



Slovak Republic

Trends, Recent Developments, “Feeding in” and “Feeding out”

A Study of National Policies

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Summary

This Report consists of two parts. Part one attempts to analyse the Slovak Implementation Report on the National Reform Programme (IRNRP) according to the agreed feeding-out, feeding-in and governance/monitoring template. Part two offers an overview of changes in the baseline social policy situation and new legislation and policy development.

The IRNRP was put together and passed by the Government, headed by the social-democratic party SMER, after their first year in power. It is characterised by the preparatory phase of policy-making and by intensified references to the Lisbon process, the Commission recommendations and OMC in social inclusion in comparison with the IRNRP 2006.

Strengths: Familiarisation with and acknowledgement of the Lisbon process, the EU social inclusion and social protection process, reflecting the Commission's recommendations and extensive work on preparation of policy documents and legislation process are the strengths of the Slovak IRNRP and present the policy-making process. The new Labour Code shall secure more in-work protection making its level closer to the EU standards. The Bill amending the Act on Employment Services (approved by the Government and waiting to be sent to Parliament) offers an extensive range of encouragements for job creation and is noteworthy for the carefully elaborated rules of employment policy governance on regional level (involving social partners and other stakeholders) and for its consistent adoption of a lifelong learning perspective (LLL), complying with the Commission's recommendation. The Act shall promote jobseekers' rights to education and rewards those taking part in education and training. The LLL approach influenced the new strategic documents on pre-school education, which consider kindergartens to be part of the education system and which open the opportunity to provide free child-care on a constitutional basis. Last but not least, the strength of implemented policy is its extensive attention given to reaching the goal of balanced public budget and fulfilling the Maastricht criteria as the ambition of the Slovak Government is to take up euro in 2009.

Weaknesses: Feeding-in aspects of the Lisbon process are far less elaborated in the Slovak IRNRP. Chances that the economic growth will fructify in strengthening social inclusion and social protection are hampered by the necessity to reduce the public finance deficit caused by the old-age pension reform introducing private pension savings. The long term objective of achieving the sustainability of public finance, embodied in the current government objective of improving public balance by cutting public administration by 20%, seems to endanger the monitoring and analytical capacities of public administration. Cuts in public expenditures led to staff reductions in public budgetary institutions, including MOLSAF. Undue overloads of remaining officials also negatively affect their communication with NGOs and bottom-up initiatives. For that reason, the stakeholders' involvement remains insufficient and continues to be a chronic weakness of (social) policy-making in Slovakia.

Disagreements among social partners on the issue of minimum wage and Labour Code also complicate social policy development. Their disputes signal that flexicurity is far from being a consensual issue in Slovakia. Ability of the government to explain intended amendment of old-age pension reforms is rather low.

Gaps/omissions: As there are no agreed indicators on the adequacy of resources or access to public and social services (apart from the information society indicators), quality of life is not given special attention. As a result, some risky phenomena that have been increasing in volume (such as non-affordable housing, rent-debt, forced evictions for non-payment of rent) are easily omitted

when describing social conditions. Regional decentralisation of public and social services competences has not been supplemented by adequate monitoring.

Considerable legislative gap is in the delaying Bill on Social Services. In spite of lip services to the significance of their development for social protection and social inclusion in strategic documents, the Bill was again postponed for the budgetary reasons. Without necessary legal framework, omnipresent savings have been threatening the very existence of some decentralised social services facilities. The availability of social services in the regions and the access to services such as decent housing is not the subject of systematic monitoring.

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1. Part: Assessment of the Implementation Report of the National Reform Programme

1.1. Short summary

The preparatory phase of policy-making is characteristic of the 2007 IRNRP. The Report describes the progress the Government has made with preparing strategic documents and legislation proposals and in ensuring that its Programme objectives (Manifesto 2006) are more widely reflected in the SR operation programmes for the years 2007 – 2013. It outlines the tools and measures that will make drawing on EU funds more efficient.

The strong feature of the IRNRP is its consideration of the Commission's recommendations for the domains of education and employment policies. Instead of being the yardstick to assess what was already done, part of recommendations such as to speed up the reform of primary and secondary education and continue in raising the standards of the tertiary education to increase expenditure to R&D and education was used to buttress the Government work on future concepts and to steer the future development. Bill proposals such as that of amended Act. No. 5/2004 on Employment services or Labour Code amendment were drawn up to implement the recommendation (a) to develop a comprehensive approach to tackling long-term unemployment, notably by developing targeted active labour market policies for the most vulnerable groups; (b) to reduce the gender pay gap; (c) to develop an active ageing strategy to increase employment of older workers. The Bill on Employment Services offers an extensive range of encouragements for job creation and is noteworthy for its consistent adoption of a lifelong learning strategy and active ageing principle. The youth employment is also addressed here. Passing the amended Labour Code is already an accomplished important legislative step towards better in-work protection and towards reduction of the "stubborn" gender gap in remuneration.

The recommended comprehensive approach to tackling long-term unemployment has influenced the preparation of the operation programme Employment and Social Inclusion. The Programme's material and financial framework is expected to provide for "systemic solution of long-term unemployment in the regions with high unemployment". New measures are believed to have "maximum synergic effects".

Progress has been made in monitoring and governance. The IRNRP provides a thorough description of economic development (including the development in employment and social inclusion) based on the set of agreed indicators for the Lisbon process. The assessment grid gives information on the timing of individual tasks and calculated financial costs.

Weaknesses: Feeding-in aspects are far less elaborated in the Slovak IRNRP. Involvement of stakeholders in the social protection and social inclusion policy-making remains insufficient and there are no signals that something will change. Inactivity in this domain contrasts with considerable attention the IRNRP gives to the issue of participation of "entrepreneurial public" in legislation and policy processes.

Gaps and omissions: The IRNRP supplies a quite thorough description of economic development, using the agreed indicators for monitoring the Lisbon Strategy and implementing comparative perspective. Employment and inclusion are described by 13 indicators. However, the

EU-SILC data are not sufficiently used and indicators of the development of living conditions of inhabitants are missing.

As there are no agreed indicators on the adequacy of resources or access to public and social services (apart from the information society indicators), quality of life is not given special attention. As a result, some risky phenomena that have been increasing in volume (such as non-affordable housing, rent-debt, forced evictions for non-payment of rent) are easily omitted when describing social conditions. Regional decentralisation of public and social services competences has not been supplemented by adequate monitoring.

