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Assessment of the implementation of the European Commission Recommendation on active inclusion

A Study of National Policies

Slovak Republic

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A Study of National Policies

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Country report - Slovak Republic

Table of Contents

Summary

The only strategic document in which the Slovak government directly refers to the recommendation on the active inclusion of people most excluded from the labour market is the National Report on SP/SI Strategies (2008). However, reference to the document and implementation of its principles are two different things. With exception of the earlier Comprehensive Development Programme for Roma settlements (2002) and the recent National Strategy of Integration of Roma Communities (2012), neither of the recently prepared strategic documents provided a policy design defining "the right mix of the three strands of the active inclusion strategy" or set a plan for their integrated implementation "to effectively address the multifaceted causes of poverty and social exclusion". Neglect of the decent income strand and insufficient attention to access to services of those most excluded from labour market has been the main reason that a balanced integration of all three strands of active inclusion in the period was not attained after 2008, as well as before.

Though Slovakia has the unfortunate distinction of being the EU27 leader in share of long-term unemployed for several years, expenditure on unemployment benefits and ALMP as a percentage of the GDP in Slovakia have been below the EU 27 average and in 2009 reached the seventh lowest level in the EU 27. Public expenditures in the area of public and social services have also been far from adequate. Limited possibilities of investing in public and social services, even in those that were declared to be priority (child care, preschool education, social services for socially excluded communities) are partly the consequence of the prevailing necessity to subsidize the PAYG pension deficit caused by the privatisation of part of the pension schemes from public resources, and commitments related to Slovakia's entry into the Eurozone and adopting the euro (2009). However, a narrow perspective on human rights and an understanding of social protection primarily as a budgetary burden and an economic disincentive also limited possibilities to invest in public and social services. On the other hand, the indexation of the minimum income scheme continued in 2008 and 2009 and at a significantly higher rate for large families than the inflation rate in that period.

Labour market inclusion had already been the subject of much more strategic thinking before publication of the Commission Recommendation and since the employment service reform (2004). More comprehensive support was provided to jobseekers if they took part in education and training organised by the labour offices. In the first half of 2008, new labour market measures were introduced to facilitate labour market re/entry of disadvantaged jobseekers; for instance, support of commuting was introduced. The list of disadvantaged jobseekers was expanded too (i.e. by including persons without finished vocational training). Awareness of the necessity to facilitate the re-entry of the most excluded in the labour market was mainly incited by economic growth, new openings, high labour migration abroad and the resulting lack of labour force in some domains. All these made Slovak ALMP thinking more responsive to examples of good practices from other member states. In 2009, as part of the anti-crisis package, several new measures were introduced, some of a temporary nature. Emphasis was shifted to sustaining jobs that already existed.

At the turn of 2010 and 2011, fighting the deficit became the integrating axis of Slovak policy-making. In 2010 and 2011, the minimum income scheme was not indexed. The government of I. Radičová (2010-2012) planned profound reforms of the ALMP (setting up an intermediary labour market) and minimum income scheme (based on benefit cuts to increase labour motivation of beneficiaries). ALMP reform was to be based on increasing the strictness of conditions for entitlements for several programmes and lowering financial allowances (for instance, self-employment start-up grants). Human rights and social NGOs and the Office of the Vice-Premier for Human

Rights strongly objected to the proposal, and it was finally withdrawn from the Government program. A bill on housing allowance (separating it from the minimum income scheme and slightly extending entitlement) and proposed legislation on socially excluded communities were cancelled too, possibly for financial reasons. An inadequate monitoring and assessment of the implementation of social inclusion policy and inadequate participation of all stakeholders, including NGOs and those most excluded, constitutes one of the major weaknesses of policy-making in Slovakia.

1. Integrated comprehensive strategies

To a certain extent, the participation of the Slovak Republic in the Open Method of Coordination in the domain of social inclusion has gradually influenced policy thinking in this area positively and at least helped to prevent an exclusive focus on labour market inclusion as a panacea. However, the common guidelines and the OMC process alone did not suffice to influence domestic policy-making so as to secure a well-balanced strategic approach.

In Slovakia, there were various other factors at stake that complicate an understanding of poverty and joblessness as linked to and embedded in multiple disadvantages that call for comprehensive, integrated policies. Besides the recently adopted ”tradition” of perceiving poverty and joblessness as resulting from people being trapped in a relatively generous social benefit system and tackling it by cutting social benefits on one side and employment programmes on the other (1998 – 2004), the possibility of implementing comprehensive, integrated policies was primarily threatened by implementing a pension reform with a high outflow of financial resources to private pension schemes and the resulting strong demand on the state budget to fill the gaps in the PAYG pension pillar in order to fund the pensions of present pensioners. In addition, the flat income tax system (2004) and low tax collection limited redistribution possibilities and turned the implementation of the objective of decent life for all into an unrealisable utopia. Joining the Eurozone and adopting euro, one of the highest priorities of the government of R. Fico (2006 – 2010), had required fiscal policy discipline: the resulting austerity measures dominated over other objectives. Last but not least, the common commitment of fighting the public finance deficit and related austerity measures has further limited possibilities to implement integrated strategies targeting those excluded from the labour market.

1.1 Comprehensive policy design

According to the Commission Recommendation (2008/867/EC), comprehensive strategy design for the active inclusion of people excluded from the labour market should combine adequate income support, an inclusive labour market and access to quality services. Neither of the recently prepared strategic documents provided “policy design defining the right mix of the three strands of the active inclusion strategy,” nor did they set “integrated implementation across the three strands of the active inclusion strategy to effectively address the multifaceted causes of poverty and social exclusion”. Though the National Report on Strategies of Social Protection and Social Inclusion 2008–2010 and the National Reform programme of 2008 targeted elements from all three strands of active inclusion, they did not do it in a way that could be called comprehensive and balanced. Employment activation and inclusion always dominated. Access to public and social services was not dealt with in a coherent and well-considered way but rather as a summary of the policies already implemented or intended by ministries of the government that could be fitted under the active inclusion umbrella. The adequate (= decent) income strand was the most neglected in all strategic documents. Apparently, the meaning of decent income for social inclusion has yet to be understood in Slovak policy-making. The budgetary approach (perceiving the minimum income scheme as an expenditure item only) and moralistic approach (seeing decent income as a work disincentive) prevail in Slovak policy thinking.

In the second half of 2009, as part of crisis management, the tripartite body Economic and Social Council (comprising representatives of old social partners, municipal associations and higher territorial units) got a stronger say in policy-making. As the government strategic approach almost solely draws on perspectives of economic

actors while other stakeholders have only a marginal impact, the priority is given to economic tools and employment measures. It seems that anti-crisis discourse has strengthened the view that employment is the main and often exclusive road to social inclusion.

1.2 Integrated implementation

An integrated implementation of social inclusion policies has always been problematic in Slovakia. Cooperation among government ministries is rather poor and, with the exception of the Ministry of finance which has powerful financial tools at its disposal, other ministries do not have sufficient means for facilitating mutual communication.

In the social inclusion domain, there are the three structural arrangements that at least have potential for active inclusion policy integration: the Social Development Fund - promoting social inclusion by supporting projects co-financed by the European Social Fund (ESF); the Office of the Plenipotentiary of the Government for Roma Communities that should also coordinate the horizontal priority Marginalised Roma Communities (MRC) of the operational programmes in 2007-2013[1]; and the district offices of labour, social affairs and families (further OLSAF), which provides employment, social and family services and can integrate various measures on a personal level. In fact, with exception of the employment services departments of OLSAF, which provide several ALM measures that can be added by various services, integrated implementation is a rare occurrence in Slovak social inclusion policy-making. Failure to use the structural funds for implementation of the MRC horizontal priority (due to a rather vague description and insufficient elaboration of the MRC priority at the level of National Strategic Referential Framework, as well as complicated criteria for the submission of applications for Local Comprehensive Approach Strategies) for dealing with the multifaceted disadvantages of Roma marginalised communities in the domains of education, employment, housing, health, etc., provides telling evidence for this assessment.

