

Unemployment Policy in Slovakia

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Abstract:

Purpose and Originality: Goal of the study is analysis of the unemployment policy in Slovakia and policy measures to increase the employment rate.

Research question: What was the development of unemployment in the period from 2006 to September 2016 and what measures were taken by the Ministry of Labour, Social Affairs and Family to reduce the unemployment rate in Slovakia?

Method: Comparison of the unemployment rate in period between 2006 to 2016. Information was gathered from online sources and publications. Using the collected data, the individual unemployment rates in all Slovak regions and districts will be compared.

Results: During examined period between 2006 and 2016 the highest unemployment rate was 14.40% in 2010. The paper also mentions the economic crisis that struck Slovakia between 2008 and 2010. During this period, the unemployment in Slovakia increased by 4.8%. The primary objective of the government was to reduce the unemployment rate below 10%. This has been achieved in March 2016. The positive news is the tendency of constantly falling unemployment in our country.

Society: Unemployment is one of the negative phenomena in society. Job loss or inability to find a job application one is deprived of the possibility to implement and enforce own life goals. Unemployed, unless one can find a job, can enter the phase of adaptation to the lifestyle of the unemployed, which is characterized by resignation, loss of hope, passivity. A person ceases to be active, considering that his work does not make sense. Job loss affects negatively self-perception, lower self-esteem and leads to feelings of inferiority.

Limitations: The aim of the Slovak Republic was in 2016 to keep unemployment below 10% and then continue the trend of reducing unemployment by new laws, inviting new investors and put into practice various measures, such as various programs for the unemployed.

Key words: social policy, unemployment rate, employment policy, results of government, labour market.

1 Introduction

The basic research question is, if it is possible to maintain the positive trend of increasing employment in Slovakia and what measures the Ministry of Labour, Social Affairs and Family of the Slovak Republic needs to use. The employment has a obvious positive impact on the economic development of a country and it also improves the living standards of the individuals. Full and effective employment is an efficient method of implementing the social integration and combating poverty. This is why increasing the employment rate belongs to the primary goals of every state. To better understand the issues of this paper, it is necessary to discuss them in more detail first. The paper is therefore divided into four main parts.

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The first part deals with definition and delimitation of the social policy.

The second part covers the employment policy and the active measures primarily aimed to prevent increases in the number of the unemployed by means of various government programmes. In this chapter, the actual government measures to increase the employment rate will be mentioned.

The third part explores the main topic of this paper, that is, the unemployment in Slovakia. Different types of unemployment will be presented. In the subchapter “The Labour Market”, the given term will be defined. The trends of the unemployment rate in the period from 2006 to 2015 will also be described. Particular attention shall be paid to the years 2008 – 2010, when Slovakia was struck by the economic crisis caused by staff cuts. During this period, the unemployment in Slovakia increased by 4.8%. Furthermore, other important figures like the trend of the monthly unemployment rate of 2016 will be mentioned.

Using the collected data, the regions and districts with the highest and the lowest unemployment rate will be defined and compared. Moreover, the causes of high or low unemployment in particular regions of Slovakia will be discussed. The next subchapter analyses the situation regarding the material need and assistance for the unemployed.

The fourth part deals with the influence of unemployment on society.

For writing this paper, various methods are used. In the chapters defining the given issues, the method of studying the expert literature is used. In other chapters, the methods of comparison and analysis are primarily used. The methodological process also consists of collecting the book and internet resources as well as various studies and analyses of the individual active labour market policy instruments published by the Central Office of Labour, Social Affairs and Family and by the Statistical Office.

2 Social Policy

The term social policy took root in Slovakia at the turn of the 20th century. There have been many attempts to define this term. Many authors describe what the social policy is and what is not, what it provides for and what it does not provide for, etc (Tomeš, 2010, p. 27).

When explaining the meaning of the term social policy, it is necessary to define social sphere first. The social sphere is a system of social relations, conditions and processes that manifest themselves in the nature and character of actions, behaviour, needs, interests, values and goals of the social subjects. Primarily, the social sphere focuses on peoples’ living conditions, on the development of human individuality and personality.

The social policy is part of public policy. From the institutional point of view, the social policy of a state is a tool with which the state secures its citizens their social rights. The task of such social policy is to create a society of equal opportunities. This means that it is a vital

instrument for social integration of citizens and in case that the citizens fail, the social policy shall ensure their social existence (Stanek 2006, p. 14-15).

