



European Minimum Income Network country report Slovak Republic

Analysis and Road Map for Adequate and Accessible Minimum
Income Schemes in EU Member States

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EMIN
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<http://emin-eu.net/what-is-emin/>

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Objectives of the report

The objective is to produce a national report on the current state of play on the minimum income scheme in Slovakia in terms of adequacy, coverage and take-up in their country. The report is build in particular on the 2009 report of the national independent experts on social inclusion and the 2013 report on active inclusion of the EU Network, and on recent MISSCEO and MISSOC data. The report attempts to identify obstacles related to adequacy, coverage and take-up of the minimum income scheme and to outline the necessary steps to be taken towards its improvement in Slovakia. It also takes in account the results of the debate held on the consensus seeking EMIN national conference with relevant actors (Bratislava September 17, 2014). Relevant steps to be taken outlined in this report represent the position of the Slovak Anti-Poverty Network and the minimum income beneficiaries so far.

Project definition

For the purpose of the reports, *minimum income schemes are defined as essential income support schemes to provide a safety net for those who cannot work or access a decent job and are not eligible for social insurance payments or those whose entitlements to these payments have expired.* They are last resort schemes which are intended to ensure a minimum standard of living for individuals and their dependents when they have no other means of financial support. In case several minimum income schemes for different groups coexist in a country, the priority shall be given to the minimum income schemes for the population at working age.

Methodology

The methodology to prepare the reports involves two approaches:

1. Desk research and use of secondary sources, especially for the sections 1 and 2, and
2. Interviews with relevant partners, especially for the sections 3 and 4.

The relevant stakeholders include the relevant public authorities, service providers, social partners, NGOs, policy makers at different levels, and the involvement of people living on minimum income or who benefit from the minimum income support.

A summary of the report

There are several problematic issues in the Slovak minimum income. First, the system is not sufficiently individualised (it is not sensitive to the number and the age of children in the household and it does not respect adulthood of persons (adult children of poor parents are assessed jointly with their parents till their 25 years of age). With the increasing number of children in the household the gap between the poverty threshold and the maximum benefit increases.

Secondly, there is no transparent method of setting the amount of the minimum income benefit and no connection to the national subsistence minimum. The government is not obliged to index the benefit annually and a method of indexation is not set.

Since 2004 the minimum income benefit has been divided into claimable (unconditioned) basic benefit and several allowances that turned to be variously preconditioned. However, there are no opportunities created to obtain these allowances and increase the benefit to a more acceptable level.

The minimum income benefits are deeply under the poverty threshold and do not suffice to promote social inclusion. On the contrary: their low level forces beneficiaries to look for alternative, semi-legal living, to fall in debts, have arrears on housing payment, etc. The way of life of poor people, part of which are the Roma, and long-term prejudices provoke the public disapproval and lead to decreasing solidarity with the poor people who are considered to be “inadaptable” and undeserving help.

Since 2014, the workfare system (duty to participate in small community services in order to get financial support) has been extended to the basic benefit securing survival. This change has been introduced despite the protests of NGOs and the Public Defender of Rights.

The key proposals for the improvement of the Minimum Income Scheme in Slovakia are:

- To make the allowances to the basic benefit more available for beneficiaries (the housing allowance, the activation allowance);
- Individualization of the benefits;
- To abolish the workfare conditionality for receiving the basic benefit;
- To care for the adequacy of the MI by its setting based on the regular research of living standard and minimum basket and its regular indexation;
- To improve employment services for the long-term unemployed (turning their provision from facultative to obligatory);
- To increase public support of the public housing construction to make housing available for the households on benefits.
- To raise public awareness on the adequate social protection as a human right;

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1. PANORAMA: A SHORT DESCRIPTION OF THE MINIMUM INCOME SCHEME

1.1. General overview: a description of the minimum income scheme

The name of the Slovak MIS is the Assistance in Material Need (pomoc v hmotnej núdzi). It is a universal non-contributory tax-financed scheme. Benefits are organised centrally and provided in cash.

Different levels of the assistance in material need depend on the composition of the household and on meeting various conditions. The number of children is only partially considered. Since January 2014 a part of the benefit is conditioned by participation in so-called community services.

The assistance in material need is granted on the basis of a subjective right (non-discretionary). On the community level, one-shot facultative aid can be provided in cash or in goods.

The aim of the Slovak MIS is to ensure a minimum income that could maintain “basic living conditions” for those unable to secure their income.

1.2. Eligibility conditions

Beneficiaries: physical persons that stand in for households and, where applicable, individuals (single person households).

No **nationality** requirements.

Residence or stay in the Slovak Republic.

Age requirements: Basically there is no explicit age requirement for persons who live independently and have their own households¹. There is 25 years of age requirement for adult children living in a household of their parents to be assessed as an independent household and be eligible for the basic benefit. However, if they were registered jobseekers, young people since 16 years of age could have taken part in small community services and top up their parents benefit by the activation allowance. Since 2013, there is 18 years of age requirement for participation in small community services and eligibility for the activation allowance. This age threshold should discourage underage youth from early school leaving for the sake of increasing their family budget by participation in small community services and getting the activation allowance.

Means testing: A real property is taken into account. However, a person cannot be asked to sell or rent out neither a house which s/he uses as a permanent residence nor land which s/he uses for personal consumption,

Movable assets are taken into account. However, a person cannot be asked to sell or rent out neither movable assets as a part of necessary household equipment nor a car used for individual transport of a disabled person or a value of which is lower than 35-times the monthly subsistence minimum (Životné minimum) (EUR 6,933.15 since July 1, 2013).

All the income and benefits are taken into account with exception of the following family resources that are disregarded:

* one-shot state social benefits such as the birth allowance, the contribution to the birth allowance, the death allowance

* 25% of earnings,

¹ Practically, it is an option for those who finished their compulsory school attendance (usually in 16 years of age) and do not continue their education.

- * 25% of the old-age pension (starobný dôchodok), the early pension (predčasný starobný dôchodok) – this percentage is increased by 1% with each year going beyond 25 years the beneficiaries were employed and insured²; the invalidity pension (invalidný dôchodok), the widow's and widower's pension (vdovský a vdovecký dôchodok)³,
- * the orphan's pension (sirotský dôchodok) and the social pension (sociálny dôchodok),
- * 25% of the maternity benefit (materské),
- * the child allowance (prídavok na dieťa),
- * the tax bonus (daňový bonus),
- * the scholarship,
- * all allowances of the active labour market measures,
- * 25 % of the activation allowance for voluntary service,
- * the immediate municipality financial aid,
- * the financial support from foundations, civic associations, non-profit organisations etc., not exceeding 12 times the subsistence minimum and non-financial assistance designated for support and strengthening anti-poverty measures,
- * earnings of students not exceeding 1.2 times the subsistence minimum in the last 12 months,
- * various contributions and allowances offered during the participation in the active employment measures such as travel costs, the contribution for the graduate practice, the childcare allowance, etc.

