



Slovak Republic

Assessment of the 2008-2010 National Reform Programmes for Growth and Jobs from a social inclusion perspective: The extent of synergies between growth and jobs policies and social inclusion policies

A Study of National Policies

Zuzana Kusá

The Institute for Sociology of the Slovak Academy of
Sciences Bratislava

Daniel Gerbery

The Institute for Labour and Family Research

*Disclaimer: This report reflects the views of its author(s)
and these are not necessarily those of either the
European Commission or the Member States.*

October 2008



On behalf of the
European Commission
DG Employment, Social Affairs and Equal Opportunities



Content

Summary	4
A. Overall assessment of the 2005-2008 NRP during the past year from the perspective of social inclusion.....	6
A.1.a Strengthening social dimension.....	6
A.1.b Efforts to assess the actual impact of policies and programme	7
A.2 Good examples of feeding in or feeding out	7
B. Assessment of the 2008-2010 NRP from the perspective of social inclusion.....	8
B.1 Overall assessment.....	8
B.2 Feeding out	8
B.2.1 Employment and feeding out.....	8
B.2.2 Economic growth, financial sustainability and feeding out.....	10
B.3 Feeding in.....	11
B.3.1 Active inclusion.....	11
B.3.2 Education, training and lifelong learning	12
B.3.3 Early school leavers.....	12
B.3.4 Gender equality	13
B.3.5 Anti-discrimination	13
B.3.6 Child and family poverty and social exclusion.....	14
B.3.7 Social economy	14
B.4 Governance.....	15
B.4.1 Monitoring and assessment.....	15
B.4.2 Involvement of stakeholders	15
B.4.3 Coordination	16
Annex 1.....	17
C. Update on Key Social Indicators.....	17

Summary

Social inclusion does not belong to explicitly emphasised priorities of the 2008-2010 NRP. Its priority is education (as well as lifelong learning) that are both seen as the internal resource of sustainable economic growth and as the precondition of labour market inclusion. The new NRP introduces various measures in order to increase labour market value of disadvantaged jobseekers. Apart from a few exceptions, participation in education and labour market seems to be identified with social inclusion in the new NRP. The NRP addresses all country-specific recommendations and points to watch that have been raised from the European Council. The belief that social policy in general should contribute to economic growth has been accepted as widely as the belief that economic growth and employment have spontaneous healing effects on situation of the vulnerable groups. The NRP lacks any strategies thus aimed at promoting greater social inclusion.

The new NRP employs a matter-of-fact approach: it introduces new employment services legislation aimed at employment of the long-term unemployed. There are various organisational innovations that should improve the fitting of educational programmes to employers' needs. In spite of its factuality, the NRP is somewhat unclear as regards the implementation status of the measures presented. Various welcome measures are "not yet initiated" or, what is more intricate, not backed by allotted finances, for instance, in case of the support of rental housing. The pride of the new NRP is fully implemented free pre-primary education for children in kindergartens a year before the beginning of compulsory school attendance and free pre-primary education for the whole period of its duration for children whose parents are in material need. This measure can be emphasised as a good example of feeding in and feeding out.

The new NRP informs about progress in assessment policy process. The Government has already approved *the unified methodology for the assessment of the impacts of legislative measures* on public finance, employment and the business environment, social situation of inhabitants, environment, and informatization of society. At present, a pilot run is being carried out. Awareness of the crucial importance of monitoring and assessment is demonstrated in various points of the NRP.

Feeding out The NRP regards the long-term unemployment arising from "unsuitable education structure" as the major problem to be tackled. Tackling the long-term unemployment is the aim of several policies and measures. It recognises that interconnection of employment and education systems by improving the cooperation of public sector, administration authorities and employers is of strategic importance. The aim is to increase employability of young individuals graduating from secondary vocational schools. The important novelty is that the category of school graduates addressed by various employment services measures has been extended to every individual aged under 25 regardless he or she graduated from a school. This amendment allows offering special programmes for wider group of young adults than it has been up till now. Improvement of a financial situation of individual households as well as stimulation of employment growth are expected from intended *employee tax credit* that should make low earning jobs more attractive for jobseekers. The important issue raised in relation to employment is *labour force mobility*. There is the aim to deal with shortage of rental housing without a budgetary impact.

Development of national system of flexicurity which "will be the supporting pillar of employment policy of the SR" and will have a positive impact on "reconciliation of family and working life" is announced.