1.3 Vertical policy coordination

There are three levels of governance in Slovakia: the national level, regional level and local level, with a legally defined division of responsibilities in social protection and social inclusion. This division of competencies is not always compatible or covered by sufficient resources. The financing of social services provided by local and regional government was fixed according to the level of services provided before the territorial government reform (2001). A stagnation or even decrease in the funding of regional and municipal governments complicates the further development of social services as defined by Act no. 428/2008 on social services, which extends the types of social services and the entitlements of citizens for social services. The commitments of regional and local governments set by this Act have not been covered by the budgetary resources. The economic crisis, an increase in unemployment and a decrease in individual income tax revenues has sharpened the problem of insufficient funding.

When new strategies and legislation are prepared, regional governments (there are eight higher territorial units in Slovakia) and the union of towns and villages of Slovakia are regularly invited to participate. Occasionally, these actors have a very decisive impact; for instance, when newly set obligations in the domain of social

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1 From the resources indicated in the National Strategic Referential Framework, i.e., 200 mil €, approximately 22 mil € were already allocated for technical assistance – consultancy for eligible applicants upon the completion of applications for support of the Local Comprehensive Approach Strategies (LCAS). The original intent of the LCAS program was to combine 3-5 investment and non-investment projects funded within the ESF and ERDF.

services did not appear to be followed by an increase of their budgets, they halted progressive social legislation.[2]

1.4 Active participation of relevant actors

The most important governing platform for policy consultation is the Tripartite. Besides employer and employee organisations, representatives of regional and local self-governments, and representatives of academia participated in the Tripartite. The 2006-2010 government established new advisory bodies such as the Council of the Government for Seniors or The Council for the Disabled. The government of I. Radičová has established the Government Plenipotentiary for Civil Society and a complex network of human rights committees. However, participation of NGOs and representatives of most excluded groups on policy-making is rather infrequent. The preparation of the revised Action Plan of the Decade of Roma Inclusion (2010/2011) and a preparation of legislative intent on socially excluded communities, where experts and NGOs cooperation was very intensive, were exceptions.

2. Description and assessment of the impact and cost effectiveness of measures introduced or planed

In a dynamic period of global financial and economic crisis, the description and assessment of the impact and cost-effectiveness of policy measures introduced since 2008 is not an easy task. On the other hand, an assessment of the decency of the minimum income in Slovakia is no so difficult, and its outcome is unambiguous: the minimum income scheme in Slovakia has nothing in common with the principle of human dignity and the opportunity to have at least the most basic version of a decent life.

2.1 Adequate income support

In accordance with the principle of subsidiarity, the member states are responsible for defining the level of income support.

As has already been suggested, the issue of social protection adequacy of the most vulnerable has not been one of the political priorities of Slovak governments. While the official documents usually refer to the indexation of various benefits (mostly family benefits), the ability to maintain a decent level of living is not considered at all. Social protection, especially in the NRPs, is mainly discussed in terms of costs and as a source of work disincentives.

2.1.1 Adequacy of resources

The Slovak Minimum Income Scheme (MIS) is a striking example of neglecting the issue of the adequacy of an income for decent living. The basic benefit amounts and related allowances were set at a very low level in 2004 when the new MIS was introduced, and the link with the subsistence minimum, which represented the national poverty line (or the bottom line in terms of the possibility to live decently)[3], was cut. Its design (relation to household types, low sensitivity to the number household members and a requirement to fulfil various conditions for part of the allowances) has remained stable, and only minor changes have occurred since. As result, the minimum income scheme has shown serious difficulties in guaranteeing a decent living. In 2009, the MIS was updated and a new allowance – the allowance for

2 *Progressive in the sense of increasing access to social services.*
3 *The subsistence minimum is unfortunately also a more or less arbitrary threshold as it has not been based on the examination of minimum basket standards for more than 15 years.*

regular school attendance, which supplanted the former motivation scholarship[4] - was added. To receive the allowance, the child must attend school regularly. The adequacy of MI protection has also suffered from the fact that a regular indexation of benefit in material need was not carried out in 2010 and 2011. Moreover, some allowances such as the activation allowance, had not been indexed since 2007.

The basic MI benefit for a single person household (euro 62.5) is three times less than the subsistence minimum for a single person (as of July 1, 2012: 189.86 euros) and almost five times less than the income poverty threshold (305 euros in 2010). When the basic benefit is supplemented by the health care allowance, activation allowance and housing allowance, the maximum amount of MI support increases substantially, and for households of a childless individual or couple it reaches the level of the subsistence minimum. One striking fact is that the risk of having a minimum income below the subsistence minimum grows with the number of children in the household (regardless of child allowances). In reaction to this negative development, in 2009, the basic benefits for large family households (5 and more children type) were indexed at a much higher rate than benefits for other types of households, but the household scale was not changed and political debate has not addressed this issue[5].

Unemployment benefits eligibility is based on an insurance principle and very strictly preconditioned. Till 2010, 3 full years of insurance within 4 years was required for being entitled to six months of benefits as a maximum. The economic crisis and coming parliamentary election in 2010 contributed to a partial softening of the criteria: the insurance period for claiming the unemployment benefit has been shortened from three to two years and the unemployment benefit has become more easily accessible.

2.1.2 Resources linked to activation

MIS Reform (2004) divided MI benefit into a basic part, based on means-testing only, and a "merit part" – allowances that are variously preconditioned. The most famous allowance is called activation allowance. The allowance for activation activity through small municipal services for the municipality is another form of assistance.

This allowance is preconditioned by participation in various kinds of activation programmes that often have the form of various community services for a maximum of 20 hours per week but also in education and training programmes commissioned by labour offices. Activation programmes/small community services can also be organized by various subjects (municipalities, regions). Amount of activation allowance is euro 63.7, and because of its omission from indexation since 2007, the hour wage for the participation is now under the legal hour minimum wage. On the other hand, the activation allowance is not affected by a health insurance deduction as the state pays health insurance for MI recipients.

The introduction of activation allowances and activation programmes was originally meant as an investment in the employability of long-term unemployed job seekers who are dependent on benefits to maintain their basic skills and working habits. For households on MI benefits, it represents a substantial part of their income (in some cases half).

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4 The amount of motivation scholarship depended on a pupil's school results and documented effort of their improvement. According to observations, these rules motivated poor parents to enrol their children in less demanding schools, largely special schools. This has a negative long-term consequence for the child's education and job prospects. To prevent such motivation in 2009, the allowance was preconditioned by regular school attendance only.

5 Indeed, political debate, especially during the election campaign of 2010 and 2012, but not only then, often addresses "the unjust generosity of the minimum income scheme", its "wrong setting" and "disincentive effects".

2.1.3 Incentive to work

There are two basic positions in the debate about the MI scheme and possible disincentives of the system. One considers the generosity of the minimum income scheme (in comparison to the minimum wage in the case of a large family with one wage-earner) to be the main work disincentive. The second sees low wages in the Slovak economy as the main source of disincentive. The two governments in power during the reported period: the central-left government of R. Fico (2006 – 2010) and central-right Radičová's government (2010 – 2012) took these different positions. In 2009, Fico's government launched the so-called "employee's premium." This instrument is intended to stimulate an increase in employment, especially for the long-term unemployed by "increasing their motivation to work for lower pay and improving their social situation." (NRP 2008) The premium was provided to low-wage earners (employees) who had worked at least six months and whose income was under the minimum wage. Tax credit is received with a year delay on the basis of the employee's application. The income-tax return was first applied for the 2009 tax clearance.