Since 2013, incidental earnings (such as selling some items, collecting ferrous scrap) are fully taken into account. Till 2013 such earnings were disregarded if they did not exceed 2 times the subsistence minimum income in the last 12 months.

Readiness for work and training: Since 2004 participation in community services or training is a condition for the activation allowance. Since January 2014, basic MI benefit is also conditioned by participation in so called small community services. For more information **see part 1.5**

1.3. Amounts of the minimum income: differentiation for specific household types

The MI Benefit (dávka v hmotnej núdzi) is provided to persons in a situation of material need; when their income is lower than the subsistence minimum (životné minimum) and lower than the amount of the claimable assistance ("suma pomoci", § 15 of the Act No. 417/2013) and they cannot secure an income themselves. MI benefit is provided in the amount which is the difference between amounts of household incomes and amounts of claimable assistance. (§15 (1)).

The subsistence minimum is the "socially acknowledged minimum level" of a person's income, below which s/he is recognised to be in a situation of material need.⁴ The monthly amounts of the subsistence minimum (SM) used for determining the situation of material need are:

² It means that in case of old age or early pensioners who had been employed and insured for 40 years, 40% of their pension will not be taken into account in assessment of their eligibility for MI benefit (dávka v hmotnej núdzi).

³ Only in case the widow or widower has reached retirement age

⁴ The calculation of the subsistence minimum will be explained in the next part of the report.

* The first adult:	EUR 198.09 ,
* Every further adult:	EUR 138.19
* The dependent child (or non-dependent child up to the age of 18):	EUR 90.42 .

The amounts of SM are not warranted. The minimum income scheme was decoupled from the level of the subsistence minimum in the early 2000s. The aim of the Slovak MIS is not to secure the SM (living wage) and protect against the state of material need. MI benefits should only alleviate the situation of material need and secure so called basic living conditions.

Basic living conditions are defined in the Minimum Income Act (§2, clause2) as one warm meal per day, necessary clothing and housing. This definition seems to contradict Slovakia's commitment to protect dignity of its inhabitants. (Article 34.1 of the Chart of Fundamental Rights of European Union)

The Slovak MIS ("assistance in material need") is composed of the basic benefit and several variously conditioned allowances. The maximum amount of the claimable assistance ("suma pomoci") varies according to the household composition, the socio-economic status of household members⁵ and the capability to fulfil the conditions set for the access to the allowances.⁶ Allowances for regular school attendance have been counted in the total amount of the claimable assistance only since January 2013.

A monthly amount of the **basic MI benefit per individual categories of household** in material need:

- * **EUR 61.60** for singles,
- * **EUR 117.20** for single parents with 1 – 4 children,
- * **EUR 107.20** for couples without children,
- * **EUR 160.40** for couples with 1 – 4 children,
- * **EUR 171.20** for single parents with 5 + children,
- * **EUR 216.10** for couples with 5 + children.

Other benefits as components of the MIS /Assistance in Material Need:

* **The protection allowance** (Ochranný príspevok): **EUR 63.07** per month for those having reached pension age, or the disabled (lost more than 70% of ability to work), or caring for a severely disabled person, or who are ill for a period of less than 30 days (if the illness lasts more than 30 days, the amount is reduced to **EUR 34.69**), or for single parents caring for child up to the age of 31 weeks. The protection allowance is **EUR 13.50** per month for pregnant women from 4th month of pregnancy and for persons in material need with a child up to one year (till the end of 2013, benefit for pregnant women and for persons with child up to one year were the special allowances). The protection allowance does not apply to those receiving the activation allowance (aktivačný príspevok). The protection allowance is paid for a maximum of 12 months if provided due to due unfavourable health condition.

⁵ For instance, till 2014, the activation allowance was not included in the amount of the assistance to which the income of the household with the working adult was compared.

⁶ The housing benefit is typically not included in the amount of the claimable assistance during testing the income of households living in undocumented shelters, those with renting debts, etc.

* **The health care allowance** (príspevok na zdravotnú starostlivosť): **EUR 2.00** per month per person – was paid till the end of 2013. Cancelled in 2014.

* **The housing allowance** (príspevok na bývanie): **EUR 55.80** per month for singles or **EUR 89.20** per month for households with 2 or more persons. Only for those who pay their housing costs properly. The exception for pensioners from the duty to prove their housing costs paying properly and to prove their tenancy status (since 2007) has been abolished in 2014. The benefit is also granted to persons entitled to lifelong tenancy and those in material need who live in senior's homes and social services homes. In the case of multiple lodgers in one property, the benefit is only paid to one of them.

People living in undocumented housing and in temporary accommodation (hostels), which do not belong to social services facilities named in the Act on AMN, are not entitled to the allowance. Those living in the social services facilities such as facilities of sustentative housing, shelters, emergence shelter facilities, homes of obligingness and predicament centres are eligible for the housing allowance since 2014. Reception centres (nocľahárne) are not listed as “eligible” accommodation in the Act.

* **The activation allowance** (aktivačný príspevok): **EUR 63.07** per month for those registered job-seekers following a back-to-work programme (training or performance of minor community services for at least 64 hours and for maximum 80 hours a month).

The activation allowance is also provided for those continuing their study at a vocational, higher secondary school or a college in extramural form.

* **The dependent child allowance** (príspevok na nezaopatrené dieťa) – till 2013 named the Allowance for (regular) school attendance – is provided for children of 6–16 years of age in amount of EUR 17.20 per month. The regular school attendance (without unexcused absences) is required.

Example 1:

Family of 2 adults + 2 children (5, 10 years)

Basic benefit:	EUR 160.40
Housing allowance:	EUR 89.20
Activation allowance (1) ⁷	EUR 63.07
<u>Dependent child allowance</u>	<u>EUR 17.20</u>
Max. Benefit in MN	EUR 326.87 per month

There are also other occasional benefits: **the one-shot benefit** (§ 17) can be provided by municipality one time a year in the amount of the 3 times SM for 1 adult as maximum (EUR 594.24). One shot benefit is designated to secure clothing, household equipment or appliances, school supplies, etc. The Labour Office pays out this benefit as the reimbursement of the documented costs.