Feeding in The new NRP pays extensive attention to policies and measures of labour market integration of the unemployed. The long-term unemployed get a new value as the labour demand has begun to surpass labour force in the preceding period. Numerous measures aimed at improvement of their qualification are to be implemented. The social-investment approach to social inclusion and social protection dominates. Education and employment measures are partly complementary and are obligatory to have positive employment and knowledge-economic effects. *Education, training and lifelong learning* are the most thoroughly elaborated. Measures concerning education are diverse. One part of them secures support of talented students and investment in their future innovative capacities, the other part aims at disadvantaged jobseekers. The new active employment measures are partly based on the programme and project approach. This should secure their sensitivity to the needs of the regional labour market. However, the NRP does not present any new measure aimed at tackling the early school leavers' problem. *Active inclusion* is neglected issue in the new NRP however the comprehensive support of disadvantaged jobseekers participating in education and labour market training programmes can be seen as resembling, at least partially, to active inclusion. Similarly, *the adequacy of minimum income* (as an inevitable part of active inclusion) is a chronic problem of the Slovak social inclusion policy without any prospects of recovery. The amended Act on employment services eventually sets up the institute of social enterprise that has been missing as the legal category up till now. However, the commitment to employ at least 30% of disadvantaged jobseekers and the investments of at least 30% of income in creation of jobs for disadvantaged jobseekers seem to be too weak to call them social.

Monitoring and assessment: The important issue not discussed in the NRP is that the academic research institutions funded from the public budget are excluded from public procurement on monitoring and assessment of the projects funded from the EU funds on grounds of assumed cross-financing: procurements are reserved for private or non-budgetary agencies. Regarding the institutional settings of monitoring and assessment, the need to strengthen analytical capacities of the ministries was articulated partly in relation to the new unified methodology of impact assessment that has now been pilot tested.

Involvement of stakeholders: According to the NRP, the aims and measures presented for the new cycle of the Lisbon Strategy *have been discussed on the expert level*. Expert discussions have mostly been held with employers' organisations or have had interdepartmental nature. Opinions and interests of employers have been widely reflected in many measures. People experiencing poverty and social exclusion and the organisations that represent them have not been involved in the design, implementation or monitoring of the NRP.

Coordination The key role for the success of the Lisbon Strategy of the institutional framework is recognised in the NRP. The main coordinators of the Strategy are the Government Office (the Deputy Prime Minister for Knowledge-based Society, European Affairs, Human Rights and Minorities) and the Ministry of Finance (the Minister of Finance). It looks like an apposite choice as it combines two types of perspectives which, together, create an umbrella of overall strategy. From the social inclusion perspective, a potential risk could arise that the "social" ministry doesn't play a more important role. We are convinced that the insertion of the Ministry of Labour, Social Affairs and Family, among the main coordinators of the Lisbon Strategy, could contribute to better integration of social inclusion perspective into the general framework of the document.

A. Overall assessment of the 2005-2008 NRP during the past year from the perspective of social inclusion

Social inclusion does not belong to explicitly emphasised priorities of the 2008-2010 NRP (further "the NRP"). Its priority is education that bridges the various parts of the NRP. Education and lifelong learning are taken as the internal resource of sustainable economic growth, prerequisite of knowledge-based economy, and as the way of increasing one's value on labour market and labour market inclusion. The new NRP introduces various measures in order to increase labour market value of disadvantaged jobseekers. Apart from a few exceptions that will be discussed later, participation in education and labour market seems to be seen as identical with social inclusion in the NRP.

A.1.a Strengthening social dimension

The 2007 Implementation Report ("IR NRP") and the new NRP slightly differ in language: there is lower frequency of the words typical for the social inclusion perspective in the new NRP. This might suggest that the social dimension has become weaker in the new NRP¹. However, it can be also the other way around as powerful social dimension could be taken for granted and rendered implicitly or it could be treated in different terms.

It is true that the IR NRP was more explicit about social inclusion due to its programmatic nature: it mainly deals with the objectives of the operation programme Employment and social inclusion, new strategic documents and legislative intentions and justifies them by the country recommendations concerning social inclusion. The new NRP employs a more matter-of-fact approach in its chapter on implementation of the Lisbon measures in the past year: it introduces noteworthy number of measures that are set up (or made possible to be set up) by the new legislation² and aimed at support of employment and education and preparation of the long-term unemployed for labour market. There are also announced changes in vocational training and various organisational innovations that should secure better fitting of educational programmes to the needs of employers. In spite of its factuality, the main text of the NRP is somewhat ambiguous about the implementation status of presented measures; its reading without the Annex 3 (Action plans) and the Assessment grid can lead to inappropriately optimistic conclusions. Various welcome measures are not yet initiated or, what is more intricate, not backed by allotted finances³.

The new NRP's pride is fully implemented free pre-primary education for children in kindergartens a year before compulsory school attendance and, at the same time, pre-primary education free for the whole period of its duration for children whose parents are in material need. This important measure indicates understanding that social policy is an investment in the future and the quality of human capital.

¹ The term inclusion appears 24 times in the 2007 IR NRP (references to the 2006 – 2008 NRSSPSI including) and only 11 times in the new NRP. The new NRP does not refer to the 2008 – 2010 NRSSPSI. Social inclusion indicators have also weak position: only three indicators out of 23 indicators in the part 2, Employment and Social Inclusion, do not refer to employment. As both the documents strictly follow the respective Guidelines, the differences can also be attributed to shifts in them.