The next measure that was to strengthen the job incentive and household consumption was an increase in the non-taxable part of the tax base and a decrease in social security contributions by changing the minimum assessment base for self-employed, voluntarily insured persons and low wage earners[6]. This measure had a temporary character and was part of Fico's government's anti-crisis package, which ended in December 2010.

The government of I. Radičová planned to deal with the assumed work disincentive by reforming the MI scheme, cutting the basic benefits and increasing the merit part of the benefit, for instance by participation in community centre activities. It also aimed at making low-wage work more attractive to employers by a reform of the Labour Code (which simplified conditions for hiring and firing and made the process cheaper). It is not yet clear how the left government of R. Fico (2012 – 2016) will approach the MIS. However, the draft of the National Social Report (2012) contains paragraphs about a plan to increase the merit part of the MI benefit and activate MI recipients[7].

2.2 Inclusive labour markets

GDP growth, increase in employment and other indicators suggest that the year 2008, when the Commission Recommendation on Active Inclusion was adopted, was one of the most successful years of the Slovak economy. Demand for skilled labour had increased and spurred the efforts for tackling the still high long-term unemployment rate and the inclusion of the long-term unemployed in the labour market.

Table 1: Development of the total ALMP beneficiaries and funding

	2008	2009	2010	2011
Total investment in ALMP in thousand €	123,688.5	162,181.9	190,438.4	180,592.7
Beneficiaries of ALMP in total	270,785	208,016	251,966	137,114

Source: *Reports on the Social Situation of Inhabitants of the Slovak Republic 2009, 2010, 2011*

6 *According to the assessment reports, from April to December 2009, 244,399 self-employed persons increased their disposable income by a total of € 17.5 million through this measure.*

7 *These paragraphs have almost the same wording as they have in the NRP 2011-2014, where they provide justification for the intended MI reform. Social NGOs pointed to this fact during the comment procedure and requested withdrawal of the NSR. The impact of this criticism is not clear as the final version of the NSR is not available yet.*

The changes in employment services legislation and education legislation that we describe below had been initiated before the EC Recommendation was published. Though they cannot be considered as directly responding to it, they were inspired by the OMC process and created the legislative framework for its implementation.

2.2.1 Increased investment in human capital

Education and preparation for the labour market

Emphasis on education has been partly strengthened through the financing of policy programmes from the European Social Fund. The Act on Employment Services recognises the importance of lifelong learning, re-training and professional mobility and the support of various forms of education and the preparation of jobseekers for the labour market, as well as that of employees who are already on the labour market and need to sustain and further develop their working capacities (Act 5/2004 on Employment Services, § 46, 47). Those who are MI benefit takers and take part in educational programmes commissioned by the district offices are entitled to various supports such as allowances for food, travel costs, care for children and an activation allowance.

It is not clear to what extent the 2008 reform fulfilled its intention to set up organisational measures and contributions that would facilitate educational programmes for disadvantaged jobseekers tailored to the demands of their future employers. However, in this reform, the importance of life-long-learning and specific on-the-job schemes for the low-skilled has been emphasised because of a massive and stubborn long-term unemployment and diminishing openings for manual labour.

In earlier reports, we have shown that education programs did not prove to be very effective in helping participants to get a job. However, the lion's share of this failure should be attributed to high structural unemployment in Slovakia and a disproportion between labour offer and demand

The 2009 increase in total investment in the human capital of jobseekers and employees (Table 2) was mainly the result of a significant scaling up of the number of employees covered by ALMP funded education and training. Their number significantly exceeded the number of recipients that were registered jobseekers the same was true in 2010. The targeting of educational programmes to employed persons documents the shift of ALMP during the economic crisis from those excluded from the labour market towards sustaining jobs of those who have them already.

Table 2: Development of funding and number of beneficiaries of the LM market education and training

	2008	2009	2010	2011
Investment in education (§ 46, 47) in thousand €	12,226.5	36,483.9	20,518.8	182.6
Beneficiaries of § 46 (jobseekers)	12,143	17,824	8,824	1,332
Beneficiaries of § 47 (employees)	13,863	29,921	20,381	0
Beneficiaries in total	26,006	47,845	29,205	1,332

Source: *Reports on the Social Situation of Inhabitants of the Slovak Republic 2009, 2010, 2011*

The 2008 amendment to the Act on Employment Services also introduced a new form of activation work: so-called voluntary work in the field of social services (§ 52a). This form of activation is meant for unemployed with at least ISCED 4 (internal instructions) and could be taken as a form of sustaining human capital. It includes tasks such as care for children, assistance and care for disabled persons, immigrants, and assistance work in NGOs working with various disadvantaged groups and providing social services This 20 hour per week work is considered as voluntary (the beneficiary can leave without sanction) and is rewarded with a lump sum in the amount of the subsistence minimum (189 euros), which should cover meals, transport and other costs to the beneficiary.

Allowance for internships for graduates

Internship for graduates[8] is another form of investment in human capital for those outside the labour market. This supports the gaining of practical skills for job-seekers younger than 26 years regardless of whether the job-seeker has completed systematic vocational preparation, or whether he or she has obtained a regular paid employment. The internship lasts at least three months and not more than 6 months, without the possibility of its prolongation and recurrence of implementation, for 20 hours per week.

The amendment to the employment services act in 2008 extended entitlement to this measure by abolishing the eligibility condition of being within two years since graduation. It also significantly increased the allowance for the internship to the level of the subsistence minimum for an adult person. These changes awakened interest in graduate internships. In January 2012, the minister of labour, social affairs and family for I. Radičová's government submitted an amendment to the Act on Employment Services into the interdepartmental comment procedure. The bill proposed cuts in the amount of the graduate internship allowance to 60 % of the subsistence minimum for a single person, arguing that the reward was higher than the hourly minimum wage.[9] There are plans to increase the interest of employers in organising graduate internships that are also shared by the present government. They are considering the possibility of covering part of the employers´ costs under the condition of creating and sustaining a job for the graduate for some time.

2.2.2 Development of active and preventive labour market measures

The 2008 amendment to the Act on Employment Services introduced several measures that facilitated labour market inclusion. Entitlement to some existing measures was expanded (categories of disadvantaged job seekers preferentially entitled to the ALM measure were widened too[10]) and financial support was increased.

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8 In MLSAF Report on Social Situation of Inhabitants of Slovakia in 2010, the measure is named as „contribution to perform the graduate practice" (p. 31). In the NRP 2012, it is named as "internships for graduates"(NRP: 2012: 30)

9 However, the minimum wage is designed for simple unskilled labour that does not require any training. The Slovak Labour Code in § 120 on the minimum wage identifies several minimum wage grades dependent on (and increasing according to) level of education. Graduate internships are designed for those jobseekers with an ISCED of 3 or more.

10 The 2008 and 2009 amendments added several new categories of disadvantaged jobseekers: family carers returning to the labour market, persons who lost their job due to collective dismissals, and jobseekers who did not finish their vocational training.

