6. STATISTICAL SYSTEMS AND INDICATORS

The **Census of Population, Houses and Dwellings** is one of the most significant and extensive statistical surveys, which is usually carried out at ten-year intervals. For the first time, the Statistical Office of the Slovak Republic (SO SR) undertook a full-scale **Census** under the changed conditions in 2001, although provision had already been made since 1997 for its legislative, organisational, methodological, and budgetary aspects, as well as its comparability with censuses from other countries. The preparation and implementation of the Census of Population, Houses and Dwellings in 2001 in the SR was consistent with the recommendations of EUROSTAT.

The database of the Census mainly serves demographic purposes – the evaluation of the population structure from different aspects (age, gender, regional, religious, national minorities, etc.) on particular dates. Secondary information collected via the Census will be used for the processing of information on commuting for employment, schools and learning. The results are made available to international organisations and central bodies of the State administration.

The **microcensus** is a household income survey carried out every 3–5 years. It provides detailed data on the structure and level of household income. Secondary information acquired through these surveys is the data on housing costs. A household dwelling is the survey unit

composed of persons having permanent residence in any one flat. The survey sample consists of around 19 000 households, representing approximately 1% of all households in Slovakia.

The survey is taken on the basis of the International Labour Organisation Convention on Labour Statistics No.160, adopted by the International Labour Conference in Geneva (25 June 1985) and the National Programme for the adoption of the *ACQUIS COMMUNAUTAIRE* 2001, Module 36, Subject 363 – Income, Poverty and Social Exclusion, whereby international comparability of the data is also ensured. The most recent survey was conducted in April 2003, the results of which will also be available for social policy purposes, including the analyses of income distribution. The processed data will be available by the end of this year.

The **Household Budget Survey** is aimed at surveying primarily the monetary and non-monetary expenditure items in certain groups of households. The information on expenditure for food and beverages is supplemented by information on consumption of these goods. The data on the quality and facilities of apartments and households are secondary indicators emerging from this survey. For the purposes of household classification, they provide information on the social and economic status of their members. The collection of data on income items uses the national classification. In collecting data on expenditures, the SO SR has adhered to the requirements of Eurostat and other international organisations, using the classification of individual consumption by purpose for the use in Household Budget Survey (COICOP-HBS).

Since its beginnings (in the mid-1950s), the reporting network for the Household Budget Survey has been implemented using the quota selection according to survey criteria, and the SO SR is preparing changes to the Household Budget Survey over the course of 2003. The change in drawing the reporting sample using random selection is expected to improve the quality of information (selection will rely on the 2001 Census); income will be monitored on the basis of the recommendations of the international group of experts (Canberra Group), and the consumption characteristics according to the international classification COICOP-HBS; data on household characteristics and the characteristics of household members will be collected in keeping with the recommendations of Eurostat for harmonisation of household budgets – which is only slightly within the scope of currently gathered information, adjusted to the requirements of Eurostat. Results will be processed as they are now, quarterly and annually.

The assumption is that the new system of surveys, to be embarked upon by the SO SR from January 2004, will permit recalculation of some social indicators (Laeken indicators).

Since 1993, the **Labour Force Survey (LFS)** has been conducted in households as a standard internationally comparable method for monitoring the situation in the labour market. The concept of the survey draws on the definitions and recommendations of the ILO and Eurostat – the Labour Force Survey in the SR is conducted continually, with quarterly processing and publication of the results. On the basis of stratified systematic selection, 10 250 dwellings are included in the sample each quarter, representing roughly 0.6% of the total number of permanently occupied dwellings in the SR. All the data collected is recalculated for the actual demographic data for the SR population. Survey results are published quarterly and are available for the SR and its regions. Information from the LFS for the entire SR is considered to be of good quality and representative, and there were no reservations expressed by international organisations as regards the overall LFS system.

In 2000, within the LFS, provision was made for the alignment of periodicity of surveys (transition to calendar quarters) within the meaning of Eurostat standards, the application of international classification of education (ISCED) and the introduction of supplementary surveys on the transition from school to working life. The major problems in the alignment concern: the required size of the sample set which, according to the recommendations of Eurostat, should comprise 5% of the population of productive age; the conducting of supplementary surveys for the LFS, undertaken annually always in the second quarter and designed to monitor the duration and structure of hours worked (in 2001), the employment of persons with altered work capacity (in 2002), lifelong learning (in 2003), and the transition from school to working life (in 2004).