² The amended Act on employment services No. 330/2008 and the new School Act

³ For instance, the support of rental housing

A.1.b Efforts to assess the actual impact of policies and programme

The new NRP informs about the progress in assessment policy process. In May 2008, the Government approved *the unified methodology for the assessment of the impacts of legislative measures* on public finances, employment and the business environment, social situation of inhabitants (on households income and expenditure, social exclusion, equality of opportunities, gender equality), environment, and informatization of society. Assessment methodology has now been pilot tested in order to detect and revise possible shortcomings⁴. It would be premature to judge the methodology now, but it is slightly discomfoting that the methodology covers all the aspects of social exclusion (access to resources, services and legal protection) by one lump indicator. The reason for such a reduction has been the need to avoid “administrative complexity” and halting of the legislation process⁵.

Awareness of the crucial importance of monitoring and assessment is also demonstrated in various parts of the new NRP. The NRP includes the statement about the crucial need to strengthen analytical capacities of the ministries participating on fulfilment of the Lisbon goals⁶. The articulation of this need could suggest possible reassessment of the Resolution of the Government No. 856/2006 demanding 20% cuts in the staff of all budgetary organisations, which has actually hampered analytical activities of the ministries.

A.2 Good examples of feeding in or feeding out

We are introducing here several examples of the measures that could be taken as good examples of feeding in and feeding out only with turning a blind eye to them. The difficulty is that all the NRP measures that deserve to be praised are either novel measures that have come into effect this year and it is not possible to judge their impact sufficiently or they are nothing more but the intentions that have not been initiated yet.

a) Free pre-school education for children in kindergartens is now provided one year in advance of the compulsory school attendance for all children. Moreover, pre-school education is now free of charge for all years for children whose parents are in material need. At the same time, kindergartens were advanced from the category of school facilities to the category of schools which provide pre-primary education. The Government believes that due to the advanced status the kindergartens will get higher prestige and attract the interest of parents in placing their children in the kindergarten (p.7). New “variable operation of kindergartens” allows municipalities to meet the needs of parents, to better cooperate with them and to involve parents into decision-making about the composition of the school education programme. Systematic care for education of kindergarten staff should warrant quality of pre-primary education.

⁴ The application of the Assessment Methodology will be ensured from June 2009. The peer review will be organised in the Slovak Republic on November 6 – 7, 2008

⁵ This criticism was addressed by the Slovak Anti-Poverty Network during the comment procedure

⁶ This statement (the last paragraph on p. 43 in Slovak version) was originally missing on p. 46 in English version of the NRP submitted in October 2008. Our criticism of this omission contributed to the correction of the mistake (attributed to the speed of translation process) and the revised English translation of the Slovakian NRP 2008-2010 also includes the statement that recognises the crucial need to strengthen analytical capacities of the ministries.

b) Amendment of the Act on employment services further expands *many-sided support* (travel expenses, costs of kindergartens, meals, increased benefits, etc) *of jobseekers participating in education programmes*. Intentions to set up organisational measures and contributions that will facilitate the educational programmes for disadvantaged jobseekers *tailored to demands of their future employers* seem to be good prevention of “creaming effect” in tackling the long-term unemployment. These measures are specified in several action plans annexed to the NRP.

B. Assessment of the 2008-2010 NRP from the perspective of social inclusion

B.1 Overall assessment

The new NRP addresses all country-specific recommendations and points to watch that have been raised from the European Council. One can also trace increasing awareness of *feeding in* and *feeding out* processes. Belief that social policy in general should contribute to the economic growth has been widely accepted.

The new NRP 2008-2010 doesn't include a clear message of how to tackle potential problems emerging from the slowdown of the economy or turbulence on financial markets which could increase vulnerability of the people at risk of poverty and social exclusion. Among the most important measures which should sustain stability of economic and social system (in general) are coming membership in Eurozone and fulfilment of Maastricht criteria.

B.2 Feeding out

B.2.1 Employment and feeding out

According to the NRP, the labour market situation is an important indicator of success of economic policy, because “employment is one of the main sources of economic growth and thus, also of improvement of living standards of the population”. (p.28) The major problem related to the labour market in Slovakia is seen in long-term unemployment perceived as resulting from prevalence of low-skilled persons without significant work experience. Suggestions of how to address employment are based on deepening relations between educational system and labour market as well as on “traditional” approach aimed at improving effectiveness both, of active labour market policies and passive tools. In case of passive tools, the NRP talks about “control of expenditures” which neglects the issue of adequate protection against income poverty within the system of welfare benefits.