In spite of lip services to the significance of social services development for social protection and social inclusion in strategic documents, the Bill on social services was again postponed for the budgetary reasons. Without necessary legal framework, omnipresent savings have been threatening the very existence of some decentralised social services facilities. The availability of social services in the regions and the access to services such as decent housing is not the subject of systematic monitoring.

In comparison with the previous implementation reports, the Social Development Fund (SDF) and local partnerships of social inclusion (which promoted bottom-up initiatives and community work in the most disadvantaged areas) fell out of the assessment grid.

1. 2. Feeding out aspects

1.2.1 Promoting both social cohesion and economic growth

Develop a comprehensive approach to tackling long-term unemployment, notably by increasing qualification of unemployed in line with the labour market needs

The employment measures and programmes of the new programming period are described extensively in the IRNRP. The tools such as ALMP and employment services will be targeted at the long-term unemployed and also towards sustaining existing jobs and increasing their quality. Part of the support will be aimed at “increasing adaptability of employees, as well as firms, to changing economic conditions”. The National Strategic Reference Framework for the period 2007 – 2013 expects that support for the employment policy will be more than 22 billion SKK (667 million EUR). The ESF is the resource of innovation: tools and measures of ALMP are going “to be adapted to the possibility of co-financing from ESF resources, in harmony with the Regulation (EC) No. 1081/2006 on the European Social Fund” (IRNRP 2007, p.10)

Education: The youth education attainment level is very high in Slovakia (91.5%) comparing to EU-25 (77.7%). Early school-leavers statistics is also favourable though without positive impact on the level of youth unemployment.

The Commission's recommendations concerning an increase of expenditure on education, the LLL strategy and education reforms are considered in the section Politics of education. IRNRP deals with the recommendation “to reallocate expenditure towards R&D and education” as with a guide for setting right future policy programmes¹. It is less used as the assessment instrument.

¹ Resolution No 766/2007 (dated September 12, 2007) approved *the Long-term Forecasting of the State Scientific and Technical Policy until 2015*. The Forecasting sets goals and intentions for investment into research and development. Increase in the R&D expenditures is planned to be achieved by supporting Slovak research and development entities from the Structural funds.

The data on R&D investment stagnation from the table 5 “Research, development and innovation” of the Assessment Grid are not commented².

The IRNRP also deals here with the issue of educational integration of children at risk and children from marginalised groups in the standard school environment. The Concept of educational integration of Roma children and youth (The SR Government Resolution No. 498/2004) is promised to be amended by the end of 2007. It will also include the concept of secondary and tertiary education. The Concept of special pedagogical counselling (No. 282/2007) is hoped to promote educational integration of children with special needs. This section also briefly outlines (or better, lists) numerous strategic documents that were already passed³ or will be passed by the end of 2007⁴ and in 2008⁵. The preparation of and passing of a new school law (2007 according to the Assessment Grid) has to start the reform of elementary and secondary education which will “deal with the changes in the curricula of regional schools”, and will put greater emphasis on strengthening the civic attitudes and views of pupils and students. The content of the Act is not well known and the issue of elementary and secondary education is rather neglected by the mass-media (as well as by academic research).

Up till now, we can only say that the policy documents preparation process has been noteworthy extensive in the area of education. Their detailed assessment is beyond our capacity.

Ensure due implementation of lifelong learning strategy (LLL): The LLL strategy was passed by the Slovak Government in its Resolution No. 382/2007; Act on LLL will be passed in 2008. The feeding-out connection between the increased support for the *education and training* of the unemployed and the increasing demand for a skilled labour force is emphasised by the IRNRP. According to the Commission's recommendation, Life Long Learning should be escalated and more effort should be invested in reducing long-term unemployment, especially among marginalised groups, including the Roma minority. The Commission's emphasis on LLL justifies important innovation: substantially increased contribution for jobseekers' taking part in educational and training programmes. People attending education and re-training courses will get an activation contribution almost three times higher than the amount of the usual contribution received while participating in community works.

The objective to harmonise family and working life is only modestly elaborated in the IRNRP by referring to the EQUAL projects and projects supported by the EFS that helped to sustain various facilities for children and facilities for after-school activities. Work and family harmonising effects might come as a result of the recently elaborated documents on pre-school education, which are however, focused chiefly on child development

² Table 5 suggests that gross domestic expenditures on R&D by government stagnated and by industry sharply declined between 2002 – 2005 (IRNRP, p. 57)

³ The Concept of the two level model of education programmes in the area of professional (vocational training) education (Slovak Government Resolution No. 489/2007); The Concept of pedagogic and psychological counselling system and its implementation (Slovak Government Resolution No. 283/2007); The Concept of special pedagogical counselling (Slovak Government Resolution No. 282/2007); The proposal of the pre-school education concept aimed at the preparation of children for their school enrolment (Slovak Government Resolution 222/2007); The proposal of the foreign language education at elementary and secondary schools (Slovak Government Resolution No. 767/2007)

⁴ Proposal of the concept of national minorities education and the Act on the status of pedagogical employees of schools and school facilities; The new concept of state politics in relation to children and youth for the years 2008 – 2013; Act on financial support for extra-school education

⁵ New concept of tertiary and university education in harmony with the Bologna process (p. 11)

Increase expenditure for R&D and education:

The section Politics of education re-emphasizes the EC's recommendation "to reallocate expenditures towards R&D and education" and "to adopt an LLL strategy that addresses the need of the labour market, improves qualification levels and skills, complements the reform of tertiary education with the reform of primary and secondary education"⁶ and makes specific the ways in which the Government is going to comply with them.

Active ageing principles are implemented in several policies (Active Labour Market Policy - ALMP, pension policy, lifelong learning strategy). The employment of elderly persons in Slovakia increased from 24.5% in 2004 to 33% in 2006 and 35.2% in the second quarter of 2007⁷. This activation was made possible mainly through increasing retirement age to 62 years (for all men since 1 January 2006; 62 years' retirement age for women by 2014), through reduction in insurance contribution burden for employers who employ elderly citizens and through "carrot principle": the senior citizens may continue to work and receive old-age pension at the same time. More vacancies and outflow of young workers abroad also contributed to this increase.

It is difficult to assess the impact of individual factors involved. However, gender differences in the prescribed retirement age may intervene stronger than the removal of "pension or salary" dilemma. Prospects of increase of retirement age for women are perceived rather negatively in the Slovak society where generation ties are strong and grandmothers/grandparents still play important role in children's care.