The adjective “social” in the phrase “social policy” means: of or relating to human society. “Social policy” is therefore a “policy of human society” and it includes a lot of other policies, e.g. the housing, health and education policy as well as the employment policy; i.e. all the policies which directly affect the state of society or the relations between different social groups.

There are various interpretations of the term social policy in theory and practice. Its definition is related to the understanding of the term “social”. It can be understood as follows:

- of or relating to human society in the broadest sense;
- the narrower sense concentrates on the social reality, programme;
- the narrowest sense focuses on solving of the actual social situations (Beblavý 2009, p. 9).

In this paper, the term “social” will be used in its narrowest sense because we will be dealing with a macroeconomic indicator, that is, the unemployment.

3 Employment Policy

In the economic sense, the employment is a certain type of exchange on the labour market: the exchange of a labour in return for a salary (wage, reward). Occupational activity, i.e. work, is not the same thing as employment or job. As the American actor Henry Fonda aptly stated, job is the means by which we earn our livelihood but work is what makes our lives meaningful. The employee puts their labour at the employer’s disposal only for a certain length of time. Even if the employer does not use this labour, they must pay the salary.

In most countries, the term employment in legal sense is defined as the legal relationship between the employer and the employee based on the current legislation (Tomeš 2010, p. 278).

The central state administration body in the field of employment, or rather unemployment, is the Ministry of Labour, Social Affairs and Family of the Slovak Republic. After the March 2016 elections, the Minister of Labour, Social Affairs and Family of the Slovak Republic is JUDr. Ján Richter again.

The official website of the Ministry of Labour, Social Affairs and Family of the Slovak Republic <https://www.employment.gov.sk/en/> offers information in a clear and readable way.

3.1 Active Employment Policy

The active employment policy is the basic instrument used for combating unemployment in the Slovak Republic. The main aim of this measure is to prevent increases in the number of the long-term unemployed, support new forms of employment, etc.

The active policy can be defined as social help for the unemployed. The active labour market measures include:

- Employment mediation – this activity can be carried out by the Central Office of Employment Services or various agencies free of charge or for a one-off payment. This activity includes searching for working positions and offering suitable employment to a job seeker as well as offering a suitable potential employee to an employer.
- Professional consulting services – are focused on the issues related to the professional opportunities of a job seeker. They can be realized either individually or in groups. The Office of Labour, Social Affairs and Family guarantees the job seeker to draw up an individual action plan to support the professional opportunities.
- Education and preparation of the job seeker to find a job on the labour market – theoretical or practical preparation that enables the job seeker to gain new expertise and skills.
- Allowance for self-employed gainful activity – it is provided to the job seeker who was registered in the register of job seekers for the period of minimum three months, who presents a written request for the allowance and who will operate the self-employment for the period of minimum two years consecutively. The allowance amount depends on several aspects.
- Allowance for school-leaver practice performance – school-leaver practice is performed on the basis of an agreement between the school-leaver registered in the job seeker register and the Office of Labour, Social Affairs and Family and on the basis of an agreement between the Office and the employer. It is performed for the period of maximum six months with the duration of twenty hours a week (Vaňo 2005, p. 68).
- Commuting allowance – compensation of a part of the travel costs for commuting from the permanent or temporary residence to workplace and back.
- Activation activity allowance – supports the maintenance of the working habits of the unemployed. To the activation activities belong smaller community services as well as voluntary services organized by a natural person or a legal entity.
- Various projects and programmes – support the education and employment development.
- Support for the employment of the disabled citizens – by means of sheltered workshops and workplaces, allowance for the job assistant activity, allowance for settlement of operational costs, etc (Stanek 2006, p. 178)

The actual measures implemented by the government of the Slovak Republic to help the unemployed include: “Programme of Landscape Revitalization and Integrated River Basin Management in the Slovak Republic” (SITA, 2011) – in this programme, the unemployed are engaged in the field work; the project “Vocational Education and Preparation for Labour Market” (Vláda SR, 2014) focuses on increasing the interest in education and decreasing the unemployment rate of young people aged under 25. To the programmes supporting the young people as well as the long-term unemployed implemented in 2016 belongs the project “Practice to Employment” or the “School-leaver Practice.” The programme “Way Out of the Circle of the Unemployment” also supports the employment of the long-term unemployed. “We want to be Active on the Labour Market” is a project oriented on job creation for people over 50.

For all the projects aimed at improving the employment rate, the government of the Slovak Republic wants to use almost EUR 300 million from the new European Operational Programme Human Resources. The government has also promised to create almost 100 thousand new jobs (Pacherová, 2016).