Besides these measures, the NRP offers several new instruments. Stimulation of employment is expected from an intended tool aimed at persons with low wages – *employee tax credit*. Intended decreasing of tax burden should make low-earning jobs more attractive for unemployed persons⁷. Its design is universal in the sense that it doesn't distinguish between various groups with different “employability” problems (for example lone parents, the young unemployed). It is too early to talk about any contribution of this measure to employment growth and “feeding out” effect

⁷ However, the indicator 2.8 *Tax rate on low wage earners* shows that Slovakian' tax rate of low wage earners is under the EU27 average. (NRP 2008, p. 42)

on social inclusion as it has not been initiated and sufficiently analysed yet in the context of the institutes such as minimum wage.

Another aspect of support of employment growth is job creation addressed by introducing of a new tool – allowance for the support of employment of long-term unemployed. The measure is aimed at a broad category jobseekers registered at the office of labour, social affairs and family for more than 24 months. It has strong inclusion potential. The measure will be implemented through National Project.

The NRP deals with various groups of disadvantaged people jointly and approaches them almost exclusively as beneficiaries of employment and education programmes. Two paragraphs are the exception of this lump approach. One introduces the draft law on integration of severely disabled persons into society providing them with assistance giving them “equal opportunities as non-disabled citizens” (p.9) and the second one, subtitled Social Inclusion announces the intention to prepare new methodology of preventive work with children from risky environment. With exceptions of these two paragraphs, protection and services for vulnerable groups are not emphasised. The very term vulnerable only occurs in the quoted country recommendations⁸.

The NRP declares development of the national system of flexicurity which “will be the supporting pillar of the employment policy of the SR”. (p.29) Preparing activities will include analyses of internal (forms of flexible working time) and external (possibility to find another job) flexibility. It is important to note that according to the NRP both types of flexibility could contribute to the reconciliation of family and working life. Internal flexibility as a possibility to adjust working time is expected to help persons to combine work and family life. External flexibility will also cover situation of persons working in alternative contracts (contracted self-employed) who are burdened by higher social security payments⁹. Regarding this, the NRP declares willingness to create a socially adequate, motivating and financially sustainable social security system (p.29). This commitment could be viewed as a support of “security side” of the concept of flexicurity. However, the problem of the working poor isn’t described directly. Moreover, the nature of the project is more the one of the analytical study than the organisational arrangement of the social security system.

Tackling the long-term unemployment is the aim of various policies and measures. The aim is also to increase employability of young persons graduating from secondary vocational schools. Harmonization of schools’ curriculum with present needs of employers is important; however, the role of employers is undervalued because there are no specifications of their responsibilities (for example in training young students).

The important issue raised in relation to employment is *labour force mobility*. Its low level is assigned to shortage of rental housing. According to the NPR, a new strategy of support of rental housing is to be prepared. Emphasis will be placed on targeted support of the most vulnerable citizens and the resources will be acquired by “reassessing” the present, although insufficient, support for housing construction¹⁰. Suggested solution contains lot of hitches, including the

⁸ the NRP uses the term disadvantaged partly as a substitution of vulnerable partly as a term for low income families (for instance in relation to scholarship programme for studying upper secondary schools abroad. The main reason could be that a “disadvantaged jobseeker” is the legally defined term while term vulnerable lacks a similar anchoring.

⁹ The analysis of possibilities of protecting such labour relations will be the outcome of the project *National System of Flexicurity* (NRP, p. 29)

¹⁰ According to the budgetary information of the Assessment Grid, this measure (ID34) has „zero net direct budgetary effect“.

question of moving the municipalities of bigger towns to offer land for rental housing instead of selling it to developers, or, the question of whether an offer of rental housing will mobilize vulnerable groups to look for a job in other regions. People who are at risk of poverty suffer from several additional deprivations which could limit their “dynamic” potential.

B.2.2 Economic growth, financial sustainability and feeding out

Economic growth is seen as a key precondition of improving the social situation in the Slovak Republic. Multiple effects of positive macro-economic development are expected in various areas that could affect social inclusion of the vulnerable groups. Vision of spontaneous healing effects of economic growth is a part of political common sense penetrating the NRP that lacks any specific strategies in order to promote greater social inclusion in this way¹¹. It seems that understanding of *feeding out* processes relies rather on general, widely accepted effects of economic growth than on own intended measures enhancing social inclusion (which could enhance expected overall impact of macro-economic development in this area).

Fiscal policy has been subordinate to the effort to join the Eurozone during the last years, which has become one of the highest priorities of the Government (p.14). In the NRP, thinking about the impact of fiscal consolidation hasn't taken into account the situation of people at the risk of poverty and social exclusion as well as it is not considered within the context of modernization of social protection system. It is expected that implementation of the NRP is in line with the medium-term objective of fiscal consolidation and sustainability of public finance. Achieving Lisbon objectives will be enhanced by “more vigorous relocation of resources” (p.15), whereby attention will be paid to the effectiveness and efficiency of expenditure policies. The overall amount of expenditure allocated to the objectives will reach 2.5 billion EUR in the period of 2008-2010. The biggest part of this expenditure is dedicated to measures aimed at informatization of society, employment and research. But, as stated in the NRP, the importance of measures does not directly relate to the volume of their allocated financial means.^(p.16)

So-called “informatization of society” constitutes important part of activities planned within the NRP. It covers informatization of public administration, implementation of electronic official register services and their interconnections, e-procurement as well as general availability of broadband internet access infrastructure. The attention is paid primarily to measures that could stimulate business environment and improve public governance. The NRP also mentions the need to improve public access to the internet, especially in rural areas.¹² Despite this fact, it doesn't pay attention to the situation of vulnerable groups and their access to the internet and if and how the access to the internet could improve their situation.