* **Special allowance** (špeciálny príspevok) **EUR 63.07** Since 2014 eligible for the period of six months) for long-term unemployed if they got employed or self-employed and their wage was at

⁷ It is not likely that two adults from the same household would get chance to participate in the community services and take activation allowance. See Table 2 in the part 2.1.

least on the level of the minimum wage and did not exceed three times of the minimum wage and their household lost entitlement to the MI benefit.

The Subsistence Minimum (Životné minimum) is adjusted on July 1 of each calendar year. The adjustment takes into account the increases in the net income (or in the costs of living) of low-income households (the bottom quintile) from the first quarter of the previous year to the first quarter of the actual calendar year. The lower coefficient is used. The adjustment of the subsistence minimum has no impact on the amounts of MI benefits.

The adjustment of the MIS (the benefit in material need – dávka v hmotnej núdzi) is not the legally defined duty of the Government. It depends on its discretion. In 2004 – 2013, the benefit could have been adjusted on September¹ according to the Act. The Minimum Income Act Amendment that is in force since January 2014 has abolished the date of possible adjustment and only indicates its possibility (§15, section 3). Unlike the Act on Subsistence Minimum, the Act on Assistance in Material Need does not specify the adjustment mechanism (indexation formula).

1.4 Time duration

The basic MI benefit – benefit in material need (BMN) - is paid for as long as the situation of material need lasts. With the exception of the housing allowance, time of taking allowances to the BMN is limited. The protection allowance can be taken one year as maximum if it is taken due to unfavourable health condition⁸. There are also limitations for the duration of the activation allowance taking (if related to participation in community services programmes) and its repeated application.⁹

1.4 Conditionality

Assessment:

The application form for the BMN (Dávka v hmotnej núdzi) has to be sent to the Office of Labour, Social Affairs and Family (OLSAF) according to the place of residence of the applicant. The entitlement to the Benefit in Material Need is assessed by the respective OLSAF staff. The maximum extent of the proceeding (from submitting the application, decision and to the first benefit payment) should not exceed two months according to the Act on AMN. Applicants should provide information on changes in their status within 8 days since the change happened/occurred.

Readiness for work and training:

Since January 2014, with the exception of the categories specified in the amended Act, the acceptance of offered work in community services in the extent of at least 32 hours a month is the condition for receiving full basic benefit. A character of small community services varies with local conditions and chances to cooperate with other bodies such as The State Enterprise Forests or The

⁸ It is expected that if health problems persist, persons could be eligible for invalidity pension.

⁹ Time of participation in small community services and providing activation allowance via this programme was limited with the Act No.139/2008 since May 1, 2008. This restriction is based on the assumption that activation programmes contribute to “locking” their participants in the MIS and discouraging them from entering the open labour market. The apparent simple restriction without provision of various kinds of assistance has not made the long-term unemployed capable to find a job within the open labour market. Moreover, there is a chronic lack of vacancies in the Slovak economy.

Slovak Road Administration.¹⁰ Refusal to participate will lead to cutting the basic benefit by EUR 61.60 for each adult in the household who refuses to participate. In case of single person household the refusal to participate means withdrawal of the whole benefit. It is not necessary to register as a jobseeker to get the basic MI benefit.

In order to be entitled to the **activation allowance**, persons who are able to work, first have to register themselves as job-seekers at the OLSAF.¹¹ Only those who are registered can be offered the participation in minor community services that is a condition for the activation allowance. Without a registration, they could not get the activation allowance, both in case they study externally and they are in material need. If the activation allowance was removed because of de-registration as a job-seeker, the access to the AA is banned for the period of 12 months. In order to get activation allowance, participation in volunteering or community services should take at least 64 hours and for maximum 80 hours a month (see part 1.3). Present practice suggests that duty to work in order to get basic benefit has been imposing to those MI beneficiaries who were not registered as jobseekers. Those who are already “activated”, that is registered jobseekers who study or take part in small community services, receive full basic benefit automatically and need not to work additional hours.

1.5. Link with other social benefits

All claims to benefits in cash and in kind have to be exhausted: the maintenance, the alimony benefit (náhradné výživné), the sickness benefit in cash (nemocenské), health insurance benefits, pension insurance benefits, accident insurance benefits, unemployment insurance benefits, guarantee insurance benefits, retirement benefits (soldiers, policemen), the parental (child raising) allowance (rodičovský príspevok) and foster care benefits.

The housing allowance (príspevok na bývanie) is an integral part of the MIS (as an allowance to the basic benefit in material need). See above part 1.3 “Cash benefits, 2. Amounts”.

Healthcare services are available to all persons with the permanent residence in the Slovak Republic, without any restriction. MI beneficiaries are insured by the state. The health Insurance card is, however, a compulsory condition for a specialised medical examination. Moreover, a part of healthcare, such as dental care or several medicaments, is not fully covered by the health insurance.

The healthcare Allowance (príspevok na zdravotnú starostlivosť) that had been an integral part of the MIS (as the allowance to the basic benefit in material need) in amount of EUR 2 per month has been cancelled since January 2014.

Family benefits: The child allowance is the only regular benefit that could be fully combined with the BMN. Other family benefits are fully considered. Those who take the parental allowance while studying at higher secondary and tertiary schools; are, however, entitled to activation allowance.

¹⁰ Criticism of threat to regular jobs in the field of municipal services (and evidence of their loss) caused by cheap work (paid by the Government) done by the MI beneficiaries within activation programmes in order to get activation allowance – the conditioned part of the MI – occurred from the beginning of the reform of MI scheme (2004). For instance in 2006 Brutovská pointed out that the “sufficiency of financial resources for the realization of the measure and an effort to maximise number of unemployed participated in the programme led to a situation where existing paid jobs in the regular labour market were abolished and re-established as activation work positions. As result, subjects of the activation work obtained a “low-cost” workforce and additional financial resources.” Brutovská also noted that this created the unintended effect of “safety,” which meant that persons could be “locked in” in activation work. (Brutovská 2006: 7).

¹¹ Registration as a job-seeker is a special procedure made at the special department of the Labour Office – the Department of Employment Services.

The parental allowance (to parents of a child under 3 years of age), is fully taken into account in assessing the income of MI applicants. As the outcome, poor households with babies are mostly not qualified for the MI benefits and free childcare even though their monthly income is under the subsistence minimum. This legal arrangement causes the low share of Roma children in the ECEC.