Since 1996, the Statistical Office of the SR has been also organising, annually, a **survey of the wage structure** and, since 1994 (with the exception of 1995) a **survey of total labour costs**. The latter draw on the recommendations of Eurostat as regards its methodology.

The scope of the surveys covers legal entities entered in the commercial register and included in the SO SR Register of Organisations and the Register of Companies. They comprise both are profit-making and non-profit-making organisations within all branches of the Slovak economy. The results of both surveys are recalculated for the basic set of enterprises and employees of the Slovak economy.

Adding the structure of indicators on job arrangements, working time, employees and wage items was an important task in the wage-structure survey, with a view to aligning them with the EU by 2002. Currently, both surveys are fully in line with the statistics of wages and labour cost of the EU Member States. The data is published annually in Slovak and English, and is also made available to Eurostat.

Current national statistical sources (Household Budget Survey, Microcensus, the Labour Force Survey) monitoring the social situation of the Slovak population do not fully meet the requirements of Eurostat for monitoring poverty and social exclusion. For this reason, the SO SR, on the basis of the recommendations of Eurostat, decided to become involved in the preparatory efforts concerning a new harmonised statistical instrument, the **Statistics of income and living conditions (EU-SILC)**.

The purpose of EU-SILC will be to develop a representative source of comparable indices for the area of income distribution and social exclusion. The result will be two databases with indicators in cross-sectional and longitudinal snapshot that will offer information on households and individuals. The areas covered by the survey will mainly be concerned with income, health, education, work and housing. The implementation of the survey is expected to start in 2006. The work already in progress on the pilot project using PHARE funds will make a substantial contribution to the achievement of high comparability of our survey with surveys undertaken in the EU Member States.

SO SR expects that the results of the new survey will fill the void in the monitoring of the social situation of the Slovak population, and will provide information for an assessment of social exclusion of the population groups for which the SO SR currently has little or no information.

The statistical surveys provide, regularly and longitudinally, information on employment, unemployment, wages, education structure, and the demographic composition broken down

by gender. In addition, the SO SR gathers information by gender for elections (members of Parliament).

Central bodies and institutes provide additional information, broken down by gender, such as figures on crime and violence from the Ministry of Justice, statistics on morbidity and healthcare from the Institute of Health Information and Statistics and the National Public Health Institute, and detailed information on education structure within the population from the Institute for Education Information and Prognoses.

There are still many unexplored areas in the field of monitoring poverty in Slovakia. Up-to-date information is currently lacking as regards aggregate household incomes. Little information is available on employment, unemployment, education, health, housing etc. for specific groups at high risk of poverty, such as the population in the Roma settlements, ex-offenders after release from prison, homeless persons and the disabled.

Briefing materials for the income distribution analysis for 2002, and hence also the calculation of Laeken indicators (especially the at-risk-of-poverty indicator) on monetary poverty are expected to be released by the end of this year and will be based on this year's Microcensus. Projections of income distribution of households for 2003-2004 are derived from the Household Budget Survey and for 2005 onwards, the prepared EU-SILC will be the information source. The question of access to information on the poverty of specific population groups obtained from a central survey has not yet been settled.

7. SUPPORT FOR SOCIAL INCLUSION POLICIES VIA THE STRUCTURAL FUNDS

Many of the priorities in the area of combating poverty and exclusion which are contained in the JIM may be supported by means of the structural funds. Significant support from these funds in building an inclusive labour market and encouraging the employment of groups particularly at risk is expected above all in the area of extending flexible public employment services (by supporting creation of new job opportunities for the very low-skilled and the disabled, retraining programmes, activation of the long-term unemployed for looking for a job, etc.). Structural funds may play an irreplaceable role in aligning the education process with the needs of the labour market, supporting lifelong learning, as well as reducing regional imbalances by encouraging enterprise and eliminating obstacles to mobility for work.

To ensure equal access to high-quality health and social services, the use of resources from structural funds may also significantly contribute to the equalisation of regional disparities in terms of staffing, material and technical provision, and the equipment of health and social facilities, and may increase their accessibility through greater capacity and infrastructure.

Structural funds resources may also help the fight against discrimination, gender inequality and exclusion of the Roma ethnic group not only in the area of employment or education, but also through supporting programmes aimed at facilitating their inclusion in society. Assistance for the Roma communities in Slovakia is to be mainstreamed under the programmes and measures whenever appropriate. Quantified targets and a specific monitoring process still need to be agreed for the measures concerned.