Some issues highlighted by the Guidelines haven't been addressed in the NRP in sufficient way. For example, measures to tackle territorial differences have been much more mentioned in relation to economic growth and employment than in reference to social inclusion (social enterprises that are considered to be the tools of decreasing regional differences in employment are the exception).¹³ Liberalisation of services is mentioned, but briefly, in relation to the Act on social services (now in the Parliament).

¹¹ For example, there are neither comments on quality of jobs that are expected to emerge nor specification of character of regional disparities which should disappear (Slovak regions differ in many different ways).

¹² Activities in this field will be funded from Operation Programme *Informatization of Society*.

¹³ There is strong belief that intensive construction of motorways and high speed transit roads “will increase the accessibility of less developed regions and thus help decrease regional disparity” (p. 38).

B.3 Feeding in

The idea that social inclusion and social protection investment should promote employment and economic growth dominates both, in the new NRP and the NSRSPSI. Though the NRP does not refer to the NSRSPSI, NSRSPSI refers to the NRP and Lisbon objectives many times. Both the documents refer to the *Modernisation Programme Slovakia 21* (MPS 21).¹⁴ The MPS 21 provides them with the common approach to the topics such as investment in human capital of disadvantaged jobseekers, participation of employers in shaping educational programmes, sustaining low-waged employees in employment, flexicurity and support of rental housing.

We can hardly give any other **example of mutual strengthening of economic growth and social inclusion process** than presented measures to tackle long-term unemployment, however, under the condition that we reconcile ourselves to the narrowing of social inclusion to its one dimension: employment.

The long-term unemployed have paradoxically gained new value as the demand for labour force has recently started to surpass labour force supply due to the boom of various industries supported by FDI and the outflow of qualified labour abroad. As “unused labour force” is not able to meet the professional and qualification requirements of booming sectors, investments in human capital are necessary. Already mentioned amendment of Act on employment services brings about the whole set of measures that address various aspects of the situation of disadvantaged jobseekers who start education or preparation for labour market. During their training, the jobseekers can receive various supports and services including financial contribution that is noticeably higher than standard assistance in material need. The fact that they will be trained with job prospects can strengthen their learning motivation and also boost their personal feeling of inclusion¹⁵. However, it is not clear how this fact will be secured in individual cases that all measures will be complementing and a learning jobseeker will actually get comprehensive support. We only can hope that implementation of these measures will be subject to due monitoring and assessment.

B.3.1 Active Inclusion

Active inclusion is a neglected issue both, in the new NRP and NSRSPSI. However, the above mentioned comprehensive support of disadvantaged jobseekers participating in education and labour market training programmes can be seen as resembling in, at least partially, active inclusion. In this regard, the already discussed intention to make the income of low income groups more adequate (employee tax credit) is very ambivalent from active inclusion perspective. The reported bonus is very modest (considering amount) and not household-friendly (paid annually during the clearance).

Active inclusion also means improved access of vulnerable groups to social services. In this field we can expect some positive developments. The NRP briefly informs that the new draft Act on social services has already been approved by the Government, expected to be put into effect from January 2009. It does not mention that the draft Act has been delayed since 2005

¹⁴ MPS 21 has been approved by the Government in June 2008. It introduces concrete short-term and medium-term measures addressing the key challenges of Slovakia identified by the EC in the Lisbon process.

¹⁵ “Education of a young person is not only the preparation for his/her inclusion in the labour process but also determines the quality of his/her personal development, self-fulfilment and inclusion in society”. (p. 23)

apparently waiting for better economic times that would allow increasing “the availability of social services for physical persons that depend on them” (p.8)¹⁶.

Adequacy of minimum income is the chronic problem of the Slovak social inclusion policy. Due to the combination of factors (such as hostility of employers’ organisations to the minimum wage institute, threats of dismissals and moving multinationals to the countries with cheaper labour force, public deficit threat, low social solidarity with the excluded, particularly Roma, etc., present financial crisis), the prospects of increasing the adequacy of minimum income (either benefits or minimum wage) continue to be weak.