Example 2: Comparison of the amounts of the SM, the parental allowance and the MI benefit

The family of two parents with two children under 3 years of age (not twins)

Parental allowance:		EUR 199.60
Basic BMN + allowance for persons with child up to one year:	EUR 160.40 + 13.50	EUR 173.90
Subsistence Minimum:		EUR 517.12

Table 1 Development of MI taking (OLSAF data)

(in thousands)	X 2009	X 2010	X 2011	X.2012	IV. 2013	I.2014	IV.2014
households	172.4	190.8	185.8	181.5	187.3	182.3	173.7
Individuals	377.0	374.9	362.1	351.2	365.1	354.1	342.6
% of SK population	6.2	6.9	6.7	6.5	6.75	6.3	6.3

The OLSAF does not examine ethnicity or mother tongue (Slovak, Hungarian, Roma) of MI beneficiaries. It is assumed that the share of the Roma among MI beneficiaries will be significantly higher than their share in the population of Slovakia. According to the UNDP findings, approximately a half of the Roma households under study took the MI benefit. In segregated settlements, it was 52.3 % of the Roma households, in separated settlements 50.2 % of the Roma households, and 47.3 % of the Roma living scattered – integrated among the majority population.¹²

2. LINK BETWEEN THE RIGHT TO SOCIAL INTEGRATION AND THE ACTIVE INCLUSION STRATEGY

2.1. Inclusive labour markets:

The 2004 MIS reform was done jointly with the employment services reform (Act No 5/2004) with the common goals to minimise disincentive factors and avoid the poverty trap. It set the basic (“unconditioned”) MI benefit purposefully very low and attempted to activate the MI beneficiaries by conditioning a part of the benefit (so called activation allowance) by their participation in community services (“to obtain and sustain work habits”) or in education and training.

As it has been indicated earlier (part 1.3), the entitlement to the activation allowance can be obtained by several ways. However, the opportunity for activation by participating in small community services is not warranted and available for all who wish to participate.¹³

The most typical activation measure for MI beneficiaries is the activation work (small community service) programme. The programme aims at increasing work habits and employability of the most

¹² The UNDP surveys used the classification of the Roma settlements that identifies four types of housing situations of the Roma population vis-a-vis the majority: integrated – scattered (Roma residents are scattered among the majority within a municipality); integrated – concentrated (Roma residents live within a municipality but are concentrated in a certain part or parts); in outskirts of municipalities (Roma residents are concentrated in the outskirts of a municipality); and completely outside of municipalities (separated by a barrier). (Rozvojový/UNDP 2012)

¹³ See for instance Kureková et al 2013)

excluded from the labour market. It is intrinsically linked to the MIS and it is the main way to obtain the merit part of the MI benefit. As the amount of AA is relatively high (in comparison to the basic MI benefit) and it is important for securing basic livelihood¹⁴, there was enormous interest in this programme among MI recipients.¹⁵ The activation allowance can be taken also for so called volunteering (participation in NGO community programmes) done at the same extent as small community services.

Table 2 Development of taking the activation allowance to MI benefit

In thousands)	X 2005	X 2007	X 2009	X 2010	X 2011	X.2012	IV. 2013	I.2014	IV.2014
Number of jobseekers.									
in the MI scheme	121.4	97.4	107.8	124.2	125.2	129.7	140.9	122.0	123.7
Number of AA beneficiaries	109.9	87.9	50.9	62.2	64.7	64.2	63.0	64.0	65.1
Share of AA beneficiaries in %	90.5	90.2	47.2	50.1	51.7	49.5	44.7	52.4	52.6

Source: http://www.upsvar.sk/statistiky/socialne-veci-statistiky.html?page_id=10826

In addition to the Act on Assistance in Material Need, the activation allowance is regulated by the Act No. 5/2004 On Employment Services and the amendments to the act that specify conditions for its provision. Till 2013, the repetition of participation in small community services regulated by the MI Act was not limited. The 2013 amendment of the Act bans the repetition of taking part in small community services programmes.

The restriction of participation in small community services and AA taking is based on the assumption that activation programmes (and AA taking) contribute to “locking” of the unemployed in the MIS and discourage them from participation on open labour market.. In order to prevent or limit the locking-in effect of activation programmes, the amendment of the Act on Employment Services (approved by the Government in December 2007 and in force since January 2008) - apart from the restriction of participation in small community services - introduced a range of new employment measures aimed at facilitation of the access of the long-term unemployed to regular paid jobs. In addition to various contributions for supporting the employment of low-skilled workers it also set the legislative framework for setting social enterprises and support of employment in them. The economic and financial crisis had stimulated a change of focus of the active employment policy. The employment of the long term unemployed was overshadowed and sustaining existing jobs and support of early return on the labour market of those who had lost their jobs due to the crisis came to the forefront.

The Act on Assistance in Material Need (MIS) had not limited the length of the activation (and AA taking) till 2012. Since January 2013 there are the same uniform restrictions of repeated participation in small community services as within the Employment Services Act. Though it seems unclear or even illogical, it is impossible to participate repetitively in community services entitling to the activation allowance and to get in this way activation allowance and increase the minimum income to the level a somewhat closer to the subsistence minimum level.

¹⁴ Please note that the basic MI benefit and activation allowance together are less than the subsistence minimum , which is itself inadequate and without the clear relation to basic needs. See part 3.2 of this report, especially Chart 1.

¹⁵ The opportunity to participate and get the activation allowance attracted many children from families on benefit and made them leave school after the end of the compulsory education without completing any vocational training. In order to abolish this incentive for early school leaving, the 2013 MIS amendment sets the minimum of 18 years of age requirement for participation in the small community work programme.

The Act on Assistance in Material Need also made the long term unemployed eligible for the activation allowance (for the period of six months) if they got employed or self-employed and their wage was at least on the level of the minimum wage and did not exceed three times of the minimum wage and their household lost entitlement to the MI benefit. The 2013 Amendment of the Minimum Income Act has preserved the eligibility conditions and renamed the allowance to the “*special allowance*”. The amendment of the Minimum Income Act (approved by the Government on August 20, 2014) is aimed at improving the concurrence of the special allowance and the wage and, thus, at increasing the attractiveness of employment. The period of possible concurrence of the wage and the benefit is extended to 12 months and the allowance has been doubled during the first six months of the employment. Moreover, according to this amendment, the special allowance will not be considered during the means testing – the assessment of entitlement to the MI benefit. At the same time, the upper limit of the wage for entitlement to the special allowance was decreased to the double (from the triple) of the minimum wage.