A vital precondition for the use of the structural funds assistance is that operational administrative capabilities must be in place. The database on available non-governmental organisations, capable of proposing and implementing projects focused on combating social

exclusion is a very useful tool. It contains not only NGOs which help to tackle these phenomena on the ground, but also the research and training organisations, etc.

The most important tools within the structural funds for tackling the problems of social inclusion include the European Regional and Development Fund (ERDF) and the European Social Fund (ESF). As the body in charge, the Ministry of Labour, Social Affairs and the Family is responsible for the implementation of the ESF. The ESF provides support for the implementation of priorities and objectives contained in the Sectoral Operational Programme Human Resource (SOP HR), in the Single Programming Document Bratislava Objective 3 (SPD BA 3) and in the EQUAL Community Initiative.

The greater part of the priorities on social inclusion contained in the JIM are identical with the priorities of these programmes.

In line with the European Employment Strategy, the priorities incorporated in mentioned above documents strongly emphasise the fight against social exclusion and the efforts to achieve in particular the social inclusion of those groups of job-seekers who are at the highest risk of falling into a state of poverty and remaining there.

Notwithstanding the mainstreaming approach in favour of the Roma minority to be applied throughout the Structural Funds programmes, social inclusion is particularly addressed under Priority No. 2 “Reinforcement of Social Inclusion and Equal Opportunities on the Labour Market” of the SOP HR. The priority focuses on enhancing the employability of persons at a higher risk of social exclusion. These persons mainly include the long-term unemployed, members of Roma communities, disabled persons, elderly persons, persons with social inclusion problems (persons released from custodial sentences, the homeless, persons with alcohol and drug problems), families with large numbers of children and incomplete families with dependent children, young people brought up in a disadvantaged social and family environment, migrants, refugees and asylum-seekers.

As became clear in the previous chapters, social exclusion problems are very closely linked to the worrying unemployment and labour market bottlenecks in Slovakia, and a lack of suitable qualifications also often plays its part. The other priorities of the SOP HR will therefore support policy priorities identified in this JIM. Enhancing the employability of persons at risk of social exclusion will be addressed under priority 1 of the OP HR "Development of active labour market policy", under Priority 3 "Improved qualifications and adaptability of workforce and those entering the labour market" as well as through the grant scheme of the Social Development Fund. Preventive measures for young people and the elderly at risk of long-term unemployment will be reinforced, active labour-market policy will become more focused, information systems will be extended in order to make accessible information on the demand for and supply of jobs, and on consultancies.

The content of Priority No. 1 “Development of active labour market policy and social integration“ of the SPD BA3 is similar in its focus. Its first specific target is to “improve the efficiency of active labour market policy with an emphasis on widening options for access to the labour market to persons endangered by social exclusion, on improving the structure of the labour market and on improving the quality of public service in the employment.“

The objective of this measure is to help those groups and individuals who are at risk of social exclusion and who wish to participate usefully in life within society. Social exclusion is a

result of a lack of opportunities for such participation in the field of employment, education, housing and social protection.

The measure is also aimed at supporting the provision of services to persons at risk of social exclusion; such services should help them find accommodation, receive benefits and join in activities that are necessary for their social inclusion.

The main aim of this measure is to increase the participation of persons at risk of social exclusion in the labour market, and in life within society in general. This measure is implemented by means of operational targets.

The European Initiative EQUAL, which forms part of the European Union's employment policy financed from the European Social Fund, has the objective of increasing and improving employment. The main aim is to develop and test procedures which tackle discrimination and inequality in the labour market, to promote equal opportunities and to fight against social exclusion through collaboration between countries. The EQUAL initiative provides a forum for new ideas which could change the future policies and practice in the fields of employment and vocational training, and could open the doors for disadvantaged groups to enter the labour market. In principle, the EQUAL initiative works on the basis of collaboration between key entities in a given region or sector which set up Development Partnerships (DPs). DPs are targeted at solving unemployment-related issues and operate within a predetermined thematic framework. There are nine elementary thematic groups across the Community, based around the four pillars of the European Employment Strategy.