1.2.2 Ensuring an adequate income work

The amendment to the Labour Code and the proposed new Minimum Wage Act are steps towards *more adequate income work*. Preparation of Minimum Wage Bill was marked by strong disagreements between the social partners and competitiveness versus life in dignity principles. The amendment to the Labour Code (that took effect on September 1, 2007) promises to strengthen flexibility in labour relations, make more precise the guarantee of equal wages for men and women, increase the protection of employees in part-time jobs and in the case of recurring job contracts, and to increase the protection of workers against unfair dismissal.

Receiving adequate income from work is a difficult objective in Slovakia. The IRNRP admits that the employers' associations regard and promote low wages as the competitive advantage of the Slovak economy. The Report also notes that low wages prompt a higher outflow of the labour force to foreign labour markets (including families with children). The employers are hopeful of an inflow of cheap foreign labour force, but their plans have gone awry so far.

Commitment to *gender equality* is also expressed by the planned reorganization of the National Labour Inspectorate, the aim of which is to strengthen control over the equality in men's and women's wages. Since September 2007, the number of labour inspectors controlling gender wage equality has increased.

Care for quality jobs is implied in the aim to use the operation programmes to support top-level innovation of production technologies which demand a labour force with high qualifications to increase the competitiveness of the Slovak economy.

⁶ Slovakia: Assessment of NRP, p. 6

⁷ IRNRP claims that the Lisbon objective (50%) was already achieved in the group of elderly men with 51.6% employment in second quarter and the employment rate for women achieved 21.2%.

1.2.3 Targeting job creation at vulnerable groups

The legislative framework for more massive job creation already exists in the amendment of the Act No. 5/2004 on Employment Services, which awaits passing by Slovak Parliament. The Act sets out new forms of active measures and extends the list of disadvantaged groups: for the first time, Roma ethnicity is introduced as an indication of disadvantage. School graduates, young people and jobseekers older than 50 years of age have been already on the list and entitled for special activation programmes. The measures are based on “the programme and project” approach. They are planned to come into force in 2008.

The IRNRP here refers to the Commission's recommendation “to develop a comprehensive approach to tackling long-term unemployment, notably by developing targeted ALMP for the most vulnerable groups”. It states that the recommendation was incorporated into the elaboration of the operation programme *Employment and Social Inclusion* whose main objectives are approaching full employment and support of employment of people at risk of being excluded from the labour market. (p. 9)

The programme includes various specific measures whose legal regulation is covered in the proposed amendment of Act No. 5/2004 on Employment Services. Among other things, an important innovation of the Act is substantially increased support for education and preparation for labour markets. We have already mentioned that contributions for jobseekers taking educational and training programmes are almost three times higher than the common benefit received while participating in community work.

The most important new ALMP tools are targeted towards sustaining jobs with low wages (for instance, by subsidizing insurance payments paid by both employer and employees in the case of employing people who have been looking for work for at least three months, by payments for their schooling/ induction into a job).

This relatively extensive paragraph deals with the strategic procedure for a comprehensive approach to tackling long-term unemployment, which consists of (besides others):

- More extensive use of external suppliers' services of employment aimed at the preparation and inclusion of job-seekers according to employers' qualification requirements
- Better and more active involvement of regional and local self-government, employers, their unions, NGOs and voluntary organizations in offering advice/counselling services, and in motivating and sustaining the long-term and young unemployed to enter the labour market
- Creation of the legislative conditions for establishing reintegration enterprises and social enterprises for employing disadvantaged groups (p. 10)

Creation of a legal framework for the last ALMP tool social enterprise was originally proposed as the stand-alone legislative task in the legislative plan of the Government. The task was cancelled on the MOLSAF request⁸ as the legal regulation of social enterprises was inserted in the proposed bill amending the Act on Employment Services in the articles 50a, 50b and 50c. This ALMP tool has been adopted on the basis of political learning from the best practical experiences in organizing employment for disadvantaged job-seekers.

1.2.4 Addressing territorial differences and regional gaps

Territorial differences and regional gaps in job opportunities, economic performance and wages are referred to rather frequently in the IRNRP, which mentions various more or less general measures for tackling them. The outlined ALMP measures continue to be regionally sensitive: creation and sustainment of jobs will be more supported in the regions with high long-term unemployment in the next programming period as well.

Contributions for relocating in order to obtain employment and contributions for employers for organizing the transport of employees are proposed (to support territorial mobility). It is planned to co-finance these ALPM measures from the Operation Programme Employment and Social Inclusion, which also helps to create “a material and financial framework for implementing the systemic solution of long-term unemployment in those regions struck by high unemployment”. Actually, the opportunity to obtain funds stimulated efforts to design ingenious forms of employment support.

The New Strategy of Tourism Development until 2013, which was approved by the Slovak Government in its Resolution No. 417/2007 in May 2007, is also presented as the strategic tool for making “better use of regional potential in removing regional differences and creating new jobs”. (IRNRP, p.33)

1.2.5 Assessing the impact on social protection systems

Fiscal discipline is the ruling principle for every adaptation of social protection system. Rise in pensions, social support benefits and social needs benefits pursue their increase in line with inflation. Rise in living costs has not been examined in the process of setting the benefits/pensions amounts since the separation of minimum subsistence institution from the material need benefits (2002) and pensions system (2004). There are a few publications of research on living conditions in spite of the running EU-SILC project. The already mentioned research on single-parent families living on material need benefit is a rather an exception.

In summer 2007, the Ministry of Finance organized (on the basis of an MLSAF initiative) an international public competition⁹ for setting out missing national poverty indicators. The project is financed by ESF/Phare and will take two years. Indicators should be based (or should use) the EU-SILC data. The screening committee (composed of experts from MLSAF and its branch organizations, Statistical Office, etc.) will screen the quality of the competition winner's work (private agency).

⁸ [http://www.rokovania.sk/appl/material.nsf/0/5F1F0A17E75D0CFFC12573920033111C/\\$FILE/Zdroj.html](http://www.rokovania.sk/appl/material.nsf/0/5F1F0A17E75D0CFFC12573920033111C/$FILE/Zdroj.html)

⁹ The rules of public competition requiring trade-licensed claimants excluded academic research institutions from participation

Monitoring and assessing the effects of social policy are now made quite difficult as a result of the cuts in public administration that have been made on the basis of the Resolution of the Government No. 856/2006 from October 11, 2006 demanding 20% cuts in the staff of all budgetary organisations, central government departments including. Many experienced officials had to leave¹⁰. The Government resolution to reduce staff working in public administration complies with its macroeconomic objectives that are sustainability of public finance and the fulfilment of the Maastricht criteria for public spending.