Besides the activation allowance there are several labour market measures to support transition to employment. There is the package of tools supporting education and preparation for the labour market that includes allowances for food, transportation and care for children during participation in education and training programmes.

An important measure supporting young people entering the labour market is called “*the contribution for graduate practice*” (príspevok na absolventskú prax) The aim is to help young people in obtaining some skills and practical experience from employers, which should reflect their education level and could be helpful in order to find a regular job. The allowance is provided to young people aged up to 25 years for the maximum period of six months. The contribution for graduate practice is fully disregarded in the means testing and this fact has made this measure very attractive for the youth in the MI beneficiary households.

Due to the 2008 amendment, the amount of the contribution for graduate practice has been increased to the level of the subsistence minimum (SM) for an adult person and the programme has also been made available for early school leavers – young people who did not complete their vocational education and training. The 2013 Amendment of the Act on Employment Services has retargeted the graduate practice programme to the school graduates only. It has also cut the contribution for graduate practice to 65% of the SM and has turned it into a facultative contribution.

The 2013 amendment of the Act on Employment Services has also changed various obligatory measures to facultative ones and preconditioned participation in education and training programmes by the prior pledge of further job of applicants. These conditions, that is the ability of applicant, often long-term unemployed, to get in advance the pledge of future job, are very demanding and seem to make barrier to participation of the long-term unemployed and other less attractive categories of job-seekers in these programmes¹⁶.

The 2013 MIS amendment (in force since January 2014) also aims at providing new incentives. Households with the income lower than the maximum assistance for the given type of household can take *the activation allowance for every household member whose income from dependent work (príjem zo závislej činnosti) is at least at the minimum wage level (§12, 3. a)*. However, the income from dependent work should be solely from the earned income (závislá činnosť). The self-employed with low earnings are not eligible for this measure. This limitation is based on suspicion that the self-employed do not declare their earnings honestly and they cannot be controlled reliably¹⁷. Despite

¹⁶ In the end of 2014, Ministry of labour proposed cancellation of this condition to ease the access to LM education and training programmes.

¹⁷ This argument was not part of the explanatory statement to the Bill but was presented on the press conference of the Ministry of Labour. For instance: <http://hn.hnonline.sk/ekonomika-a-firmy-117/zivnostnici-pridu-o-davky-od-statu-565480>

this, concurrence of income from dependent work and the MIS could now occur in a larger extent. For instance, in April 2014, 4,777 employed took the activation allowance or the special allowance. In June 2013, when the self employed were still eligible for the AA, there were 3,053 employed or self-employed who took the activation allowance.

In 2013 the important change of the means-testing was introduced to discourage MI recipients to rely on complementary income from occasional work while inciting them to take more 'regular' jobs instead. Before 2013, small income from occasional small jobs (mainly so called "agreement on the work performance") and also incidental income from the collection of metal that did not exceed two times the subsistence minimum were not taken into account in the means testing. According to the MIS amendment that came in force in January 2013 75% of such incomes is taken into account. Since that time, cumulating of occasional earnings and MI benefits is penalized. MI beneficiaries cannot top up their income by small incidental earnings: their benefit is reduced by 75 cent of each extra euro they earn. The employment impact of this change has not been examined so far.

Since the tax reform (2004), raising the lowest wages has also been accomplished by a child tax bonus.¹⁸ The so-called "employee tax-premium" has been introduced with the effect from January 2009. It is provided to low-wage earners (employees) who worked for at least six months and with earnings under the level of minimum wage. The tax credit is received with a year's delay. There are several new active employment measures that focus on job creation (stimulate employers to job creation); abolishing the duty of paying social and health care contributions is one of them.

In 2013, various new measures aimed at the support of new jobs creation in private sector and local self-governments /municipalities have been launched. One of them is abolishing of the social security contributions and health insurance payments for employers.

The active employment policy is almost fully funded from the European Social Fund in Slovakia. It is designed, funded and coordinated on the central level. The programmes and provided support are sensitive to the unemployment level in the districts of Slovakia. The dependence on structural funds leads to the lack of finance and low availability of the employment services and opportunities in the periods between the programming cycles.

1.1. 2.2. Access to quality services:

Decentralisation of the public government started in the beginning of the 1990s and was completed in 2002. There is rather strong consensus in the opinion that the shift of competences to regional and local levels has not been accompanied by the transfer of resources sufficient for the accomplishment of the delegated duties. The division of responsibilities for housing could serve as an example. Transfer of competencies to the local level was done without having a strategy of the Government in this domain and without a sufficient organisational and legislative framework warranting meeting the needs of people. While the employment services are organised centrally, services in the area of housing, the early child education and care, etc. are the competence of municipalities.

On central level, there are several systems of support of the social services availability on regional and local level. It is, however, in hands of self-governments to decide if they would apply for such a support. Quality is not considered to be a strong aspect of the social protection and the social policy during the last two decades in Slovakia. The crisis and austerity measures have negative impacts on continuing efforts that had appeared just before the crisis to improve policies in the area of public

¹⁸ http://www.echoz.sk/index.php?option=com_content&view=article&id=167:daovy-bonus-na-diea-pre-rok-2014-&catid=20:ekonomika&Itemid=20

housing, community centres, kindergartens, and teacher assistants.¹⁹ For instance, in 2010 home care service was provided to 17,050 dependent persons. In 2013 home care service organised by municipalities was provided to 11,792 persons only. Continuing decrease of beneficiaries of home care is outcome of worsened financial situation of municipalities due to the decreased income tax revenues. This trend is contradicted with the formally declared support of deinstitutionalisation in social services.

The long-term planned implementation of the local strategies of the comprehensive development (via horizontal priority Marginal Roma Communities in the programming period 2007 – 2013) was not accomplished. Some programmes such as health mediators were even stopped (fortunately only for one-year-period).²⁰

Some services continue without a change. Among them there are several supporting services for children from the households on the MI benefit, such as (almost) *free meals and school supplies* at school and free of charge kindergartens. Free meals and school supplies are also available for pupils from the households with the income under the subsistence minimum. These programmes also cover all children from the schools with at least 50% of parents' households receiving the MI benefit or with the income under the SM. Both programmes are funded from the state budget.

School meals

The official name of the programme of free meals is the "subsidy to support eating habits development". Meals are provided during the school year only. In first four months of 2014, 89,065 children from kindergartens and elementary schools, on monthly average, received free of charge meals at school. In 2013 it was 72,665 children on average. In 2012, 79 406 children received free of charge meals at school. The programme is the most widespread in the regions with high unemployment and the high share of households on MI benefits.