3.2 Passive Employment Policy

By passive employment policy, we mean the unemployment benefit. Every registered unemployed citizen has the right to receive unemployment benefit as soon as they meet the requirements laid down by the act on social insurance. The unemployment benefit serves as a temporary support after losing one’s job.

3.3 The Right to Work

According to the Constitution of the Slovak Republic, every citizen has the right to work and to have appropriate material welfare. This right is defined in the second-generation human rights – in the economic, social and cultural rights of the citizens. The aim of the right to work is to ensure the access to work and to secure the right of the citizens to choose their profession freely.

The labour law is a branch of law that governs working relations in which the employer uses the labour of the citizen.

3.3.1 Rights of a Job Seeker

The Office of Labour, Social Affairs and Family provides job seekers with the information and career guidance services primarily aimed at providing the information and professional advice on various occupations and the prerequisites and requirements needed for performance of a particular occupation.

3.3.2 Obligations of a Job Seeker

The principal duty of a job seeker is to actively search for a job and to personally testify their search at the place and time laid down by the Office (Central office of labour social affairs and family, 2016).

4 Unemployment

Unemployment emerges when there is an imbalance between the supply and the demand for labour forces. For the increased supply of labour forces on the labour market, there is insufficient demand which is manifested in the shortage of job vacancies. The unemployment is therefore often described as a display of disturbances on the labour market.

The unemployment can be defined as a social phenomenon (it belongs to the modern and post-modern society) as well as a social problem (high unemployment rate has a serious impact on society). However, certain percentage of unemployment rate is present also in flexibly developing economies. It is called the natural unemployment rate and it is part of the permanent structure of the economy. In a permanent economy, not all of the working population have a job (Stanek 2006, p. 178).

The unemployment is a natural phenomenon of a democratic society accompanying every market economy. Certain presence of the unemployment is not only harmful but also desired. The term natural unemployment rate can be understood as the “lowest sustainable unemployment rate in which the labour market is in a state of a long-term balance.” (Beblavý 2009, p. 36). The term unemployment is an everyday part of the media, the public press or of the lives of the actors on the labour market.

4.1 Types of unemployment

There are many criteria and approaches according to which the unemployment can be divided and analysed. Here are a few types of the unemployment:

- Voluntary unemployment – is a situation when not all of the economically active citizens are employed because they do not want to work for the wage offered.
- Involuntary unemployment – the potential job seekers did not decide to be unemployed freely and willingly (Beblavý 2009, p.36).
- Cyclical unemployment – is the result of economic crises and it is the most serious type of unemployment. It exists because of the fluctuations in the total demand.
- Frictional unemployment – the amount of the labour force available is higher than the amount of job vacancies; i.e. there are people who temporarily have no job but they are searching for one (Krebs 1997, p. 276).
- Structural unemployment – the labour market cannot effectively respond to the changes on the financial market.

- Short-term unemployment – does not pose a big problem as it is only temporary.
- Long-term unemployment – this type of unemployment is riskier and it occurs when a job seeker is unemployed for more than a year (Krebs 1997, p. 276).

4.2 The Labour Market

An ideal labour market is a flexibly responding system that adapts to the internal as well as external changes using the changes of the wage rate. Such labour market is perfectly “cleaned” and there is neither a surplus nor a shortage of job opportunities. An ideal labour market offers jobs (job opportunities) as well as labour force (people interested in a job).

The labour market is a place where the potential employers’ demand for labour meets the labour supply of the job seekers. The items sold and bought are not the individual persons but their labour (Tuleja 2007, p. 147). The labour market is therefore a market where the production factor “labour” is being traded in. On the labour market, the same rules apply than on other markets. However, there are also some specifics resulting from the nature of labour. The labour as such does not exist. The bearers of the labour are the people capable of work. Labour is a systematic activity of people who use their physical and psychological skills to provide products and services that serve to satisfy the needs of the population.

A paid work, however, is not a safeguard against poverty. On the labour market, there are positions that are underpaid. Low-income groups primarily include women and low-qualified workers.

4.3 Unemployment Rate

The term “unemployment rate” is defined as the ratio of the number of the unemployed to the number of the economically active population and it is expressed as a percentage. For this reason it is important for us to divide the population into:

- A. economically active population (people who have a job or are searching for it)
- B. inactive population (people not interested in work, people outside the labour market)

The goal of any responsible social policy should be the effort to increase the employment rate rather than the effort to decrease the unemployment rate (Beblavý 2009, p. 32).