1.2.6 Addressing the contribution of fiscal policies

The IRNRP claims that the key goal of economic policy is “to achieve high and sustainable economic growth which would contribute to faster growth in the living standards of the Slovak population.” Simultaneously, “the most important objective of fiscal policy in Slovakia is to achieve sustainability of public finance in the long run. As regards the process of continuing integration into the European Monetary Union, the next goal is to fulfil the Maastricht criteria for public spending during this year (IRNRP: p. 6).

This means that the first specific goal is to reduce the public deficit below 3% of GDP in 2007, including costs required to launch the second pillar of the pension system, and thus meet the criteria for integration into the Eurozone” (p.6) Parliament approved a deficit of 2.9% of GDP for 2007, including the pension reform costs. The obligation to reduce public deficit below 1% of GDP by 2010 was presented in the Convergence Programme. This mid-term objective was specified in this document to reduce the public deficit to a level of 0.9% of GDP by 2010 (including the pension reform costs). The Government has approved the new general government budget for 2008-2010, which, for the first time, includes this mid-term objective in the budgetary process. Despite the fact that the new budget is based on existing frameworks of the previous multi-annual budget, the Government had decided slightly to adjust target deficit limits for public administration in 2008-2010. The Government decided to increase its deficit reduction effort more resolutely in 2008-2010: by 0.1% of GDP against targets established in the Convergence Programme. This means that the deficit in 2008 is expected to achieve 2.3% of GDP, 1.8% of GDP in 2009, and 0.8% GDP in 2010.

The efforts to attune the *old-age pension legislation* (proposals to change the rates for PAYSG and private social insurance funds in favour of PAYSG, the increase of the maximum limit of the assessment base to pay insurance premiums and contributions, putting “second pillar” operated by private pension companies on a voluntary basis, at least temporarily) also arouse political disputes. Political opponents have organized a nation-wide petition against the government proposals requiring inviolability of the private saving pillar.

The reason for greater ambitions in reducing the public budget deficit is the “better than expected development of the macroeconomic environment and the efforts to meet the obligations arising from the Commission's recommendations and the rules in the revised Stability and Growth Pact”. This, however, means that the effects of economic growth are planned to be absorbed by amortizing debts and perhaps by even stricter savings than the previous Government had planned. Nonetheless, the IRNRP states that the continued consolidation is fully consistent with the Government's intentions to achieve a higher degree of solidarity and social fairness in the economic system. Methods by which the Government plans to achieve these aims are not

¹⁰ The crucial monitoring institution, the Statistical Office of the Slovak Republic has lost ten percent of its highly expert staff.

sufficiently specified. In this context, only a general description is given: “by carrying out a series of measures on the income and expense side of the public budget” (IRNRP 2007: 6)

1.3. Feeding in aspects

1.3.1 Links with EU SP/SI process

The IRNRP addresses the challenges of the Assessment Report in a special chapter and also throughout the Report. Majority of links refer to feeding-out aspect of Lisbon process and they were dealt with in the section 1.2.

The IRNRP notes that some tasks were not fulfilled, but the possible consequences of their postponement are not discussed. The task of the national action plan for children to prepare the proposal of the Ministerial Committee for Children and Youth has been postponed from September 2007 to May 2008.

However, “Europeanization” of the IRNRP’ language and claiming the social dimension of the Lisbon process should not divert one’s eyes from the fact that the standard method (benefit increase parallel to inflation) can only problematically secure adequate social benefits already squeezed by the social assistance reforms set (1999 – 2004) at a level less than half of the subsistence minimum, that is, well below the national threshold of poverty. And although it is true that the combination of all contributions to the material need benefit can now slightly surpass the minimum subsistence level, the adequacy of the subsistence minimum composition itself has been in doubt since the deregulation of prices of energies and housing services in 2001-2.¹¹ That is why it can be said with certainty that the benefit increase parallel to inflation is not a guarantee of “adequate resources for everyone”. It can be so only if the meaning and interpretation of adequacy shifts from “sufficient for living in dignity” to “appropriate to the effort to decrease the deficit of public finances”.

1.3.2 Links to 2007 Joint report challenges

Links to the EU Social Protection and Social Inclusion Process and the 2007 Joint Report’s challenges (e.g. child poverty, integration of migrants and minorities) are explicitly made in the section on social inclusion. For instance, “the increase in financial aid to persons in material need, in parallel with the growth of living costs in low-income households and overall inflation rates, as well as the state social support benefits for children and families” is reported as being the fulfilment of efforts “to provide adequate resources for everyone and to protect those who cannot increase their income by their own efforts” and “the interest in preventing exclusion and poverty reproduction between generations.” (p. 26)

Most of 2007 Joint report challenges refer to feeding-out aspects of Lisbon processes and for that reason they were discussed in the section 1.2. The challenges concerning inter-generation transmission of poverty (Roma, vulnerable groups) are mainly responded to with the planning

¹¹ The Government has promised to recalculate the subsistence minimum in its Manifesto: “The Government will reconsider the establishing of the subsistence minimum so that subsistence minimum will be the basic amount from which the amount of measures of particularly of financial nature is derived, reflecting the actual basic subsistence needs (...) The Government will reconsider the parameters of the benefit and contributions towards addressing material need so that the assistance is adequate to basic subsistence needs...” (The Manifesto 2006: 30)

operational programmes for drawing the EU funds and numerous changes in educational policies (listed in the section 1.2.1). As we put it in a previous report, getting any programme into the NRP and the National Strategic Referential framework is the essential precondition of its sustainable financing in Slovakia. The inclusion of the Roma is now the horizontal priority of all operational programmes. This arrangement leaves more room to sustain programmes already implemented and introduce new ones at least during the period of 2007 - 2013.

Adequate pensions

Though the main resource for the feeding-in processes are the structural funds, there is, on the other hand, a marked effort to get resources into the PAYG pension system to secure sustainable and adequate pensions. Since the inception of the mandatory, fully funded, contributory defined second pillar of pension system (1 January, 2005), there is a real threat of a yearly 27 billion SKK deficit in the PAYSG. It is the consequence of dividing the total old pension contribution (18% of assessment base) by the one to one rate among PAYSG and fully funded old-age pension system (9%: 9%) on one hand, and of the high number of registered savers (almost 1.5 million) on the other hand. The Government's attempts to propose measures that would prevent a cumulating deficit in the pension system are facing criticism from the political opposition that had launched pension reform. The latest proposal to increase the pension contribution for those with higher wages (by increasing the maximum assessment base from the present base of three times to four times of average wage) is part of the current amendment to the Act on Social Insurance (passed on October 30, 2007 and allegedly legally confusing). The political opposition warns that if the saving in the second private pillar was to be made voluntary, the pension insurance companies will start the process of an international commercial arbitration against the Slovak Republic that will bring risks of enormous financial penalties which could possibly ruin the country.