The EQUAL Initiative comprises multiple phases. Development Partnerships agree on a strategy and attempt to introduce new ways of solving predetermined issues of discrimination and/or inequality on the labour market. In this phase, a contact should be established with a foreign partner with whom the Development Partnership will seek to develop its ideas on a given issue. The second phase is implementation: participants must evaluate and quantify the activities performed and experience gained. The resulting approach which is implemented through the EQUAL Initiative should be analysed. Depending on their reference values, the information will be generalised and disseminated across the country and the European Community. Thematic networks will be created on the basis of accessible information and knowledge. Their objective is to disseminate good practice (horizontal impact) and to influence policies and decision-making processes (vertical impact). Implementation of individual phases of the EQUAL Initiative is supported through Technical Assistance. At present, the Slovak Republic is unable to draw funds from the European Social Fund. Under an agreement concluded between the Ministry of Labour, Social Affairs and the Family and selected Development Partnerships, each DP will receive a grant.

The **funds** allocated for the above measures (State funds and ESF funds) are only of a preliminary nature, and their amount is still the subject of negotiation.

8. CONCLUSIONS

The government of the Slovak Republic recognises that tackling poverty and social exclusion is one of the most urgent challenges it faces and is fully committed to participation in the European Union's social inclusion process, the Open Method of Coordination on poverty and social exclusion (OMC), following its accession. The process of preparing this Joint Inclusion Memorandum has been an important means for preparing for full participation in the OMC. It

has provided an opportunity for clearly identifying the main trends and key challenges that the country is facing in terms of tackling poverty and social exclusion. It has highlighted a number of recent policy initiatives introduced by the Government and has provided an opportunity to review the effectiveness of existing policies in this field. This has enabled key priorities to be identified for further policies and programmes to address the basic challenges.

The process of preparing the JIM has, in line with the common objectives which underpin the EU's social inclusion process, emphasised the need for a multi-faceted and comprehensive approach to tackling poverty and social exclusion. This means mainstreaming and integrating a concern with these issues across key policy areas such as the labour market, taxation, social protection, education, housing and public services. The intention is thus to develop an overall strategic approach which is based on promoting sustainable economic growth and effective and mutually reinforcing links between economic, employment and social policies.

The analysis that underpins the JIM draws particular attention to the link between unemployment (especially in the long term), poverty and social exclusion. In this connection, particular attention needs to be paid to the situation of school-leavers and the young unemployed, the Roma, the disabled and those with small children. This means that policies in relation to lifelong education and training are especially important. However, many other major challenges and policy priorities are identified in the course of the JIM. These will need to be addressed progressively as resources become available. Thus a long-term approach will be needed.

The Government of the Slovak Republic and the European Commission have identified the following as the most urgent challenges in relation to tackling poverty and social exclusion:

- to increase employment levels, and to support and encourage greater initiative among those who are unemployed, especially the long-term unemployed, in looking for work;
- to ensure that reforms of the social protection system both guarantee an adequate income for those at risk, particularly families with dependent children, and reinforce active labour-market policies aimed at encouraging people to take up jobs;
- to overcome educational disadvantage by encouraging lifelong learning opportunities for all, and in particular to ensure that all young people gain the education and skills that are necessary to participate fully in civil society and the labour market;
- to overcome the extreme poverty and exclusion experienced by the Roma community and to promote their full integration into society.

In light of the analysis undertaken in this report, the Government of the Slovak Republic and the European Commission have agreed that the most immediate policy priorities in relation to tackling poverty and social exclusion are:

- to intensify measures to promote the integration into the labour market of those most at risk of long-term unemployment, in particular by: building an integrated system of public employment services and social services; extending flexible forms of public employment services and increasing the responsiveness of ALMP retraining programmes so as to improve access to employment for at-risk groups as well, in line with their particular needs; ensuring that the social protection system, labour-market policies and the tax system

are closely linked so as to support and motivate the long-term unemployed in preparing to enter the labour market, to remove disincentives to taking up jobs and to ensure that taking up work pays and lifts people out of poverty and social exclusion;

- to overcome educational disadvantage and make education relevant to modern society and the labour market by bringing the education system into line with the needs of the labour market, preventing early dropping-out of school and also ensuring access to education for other high-risk groups by supporting lifelong learning;
- to develop housing policy by encouraging the construction of social housing for low-income households, facilitating access to housing without physical barriers for persons with severe disabilities, and developing comprehensive and integrated approaches to tackling homelessness;
- to create conditions for reducing poverty and social exclusion levels of the Roma, to support the realisation of programmes designed to solve their housing and infrastructure development, education, retraining and employment; to continue in fight against discrimination of the Roma and promote the inclusion of the Roma ethnic group in the majority society.