4.3.1 *Trend of the unemployment rate since 2006*

Figure 1 shows the trends of the unemployment rate from the year 2006 to 2015.

In 2007, the unemployment rate in Slovakia reached 11%, i.e. the unemployment had fallen by 2.3% against the previous year 2006. In the following year 2008, the unemployment rate had a downward tendency and reached 9.6%. In the second half of 2008, Slovakia was struck by the economic crisis. It began with subtle staff cuts in the mechanical engineering, automotive industry and chemical industry. During the following years, 2009 and 2010, this crisis grew from the subtle staff cuts to one of the biggest economic crises in Slovakia. In 2009, the Council for Economic Crisis was established in Slovakia (Zachar, 2011). Its task was to propose solutions for softening the impacts of the economic and financial crisis.

In 2009, the unemployment rate increased to 12.1%, i.e. it rose by 2.5% against the previous year. In 2010, the unemployment rate reached 14.4%. From 2008 to 2010, the unemployment in Slovakia grew by 4.8% which represented approximately 130 thousand people.

Although the unemployment decreased to 13.5% in 2011, it began to rise again in the last months of the year. So, in 2012 the unemployment rate reached 14% and a year later it was already 14.11%.

In the following years, the situation improved and the curve of the unemployment rate gradually decreased. In 2014, the unemployment rate decreased to 12.79% and in 2015 it also had a downward tendency; it went down to 11.5%.

4.3.2 Monthly Unemployment in 2016

Figure 2, in this paper, more attention will be paid to the trend of the monthly unemployment rate in 2016 which can be considered successful. Since January 2016, the unemployment rate has had a downward tendency.

The unemployment in January was 10.39%. Compared to December 2015, it fell by 0.24%. According to the Office of Labour, Social Affairs and Family, the registered unemployment rate decreased in January in all Slovak regions.

The month of February was a turning point because the unemployment rate in Slovakia decreased to nearly 10%. Compared to January, it fell by 0.36% and thus it represented 10.03%.

In March, the registered unemployment rate fell below 10% which was one of the main wishes of the government. The unemployment rate in March was precisely 9.89%. According to the data published by the Office of Labour, Social Affairs and Family, the unemployment rate decreased in all Slovak regions. The most noticeable decrease was detected in the Nitra Region.

The unemployment kept falling in the following month as well. In April, the unemployment rate was 9.64%. It was the seventh consecutive month in which the unemployment rate was decreasing.

In May, the unemployment rate reached 9.45%. According to the Office of Labour, Social Affairs and Family, the most striking decrease was recorded in the Banská Bystrica Region. The Minister of Labour, Social Affairs and Family stated that there were really favourable conditions on the labour market, so the unemployment rate would keep decreasing.

In June, the unemployment rate in Slovakia stayed the same as the previous month, i.e. 9.45%. The unemployment rate did not rise even though the university graduates registered to the labour office.

In July, the unemployment rate was 9.44%. This means that it fell down by 0.01% against the previous two months. Thus, July was the tenth consecutive month with a downward tendency of the unemployment rate.

In August, the unemployment rate also decreased by 0.01%. The Office of Labour, Social Affairs and Family informed that the greatest decrease of unemployment was recorded in the Trenčín Region.

The unemployment curve also kept decreasing in the last observed month, September. The unemployment rate in September represented 9.42%. The unemployment kept falling even though the secondary school graduates registered to the labour office. The important thing is that the unemployment rate stayed below 10%.

4.3.3 Unemployment in the Individual Regions of Slovakia

In this subchapter, the individual regions with the lowest as well as the highest unemployment rate will be described and the situation in the eastern part of Slovakia will be compared to the situation in the western part.

Despite the gradual improvement of the situation on the labour market, the unemployment in Slovakia is higher than the average unemployment in the whole EU on a long-term basis. In February, the unemployment rate in the EU was 8.9%.

The good news is that in 2016, the unemployment rate has decreased below 10%. Since the beginning of this year, the unemployment rate has had a downward tendency. This improvement of the situation on the Slovak labour market is caused primarily by the acceleration of the economic growth and by suitable state programmes for the support of the unemployed. The most significant decrease of the unemployment rate in the month of September was recorded in the Trnava Region.

The Picture 1 shows the map of Slovakia divided into individual regions. The highest unemployment is still recorded in the Prešov (16.75%) and the Banská Bystrica Region (15.68%), followed by the Košice Region (15.58%). These three regions are the poorest. They account for the smallest share of the national GDP.