Affordable prices

The Government's efforts to keep an eye on the stability of prices (energy, food) (if possible) can also be considered to be the part of feeding-in. The Government has been criticising high mark-ups in hyper-market chains and opening the issue of what is an adequate profit also in other economic domains.

1.3.3 Examples of good practices

IRNRP does not introduce any examples of good practices. On the other hand, transfer of best practices examples is mentioned as the way of political learning to which the Slovak Republic is open. There are references to the intent of good practices transfer in the domain of public administration (creation of pro-business environment) and employment services. Other domains are not mentioned. Involvement of the Slovak Republic in policy learning through transnational projects shall be backed by the operation programme Employment and Social Inclusions that comprises framework "to implement transnational projects to transfer best practices examples in the area of local employment and job positions on a local level, in collaboration with partners from EU Member States" (IRNRP, p.23).

1.4. Aspects related to governance monitoring

1.4.1 *Monitoring and assessment of impact of policies*

The IRNRP provides a thorough description of economic development (including the development in employment and social inclusion) based on the set of agreed indicators for the Lisbon process. Majority of employment/inclusion indicators signal positive development. Exceptions are the growth in the gender pay gap (27% in 2006) and the increased share of people in material need, although this latter is the result of improved protection of old-age pensioners with low pensions entitled to housing contribution since 2006.

As a response to the Commission's criticism of the lack of assessment of policy outcomes by use of quantitative indicators, the Government adopted Resolution No. 466/2007, which passed a set of indicators for monitoring the implementation of the NRP measures.

The purpose of elaborating "social impact assessment procedure" had been announced in earlier strategic documents such as the Implementation Report of the NRP 2006 and NRSSP/SI 2006 - 2008¹². The staff of the Institute of Social Policy/Social Inclusion Unit of the MLSAF worked on the social impact assessment formula, but in May 2007, the task was ended. In September 2007, The Institute of Social Policy was dissolved. According to the comment of the Ministry of LSAF on this report, "nevertheless, the MOSLAF continues to work on the social impact assessment formula." (Comments, p. 2)

The IRNRP has an extensive annex describing developments with the help of statistical indicators. The employment and social indicators are covered by 13 indicators. The majority of information given is from 2002 – 2006 and the comparative data EU-25 or OECD are introduced as a rule. Apart from the common structural indicators and the Eurostat indicators of social cohesion, there are still no special (national) indicators for social impacts assessments.

Deficit of assessment and monitoring will be partly scaled down thanks to bottom-up initiative of NGOs. F. Ebert funded the project of "White Book of Poverty" submitted by Friends of Earth and Slovak Anti-Poverty Network. The book with contributions of ten leading experts will appear in November 2007¹³.

1.4.2 *Involvement of stakeholders*

The IRNRP devotes an extensive attention to supporting the entrepreneur environment, including the issue of participation of "entrepreneurial public" on legislation and policies process. Similar attention is missing in case of social protection and social inclusion stakeholders.

Involvement of stakeholders belongs among the weakest links in the Slovak chain of OMC in social inclusion process. On the basis of strong tripartite tradition, social partners are regularly involved in legislative and policy-making process. However, organisations/associations that are closer to the most disadvantaged groups do not have their say in policy-making process granted. Social-democratic government has not brought about more understanding for participatory

¹² "Elaboration is prepared of the "Uniform methodology of constructing and evaluating the Clause of influences upon the economy of the population and families" in connection with the evaluation of impacts of new legal regulations upon the population's and families' economic management." (National Report on the Strategies for Social Protection and Social Inclusion 2006 – 2008. Slovak Republic)

¹³ http://www.priateliazeme.sk/cepa/chudoba/cepa_koch_web.pdf

democracy in Slovakia. The MLSAF has not devised any new public consultations procedures (apart from one-shot seminars with NGOs), nor has it instituted funding scheme that would make NGOs' public policy involvement less exhausting.

Prospects of partial improvement are built in a new Bill on the Employment Services. The Bill proposes various improvements related to governance. The Act sets out the conditions for a more active involvement of regional and local self-government, employers, their unions, NGOs and voluntary organizations in shaping local and regional ALMP programmes. Their institutional framework for monitoring social inclusion policy effects is said to be conformed to the Commission's call for more thorough and methodical coordination of politics at the national level.

1.4.3 Coordination and jointing up of economic, employment and social policies

The IRNRP notes that the Slovak Government is aware of the call of the Commission to a more thorough and methodical coordination of politics at the national level. In order to reach maximum synergic effects of reforms and their right timing, the Government has taken many measures to improve the governance of the national Lisbon Agenda (NLS). The reports on the implementation of these measures are now elaborated twice-yearly by two coordinators of the NLS, the Vice-Chair of the Government for Knowledge Society, European Affairs, Human Rights and Minorities and the Minister of Finance.

Economic, employment and social policies are jointed mainly by the balanced budget/public deficit' perspective and through fiscal instruments.

The Ministry of Finance initiated the establishment of the Coordination Committee for Fiscal Aspects of the Slovak National Reform Programme with the aim of addressing the issue of consistent objectives. (p.4) The Committee consists of deputy ministers from governmental ministries responsible for the Lisbon Agenda and officials from the Association of Towns and Municipalities of Slovakia, the Association of Eight Self-governing Regions and the Slovak Academy of Sciences. The Committee is to coordinate the structural policies of the National Reform Programme with the macroeconomic and fiscal policy objectives. A similar body for the social aspects of the NRP does not exist.

Domination of the fiscal aspects of policy-making is apparent on the repeated delay of passing the Act on Social Services. The Social Services Act is already delayed by three years. It was prepared under the previous government (2005) as the outcome of extensive consultations with NGOs and agencies providing social services. The Act was incorporated into the legislative plan of the Government for September 2007. In spite of the emphasis on the social services development in the Government Manifesto (2006), National Report on SP/SI Strategies 2006 – 2008 and IRNRP 2006, this Act, expected to provide the legislative framework for “the development of social services, which will guarantee their beneficiaries dignified living conditions”, to ensure system of their funding and to create the conditions for the development of businesses in the field of social services, based on the non-profit principle¹⁴, will come in force in January 2009. IRNRP does not mention the reasons of the next stay. However, this legislative task was cancelled by the Government Resolution No. 911/ 2007. During the commenting process, six associations of social services providers and social services clients requested that passing the Act would have met the deadline. The stay of passing the Act was reasoned by the

¹⁴ The Manifesto 2006: 33

fact that the costs of rights for social services provisions had not been yet taking in account in public budgets of municipalities and SGR for 2008.¹⁵

2. Part Overview of new reforms or changes in relevant key trends (during the last 12 months)

This part builds chiefly on the Annual Report on Social Conditions of the Inhabitants of the SR in 2006 (published in May 2007). This document covers all available statistical and research data relevant for giving a picture of social conditions in Slovakia. Furthermore, we draw from the Ministry of LSAF' Account of its Work during its first year in power (Odpočet 2007), the web page of the National Council of the SR (overview of the legislation process), the Government Programme Manifesto (SR) and from other documents.