Contribution for commuting to work (§ 53a)

A contribution for commuting to work outside of one's place of residence or district was a newly introduced measure in 2008. It is intended to deal with regional disparities in the demand and supply of the labour force and promote the regional mobility of the labour force by decreasing commuting costs. It is targeted to the long-term unemployed who re/enter labour market and entitlement varies according to the length of unemployment, with a maximum of 6 months. In March 2009, it was doubled for commutes to longer distances. The maximum amount is 135 €. The average monthly contribution is 35.3 €. In 2010, 28,909 persons took a contribution for commuting to work and this was more than in 2009 (by 12, 857). In 2011, the number of the recipients of this contribution significantly decreased (17,778).

In 2009, the new transport contribution (§ 53b) was designed for employers who organised transport for their employees. Regional ALMP statistics show that it was mainly used by companies in western Slovakia. However, there is no information about the permanent residency of employees. If in 2010 it was used for supporting the transport of 16,245 employees, in 2011 it was used for only 20 employees, who were in the Bratislava region.

In 2009, when the impacts of the economic and financial crisis became evident in Slovakia, the new national project I-2/A "Support of Employment in Times of Global Financial and Economic Crisis" was launched by the Central Office of Labour, Social Affairs and Family (COLSAF). The aim of the project was to increase incentives for employers to create new jobs, for jobseekers to look for and accept jobs, and to increase "the success of the unemployed through self-employment".[11] These three aims were related to the new allowances that were part of the government anti-crisis package: an allowance to support the creation of a new job, an allowance/contribution to employee's wage, and an allowance to support self-employment

Contribution to support retention in employment (§ 50d);

A contribution to support retention in employment was targeted to employers to mitigate their labour costs in a situation of decreased demand for their products and thus prevent lay-offs. Its beneficiaries were not those excluded from the labour market but those who already have jobs. This measure turned out to be the most successful measure in 2009 and 2010. In 2009, 38,197 jobs were supported. Of these, only 1,878 included elementary occupations (ISCO-88 COM 9). Most of the supported jobs were ISCO-88 COM 7 and 8 (more than 24,000). Legislators, senior officials and managers (1,273) and professionals (1,919) were also supported by this scheme. (Evaluation of ALMP 2009) Despite its originally temporary character, this measure was implemented in 2011 as well, though on a much more limited scale (Table 3, p. 10).

11 http://www.upsvar.sk/rsi/rsi.nsf/0/1CBF923BA7CF57ADC12576510037916D?OpenDocument

Table 3 Job schemes for the low skilled and preventive labour market measures

	2009		2010		2011	
Types of contributions:	**Supported persons/ created jobs**	**Agreed support in thousand €**	**Supported persons/ created jobs**	**Agreed support in thousand €**	**Supported persons/ created jobs**	**Agreed support in thousand €**
training and incorporation of disadvantaged jobseekers (§49a)	250	136.4	266	145.5	195	108.2
employment of disadvantaged jobseekers (§50)	1	2.0	236	510.2	523	1,196.4
sustaining employment of low-wage employees (§50a)	37	158.5	3,112	12,740.5	4,357	18,522.2
Sustaining employment (§ 50d)	38,197	2,555.4	30,140	2,297.8	5,892	413.3
creation of new jobs (§ 50e)	323	903.1	3,408	8,504.8	--	--
to wages of employees (§ 50f)	8	13.8	207	292.4	--	--
creating jobs in social enterprises (§50c)	62	565.6	383	2,049.7	187	1,087.7

Source: Implementation Report of National Reform Plan 2009, Evaluation of ALMP 2009 (www.upsvar.sk accessed April 29 2010)*, Reports on the Social Situation of Inhabitants of the Slovak Republic 2009, 2010, 2011*

2.2.3 Jobs schemes for the low skilled

Several new measures for supporting employment of the low-skilled or those de-skilled by long-term unemployment were launched in March 2009 by Act no. 49/2009, which amended the Act on Employment Services. The majority of these measures were oriented towards employers (and dependent on their will to apply the measure). Some were part of the government anti-crisis package and were set only for a transitory period ending December 2010. Among them were: a contribution for the training and incorporation disadvantaged jobseekers (§49a); a contribution for

sustaining the employment of low-wage employees (§50a)[12]; a contribution for creating a job in a social enterprise (§50c); a contribution for the support of a new job (50e); a contribution to supplement employee wages (50f). Despite their originally temporary character, some of these measures are still in effect. Table 3, p.10 shows that some of these measures have been poorly implemented, however.

Contribution for training and incorporation of a disadvantaged jobseeker (§49a)

The contribution for the training and incorporation of a disadvantaged jobseeker is a measure that is still in effect although strikingly rarely used. Though there is no assessment on the insufficient use of this measure, we can assume that in the current labour market situation of an abundant supply of qualified labour, employers have not been interested in investing in the training and incorporation of disadvantaged jobseekers.

Contribution to an employee's wage (50f)

The contribution to an employee's wage (50f) was a temporary measure to the amount of 22% of the average wage during the first year of employment and of 11% of the average wage during the second year of employment for those jobseekers who had been signed in the register of job seekers for at least three months, who were MI recipients at least three months, and whose monthly salary was less than 1.7 times the subsistence minimum. This measure was provided until the end of 2010.

Allowance for support of regional and local employment, Allowance for support of new job creation

These newly introduced measures (an allowance for the support of regional and local employment specified by § 50i of The Act on Employment Services; and the allowance for the support of regional and local employment specified by § 50e) attracted the highest interest of employers during the first half of 2010. In 2011, these programmes were replaced by a new programme: flood protection activities. This programme has created more than 10 thousand jobs for low-skilled workers at the minimum wage.

Intermediary labour market

The government of I. Radičová introduced the idea of an intermediary labour market measure in its Programme Manifesto and in the NRP 2011-2012. Although this measure has only been vaguely described, it is suggested that it will be based on supplementing a low wage with some part of the minimum income benefit. This would not be a new idea in Slovak ALMP, as there have been several measures of this kind already implemented. For instance, since 2004, the activation allowance can be provided to former long-term unemployed job seekers for a maximum of six months if they work for a wage that does not exceed 3.5 times the subsistence minimum.

According to the NRP 2011, the intermediary labour market measure should follow the assessment and revision of all labour market measures and is linked to the reform of the MIS planned in 2011. The MIS reform has been halted (see the part 2.1.3) and the ALMP assessment delayed. . As we show in the part 4, important ALMP assessment tools have already been developed, but it seems that they are not being used.

12 The contribution for the employment of a disadvantaged jobseeker (§50) has been an original part of the Act on Employment Services since 2004.

2.2.4 Review of incentives and disincentives

The issue of incentives and disincentives has been always in the forefront of the debates about the ALMP and MIS in Slovakia. The most often discussed measure in these terms has been the activation work programme.

Activation work (§ 52 Act on Employment Services)

The activation work programme is intrinsically linked to the MIS and participation in it is the chief means of obtaining the merit part of the MI benefit. As activation allowance is an important contribution to a low income household's budget, there was enormous interest in participation in this programme among MI recipients, and in the first years of the programme's implementation, there were more than 200 thousand participants in the programme per year[13]. However, in its first years, the activation work programme was funded by ESF sources under the national project aimed at improving the working habits and employability of those most excluded from the labour market. Existing assessments have suggested that its employment effect is very small and that this programme has a lock-in effect.

On that account, the 2008 Employment Services Act amendment limited participation in this programme (it could last no more than 6 months) and cancelled the possibility of repeated participation.[14] This restriction was also motivated by overly optimistic expectations of labour market development. There was a belief that increased labour force demand will also touch disadvantaged jobseekers, especially those who were low-skilled or deskilled. It turned out, however, that newly introduced programmes such as social enterprises or support for the employment of disadvantaged jobseekers were unable to provide a sufficient amount of opportunities for the growing number of jobless people dependent on the MI scheme. That is why the possibility of repeated participation in the activation programme was renewed within the anti-crisis package programmes. According to the original plan, it should have been only temporary - till the end of 2010. Contrary to this intent, but with consideration for the necessity of giving options to MI recipients for increasing their low income, repeat participation is still possible if small community work is organised by local governments within the minimum income scheme.