B.3.2 Education, training and lifelong learning

From the social inclusion perspective, education, training and lifelong learning are the most thoroughly elaborated measures in the NRP. Measures concerning education are very diverse. One part of them secures support of talented students and investment in their future innovative capacities (establishment of top grammar schools, loans for study abroad). Measures introduced in the NRP’s chapter Employment aim at the adequate preparation for labour market of the disadvantaged jobseekers. New active employment measures are partly based on the programme and project approach. This should secure their sensitivity to the needs of regional labour market and better focus on integration of the disadvantaged groups. Important novelty is that the category of school graduates that is addressed by various employment services measures has been extended to everybody aged under 25 regardless he or she graduated from a school (§ 52 of the Act No. 330/2008). This amendment allows offering special programmes for wider group of young adults than it has allowed up till now.

The amendment of curricula of vocational and professional schools (and also university curricula) is also listed among the important tasks for near future covered by the action plans (Annex 3). The emphasis is put on enterprising and business skills, financial literacy and other skills that are assumed to be important for contemporary labour market. They are also planned to become a part of compulsory education and their implementation status is already “on-going”.

B.3.3 Early school leavers

However, **early school leavers** are not addressed in the new NRP. It is strange as the MPS 21, the framing document for the new NRP, emphasises that early school leavers are the issue to be targeted¹⁷. The neglecting of the early school leaver issue is striking in comparison with the numerous measures aimed at elite education in the NRP. It seems to be an expression of rather

¹⁶ According to the fiscal impact assessment clause, the Social services Act will cause a considerable burden on public finances. The important novelty of the draft Act makes social service the entitlement that one could claim under specific conditions (Draft Act § 6). Unfortunately, the NRP does not grasp this relation and does not stress the Act on social services as the example of feeding out. The reason is that this important novelty has been quietly (NRSSPSI does not mention it) postponed. The act will come into effect since January 2009 with the *exception of the provisions imposing the duty of securing selected social services* that belong to their field of activity on municipalities and regional self-governments within the given term (60 days and six months) and with the exception of the provision on the basis of which the quality of provided social services will be assessed/evaluated. These provisions will get legal force not until January 1, 2011 (Draft Act, p. 109)

¹⁷ The MPS 21 introduces this issue together with the unfavourable results of Slovak pupils in PISA 2006 research and considers it as the problem of inadequate curricula. It mentions the necessity for the Government to redefine curricula of elementary and upper secondary schools mainly those of Slovak language, natural sciences, mathematics, and informatics. This should prompt the development of reading skills, reading comprehension, etc“ (MPS. 21 p.8)

a false satisfaction with the good comparative position of Slovakia in this indicator. This self-contentment seems to make the Government almost blind to the fact that the good average covers regionally uneven occurrence of early school leavers (pupils who end compulsory school attendance without having nine years finished have very limited chance to obtain further qualification) and as the districts with above the average share of ESL are highly populated by Roma it is highly probable that due to their language deficit they fall in this category more frequently.

The NRP announces the plan to improve operation of present system of counselling by joining various types of counselling that are now under the administration of different ministries and without mutual coordination into *the unified system of lifelong career counselling*. The aim is to cover comprehensively all population groups by counselling “so that citizens can acquire comprehensive information on the possibilities of education and employment throughout their entire lives”.

B.3.4 Gender equality

“Addressing the gender gap in remuneration and employment” has been among the points to watch for Slovakia, but in spite of this fact there are but few new measures mentioned in the new NRP that come close to it. The NRP informs about impending preparation of the National Strategy of Gender Equality in which employment of women and creating facilities for pre-school age children will “constitute a subject as many analyses show that often the objects of discrimination on the labour market are especially parents with small children.” (p. 29). However, there is no action plan for its preparation in the Annex 3 or in the grid. On the other hand, we need to remind that the measures addressing the gender gap in remuneration were extensively described in the 2007 IR NRP (such as the reorganisation of National Labour Inspectorate and the planned increase of the number of labour inspectors controlling gender wage). The measures aimed to reduce the gender gap in employment (such as classifying parents with children aged under 6 as disadvantaged jobseekers, free kindergartens for those of them who take part in education/preparation for labour market, etc.) have also been part of the active employment measures for several years. Moreover, as it is known (though not often explicitly admitted), the gender gap has been caused and sustained to significant extent by overrepresentation of women in sectors such as education, health care and social services, which are the sectors with below-average wages. The result is that gender gap cannot be effectively tackled without increasing wages in these sectors. However, this effective solution is not admissible as it would threaten carefully balanced public budget¹⁸. Tackling the gender gap is therefore a deadlock in the sparing, reassessing and economizing Slovakia.

B.3.5 Anti-discrimination

As it has already been suggested, the disadvantaged jobseekers are now approached as valuable source of labour force that, however, needs to be cultivated to improve its quality. The amendment of the Act on employment services has further extended the category of disadvantaged jobseekers that are target of various positive measures by new groups in accordance with the Commission Regulation (EC) No 2204/2002. However, the EC definitions are not implemented into the Act in whole scale and some groups are missing (Roma people).