School supplies

Free school supplies (exercise books, pens, pencils) are provided for children in early child care facilities and for pupils of elementary schools twice a school year (September and February). In February 2014, 81,810 pupils received free school supplies. It was almost the same number as in the previous year (81,107). School supplies are often used at school only and are not allowed to take home. There are observations from the field (for instance Moldava n/Bodvou) that similar rule is applied to school textbooks. Children from MI beneficiary households, particularly Roma, are not allowed to take them home. It is assumed that they neither have conditions to study at home nor safe place for their school books.

Free access to sport and hobby youth centres

Since 2008 children from MI beneficiary households can have free access to sport and hobby centres. The School Act No. 245/2008 Coll. sets in its articles 114 – 116 that the founder of a free times centre, a school club or other child and youth facility can exempt children from households on MI benefits from paying participation fees. Municipalities as facility founders have to set regulation of payment, reduction or exemption from fees by generally binding regulation. There is no central evidence of number of children from beneficiaries' households having free access to these facilities.

Affordable, quality early childhood education

There still is a dominating policy opinion that personal parental care for children up to three years of age is most favourable for their healthy development. The parental leave lasts for three years and

¹⁹ They were formulated in the National Reform Programme 2009, for example.

²⁰ <http://www.minv.sk/?tlacove-spravy&sprava=terenni-zdravotni-asistenti-pre-romske-komuniti-su-uz-vyskoleni>

public nurseries are rare public services. A legal definition of nurseries as public/municipal services has not existed so far.

On the other hand, the network of public kindergartens has had continual existence. At present, participation of 3 – 6 years old children in the ECEC is 87 % (under the EU average). Participation of Roma children in pre-school education is substantially lower. According to the UNDP Survey held in 2010, only 18 % of Roma children were enrolled in kindergartens.²¹

Programmes (payment relief, etc.) to support kindergarten participation of children from low income or disadvantaged families, which ceased to exist in the beginning of the 1990s, have been restored in the midst of the 2000s. In the meantime, the number of kindergartens and classes in kindergartens decreased substantially. At present, the demand for childcare surpasses the offer and children of employed parents are placed preferentially.

Many poor families with small children are not MIS beneficiaries though their income is under the SM (explained in part 1.6). Children from such families are entitled to free meals in kindergartens, but their parents are expected to pay the monthly fee (€ 15). This amount exceeds their financial possibilities and becomes the barrier of their children's access to ECEC.²²

The improved Access to pre-school education is set as the national goal by the NRP 2013. There are several partial tasks associated with this goal. With the exception of resources allocated to the pilot programme "Inclusive Model of Education at Preschool level of Education System", there are currently no new resources for (building) kindergartens. Funds for their construction are planned to be drawn from the structural funds in the new programming period.

Field social work

During the 90s and early the 2000s there was no field social work provided. Field social work service in local communities has been restored in the beginning of the 2000s. It is funded from the ESF. Municipalities and NGOs could respond to the centrally announced calls (from Social Development Fund) and apply for resources to this service. Quality standards of field social work are also set centrally.

Field social workers and their assistants provide daily consultations, advice, mediate information or contacts to various institutions to clients in poor communities (Roma marginalized communities, homeless people, lone seniors, etc.). At present, field social workers have more often the status of the municipal employees and are subordinated to municipal representatives (mayors, town council, and clerks) to a certain extent. They also could be employees of NGOs. Field social work is consensually considered as a highly important, inevitable and successful social service. Despite its positive assessment, field social work suffered by discontinuity²³, uncertainty and irregular financing. In 2008, the supervision of social work by the central level (Social Development Fund operated as the funding and supervising agency) was abolished and social workers were fully subordinated to municipal authorities.²⁴ In 2011, important steps to stabilise community field work were made. The project period was set for 3 years, its full funding was secured from the ESF resources (for the period

²¹ United Nations Development Programme 2012: Report on the Living Conditions of Roma Households in Slovakia 2010. Bratislava

²² Sometimes there are also other reasons. A poor family cannot secure pyjamas and slippers that are requested and decent clothes and shoes for a child. A kindergarten is sometimes too far from the place of living and as there are several small children in family who should be cared for, there is a problem to accompany a child to kindergarten.

²³ There were breaks between one year projects and social workers were jobless and without income. As the Social Security Act requires at least 730 days (two full years) of employment/social insurance payments for the eligibility to the unemployment support, there is no entitlement for the unemployment support after the one year contract.

²⁴ http://www.fsr.gov.sk/external/37/vyskum_tsp_kvantita.pdf

2012 – 2015), the co-financing condition was abolished and the supervision of social field work was reintroduced. A promised transition to state budget financing, which is believed to secure the project stability and continuity, has been postponed to indefinite future.

Table 3 Development of field social work

Year	field social workers, their assistants and coordinators	communities
2006/2007	674	?
2009/2010	743	229
2012	?	201
2013	840	270

In 2013 social workers worked with 64 thousand clients in total.²⁵ Though children are not listed among the target groups of field social work, there is an effort to engage community field workers in the fight against school absenteeism to a larger extent.

Community centres

In 2011, the call of Social Development Fund was published for submission of proposals of the partnerships for the *National project Standardisation of Services and Extension of the Network of Community Centres – for Marginalised Roma Communities*. The national project was aimed at supporting the construction and the establishment of community centres in socially excluded communities. The goal was the improvement of the access of Roma communities to meaningful leisure time activities and culture. The implementation of the project was halted till 2013²⁶ (partly due to the elections and the mistrust of the new administration to the previous one). In fact, the only step accomplished in 2013 was the legal definition of community centres in the amendment to the Social Services Act. The amendment defines the position and services of community centres and sets criteria for the objective quality assessment of provided social services.