If someone is placed in an activation work programme, his or her participation is compulsory and choosing to leave is sanctioned by removal from labour office registration for six months. This rule holds true for participation in all the other ALMP programmes.

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13 Source: UPSVAR (2007): Implementation of active labour market policy measures 2006, s.6 (Slovak)

14 The 2008 amendment to the Act on Employment Services also introduced other measures which could contribute to a decrease in the performance of minor community services or in the number of activation allowance recipients. The most significant might have been the Amendment to Article 52a: the allowance for activation work in the form of voluntary service. It introduced an allowance for job seekers carrying out voluntary service at the amount of the living minimum for an adult person. As a consequence, in 2008, the number of those participating in activation programmes according to § 52 ("small community services") fell by 36.7% in comparison to 2007 (Report on social situation… 2009: 82). Though this decrease also reflects the decline in unemployment and the subsequent decrease in the number dependent on the MIS by 16% (Report on social situation… 2009: p.79), the influence of an introduced time constraint on participation in activation work can hardly be neglected. The impact of the time constraint was apparent in 2009 when the number of participants in both small community work and voluntary services decreased significantly despite growing unemployment. (Report on the Social Situation of Inhabitants of the Slovak Republic in 2009. Attachment II, p. 12 (MLSAF 2010))

Labour code reform

Cross country comparisons suggest that the Slovak labour force is one of the cheapest in the EU27. Nevertheless, overprotection and the high price of labour has been identified by employers' organisations and later by the government of I. Radičová (2010-2012) as the main hindrance to job creation and increase of employment. The 2011 Labour Code reform aimed at lowering labour protection (cheaper and simpler hiring and firing among other things) was believed to stimulate employers towards jobs creation and thus increase labour participation, "in particular for certain disadvantaged groups". (NRP 2011: 3) This reform presented labour market inclusion as worthy in and of itself, the quality of the job, its safety and decent pay being of secondary importance. Since a concern about the quality of jobs was not expressed, this suggested that the reformed Labour Code would stimulate the creation of mostly marginal, low paid and unprotected jobs. However, in 2011, employment stagnated in Slovakia and the impact of the labour code reform was not observable.

2.2.5 Support for the social economy and sheltered employment

Social enterprise

Social enterprises are defined in the amended Act on Employment Services (2008). The Act set up the institute of social enterprise with the aim "to support the integration of disadvantaged jobseekers in the open labour market". According to the NRP 2008-2010, social enterprises should help to decrease regional disparities in employment.

Already in 2008, the terms of reference for the pilot project Formation and Networking of Social Enterprises were published. Emphasis was given to setting up municipal enterprises. Due to the amended employment legislation, limits concerning the domain of activity of social enterprises were removed. It was expected that the municipalities would be interested in developing projects for social enterprises that could fill the gap of missing communal services.

More financial resources were allocated from the ESF to this initiative than to others. From 1.9.2008 to 30.9.2009, 41 social enterprises were established and 28 contracts were approved for creating 440 new jobs[15]. At the same time, 8 pilot projects of social enterprises were supported. For these purposes, 11% of the total sum for 2009-2010 was used. However, as Table 3 on p. 11 shows, support of this measure fluctuated and its share of created/supported jobs in 2011 was only marginal and very far from the original plan "to create ten thousand jobs in social enterprises by 2010"[16].

Decreased support was the consequence of a strong suspicion of corruption for the so-called pilot social enterprises. Extremely large public funding investments in eight pilot social enterprises allowed for the building of social enterprises literally from scratch and therefore immediately raised suspicions of preferential treatment. [17] There were also reasonable doubts as to whether the jobs in the newly established social enterprises are actually provided to those who do not have any other opportunities in the labour market. According to the ALMP registers, in 2009, for instance, the long-

*15 The comprehensive assessment of the effectiveness of government measures for tackling the consequences of the global economic and financial crisis in the domain of employment. The material for the Government session of November 9, 2009. Available at http://www.rokovania.sk/File.aspx/ViewDocumentHtml/Mater-Dokum-55555?prefixFile=m_*

*16 http://www.rokovania.sk/File.aspx/ViewDocumentHtml/Mater-Dokum-95670?prefixFile=m_*

17 In response to the conclusions of the EC audit, the managing authority for the E&SI Operational Programme adopted measures which would not allow the repetition of errors that had occurred in the contracting of pilot projects aimed at the creation of social enterprises (The MLSAF comment to the Report)

term unemployed represented only 28% of the employees in social enterprises in Slovakia. (Bellan 2010)

2.2.6 Efforts to increase access to employment (self-employment schemes)

Self-employment schemes have been a part of ALMP measures since the reform of employment services (2004). The amount of the start-up grant is regionally differentiated and its reception is preconditioned by taking courses on entrepreneurship and a commitment to sustain the business for two years at least. The scheme is designated for the unemployed who had been signed in the Labour Office's register of jobseekers for three months at least. In 2009, this condition was loosened and start-up grants were also made available to those who had just registered themselves as jobseekers. The January 2012 bill proposing an amendment of employment services included a tightening of conditions for start-up grants. The period of commitment is longer, sanctions are stricter (repayment of the full amount of the contribution in the event of non-compliance with the terms and conditions) and a new condition of a prescribed income higher than the minimum wage was introduced. According to NGO experts, such conditions are very unfavourable for jobseekers in poor regions and would discourage them from applying for start–up grants.[18]

2.2.7 Effort to tackle labour market segmentation

In the Slovak Republic's strategic documents, labour market segmentation and the issue of the quality and security of jobs have not been raised as problems that should be tackled. In a situation of high unemployment and extremely high long-term unemployment, the quality of jobs can hardly come to the fore without public or stakeholders' pressure. And such pressure is lacking in Slovakia. In the last two years, barriers hindering the employment of low-skilled workers constituted the main topic of discussion.

2.3 Access to quality services

The development of quality social/community services and the improvement of access to these services have been impeded by various structural conditions in recent years. First of all, the decentralisation of the responsibilities and competencies to local and regional levels (finished in 2001) was not followed by an adequate redistribution of resources needed to fulfil these new commitments. Moreover, despite developing a social legislation framework and enlarging types of social and community services (which is recognised as important for a decent life for disadvantaged groups), community and regional resources stagnated. All changes in the revenue of individual income tax also had an impact on regional and local budgets and the ability to secure access to quality services.[19]

2.3.1 Social assistance services

Services for disadvantaged communities

The development of services for the most disadvantaged (Roma) communities has been strongly dependent on the 2007-2013 Strategic Referential Framework with a horizontal priority for marginalised Roma communities and the ability of the government to prepare an organisational and technical assistance framework for the preparation of comprehensive strategies of local development and a transparent

18 Discouraging applicants and saving public resources was an openly declared objective of the bill. The bill was withdrawn.

19 Regional and municipal budgets are funded from individual income taxes. Growing unemployment and decreased tax revenues negatively affect the budgets of local and regional governments.

process for their selection and implementation. It seems that political and administrative elites have failed to use this historical opportunity for providing genuine active inclusion programmes for the most excluded. I. Radičová's government's Program Manifesto (2010) did not mention comprehensive development strategies but it envisages substantially improving services for the most disadvantaged communities by developing a network of multifunctional community centres with defined standards for the services provided (such as care for small children, community programmes, social field workers, and medical assistance). The government of R. Fico (2012) has also accepted the community centres network programme (at least in the NRP 2012). A bill on socially excluded communities (2011) has a less clear future. It has already collided and will further collide with a rigorous budgetary policy and various austerity measures. Thus the implementation of comprehensive revitalisation programmes for Roma communities seems less than compatible with present fiscal policy.

