



SLOVAKIA

Contribution to the 2015 United Nations Economic and Social Council (ECOSOC) Integration Segment

Ministry of Employment of the Slovak Republic

Questionnaire – Integration Segment of the ECOSOC

Question 1: Has Your Government used labor market policies, including wage policies, to help reduce economic and social inequalities?

In 2014 the Government of the Slovak Republic (further “Slovakia”) decided to significantly increase the minimal wage in the amount of EUR 380 in 2015 compared to EUR 352 in 2014. This improvement represents an increase by 7,95 %. This is the highest increase of the minimal wage since the “minimal wage institute” was introduced in Slovakia, as well as the highest ever increase of the amount of the minimal wage since 2009.

In order to avoid the growth of unemployment rate caused by the increase of the minimal wage, collaterally, the Government of Slovakia adopted compensatory measures in the field of social levies in particular - health insurance contribution (*= a payment which represents a % from calculation base attained in the reference period which entitles one to health care through health insurance system*). The measure introduces “*a tax deductible item*” from the determined assessment basis of employee up till a certain amount of his/hers income. In practice it means – if one has an income amounted to EUR 380 per month, neither the employer nor the employees pay any health insurance.

This measure implicates compensation of increased wage expenditures of employers as well as significant decrease of employees’ levies. This arrangement can positively influence 627 thousands of low-income employees.

An year-to-year increase of the net minimal wage by EUR 34,25 per month means an increase of the income of employees up till 11,24 %. It can be considered as a significant step to avoiding poverty threshold.

In October 2014 the Government of Slovakia adopted an amendment to the Law on Aid in Material Need (hmotná núdza) related to the overlapping of material need and the wage for supporting the long-term unemployment. This measure increases and prolongs the entitlement to special benefit for persons in material need even if they get employed. To draw this grants

are entitled long-term unemployed persons as well as not employed once they begin to work (at least part-time job). The measure aims at increasing motivation of long-term unemployed and inactive persons in productive age to get work.

Question 4: Is youth employment a major issue in your country? What is the proportion of the youth labor force (aged between 15 – 24) that is unemployed in your country? Does your Government have specific programs targeted at youth employment?

The unemployment rate of persons aged between 15 – 24 reaches an above-average level. The inactivity rate of youth in 2013 represented 13,7 % (above the EU average). More than half of unemployed aged between 15 – 24 was unemployed for more than one year. As for the education, the highest share of unemployed constitutes the youth with secondary vocational education, vocational education without graduation and with elementary education.

Slovakia has already introduced some measures for supporting youth employment. Since January 2013 Slovakia has amended the Law on Employment Services and adopted a legislative framework for labor market information between the school system and employers in regional and national level, which aims to improve exchange of information on the labor market.

Following the initiative of the president of the European Commission aiming to support the decrease of unemployment rate of youth, Slovakia focused on supporting of job creation for youth aged up till 29 years. By implementation of this support in the period of 2012 – 2015 it is expected to create 14 000 new jobs while 12 500 new jobs have been created so far in 6 104 business entities.

In February 2014 the Government of Slovakia adopted the **National Plan on Implementation of Guaranties for Youth**. A New Legislative Framework for Support of Youth in Achieving the First Employment belongs to significant structural reforms in 2014 in the field of youth integration into the labor market. It is based on an amendment of the Law on Employment Services which came into force on January 1, 2015. This contribution will support job creation in the first regular paid job. It is aimed to support employment of youth aged between 15 – 24 years and 25 – 29 years related mostly for long-term unemployed (over one year).

Question 5: How is your Government addressing the challenges of education/skills and jobs mismatch in your country, especially in the context of the transition to a sustainable development? Does your country have successful initiatives that link education and training to the world of work?

Generally the unemployment of youth is caused by imbalance/mismatch between education and labor market needs. A significant solution of this issue is based on a Law on Vocational Education adopted by the Government of Slovakia in January 2015. The Law regulates primarily a dual education system in order to align the demand and the supply of the labor market as well as to verify the ability of the employers to provide vocational education in the frame of the dual system of education. The Law also regulates the coordination of the vocational education at regional and national level.

In October 2014 Slovakia launched an implementation of a **Project RE-PAS**, which is dedicated to job applicants, including long-term unemployed. The job applicant has the possibility to choose the occupation for which he wants to be retrained. After retraining process the Labor Office covers the costs of retraining up to 100% of the costs.

The amendment of the Law on Employment Services puts emphasis on the educational programs and consulting services. It also enables better linking with the requirements of the labor market and helps job applicants to obtain education, qualification in accredited programs in accordance with the act on lifelong learning.

Furthermore, this amendment allowed creating a legislative framework for the establishment of sector councils in the form of voluntary organized professional associations, social groups, state representatives, representatives of educational institutions and municipalities with the aim to identify needs and demands of sectors regarding education and skills. In the framework of the National System of Professions an analysis was implemented at the establishment of sector councils. At present we have ready a National System of Professions III.

Question 6: How has your Government mitigated the trade-offs between the environmental, economic and social dimensions? What kinds of investments have generated the greatest job potential while maintaining environmental sustainability?

Operational Program of the European Union - **Human Resources for the Period of 2014 – 2020** supports employment in environmentally sectors (green professions/jobs) and implementation of employment projects in accordance with the transition to low-carbon economies and green economies. The specific aim of the operational program is to improve an access to labor market by implementing the tolls to support employment, labor mobility, self-employment activities and activities in rural areas.

Question 9: How do the civil society, trade unions and the private sector engage in promoting an integrated approach to employment creation and decent work for all?

These stakeholders - beneficiaries can receive assistance for the support of employment, creation or keeping jobs in accordance with the Operational Program – Human Resources for the Period of 2014 – 2020.