The Prešov Region is a rural, slowly developing region of Slovakia. The food industry (companies Milk-Agro spol. s.r.o. Prešov, Mecom), mechanical engineering (Lear Corporation Seating Slovakia s.r.o.) and the electrical engineering (Tesla Stropkov) have their

place here. The most precious wealth of this region is its natural beauty as well as its historical and cultural monuments which help the regional tourism.

The largest Slovak region is the Banská Bystrica Region. Raw material extraction, magnesite extraction (Slovmag a.s. Lubeník, SMZ a.s. Jelšava), metal production and processing (Železiarne Podbrezová a.s., Slovalco a.s., Nematik Slovakia s.r.o., PPS Group a.s.), wood processing (Lesy SR) also related to the manufacture of the furniture (Ekoltech s.r.o.) play an important role here. A significant defect of the region is an outdated transport infrastructure.

The Košice city is the cultural, economic and political centre of the eastern Slovakia. In the Košice Region, the dominant position certainly holds the steel company U.S. Steel Košice. A significant position also has the electronics industry (Panasonic AVC Networks Slovakia, Yazaki Wiring 39 Technologies Slovakia s.r.o.) and the chemical industry (Chemko Strážske).

The unemployment rate higher than 20% can be seen in five Slovak districts. The statistics were recorded at the end of September 2016 and they were based on the data of the Central Office of Labour, Social Affairs and Family. These districts are situated primarily in the Banská Bystrica Region – Rimavská Sobota (26.91%), Revúca (20.47%) and Poltár (20.09%). Other districts are located in the Prešov Region – Kežmarok (21.59%), and in the Košice Region – Rožňava (20.36%) (Central office of labour social affairs and family, 2016).

By contrast, the lowest unemployment rate was recorded in the Bratislava Region (5.34%), Trnava Region (6.06%) and Trenčín Region (7.43%). The unemployment rate lower than 5% was found in the following districts: Bratislava V (4.27%), Galanta (4.28%), Bratislava I (4.34%), Piešťany (4.78%) and Púchov (4.89%) (TA3 TASR, 2016). These three regions are of a small size; they actually are the smallest regions of Slovakia.

Economically speaking, the Bratislava Region is considered most prosperous. Its economic potential lies primarily in its excellent geographic position and a developed infrastructure. It accounts for the largest share of the Slovak GDP. The Bratislava Region has a leadership position in all essential sectors. Considering that there is a large amount of job offers, citizens from the whole territory of Slovakia come in this region to work. The greatest number of jobs generates the automotive industry (Volkswagen Bratislava a.s.), chemical industry (Henkel Slovensko a.s., Slovnaft a.s.) and food industry (Rajo a.s.).

The Trnava Region is the most productive agricultural region of Slovakia because of its predominantly lowland structure. An important role here also plays the automotive industry (PSA Peugeot Citroën Slovakia) and the electrical (Samsung) and mechanical engineering (INA Skalica).

The Trenčín Region has a long tradition in the textile industry (Ozeta). The most significant business of the region is the mining company Hornonitrianske bane Prievidza a.s. which produces brown coal. Forestry is of particular importance in this region.

On the basis of the previous comparisons and results, it is possible to state the following: in the eastern (the Prešov and Košice Region) and in the southern part (the Banská Bystrica

Region) of Slovakia, the unemployment rate is higher than in all other parts, i.e. in the western (the Trenčín, Nitra, Trnava and Bratislava Region) and northern part (the Žilina Region) of Slovakia. This may be because all the big companies that employ a huge amount of citizens are concentrated primarily in the western part of Slovakia. These companies belong mainly to the automotive industry – Volkswagen (Bratislava), PSA Peugeot Citroën (Trnava) and Kia Motors (Žilina) (Trend, 2016). Another automotive company, Jaguar Land Rover, is being built in Nitra. It is considered one of the largest investments ever in Slovakia. This company shall create 2,800 job vacancies.

One of the biggest chemical industry companies in the western Slovakia is Slovnaft, based in Bratislava.

The largest employer in the Slovak Republic is the railway infrastructure company Železnice Slovenskej republiky with approximately 14,110 employees. The second largest employer is the postal service company Slovenská Pošta with approximately 13,650 employees. The third largest employer is the U.S. Steel Košice with nearly 10,370 employees (Gulka, 2015).

4.4 Possible Causes of Unemployment

Striking differences in the unemployment rate in the individual regions of Slovakia have various causes. One of them is the geographical location. As the data have shown, the closer we are to the capital city, the lower the unemployment rate. This fact is closely related to the level of infrastructure and the geographical location of a particular place. When the investors are planning to place their capital, they put strong emphasis on these factors. It is beyond doubt that the weak infrastructure network between the regions of eastern and western Slovakia is one of the causes of higher unemployment rate.