2.1. Changes in the baseline social policy situation and trends

There are no significant changes in the baseline social policy situation. As was expected, in 2006 and the first half of 2007, favourable economic development has continued. Employment has also been increasing, though to a lesser degree. The flow of labour force abroad has continued and become even more intense. During the last 12 months, the new Government made some citizen-friendly gestures, such as Christmas contributions for old-age pensioners, a special birth contribution for the first child born¹⁶, a reduction in VAT (from 19% to 10%) levied on medicines (both human and veterinary).

Ways of calculation the benefits in material need and their valorisation (the government has a "possibility" to valorise benefits; not an "obligation") have been preserved. Amounts of the state social support benefits and benefit in material needs have been slightly increased at September 2007. The increase was actually of tiny quantity. For instance, the social support benefit for single adult was increased by 40 SKK that is by 1.2 EURO monthly. Monthly housing benefit for one person household increased by 30 SKK (less than 1 EURO) and by 50 SKK for a household with two or more members¹⁷.

Activation contribution (1,900 SKK) and protection benefit (900 SKK) were not increased in 2007. The MOLSAF justified their stagnation by "loss of motivation to take employment". This resolution seems to draw from experiences of some NGOs running social enterprises that face disinterest of jobless people to take up job there. Benefit system turns out "insufficiently motivating" when one adult of jobless couple started working for minimum wage. According to calculation of the NGO expert, jobless couple engaged in activation works losses 250 SKK (about 7.5 EURO) in such situation. (Mačáková 2006) Though jobs for minimum wage are not prescribed for social enterprises¹⁸, in situation of generally low pays in Slovakia MOLSAF and NGOs seem to believe that the minimum wage is justifiable for unskilled (Roma) workers. Insufficient capacity of minimum wage¹⁹ to cover one's (family) living costs is not taken into account.

¹⁵ [http://www.rokovania.sk/appl/material.nsf/0/2A706A86AD29EF71C12573640022F552/\\$FILE/Zdroj.html](http://www.rokovania.sk/appl/material.nsf/0/2A706A86AD29EF71C12573640022F552/$FILE/Zdroj.html)

¹⁶ This issue was described in more detail in the First Semester 2007 Report for the Slovak Republic (Kusá 2007)

¹⁷ <http://www.employment.gov.sk/new/index.php?SMC=1&id=11937>

¹⁸ For instance, the average wage in the wood-processing social enterprise operated by municipal partnership in Eastern Slovakia village Budkovce was more than 15 thousand SKK in June 2006, that is, twice more than in the example used by Mačáková. <http://www.cassovia.sk/korzar/archiv/clanok.php3?sub=10.6.2006/2558Z>

¹⁹ The monthly gross minimum wage is 8,100 SKK since October 1, 2007. It is less than the subsistence minimum for households of two adult persons (= 8,710 SKK since July 1, 2007). It implies that the minimum wage does

2.1.1 Changes in the economic, social and demographic context

Economic growth has been continuing in Slovakia. According to the Report on Social Conditions of the Slovak Population in 2006²⁰ (May 2007), the Gross Domestic Product grew by 8.3% in 2006 on a year-to-year basis. The fastest growth in recent years was achieved by labour productivity growth of 5.8% (8.7% in current prices). Livings costs were stabilised²¹.

The high speed of labour productivity in 2000 – 2006 was accompanied by relatively lower employment growth and this trend has also continued in 2007 (IRNRP 2007, 21). However, the development in the labour market reflected in job creation was positive. Unemployment figures in Slovakia fell by 74,100 on the inter-year basis in 2006. According to the LFS data, the average unemployment rate was 13.3% in 2006, with a prognosis of only 10.9% for 2007 (IRNRP, p.8).

The overall growth of employment was 3.8% in 2006, but 2.2% in the Slovak Republic. Almost 160,000 Slovaks worked abroad, almost 25% more than in the previous year²². The propensity to migrate abroad for work is very high especially among university students: more than 80% of medicine and pharmacy students might try to get a job abroad²³.

At the end of 2006, the Statistical Office registered 364,185 self-employed. This figure represents a 5.6% increase in comparison with the previous year. The fastest year-on-year increase was not in services, as one could expect, but in manufacturing industry. This may suggest that new job opportunities do not necessarily bring more secure jobs (as contracts with self-employed sole traders can be much more easily terminated than employment contracts²⁴).

From the regional aspect at the end of 2006, 41% of all registered job vacancies were found in the Bratislava Self-Governing Region (SGR), which is one of the eight higher territorial units²⁵. Out of all 79 districts, the number of those having the average unemployment rate above the SR average fell only slightly: from 35 in 2005 to 33 in 2006. Two districts, Rimavská Sobota and Revúca, had an average registered unemployment rate above 25% (Rimavská Sobota 29%). In 2005, only three districts were the case.

not protect the household with only one wage earner against falling under the national poverty threshold. Households like this are therefore eligible for benefit in material need.

The basic monthly benefit for a household of two adult persons is 2,910 SKK. In the case both adults are engaged in activation work, they can get plus 2 x 1,900 SKK and if they are entitled to housing benefit they get next 2,350 SKK. Their monthly income can increase to 9,060 SKK (274 EURO) as maximum.

²⁰ Reports on social situation of inhabitants elaborated by the special unit of MLSAF represent the most thorough regular description and analysis of social policy effects in Slovakia

²¹ <http://portal.statistics.sk/showdoc.do?docid=5591>

²² Latest expert estimations of the extent of work abroad that are based on LFS speak about 250 thousand working abroad. It is almost 10% of the economically active population of Slovakia. (2,645 thousand in 2005) <http://www.ueos.sk/mvrr.sr/isvov/s6/m1/a.04.004.n2.asp>

²³ IVPR data, source: Annex IV to the Report on Social Conditions. 2006

²⁴ The widely discussed provision of the Bill of Labour Code was the insertion of the definition of “dependent work” (in § paragraph 1). Its goal was to halt the trend of turning regular employee jobs into contracts for self-employed (sole traders): (3) Dependent work may be performed only in an employment relationship, a similar working relationship or in exceptional cases defined herein in another form of labour law relationship. Business activity or another gainful activity based on a contractual relationship under civil or commercial law shall not be dependent work” (Act. No.348/2007)

The debates between the Government and employers’ associations were very fierce and framed by the need to defend the flexibility of the labour market and competitiveness on one hand, and to protect employees on the other hand. The Government made some concessions to employers’ association. Anyway, the Government’ arguments were in any case not very clear on how the changed definition of dependent work can protect employees against forceful changing their status to self-employed (sole-traders).