Programme of community field work

Field social work in marginalized Roma communities is considered an important tool for the social inclusion of individuals, families, groups and communities. Community field social work is a programme that has been funded by the Social Development Fund via the ESF for almost ten years. The Social Development Fund launches calls for proposals addressing problems of social exclusion, supporting community social work, promoting the social inclusion of disadvantaged people and groups such as marginalized Roma communities, the unemployed and others. It is known that working with excluded communities is a long process. However, during the existence of the programme, field social work suffered by discontinuities in funding and the overburdening of field workers, which prevented them from approaching people from disadvantaged groups individually. Despite widespread requests to fund community social work from the state budget and secure more stability to the programme and people involved, the programme is again funded from the ESF. At present, the Social Development Fund has also implemented the Social Field Work in Municipalities national project. Its main objective is to promote social inclusion by improving the access, quality and efficiency of care services for people at risk of exclusion or socially excluded people, with a focus on increasing their employability, and a prevention of social pathologies.

2.3.2 Employment and training services

There are several ALM measures supporting a transition in employment were already described in part 2.2. Here we only briefly mention that there is the package of tools supporting education and preparation for the labour market which includes allowances for food, travel and care for children while the recipient is taking part in education and training programmes. However, the organisational framework of these services also matters. It is important to say that the staff of employment services is considerably overburdened as their funding has been subject to budget cuts several times since 2004. For this reason, there is not enough space for individual work with jobseekers.[20]

2.3.3 Housing support and social housing

A lack of access to available and affordable housing for middle and low-wage earners and for those living on MI benefits in Slovakia is somehow hidden behind favourable housing deprivation indicators. However, a share of households of several adults

20 There is also high dissatisfaction with wage and working conditions and the Labour office staff has threatened to strike: http://hnonline.sk/slovensko/c1-54730430-pracovnici-uradov-prace-vyhlasili-strajkovu-pohotovost

above the EU27 average and a high rate of overpopulated households suggests problems in access to housing. The desperate housing situation of marginalised Roma communities, though it is not well grasped by the EU-SILC, is sufficiently well-known. The current complex situation is mainly a consequence of the Slovak governments' neglect regarding a state housing policy and the support of public housing construction in the 1990s. Since the early 1990s, local governments had been made free to design and implement their housing policies without receiving any central support or being obliged to follow any common standards. The cancellation of a programme aimed at eliminating Roma shanties and the cancellation of a system of social work focused on Roma communities, as well as the absence of support for public housing construction and of standards such as "social mix" all contributed to the process of pushing low-income families out of the central parts of towns and villages to their margins and a concentration of rent-debtors and "trouble-making tenants" in certain neighbourhoods which gradually became infamous places such as Luník IX in Košice.

Though housing policy has substantially improved in the last decade, support of public housing construction and housing contraction as a whole was still insufficient and under the average of the older EU members. In the NRP 2008 - 2010, the shortage of rental housing was recognised and identified as one of the causes of low labour mobility and persisting regional disparities with a negative impact on social solidarity.[21] Work on a new strategy of support for rental housing and on targeted support for the most vulnerable has been envisaged. Though this NRP includes clear quantified targets of housing policy, there is no commitment to increase public support of housing: all objectives are to be reached by the mere "reorganisation of an already existing package of resources" (NRP 2008: 68).Though in the following years, the legislative framework for the public support of housing policy improved, budgetary resources for the support of housing declined. Municipalities have also expressed less interest in public housing construction.[22] As a consequence, public housing construction, including low-income rental housing for marginalised groups, has been declining since 2008.

2.3.4 Child care

Political awareness of the significance of pre-school education has been revived in the last decade. Motivation was at least two-fold. Firstly, it has been increasingly discussed as an important tool for the personal development of children. Secondly, worsened or lacking access to (public) childcare services began to be perceived as a barrier to employment. This was the result of a lack of places in such facilities in some regions as well as the tendency of municipalities to increase fees for parents in order to place more responsibility on them. Recently, consideration of the positive impact of pre-school on the educational prospects of children from marginalized ethnic minorities has played an important role in political debate.

Despite raised awareness of the importance of childcare services for various social groups, policy measures supporting access to childcare have remained limited in scope. Seen from a social inclusion perspective, an important change has been introduced by the School Law in 2008, which made pre-school education free to all children from families in material need for the duration of schooling. Meals in pre-school education have been subsidized for children from low-income households for the whole duration of schooling since 2004. However, afternoon snacks are not subsidized. Although families with an income at the subsistence minimum are entitled

21 The NRP claims that raising the availability of rental housing will "reduce significant regional differences that weaken social solidarity across the population" (NRP 2008: 36).

22 Ministry of Transport, Construction and Regional Development: 2012: Report on fulfilling the task of the state housing policy by 2015.

to this programme too, in practice the entitlement is often limited to children from families on MI benefits.[23] There are also other causes of low attendance. First of all, there is still a lack of pre-school facilities in some rural areas and especially in settlements far from central towns or villages. This raises a question about affordable (public) transportation, which is necessary in such cases. As we have shown in previous reports, austerity measures in Slovakia negatively affected regional transportation services (buses and trains). The material conditions of low-income families often prohibit them from sending children to pre-school facilities. (A lack of clothing, shoes and other items often means that the child feels less dignified.) Here, removing the costs of attendance doesn't solve all of the consequences of financial hardship.

Austerity measures have caused further divergence from the commitment to improve access of most disadvantaged children to pre-school education. The government of I. Radičová, despite its adherence to the issue of available preschool education in its Program Manifesto (2010) started to emphasise the extension of so-called zero class programmes for children who have not attended kindergarten. The programme of zero classes based in elementary schools and included in the years of compulsory education comes too late however and cannot substitute for a lack of cognitive stimulation and personal development in the earlier years of life.

According to EU SILC 2010, 72 % of children from 3 to 6 years were enrolled in some kind of formal childcare, of which 64 % attended kindergarten on a full-time basis. More than one quarter of children in this age group weren't involved in any formal childcare. Children aged less than 3 are almost completely cared for in informal ways, and only 3 % of them attended formal childcare (all of them full-time). The proportion of older children enrolled in formal programmes is below the EU average, and administrative data on kindergartens confirms this picture. As of 2011, the proportion of children grows with increasing age, with exception of 6-year-old children, who mostly attend primary schools. 5-year-olds, i.e. children who are one year prior to starting compulsory school education, had the highest proportion of kindergarten attendance. Two-year-old children attend kindergartens very rarely.[24] Recently, in reaction to growing numbers of pre-school age children (due to an increased birth rate) and insufficient capacities of kindergarten facilities, priority has been given to older children for enrolment (especially to 5-year-olds).