Another cause is low educational level. Nowadays, the highest educational attainment of maximum primary school is insufficient. The continuously changing and evolving labour market requires from its participants constant education and combining theoretical knowledge with practical skills. However, the current situation on the Slovak labour market cannot fulfil these requirements. The problem in Slovakia is the high unemployment rate of the citizens who completed primary education only. Nevertheless, sometimes there is a discrepancy between the knowledge required and the education attained also in the case of the secondary school or university graduates. The main problem of the secondary school or university graduates is their lack of professional experience. Such job seekers are unattractive for the employers.

While the unemployed with a higher than secondary education are in most cases unemployed just for a short period of time, in the group of the unemployed citizens without complete secondary education is the number of the long-term unemployed much higher than the number of the short-term unemployed. Further analysis of the group of the long-term unemployed without the school-leaving examination showed that it is constituted mostly by persons with finished primary education or with no education at all (Košta 2014, p. 118).

A large amount of people commute tens or hundreds of kilometres. However, there are still citizens who are not willing to commute. The causes vary. They do not want to leave their homes, families and, in a sense, their comfort. This can be quite understandable as the job positions are often unstable nowadays. It is therefore risky to leave behind something that belongs solely to them and to step into the “unknown.”

Another cause of the unemployment is the job loss. After losing their job, many people find it difficult to find something new. In this case, the causes also vary. An involuntary job loss has a great impact on the human psyche and for some individuals the reintegration can be problematic and stressful. It may cause the feeling of hopelessness and failure in them, which often leads to depression.

Many people are too demanding when choosing an employment. They want to find a job in the field they studied and they want to work on such position they are qualified for. The hindrance here is their lack of professional experience.

Another risk group of the unemployed are people over 50 who lack technical skills and for whom it is difficult to keep up with the advances of the modern technology. When older people lose their job, they often have a tendency to give themselves up to the social system.

Another cause that prevents many people from work is disability. There are many reasons for it. Disabled citizens have much less job opportunities than the healthy population. Although there are sheltered workshops for these people, their amount is insufficient. Another reason of unemployment of these citizens is that many employers are not willing to create an individual plan for them.

4.5 Material Need

The Central Office of Labour, Social Affairs and Family (2016) defines material need as follows: Material need arises when the income of the household members fails to reach the subsistence minimum determined in the special regulation and the household members are unable to ensure or increase their income through job, own property utilization or exercising legal claims. If a household is in material need, it does not mean it is always entitled to the assistance in material need. The assistance in material need is granted only to the amount of money set in the act on the assistance in material need, not to the subsistence minimum. For the purposes of this act, when considering whether a household is in material need and whether they will be given the assistance in material need, the incomes of the household members are accounted for.

The assistance in material need in the form of allowances can be divided into following categories:

Protective allowance – seeks to support the income of persons in material need who are unable to provide for an income through their own work (e.g. a pregnant woman, a citizen with poor health).

Activation allowance – allowance designated for the support of gaining, keeping or improving the knowledge, expertise, practical experience or working habits that shall increase the job seeker's chances on the labour market.

The dependent child allowance – allowance designated for the support of upbringing, education and development of the child who properly fulfils the compulsory education.

Housing allowance – allowance to the assistance in material need designated for the payment of the housing expenses.

Special allowance – a person who was a long-term unemployed before getting a job is eligible for this allowance; i.e. a person who is no longer given the assistance in material need because they got a new job.

One-time allowance – it is provided by the municipality and it serves as a part payment of extraordinary expenses of the members in a society (e.g. essential clothing, shoes, essential home equipment – bed, table, chair, refrigerator, cooker, heater, fuel, washing machine, etc.) (Central office of labour social affairs and family, 2016).

5 Unemployment and Society

There is a certain status attributed to the unemployment in the society. Although the unemployment status is considered inferior, it is related to a whole range of obligations and expectations from the state authorities (social state authorities) as well as the public. The unemployed are not freed from their social obligations and they are expected to fulfil them regardless of their financial problems. At the same time, the unemployed are expected to consider their status undesirable and to take responsibility for it. They are also expected to do everything in their power to change their situation for the better. Only the permanent inability to carry out a job is seen differently.