²⁵ 11.2% of the Slovak inhabitants live in the Bratislava SGR.

The regional disparities in the unemployment rate fell from 15.3 percentage points (pp) in 2005 to 14.5 pp in 2006.²⁶ It is difficult to determine the main reason of this slight decrease. The foreign investments, ALMP and working abroad might all contribute to this outcome.

Regional differences in the average wage continue to be high in 2006; the average wage in the Prešov Self-Governing Region reached only 56.7% of the average wage in the Bratislava Self-Governing Region. This means that the regional gap in wages is more than 43%²⁷.

2.1.2 Major new trends or challenges, new risks or significant new groups at risk supported by relevant statistics and indicators

- Single-parent families are known to be endangered by poverty. A recent survey of a sample of single-parent families living on social benefits²⁸ revealed that social benefits do not provide sufficient protection against material deprivation. According to the survey's findings, the income of 31.4% of single-parent families on social benefit is only enough to buy the cheapest things, while the income of the next 36.1% of single-parent families is only enough to buy the cheapest groceries and the next 17.4% do not have income even for the cheapest groceries. In total, 84.9% of single-parent families have only a very limited possibility of securing a basic material standard of living for their children²⁹. This survey should be taken in account if the Government decided to implement its Programme Manifesto plans to "reassess the level of subsistence minimum and the level of social benefits". The commission for the subsistence minimum reassessment was already set up in July 2007, but it has not been called for since then.
- *The lingering housing problem* (restricted construction of public housing) has marked only a slight change. In 2006, the building of 20,592 new apartments began, an inter-year increase of 4%. There has been an increase in public housing construction of 11.6%. The highest number of completed apartments was in Bratislava and the majority of completed apartments (85%) are in the private sector³⁰. The share of public housing is less than 2.66% of the housing stock³¹. The lower mobility of the labour force within SR territory is admitted, but there is no new initiative that would substantially tackle the lack of affordable housing, deal efficiently with unaffordable housing and with the lack of public

²⁶ The Report on the social conditions of inhabitants of the SR in 2006: p.19.

²⁷ The Report ... annexes (own calculation from the data),

²⁸ One of research objectives was to assess the protective effects of the substitutive/ compensatory alimony that was introduced in 2004. More in (Bodnárová - Gerbery 2006)

²⁹ IRNRP recognises the problems of single-parent families. Important measures aimed at the prevention of poverty of children include the alimony benefit scheme. Bill of amended Substitutive (Compensatory) Alimony Act has been currently in the legislation process. It responds to over two years of implementation experiences and to the amendments in the Civil Court proceedings. Among other issues, the amendment laid down provisions for increasing the scope of eligible persons and simplifying the award process for alimony benefit." (IR RP, p.26)

³⁰ The Report ... 2007 annexes) As in the case with many other capitals, the construction boom in Bratislava can be credited to foreign developers. According to the expert estimations based on the land registers, 40% to 60% of newly built apartments are owned by foreigners, mainly citizens of UK and Ireland. For the majority of them this is a "speculative venture" in the hope of being able to sell them again at a higher price and make a profit, because they expect the increase in real estate prices. This suggests that an intensified housing construction does not necessarily improve the affordability of housing in the country.

³¹ Informácia 2006

housing construction in areas that are developing quickly. For instance, Bratislava as the capital of the Slovak Republic did not apply for a public housing loan from the National Housing Fund in 2007³², although the lack of affordable housing threatens the mobility of young people to the city.

- Unfortunately, the most painful problems concerning housing are not supported by relevant *statistics and indicators*. There were new cases of evictions of those in debt and their involuntary move into cabins/shacks bought by municipalities in another town/village (without making local representatives aware of their actions) and evictions of tenants from former communal apartment buildings sold to private firms in this year. Representatives of the National Centre for Human Rights warned against creation of new Roma ghettos³³. Domestic and international advocacy NGOs (M. Šimečka Foundation, the Institute of Roma Public Policy, the Centre on Housing Rights and Evictions and the European Roma Rights Centre) sent letter of concern to the Prime Minister of the SR against forced eviction of the Roma³⁴. These protests seem to slacken the occurrence of eviction cases but they have not brought out any legislative initiatives so far.
- *Restricted operation of Social Development Fund (SDF)*: public spending cuts hit the operation of the Social Development Fund. The SDF was established in 2004 to support local partnerships of social inclusion (LPSI) and community work in the most disadvantaged areas. The necessity of setting up a control unit (as the operation of the SDF has been partly funded through the ESF) and the simultaneous Government decision to reduce staff working in public administration³⁵ resulted in a decision to dissolve the partnership local consultant offices in disadvantaged areas as organizational units of FSR for the sake of the control unit in Bratislava. According to the comment of MLOSAF to this report, the dissolution of the local consultant offices “did not have any effect on working positions nor on activities carried out by LPSI”. However, the organizational uncertainty has scaled down the FSR’ assets. The number of Roma communities involved in the LPSI was only 161 at the end of 2006 instead of the 248 forecasted, the number of participants in LPSI activities was 1,456 instead of the forecasted 3238, the number of drafted local employment strategies and action plans was 21 instead of 40, the number of jobs created for the long-term unemployed was only 20 and the number of permanent jobs created was zero³⁶. Lack of resources also threatened the programme of community work. The resources for the programme of community work were planned only until the end of 2007. The work of 600 community workers and 17 community work coordinators was endangered. Recently, after the bottom-up initiatives and negotiations, the Minister of LSAF allocated 35 million SKK to cover the transition period between 1 January 2008 and 31 March 2008 to ensure the continuity of the community work³⁷. These financial means are designated for service (field social work). Positions of community work coordinators were closed down. According to experts, this can have a negative impact on the quality of provided field

³² <http://www.sfrb.sk/prehľad2007.html>

³³ Roma ghettos in Slovakia have been expanding dangerously rapidly (Na Slovensku sa nebezpečne rýchlo rozširujú rómske getá) www.ta3.com September 30, 2007

³⁴ <http://www.errc.org/cikk.php?cikk=2857>

³⁵ The Resolution of the Government No. 856/2006 from October 11, 2006 assigns the 20% cuts in staff in all budgetary organisations, the ministries including.