Programme of teacher's assistant

School statistics suggest that the share of drop-outs among children from the socially disadvantaged environment is very high: several times as high as the Slovak average.²⁷ The Programme of teacher's assistant was introduced to assist in overcoming initial barriers of the access to education, particularly to children with the Roma mother tongue and children lacking other cognitive competences necessary for school success.²⁸ Conditions and rules for setting and funding the

²⁵ <http://www.socialnaspolocnost.sk/narodny-projekt-terenna-socialna-praca/>

²⁶ <http://www.scribd.com/doc/154051443/Have-Roma-in-Slovakia-benefitted-from-the-European-Social-Fund>

²⁷ In EU28 comparison Slovak Republic performs very well in the early school leavers (ESL) indicator (share of persons aged 18 to 24 who are not continuing their education and whose highest level of education or training attained is ISCED 0, 1, 2 or 3c). In 2013 the share of ESL was 6.4% compared to 12% of the EU28 average., However, there was inter-year increase by 1.1 p.p. (Implementation Report 2014). See also

<http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tsdsc410&plugin=1> On the other hand... is necessary to use available administrative data on socially disadvantaged students. School statistics show that shares of drop-outs among children from socially disadvantaged environment are very high; about 30 %. This is several multiple of the Slovak average. (Ministry of Education 2013)

²⁸ Documents of Ministry of Education do not speak about a Roma pupil but about a pupil with language and social barriers. Such a pupil is defined as a pupil from the socially disadvantaged environment who 1) is in material need and lives in the segregated settlements; 2) lives in an unsound household environment, including hygienic conditions and a high number of household members per one dwelling and there is a lack of opportunities for doing his homework at home; 3) who does not speak the language of instruction; 4) is in material need and did not attend kindergarten and 5) is in material need and his/her parents have not completed 9 classes of compulsory education. www.minedu.sk/RP/2006/2006_19_R.doc In practice, the child's family coverage by the MIS system is used as a main criterion of disadvantage.

position of the teacher's assistant (either for pupils with disability or for pupils from the socially disadvantaged environment) were changed several times since the midst of the 2000s. In the years immediately after the crisis (2009, 2010), the number of assistants decreased.

Table 4 Development of the number of teacher assistants (both types in total)

Year	2007	2008	2009	2010	2011	2012	2013
Assistants	694	791	711	717	782	980	1,067

All-day education

In 2011 – 2013, pilot programmes *All-day Education* and [Inclusive Model of Education at Pre-school level of Education System](#) were tested as new forms of education based on school results and on cognitive competences of children/pupils from the disadvantaged environment. They covered 200 elementary schools and 200 kindergartens. The all-day system should „reduce the burden on parents with helping children with preparation to school, and secure intensive education of children from the disadvantaged environment and improvement of their school results and attendance“. It hasn't been clear so far if the envisaged legislation (all-day education) will cover all children or only those with disadvantaged social status. There are concerns that targeting the programme at disadvantaged children only will lead to their further segregation and isolation.

Health care

Minimum income beneficiaries are insured by the state and majority of their health care is free of charge. Specific problems with the access to health care (such as above the average occurrence of infection diseases, low participation in preventive medical screenings, a lower level of vaccination of children) in segregated Roma communities are dealt with in the programme *Health Mediator*. The programme is targeted at the most disadvantaged communities and has a positive impact on the access to health care. The programme was originally run by regional Public Health Authorities and funded from their budgets. It was, however, underfunded from the beginning and only 30 health mediators were involved. In 2012, the programme stopped as the Ministry of Health did not secure funds for it. In 2013, the programme was re-launched under the auspices of the Government Plenipotentiary for Roma Communities. The number of health mediators has increased three times. In 2014, a new concept of the programme has been prepared with the idea to make health mediators municipal employees. Some experts express concerns that this could lead to loss of independence of health mediators and threaten their professional position (the same relates to field social workers)²⁹.

Access to housing support

There are two kinds of housing support in Slovakia. The housing allowance that is intrinsically related to the Minimum Income Scheme has already been introduced (part 1.3). The second one is the state system of support of housing and construction of public housing.

²⁹ <http://nazory.pravda.sk/analyzy-a-postrehy/clanok/318542-zrusime-pracu-asistentov/>

The physical shortage of housing (with share of 329 flats per 1000 inhabitants that is deeply under the EU average³⁰) and the low share of public housing make the access to affordable housing for large part of inhabitants more complicated. The 2011 Census informs about the deterioration of housing availability in the country (the share of apartments inhabited by two and more census households exceeds 20 %) and about the increase of the share of low quality housing (the fourth category dwellings where dwellings belong without an inner bathroom/shower and a toilet and without a central heating).³¹ The lowest quality housing occurs often in areas inhabited by Roma communities. Public rental housing represents a very low share of the housing stock. Only 1.8 % of the housing stock in the country was identified as the municipal rental housing.

Municipalities do not have a duty to report on aspects of the housing situation, including evictions. The data shortage and the demise of broader and more complex understanding of the overall situation in housing also go hand in hand with the termination of research institutes on housing and housing construction. Decentralisation of competences in the area of the housing policy and the shortage of the public resources³² result in the fact that the political document titled the State Housing Policy Concept, worked out and approved by the central Government for the period of five years is not sufficiently binding and it is not able to bring about a fundamental turnabout in the area of the housing policy of municipalities (make them care for the availability of housing for their inhabitants to a larger extent).

An insufficient access to decent housing in marginalised Roma communities is a persisting challenge. It is, however, not perceived as a rights' issue, but as an issue of violation of the public order and the public hygiene in Slovakia. The appalling housing situation of marginalised Roma communities, though it is not well grasped by EU-SILC, is sufficiently ill-famed. Since the early 1990s, local governments have been made free to design and implement their housing policies without receiving any central support or being obliged to follow common standards (such as "social mix"). It has led to pushing low-income families out of the central parts of towns and villages to their margins, to concentrating rent-debtors and "trouble-making tenants" in the same neighbourhoods. These gradually changed into infamous places such as Luník IX in Košice.³³

Without an intensive support of the public housing construction it is not possible to improve the situation. The State Housing Development Fund (SHDF) has been established (also) with the aim to help towns and municipalities with the construction of municipal rental housing. It provides resources (low interest loans) for building and reconstruction of housing intended for people at risk of poverty and social exclusion. Municipalities may receive subsidies at the level of 35% of costs in case of standard flats and of 75% of costs in case of flats with a lower standard. Flats with a lower standard of housing are designated to resolve the housing deficiency of people in need, especially inhabitants of marginalised Roma communities. As a result of the economic crisis and austerity measures, budgetary resources for the support of housing declined. Municipalities, on which the decision and the approval of the public housing construction and provisions fully depend, also show

³⁰ There is not the EU average, but comparative data show that Slovakia considerably lags behind in the housing offer (dwellings per 1000 inhabitants) <http://www.helgilibrary.com/indicators/index/dwellings-per-1000-people> <http://www.housingeurope.eu/resource-105/the-housing-europe-review-2012>

³¹ The share of the population living in apartments and houses of the fourth category increased from 7.5 % to 11.6 % between the 2001 and 2011 Censuses. In comparison, in Hungary, the 2011 Census recorded the decrease of flats with no comfort from 13.1% in 2001 to 4.9% in 2011. For instance in Hungary, according to the 2011 Census, there were 394 apartments per 1000 inhabitants.