The unemployment has a strong influence on the social life as well as on the life of the unemployed. The job loss negatively affects the self-image of a person; it harms their self-respect and leads to the feelings of inferiority. After a certain period of time, a long-term unemployed person loses their acquired skills and capabilities as well as the working habits. When a person loses their job or is unable to find a new appropriate position, they also lose the possibility to make use of their skills and to participate in creating the values of their social life.

Some persons are convinced that it is so difficult, exhausting and stressful to get a job that they completely avoid searching for it. Although it reduces their chances to gain employment to zero, it enables them to keep their inner mental balance and self-confidence. This strategy may seem irrational but it certainly has some internal rationality (Mareš 1994, p. 76).

6 Conclusion

If we want to reduce unemployment among young generation, we must ensure that everyone regardless of access to employment, where they could find and creatively develop personal and professional potential. It created the essential precondition for their application and integration in social life.

As suggestions for further investigations would recommend watch the unemployment rate in Slovakia in the coming years. Alternatively, further measures to reduce unemployment, opportunities for graduates of secondary schools and universities in search of jobs, the development of active labour market policy etc.

In this paper, the issues of the social policy and the unemployment policy were defined as well as the issues of our primary topic – unemployment. The last part dealt with the influence of the unemployment on society.

In the part in which the active unemployment policy was analysed, the actual measures of the Slovak government to deal with the unemployment were mentioned. These measures primarily included the programmes for the secondary school and university graduates for whom it is difficult to find an employment because they lack professional experience. We came to conclusions that these measures were a very positive step towards reducing the unemployment rate. The Ministry of Labour, Social Affairs and Family also created some other project aimed at supporting the long-term unemployed or the unemployment benefit for the people over 50.

The subpart called “The Labour Market” was included in this paper for a better understanding of the topic primarily because the labour market and the employment policy are closely interconnected.

In this paper, various types of unemployment were defined as well.

A figure called “The unemployment rate in Slovakia” made it easier to work with the collected data. The years 2006 to 2015 were described in detail. After that, all these years were compared and concrete conclusions were drawn. The result was that since 2014, the unemployment rate has improved. The economic crisis from 2008 – 2010 was also mentioned.

A rather large amount of this paper focused on the year 2016. This year seems to be successful so far. The unemployment rate has decreased below 10% this year. However, at the end of September, the unemployment rate slightly increased to 10.83%. Emphasis was also put on the individual regions and districts of Slovakia. The regions and districts with the highest as well as the lowest unemployment rate were defined. The best results could be seen in the western part of Slovakia, while in some districts of the eastern Slovakia the unemployment rate exceeded 20%.

Another figure described the trend of monthly unemployment rate in 2016. Since the beginning of 2016 the unemployment rate has had a downward tendency, which can be seen as a positive. The figure showed the data from January to September 2016 in a clear and

readable way. The month of March was a turning point because the unemployment rate decreased below the magic limit of 10%.

The unemployment rate in the regions of Slovakia in the month of September was described in more detail. The highest unemployment was recorded in the eastern Slovakia (the Prešov and Košice Region) and the southern (the Banská Bystrica Region) Slovakia. Although the districts in these regions are very poor, the unemployment rate has had a downward tendency since the beginning of 2016. On the other hand, the Bratislava, Trnava and Trenčín Region are distinguished by the lowest unemployment rate.

In other parts, possible causes of high unemployment were described. To these causes belong primarily an insufficient education and qualification as well as lack of professional experience of the job seekers, commuting, the problem with reintegration to a job after an unwilling job loss, disability, etc. The largest employers that create job opportunities were mentioned. The vast majority of them are based in the western part of Slovakia. That is one of the main causes of high unemployment rate in the eastern Slovakia.

In another subpart, the topic of material need was discussed. The state offers several measures that should help citizens in financial straits.

The last part studied the unemployment and the society. The unemployment as a macroeconomic indicator plays an important role in peoples' lives. The job loss has a negative impact on a person.