³⁶ The Report ... 2007, p.80

³⁷ http://www.employment.gov.sk/new/index.php?SMC=1&mod=news&news_id=157 It is necessary to add that from 1 April 2008, community field work shall be supported from the resources of the European Social Fund.

work³⁸ as community field workers are now without any methodical consultation and expert protection and they are fully subordinated to local mayors and their ideas about the needs of local community.

- *Decreased access to social services:* on the basis of annual statistical reports from 2005 (data for 2006 not available)³⁹, home-care service was provided to 19,880 individuals – an inter-year decrease of 7.6%. The number of staff involved in home-care services decreased by more than 25% (!) and current expenditure fell from 672,965 SKK to 508,257 SKK, that is, by 24%⁴⁰. These reductions coincided with the completion of transferring social services provision to the regions and local municipalities and the first year of their being directly funded from municipal and regional budgets. Missing legislative framework (repeated postponement of the Bill on social services) and weak public voice of social services “consumers” seem to contribute negatively to social service development.
- *The EU-SILC data* are still very rarely used in socio-economic analyses and the Statistical Office of the SR offers only a few EU-SILC data directly on its website. Although the EU-SILC data sets for the Slovak Republic are distributed on request free of charge, the findings on living conditions are not available to the general public and do not incite public discussion about social conditions.

2.2 New legislation and policy development

We have already dealt with new legislation and policy development in the first part of this Report, as the Slovak IRNRP is very much focused on this. The overview of new legislation and policy development is also given in the MOLSAF’ Account of its Work during its first year in power (Odpočet 2007). The MOLSAF material provides more information about programmes that *are* to be implemented on the basis of the Operation Programme Employment and Social Inclusion in 2007 – 2013 than about things already done⁴¹.

The MLSAF Account covers twelve areas of policy development and the main emphasis is placed on employment. Key information relates to the new strategy of creating job opportunities, placing job-seekers in vacancies and the sustainability of jobs. The strategy is expressed in the aforesaid proposed amendment to Act No. 5/2004 on the Employment Services, and is distilled into the National Strategic Reference Framework for the period 2007 – 2013. Support of this employment policy from the resources of the European Social Fund is expected to amount to more than 22 billion SKK (667 million EUR).

Creating jobs for the most vulnerable will be backed by the Priority Axis 2 Social Inclusion of the Operation Programme Employment and Social Inclusion. This part of the programme will support

³⁸ The decision to cancel the positions of community work coordinators is in contradiction with the commitment expressed in the Government Manifesto: “The Government will pay due attention to improving quality in the social work field, support professionalism and increasing the status of field social workers”. (The Manifesto.. 2006: 30)

³⁹ The Report ... 2007, p. 75

⁴⁰ The Report ...2007 ibid

⁴¹ The Account does not provide information about the amount of financial support for local partnerships for social inclusion in 2006. According to the MOLSAF, “in the second half of 2007, community projects aimed at the long-term unemployed entering the labour market and sustaining them were prepared and gradually implemented. In this context specific procedures were implemented in the case of marginalised Roma communities” (Odpočet, p. 4)

local partnerships aimed at the development of local employment in the most disadvantaged communities and will be governed in cooperation with the Plenipotentiary of the Government for Roma Communities⁴². It is worth adding that promoting the inclusion of Roma Communities has been set as the horizontal priority (i.e. across the board) in all operation programmes in this programming period. This has to guarantee the opportunity of comprehensive programmes for Roma communities and, possibly, higher synergic effects.

The potentially increased impact of the Office of the Plenipotentiary for Roma Communities on drawing structural funds coincided with a change in the post of the Plenipotentiary of the Government for Roma Communities (Anna Botošová replaced Klára Orgovánová). The Plenipotentiary's Office seems to escalate the efforts to prepare new regional strategic inclusion documents. There are indications that the Plenipotentiary Office is going to work out various strategies anew, though some of them, for instance, regional Roma social inclusion plans for the Banská Bystrica Self-Governing Region, were recently elaborated and adopted (January 2007).

⁴² Local partnerships were supported by means of the SDF, that is, the public body independent of the Office of the Plenipotentiary of the Slovak Government for Roma Communities. The disappearance of the SDF from the assessment grid might signal a shift of control of the social inclusion programmes in disadvantaged areas to the Plenipotentiary's Office.

ANNEX 1: List of recent new legislation and key documents, including ESF and ERDF

- Act on Christmas Contributions for Some Categories of Old-Age Pensioners in 2006
- Act amending Act No. 235/1998 on the Child Birth Contribution (*special first child birth contribution in the amount of 11,000.00 SKK in addition to standard child birth contribution, and for parents to whom three or more children are born together or for those parents to whom twins have been born repeatedly*)
- Act amending Act. No. 222/2004 on VAT (*reduction of VAT levied on medicines from 19% to 10% since January 2007*)
- Act amending Act. No. 131/2002 Coll. on Tertiary Education Institutions (*legalisation of de facto existing payments for distance learning and freeing part of distance students from payment; the form and scope will depend on the will of university chancellors*)
- Act amending Act. No. 365/2004 on the Equal Treatment in Some Areas and the Protection Against Discrimination (*clarifying gender pay discrimination*)
- Act amending Act. No. 2/1991 on the Collective Bargaining
- Act No. 348/2007, which changes and supplements Act No. 311/2001 Col. the Labour Code, as amended by later regulations, and changes and supplements certain other acts <http://www.employment.gov.sk/new/index.php?SMC=1&id=12045> English version)
- Act amending Act No. 607/2003 on the National Fund for Housing Development (*extending the eligibility for the state housing loan*)
- Act amending and supplementing Act No. 5/2004 on the Employment Services (*to be debated in Parliament: tools for increasing employability and maintaining job opportunities, more effective placing of job-seekers on vacancies, education and retraining etc.*)
- Act amending Act No. 461/2003 on the Social Insurance (*enacted in Parliament on October 30 with procedural errors - unclear results due many amending proposals*)
- Act amending Act No. 43/2004 Coll. on the Old-Age Pension Saving
- Operation Programme Employment and Social Inclusion 2007 – 2013
- Regulation of the Government of the SR No. 450/2007 from September 19, 2007 on the amount of the Minimum Wage.

ANNEX 2: REFERENCES

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