2.3.5 Long-term care services

The term "long-term care" is not explicitly defined in Slovak legislation. The National Report on Strategies of Social Protection and Social Inclusion contributed to its public policy relevance. According to Repková (2010: 3), the area of long-term care is divided into two sectors. Long-term care, under the competence of the Ministry of Health, refers to geriatric care in various meanings (prevention, diagnostics, therapy) and conditions (hospitals, with a physician, at home). Long-term care framed by the Ministry of Labour, Social Affairs and Family relates to social transfers aiming at financial compensation for severe disabilities as well as at financial remuneration for caregivers. This division has consequences in terms of weakening an integrative approach and the coverage of transitional phases (leaving hospital and coming home with non-institutional care). The long-anticipated Act on Social Services, approved in

23 See Kubáňová 2011: http://www.skolainak.sk/files/novinky/files/Reportaz_Kubanova_SGI_predskolska_vychova.pdf

24 The extension of kindergartens' coverage in the 1990s toward the involvement of 2-year-old children was done as a reaction to a cancellation of nurseries as health care services, which were defined and supported by the Ministry of health before 1991, and growing interest in places available in these facilities.

2008[25], established new measures related to long-term care and a new proposal for the funding of social services but raised some controversies and doubts about their impact on the most vulnerable groups of the services' recipients (especially older people).[26] The financial and economic crisis has also influenced the status of long-term care as lower personal income tax revenue affected transfers to local and regional governments, which have already struggled with insufficient resources. This lack of resources has threatened various original functions of municipalities. It has limited their capacity to pay regular bills and operate existing services, and at the same time, it has limited their capacity to develop new long-term care services.

Under the first government of R. Fico (2006 – 2010), the Council of the Slovak Republic Government for Older People was established. This was an advisory body for the government and made an effort to start a discussion on the use of new measures in the 2009 acts on long-term care and social insurance related to this area (Repková 2010: 6). According to Repková, the council managed to initiate consultation between the Ministry of Labour, Social Affairs and Family and the Ministry of Health, which started at the beginning of 2010.

Nonetheless, the new government of I. Radičová (2010 – 2012) reorganised its advisory bodies and seniors' organisations lost their exclusive position. The upcoming deinstitutionalisation of long-term care might strengthen the position of stakeholders from organisations for seniors and for the disabled again, as the participation of stakeholders in the policy-making process is one of the ex ante conditions of the new multi-annual financial framework 2014-2020.

2.3.6 Health services

Slovakia has a universal system of health care based on general compulsory health insurance. The state contributes to health insurance for children, pensioners, persons on parental leave, family carers and the jobless. Persons on the MI also receive a 2 allowance for health care (This allowance was introduced before 2006, where every visit to physician cost the patient app. Euro 0.30. This charge was cancelled, but the small allowance remained.). In order to facilitate the access of seniors and the disabled to health care, Radičová's government set a ceiling for additional charges for selected medications for seniors and the disabled. As the financial situation is critical when it comes to health care, the government is considering the possibility of reintroducing charges for visits to physicians.

As a part of the budget cuts, the state contributions for insured persons were lowered in 2011 and remained at the same level in 2012. This step has deepened the financial problems of health care facilities, mainly regional hospitals. Closing regional hospitals or their departments, despite the protests of patients, has become frequent. This development might negatively influence access to health care services in certain regions and districts of Slovakia.

The only systematic programme focused on the most disadvantaged in the domain of health care is the program of health care mediators working in the most deprived regions. This programme is funded from the budget of the Ministry of Health. It has clearly had a positive impact on access to health care for those living in segregated communities. (MHSR 2011) However, the programme is underfinanced and there are only 30 mediators. In 2012 the programme was not funded at all.

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25 The act was prepared for a very long time; its preparation was already mentioned in NAP/SI 2004.

26 The government has paid back the costs of provision of new social services that were identified by the monitoring organised in cooperation with the MLSAF (IVPR) and the Association of Towns and Villages in Slovakia.

3. Financial Resources

3.1 National resources

Social protection expenditure in Slovakia is one of the lowest in the EU. In 2009, the share of expenditure for social protection and social inclusion expressed as a percentage of the GDP was 10 percentage points less than the EU27 average (18.8% vs. 29.5%). This was an increase in comparison to the 2008 data, when SK = 16%. The increase in social protection expenditure in Slovakia can be partly explained by the maintenance and even increase of social protection expenditures in 2009 (on social benefits due to increased unemployment, but there was also more generous funding of ALMP) while the total amount of GDP decreased.

If in 2009 there were still no cuts in the budget of the MLSAF, the Ministry of Health and other ministries, the local and regional budgets and their social protection funds decreased due to worsened tax revenues. Moreover, municipalities using structural funds, have to provide additional funding 'to match' European investments. Fulfilment of this commitment often required a reduction or stagnation of resources for the services they provide.

In 2010 and 2011, budget cuts already hit services that were centrally funded. A reduction of staff in all services that were linked to the public budget with exception of children homes and 'professional foster care families[27]' might have had a negative impact on the quality of those services. Despite the austerity measures, old age, early old age, disability and survivors' pensions were indexed, family benefits were mostly indexed, and the contribution to working parents was increased to the same level as that of home-caring parents in 2010. Despite its previous criticism of the measure, Radičová's government also preserved the so-called Christmas pension for pensioners. If benefits based on the social insurance principle (maternity benefit) increased, so-called solidarity benefits (MIS) were not indexed and remained at the 2009 level.

3.2 Use of EU Structural Funds

All strategic documents acknowledge the importance of structural funds for employment policy and to support access to the labour market for the disadvantaged population.

Resources from the European Social Fund are used in the development of the social inclusion sphere to a large extent --they fund the majority of social inclusion policies. Within the programme period of 2007-2013, ESF monies are used in the Employment and Social Inclusion operational programme (total ESF allocation: 881 Million €) with the objective "growth of employment, decrease of unemployment, social inclusion and capacity building" and the Education operational programme (total ESF allocation: 618 Million €) with the objective "ensuring a sustainable competitiveness of Slovakia through the adaptation of the educational system to the needs of the knowledge society".[28]

There are two types of projects within the ESF: national projects, which reflect the objectives of the Managing Authority, and demand-oriented projects, which are related to the published calls with specific frame activities. The main responsibility for the implementation of national projects is on the Central Office of Labour, Social Affairs and Family (COLSAF) and Social Development Fund (SDF). The COLSAF implements projects in the area of labour market policies, and at the same time it is also

27 Family form of care of children who are formally in institutional care but they live in families of employees of children's homes.
28 http://www.nsrr.sk/en/operational-programmes/employment-and-social-inclusion/

responsible for public employment services, social custody, social work and other services for families and children. Concretely, the COLSAF used ESF resources for national projects within which an allowance for child care service is provided, development of professional foster care families and support for the employment of citizens with disabilities is promoted. Moreover, ESF resources are used by the COLSAF for national projects which support the employment of those registered as unemployed and promote their activation. All activities related to the labour market (and thus to unemployed persons) are implemented through a variety of allowances which represent the basis of active labour market measures in the Slovak Republic. Almost all new active labour market measures introduced in 2009 in the Slovak Republic relied on ESF resources. The exceptions are the employee tax premium and (transitory) contribution for self-employment in agriculture, which are fully funded from domestic resources.

Other measures implemented with the support of the ESF were redesigned due to the impacts of the crisis. The government decided to increase the existing allowance for transport to jobs and this step required 12 million € (10 mil. € from the ESF) in 2009-2010.

The government planned to use ESF resources in other ways as well. New national projects were prepared which should have been aimed at identifying the demands of employers and forecasting labour market demands.[29] They should contribute to a better reconciliation of labour market development and education, as well as training within active labour market policies.

An overview of the government's counter-crisis measures and their planned budgetary costs for 2009 – 2010 is offered by the Implementation Report of the National Reform Plan (2009). The overall costs of the measures implemented in 2009 are 1,462 million € (2.3% of GDP), out of which SK budgetary resources make up 282 million € (0.4% GDP). Apparently, structural funds are essential for pursuing recovery and developmental plans in numerous domains.