In implementing the above measures, the Government recognises that it will be important to build on the approach adopted in developing the JIM and to develop appropriate institutional mechanisms in order to ensure that a concern with poverty and social exclusion is mainstreamed across all relevant ministries, and that there is close collaboration between Government, the social partners, local authorities and NGOs. Increased cooperation between all social partners, both nationally and locally, is essential to ensure further development of public employment, social and health services and to ensure the full participation of those experiencing poverty and social exclusion. In implementing any measures, it will also be essential to pay particular attention to reducing regional imbalances. Some of the priorities identified in the JIM and the corresponding policy actions will benefit from the financial support provided by the EU structural funds, especially the **European Social Fund**.

Furthermore: the Government of the Slovak Republic is aware that the effective promotion of social inclusion is an ongoing process which can only produce effective and enduring results in the long-term and on the basis of a series of consistent measures and continuous monitoring and updating of those measures which have already been adopted. In order to monitor the implementation of policies and measures, assess their effectiveness and allow for comparisons between EU Member States, it is extremely important that clearly defined indicators should exist, which will mean giving attention to improving statistical systems and indicators.

The Government considers that its participation in the Open Method of Coordination following accession to the EU will contribute significantly to the continued updating and improvement of measures. In particular, the Government is committed to following up on the work begun in the JIM with the preparation of its first National Action Plan on Poverty and Social Exclusion, which will be presented to the Commission in 2004.

ANNEX 1 STATISTICAL TABLES

Table 1 – Laeken Indicators

		Slovak Republic*	EU15**	ACC***
		2003	2000	2001
S80/S20 quintile share		2.7	4.4	4.2
Risk of poverty rate	Before social transfers	19	40	44
	After all transfers	5	15	13

* Source: Microcensus 2003 - Bilateral discussions between the Slovak authorities and Eurostat are still taking place to validate these figures for the purpose of transnational comparison..

** Source: Eurostat.

*** Source: Eurostat - These figures cover all acceding countries except for the Slovak Republic.

Table 2 – Employment Indicators

Employment indicators in 2002	Slovak Republic	EU15	ACC
Unemployment rate (% labour force 15+)	18.6	7.7	14.8
Youth unemployment rate (% labour force)	37.3	15.1	31.9
Long term unemployment (% labour force)	12.1	3.0	8.1

Source: Eurostat.

Table 3 – Social Assistance Beneficiaries

Proportion of social assistance beneficiaries in selected groups at risk in the SR by regions
(2001 in %)

Type of household	SR	Bratislava	Trnava	Trenčín	Nitra	Žilina	Banská Bystrica	Prešov	Košice
Beneficiaries	11.7	2.5	8.7	7.1	12.3	13.9	10.0	16.5	19.1
of which dependent children	14.0	2.1	7.8	5.9	12.8	9.9	17.7	21.7	24.8
Unemployed	57.3	36.1	55.9	53.2	56.6	57.9	58.3	57.8	63.3
Single parents with children	22.0	6.5	19.5	18.9	28.4	21.5	25.5	22.2	33.3
1	19.9	6.2	18.0	17.1	26.4	19.1	24.2	20.7	30.1
2	21.6	5.8	19.9	19.0	28.3	20.6	22.7	21.0	32.7
3	36.3	13.2	32.5	30.7	44.1	35.2	46.1	28.9	51.8
4	50.3	25.3	39.4	47.0	60.9	54.1	62.8	36.6	60.8
5+	51.5	35.2	45.8	52.3	57.8	74.5	45.9	39.4	58.4
Couples with children 0	2.5	0.3	1.7	1.2	3.1	1.7	3.5	3.6	4.2
1	7.5	1.0	5.2	3.6	8.5	4.9	10.4	11.0	13.3
2	8.8	1.1	5.7	4.0	9.7	5.7	12.7	12.6	15.0
3	18.3	3.9	11.2	7.0	18.8	10.4	28.0	22.6	33.1
4	36.2	8.3	25.8	14.0	39.9	17.8	55.3	39.1	62.6
5+	62.7	23.4	44.4	28.9	53.5	32.0	77.2	69.0	89.2

Source: Application program facility of Social assistance benefits (APV DSP), The Census of Population, Houses and Dwellings 2001 SO SR.