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Appendix

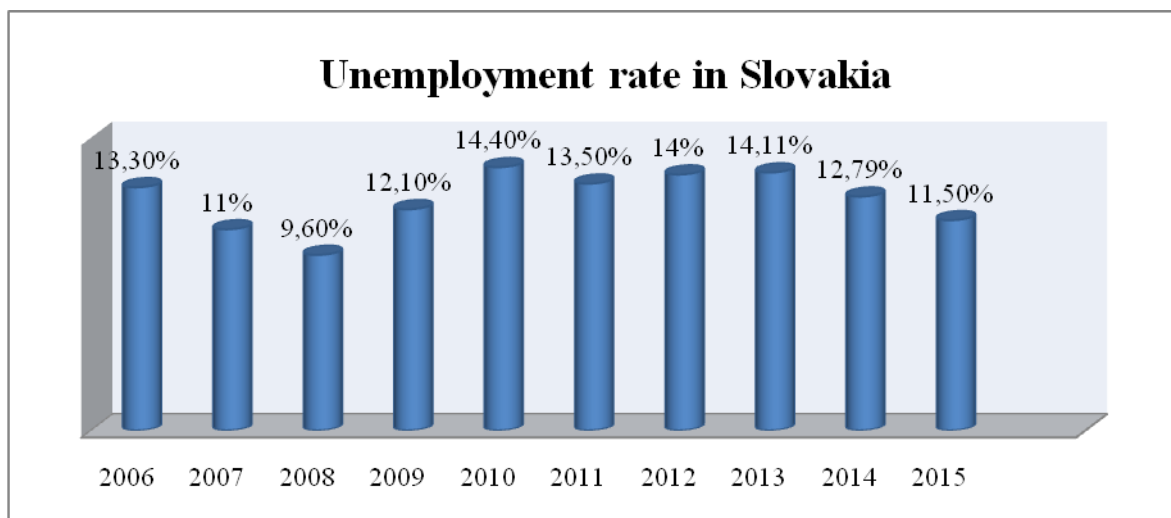


Figure 1. Trend of the unemployment rate in Slovakia (Source: own elaboration based on data collected from the Office for Labour, Social Affairs and Family)

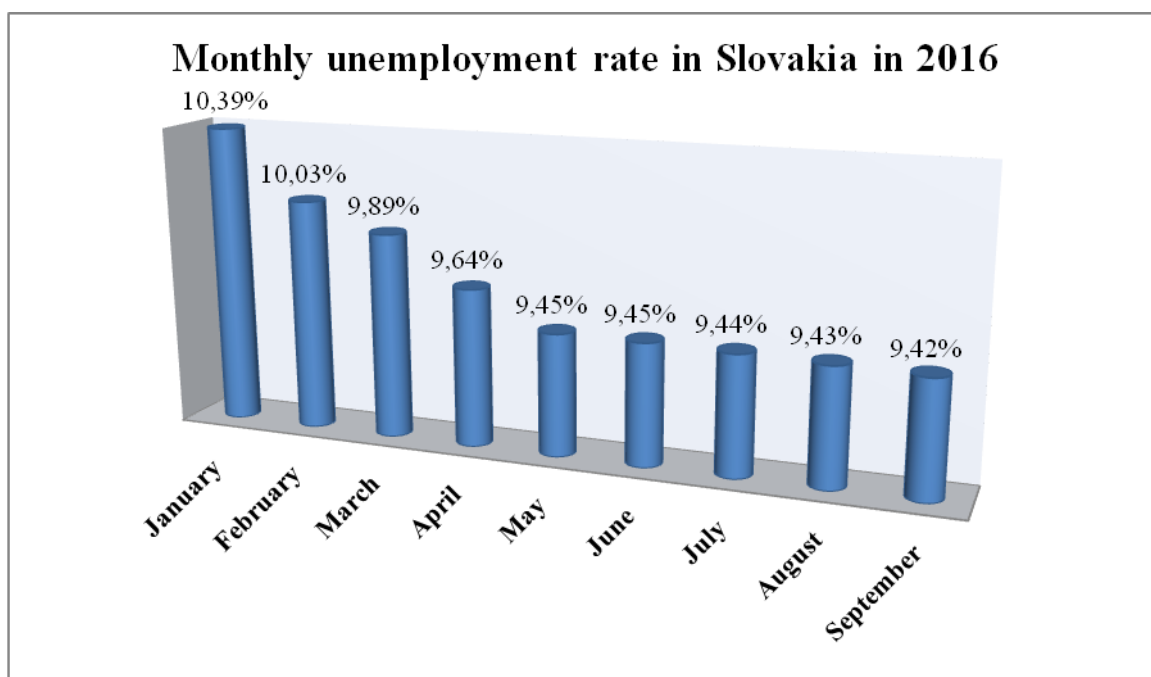


Figure 2. Trend of the monthly unemployment rate in Slovakia in 2016 (Source: own elaboration based on data collected by the Office of Labour, Social Affairs and Family)

Unemployment in Slovakia in the individual regions as of 31 September 2016



Picture 3. Trend of the unemployment in Slovakia in the individual regions as of 31 September 2016 (Source: own elaboration based on data collected from the Office for Labour, Social Affairs and Family)

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