Marginalised Roma Communities (MRC) is one of the horizontal priorities of the 2007-2013 programme period. The Office of the Plenipotentiary of the government is responsible for its coordination. 200 million euros have been allocated for this priority and it is intended to support local strategies for a comprehensive approach in marginalised Roma communities. The call for applications for the project was published in December 2008.[30]

In 2010, 151 local strategies for a comprehensive approach have been approved and calls for demand driven projects (planned activities) have had to follow. As we have already indicated in part 1.3., their implementation has been halted due to several negative circumstances, starting with an insufficient elaboration of the expected activities within the MRC and finishing with political mistrust about the transparency of the applications selection. Independent analysis has found several discrepancies. An expert wonders that, "a great part of the project budget is allocated to preparation of strategy and consultation services" (Grambličková 2010: 8) and might not reach the target group. However, resources for this purpose in the given amount (more than 10% of the MRC priority) were allocated to the Technical Assistance operation programme.

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29 According to the Implementation Report 2009 of the National Reform Programme 2008-2010, page 27.

30 As has already been mentioned, a comprehensive approach is an interconnection of several mutually linked activities in one location/community to tackle several dimensions of the social exclusion of Roma communities simultaneously. The call for support for the preparation of local strategies for a comprehensive approach was launched only in 2008 due to a lack of coordination and the protracted preparation of the call.

Continuation of the programme of active inclusion of Roma communities by means of local strategies for a comprehensive approach seems to be uncertain though the new government of R. Fico (2012 – 2016) referred to local strategies for a comprehensive approach in its Programme Manifesto as a desirable method of strengthening marginalised Roma communities. On the other hand, the new government also declared its intention to continue the programme of multifunctional community centres, which will probably draw on resources originally designed for comprehensive strategies. Community centres are intended to provide counselling services, activation youth activities and (possibly) child care.

4. Monitoring and Evaluation

The monitoring and assessment of implemented policies is one of the weaker points of Slovak policy-making in the domain of social inclusion. Assessment on the effects of social inclusion measures has relied on a limited number of quite rigid initiatives for a long time (*Report on the social situation of inhabitants in the Slovak Republic*, published since 1994, is a good example).

Report on the social situation employs part of the portfolio of the national indicators of poverty and social exclusion which were prepared with the aim to monitor trends that are specific to the Slovak Republic and that are not sufficiently covered by common social indicators. Some have become a stable part of regular monitoring.

Since 2008, other initiatives have appeared. The economic and financial crisis led to an effort to monitor its effects. However, the crisis hasn't been used as a "window of opportunity". Among the most frequently used sources were administrative data on registered unemployment and the results of regular monitoring activities (common structural indicators concerning employment, number of created jobs and amount of expenditures). The use of existing measures when facing new social conditions has hampered the collection of adequate information about the effects of the economic and financial crisis as well as anti-crisis measures. To sum up, besides regular monitoring activities, no special effort has been developed to monitor the impact of the economic and financial crisis.[31]

A new initiative is represented by the "Monitoring of the Implementation of the Act on Social Services" which has been regularly carried out by the Institute for Labour and Family Research, an organization affiliated with the MLSAF, since the first quarter of 2009. The project has been based on *Memorandum on Cooperation between the Government of the Slovak Republic and the Association of Towns and Communities in Slovakia* regarding the impacts of the financial and economic crisis on Slovak society. The monitoring of the implementation of the Act on Social Services focuses on an assessment of costs to municipalities related to the implementation of the newly adopted law. The costs are assessed at two levels: the local and regional level. Though in the beginning monitoring suffered from a low response rate from the representatives of municipalities, later the situation improved. Despite some methodological questions, monitoring has become an important way to identify the effects and needs of public interventions in the domain of social services. Based on the results of the monitoring, the budgets of local and regional self-governments for financing social services, including social services provided by non-public providers, were regularly augmented.[32]

Since June 2010, all legislative proposals have had to go through an ex ante assessment of selected impacts, including impacts on social inclusion. Thus far,

31 As we have shown in previous reports, available research capacities haven't been used sufficiently to monitor both the impacts of the crisis and the effects of adopted policy measures.
*32 http://www.rokovania.sk/File.aspx/ViewDocumentHtml/Mater-Dokum-132895?prefixFile=m_*

existing evaluations have not shown any practical impacts, as there is no obligation for the author of the proposed bill to accept the results of the assessments.

The assessment of ALMP is an example of policy assessments ending without a clear impact on policy design and implementation. Since 2010, all the NRPs have announced an upcoming assessment and revision of the ALMP. However, already in 2009, the national (demand oriented) project "Indicators and System of Evaluation of Effectiveness of the ALMP in the Slovak Republic" was implemented by Infostat and Trexima. The project was funded from the ESF within the Employment and Social Inclusion Operational Programme. The objective of the project was to improve the capacity of the government to assess the effect of ALMP. From the NRP notes on missing assessments of the NRP it seems that the project results have not been not properly used by the government since they were not recognised as a basis for ALMP revision (NRP 2012). A new methodology for assessing the efficiency of active labour market measures has been developed and approved by the management of the Ministry of Labour, Social Affairs and Family of the Slovak Republic in December 2011. Data needed for the evaluation should be available by the end of 2012.

5. Recommendations

5.1 Recommendations of Priority actions

a) To pay balanced attention to all three pillars of the active inclusion approach instead of prioritizing the workfare approach.

b) To support participation of government representatives in mutual learning activities in order to get information about "what works best" as an integrated strategy.

c) To improve the regular monitoring and assessment of all programmes.

5.2 Recommendations of Priority policies

5.2.1 Adequate income protection

a) Link subsistence minimum to a transparent basket of necessities based on clear political commitment regarding the level of decent living. Support research in this field.

b) Link minimum income protection to a transparent threshold of decent living (subsistence minimum) and individualise MI protection.

5.2.2 Inclusive labour market

a) Give more support to social economy programmes while taking long-term inclusion in the labour market and civic society participation into account.

b) Stop decreasing the personnel of public employment services and look for resources (both from the national and EU levels) for their growth.

5.2.3 Access to services

a) Substantially increase the support of the teacher assistant programme for promoting the educational prospects of children from disadvantaged socio-economic backgrounds.

b) Look for means to improve the enrolment rate of children from disadvantaged socio-economic backgrounds in child-care facilities (together with representatives of municipalities and NGOs).

5.3 Recommendations of actions taken at the European Union level

a) Do not calculate investment in pre-school education and other essential investments in the social inclusion of the most disadvantaged as part of the deficit (only as part of the national debt).

b) Emphasise human rights and a social cohesion approach in the recommendations on social services, housing, social inclusion, active labour market policy, and social protection.

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Summary tables

Table 1

To what extent has an integrated comprehensive active inclusion strategy been developed in Slovakia?												
	Comprehensive policy design			**Integrated implementation**			**Vertical policy coordination**			**Active participation of relevant actors**		
	Yes	Somewhat	No	Yes	Somewhat	No	Yes	Somewhat	No	Yes	Somewhat	No
For those who can work		**X**				**X**		**X**			**X**	
For those who cannot work[33]		**X**				**X**		**X**			**X**	

Table 2

To what extent have active inclusion policies/measures been strengthened, stayed much the same or weakened since 2008 in Slovakia?									
	Adequate income support			**Inclusive labour markets**			**Access to quality services**		
	Strengthened	The same	Weakened	Strengthened	The same	Weakened	Strengthened	The same	Weakened
For those who can work			**X**			**X**			**X**
For those who cannot work		**X**			**X**				**X**

33 Caring persons, old age and disability pensioners.