¹⁸ Similarly, the quick solution of under-representation of women in top managerial positions would require introducing quota, which is, on the other hand, restriction of free competition and business freedom.

The draft Act originally introduced the new category of “the disadvantaged by insufficient knowledge of Slovak language” as a substitute to problematically referable ethnic disadvantage.¹⁹ However, in the comment procedure it was deleted due to the suggestion of the Ministry of Education”.²⁰ This as well as the fact that the word Roma absents in the new NRP (and MPS 21) shows that Slovak authorities have been avoiding the issue of adopting any positive measure linked to Roma ethnic origin.

B.3.6 Child and family poverty and social exclusion

Education is considered to be one of the main vehicles out of social exclusion and various new programmes of supporting education of students (such as scholarship for studying abroad for secondary school students from socially disadvantaged families) are mentioned in the NRP. As it has already been mentioned, the stress is put to pre-school education that has been made free for children from disadvantaged households. In this relation it is noteworthy that though the attendance of kindergartens is believed to be investment in future school results, the issue of availability of kindergartens in smaller municipalities or the issue of problematic transport to village kindergartens for Roma children living in segregated settlements is not dealt within the NRP. However, lacking or distant kindergarten facilities can decrease the chance of children from most excluded communities to benefit from this well-intended measure. Budgetary information of the Assessment grid says that there is zero EUR reserved for this programme for 2008, 17 million EUR for 2009 and the budget for 2010 is not available.

B.3.7 Social economy

The amended Act on employment services eventually sets up the institute of social enterprise that has been missing as the legal category up till now²¹. According to the NRP, the main goal of these instruments is to decrease regional differences in employment and unemployment rates and work productivity, especially in underdeveloped regions with high unemployment rates: “social enterprise is primarily oriented towards reaching social goals, to the creation of jobs for disadvantaged groups of jobseekers and for the support of their integration in the open labour market” (p. 8). However, the experts point out that the commitment to employ at least 30% of the disadvantaged jobseekers and investments of at least of 30% of income in creation of jobs for disadvantaged jobseekers is too weak to call them social. There have been next problematic issues concerning the calls, such as a short period for project submission, preference of big enterprises and industries to small ones and suspicions of party clientelism.²²

¹⁹ There is continuous ambiguity about possibility to collect and process ethnic data. From the moment the Act on personal data protection (2002) has been in force, the ruling opinion is that the legal arrangement of personal rights precludes the objectivist determination of ethnicity in research and statistics.

²⁰ [http://www.rokovania.sk/appl/material.nsf/0/B3D904E18B9D98C6C12573BE004CF21E/\\$FILE/Zdroj.html](http://www.rokovania.sk/appl/material.nsf/0/B3D904E18B9D98C6C12573BE004CF21E/$FILE/Zdroj.html)

²¹ There have been several pilot projects of social enterprises funded from the structural funds but their future was absolutely unsure after the end of the projects.

²² <http://www.changenet.sk/?section=spr&x=386383>

B.4 Governance

B.4.1 Monitoring and assessment

It is not an easy task to assess appropriateness of arrangements designed to monitor and evaluate both, feeding out and feeding in aspects of the NRP. One of the reasons is the fact that both aspects of relation to economic, employment and social policies are treated more or less implicitly in whole document. As a result, it is difficult to expect that such relations will be transformed into the portfolio of indicators or establishment of experts with responsibilities in this area.

An important issue that is not discussed in the NRP is that the academic research institutions that are funded from public budget are excluded from public procurements on monitoring and assessment projects that are funded from the EU funds: these procurements are reserved for private or non-budgetary agencies. Though it is common that academic persons are rented by private agencies to head the assessment of projects, it is a fact that the brand of academic institution is not at stake. Such practice however can yield a risk of lessening the standard of this – from the social inclusion perspective substantial – part of policy-making process.

Regarding the institutional settings of monitoring and assessment, we have already suggested that the new unified methodology of impact assessment has now been pilot tested and it would be premature to anticipate outcomes of its implementation in practice.

B.4.2 Involvement of stakeholders

The NRP informs that it presents the aims and measures for the new cycle of the Lisbon Strategy *which have been discussed on the expert level*. (p.15) Expert discussions have mostly been held with employers' organisations or have had interdepartmental nature. Besides the governmental departments, the employers' organisations are apparently the key stakeholders of the NRP. Opinions and interests of employers have been reflected not only in various employment supporting measures and, ostensibly, in employee tax credit. Those experiencing poverty and social exclusion and the organisations that represent them have not been involved in the design, implementation or monitoring of the NRP. Such organisations have not been on the list of organisations invited to comment the proposal of the NRP in interdepartmental comment procedure. Though two employers' organisations participated in the comment procedure, the trade union confederation was not invited.²³

²³ <http://www.rokovania.sk/appl/material.nsf/0/825BBEA2A90EE934C12574DA00277>. According to the Report from the assessment of the comment procedure, the content of the NRP had already been debated with the stakeholders during the preparation of the MPS 21. According to the comment procedure on the MPS 21, the Trade Union Confederation (KOZ) has submitted various comments majority of which remained open. For instance, the KOZ has required assessment of the impact of implementation of employee tax credit especially in relation to the system of valorisation of minimum wage, its relation to average wage, etc. This comment was postponed to „a future discussion“.

B.4.3 Coordination

The NRP recognises the key role of institutional framework for success of the Lisbon Strategy. The main coordinators of the Strategy are the Government Office (the Deputy Prime Minister for the Knowledge-based Society, European Affairs, Human Rights and Minorities) and the Ministry of Finance (the Minister of Finance). It looks like a very natural choice as it combines two types of perspectives which create together an umbrella of overall strategy. From the social inclusion perspective, a potential risk could arise that the “social” ministry doesn’t play a more important role. We are convinced that the insertion of the Ministry of Labour, Social Affairs and Family, among the main coordinators of the Lisbon Strategy, could contribute to better integration of social inclusion perspective into the general framework of the document.

In the NRP, the activities of the working group are mentioned which consist of coordination of structural policies and exchange of information between relevant actors. According to the document, the working group is “an effective tool for the involvement of all relevant subjects in the process of the Lisbon Strategy on the expert level. Available information about the degree of involvement of various actors outside the ministries and “classic” social partners indicate that this effectiveness doesn’t remain at the same level. The document acknowledges that there are some problems which undermine current efforts in the field. One of them relates to insufficient coverage of analytical work at the relevant ministries. Similar problems have been identified in relation to the NSRSPSI.

Annex 1

C. Update on Key Social Indicators

The at-risk-of-poverty rate in Slovakia shows a positive development during the period the EU SILC data are available. It has decreased from 13.3% in 2004 to 11.6% in 2005. This fall has continued in 2006 as well (10.6%). The groups most exposed to the risk of poverty are children, families with three and more children, and lone parent households. Poverty rate for children aged 0 – 17 was the same as average poverty rate for this category in EU 25 in 2004 (19%). One year later it decreased. Lone parent households belong to the households facing the highest risk of poverty. Although the poverty rate for persons living in such households decreased between 2004 and 2006 from 31.7% to 26%, it is still the highest level of poverty rate. The poverty rate for persons living in households with three or more children remained at the same level in years 2004 – 2005. In 2006 the poverty rate in this category of household slightly increased to 26%. The regional differences in the proportion of people under the poverty also increased. The increase was the most significant in the Prešov region (from 16% to 21%) that is known to have the biggest share of Roma population, typical of families with more children, among Slovakian regions. Despite the positive development of the poverty rate, there are still groups of people in Slovakia that are in higher risk of poverty than others. Vexing aspect of this situation is that in the most cases the risk of poverty comes along with the presence of children in households.

Data from EU SILC show that the income from work is not absolute guarantee against poverty in Slovakia. In-work poverty is present here: 8.9% of persons (aged 16+) whose economic status in the reference period has fallen in category 'having a job' have had equivalent income below poverty line. In 2005 their share was lower (6.3%), but in 2006 it increased to 7.29%. Though the share of working poor is not very high, the problem is the lack of information about the profile of this group. At present, we cannot determine what is the impact the low pay and household structure (and inadequate public transfers in situation of missing earnings of other household's members) have in insufficient protection of working people against poverty.

It is important to go "beyond" simple statistics on unemployment. The indicator of % of population (children) living in jobless households provides us with a more detailed picture of the impact of joblessness. The value of this indicator in the Slovakian NRP²⁴ suggests that the every 10th child under 18 lives in a household where nobody works. The table 1 shows that the changes in this indicator are less distinctive than the decline in overall unemployment in the same period.

Table 1: Unemployment and children living in jobless household in the Slovak Republic

Slovak Republic	2003	2004	2005	2006	2007
Unemployment rate (in % LFS)	17.6	18.2	16.3	13.4	11.1
Children in jobless households (in % aged 0 – 17)	11.8	12.8	13.8	11.8	10.5

Source: NRP of the SR 2008 – 2010)

Share of persons in material need is also important information to understand social inclusion process in Slovakia. However, in our view, the name of this indicator could raise ambiguities as in

²⁴ The indicator 2.13 'jobless households' has the wrong label (p.42). Its specification suggests that it indicates the share of children aged 0 – 17 in the relevant age group living in jobless households.

fact it refers to the number of people whose income comes from the social assistance system. Persons living in material need that are not covered by the social assistance scheme in Slovakia (because of various reasons) are not included in this number. Correct interpretation should take this fact into consideration. Since 2003 share of persons in material need (in the social assistance scheme) remained below 10% of overall population. In order to inform about the adequacy of social protection, it would be valuable to complete this indicator with additional information on level of net average social assistance benefit, expressed both, in Slovak crowns and internationally comparable manner.