³² Slovakia belongs to countries with low tax collection and a low share of GDP which can be redistributed.

³³ This neighbourhood consists of apartments designed for 2,400 persons in total. However, due to the housing shortage, in 2011 these apartments had 6,094 registered inhabitants; almost 41 % of them children. Almost 90 % of inhabitants living there are cut off electricity, heating and water because of rent debts.

less interest in the public housing construction.³⁴ There are several cases of resignation on the public housing construction because of protests against this intent. As a consequence, the public housing construction, including rental housing of lower standard, has been decreasing since 2008.

Undocumented houses are often constructed in the poorest Roma communities (MRC). The recent amendment to the Building Act makes demolition of the buildings without the building permit easier and it puts those living in undocumented dwellings in the risk. For that account, legal adjustment of MRC residents' to land under their dwellings is the crucial priority for the new programming period 2014 – 2020. This is the precondition for the next steps in the area of improving housing conditions as well as building public utility and social services infrastructures in MRC that are also important parts of the horizontal priority Marginalised Roma Community for the new programming period.

The housing rights protection of low-income dwellers is poor. Cuts off electricity supply or waste disposal is frequent. Numerous cases of forced evictions of families with children and demolitions of undocumented dwellings have been done without compensation. Even dwellings of the families with children do not enjoy protection. According to the Slovak National Centre for Human rights, „Slovak legislation tolerates forced eviction to a large extent and provides only poor protection for victims of forced eviction“. (SNCHR 2013: 142) In her recent assessment of the case of demolition of Roma dwellings, the Public Defender of Rights pronounces that the Slovak public bodies violated Roma families' rights to housing. (Verejná 2013a)

Facilities for emergency accommodation (emergency housing, the halfway houses, supported housing facilities, crisis centres) have limited capacities and there are only a few types of facilities that provide accommodation for families with children. Amendment to the Social Services Act (submitted to the Government's session in September 2013) has limited the opportunity to use the services of emergency housing facilities solely to persons experiencing domestic violence and abuse. According to the emergency housing services providers, this change will threaten lone parents with children who often live in such facilities.³⁵

3. IDENTIFICATION OF OBSTACLES TO THE IMPLEMENTATION OF ADEQUATE MINIMUM INCOME SCHEME AND SUGGESTED NEXT STEPS TO IMPROVE ADEQUACY, COVERAGE AND/OR TAKE-UP OF MINIMUM INCOME SCHEME

This part is based on experience and knowledge gained during the workshops and conferences of the Slovak AntiPoverty Network aimed at commenting proposals of new bills in the domain of social protection. Proposals of the Slovak AntiPoverty Network how to make MI benefits more adequate and based on the accumulated evidence of the experience of poor people, NGOs and academic and expert research were already presented during several comment procedures on the proposed bills in the period of 2011 – 2014. The discussion at the conference held on 16.-17.July 2013 in Bratislava where the proposal of the bill amending the Act on Assistance in Material Need was discussed is the important source of the information for this report. At this conference, opinions of the Ministry of

³⁴ The Ministry of Transport, Construction and Regional Development: 2012: Report on reaching the goals of The State Housing Policy Concept until 2015.

³⁵ The discussion of services providers at the Conference of Socioforum, the Slovak Antipoverty Network and the MLSAF "Active Inclusion – we will manage it together" Bratislava October 1, 2013.

Labour, Social Affairs and Family and the Central Office of Labour, Social Affairs and Family (further LO) on the various aspects of the MIS were presented.

The next source of identification of obstacles and suggestions for improvement of the MIS comes from the interviews made within the EMIN project in April and May 2014. We made the interviews with seven MI beneficiaries, four officials from municipal social departments and two officials from the LO. In August 2014, consultations with the Ministry of LSAF officials were made to get additional specific information.

The proposed recommendations therefore only reflect the consensus of academic experts, civil society organisations and people experiencing poverty. They were presented and discussed during the EMIN conference in September 2014.

Suggested solutions consist of a long list of very broad needs – from structural reforms to very technical changes (wood cutting permission). It is difficult to make hierarchy of them. Very minor and technical improvements can also bring about important improvement of situation of poor people.

3.1. Coverage and take-up

General obstacles

The Government and the public administration perceive the MIS mainly as the issue of public finance. There are concerns over the high proportion of benefit recipients and possible misuse of the benefits and not over those who could be left out. There are continuous efforts to tighten the eligibility rules, for instance, by recent including the income from incidental jobs in the means-testing or restricting the housing allowance to one tenant only in case of co-renting. There is a missing political will to recognise the importance of the adequate minimum income for social integration and social participation of persons with the experience of poverty.

There has never been research launched on the extent of non-take up in Slovakia – not to speak about the research on the reasons people might have for not making claims. It can be assumed that many households with a low income are discouraged by strict eligibility conditions and fears that they will be treated as “parasites”.

General recommendations

Political commitments concerning human rights and human dignity should be taken more seriously in the EU member states. The position of European Union as an arbiter of should be strengthened.

Administrative obstacles

The repeated cuts of the labour offices (LO) staff has resulted in huge work overload of employees working directly with MI beneficiaries: there are about 1800 MI beneficiaries per one LO Social Department’s employee, a personal control in the field is not possible.³⁶

Some officials from district LOs think that there is no problem of coverage at all as there is counselling provided of how to get the access to the MI benefits. The situation that the OLSAF officials rely on informal dissemination of information and learning within the community is more probable.

³⁶ The official from the Ministry of LSAF

Groups with problems

Though since 2004, homeless people could use the address of the local authority when they apply for the BMN, they are considered to have problematic access to the MIS.³⁷ According to the opinion of some officials, homeless people and young people leaving institutional care have often problems with the access. It is not because the legislative barrier, but because they live in isolation and do not have friends or relatives to advise them to cope with the social legislation.

Families with children where one parent is unemployed and one employed with a low pay are another problem group. Their income is very low, but it exceeds the SM by few euros. For that reason (and because of the fact that the Act on Assistance in Material Need does not recognise the possibility of “reducing in the severity” of the law) they are not eligible for the assistance.

Beneficiaries also signal problems with understanding the application procedures. They suggest they do not have a good grasp of the new allowances.

Recommendations related to administrative obstacles

There is the necessity to

- improve consultation and assistance services; to increase the number of the OLSAF staff in order to have more time for advising and consultation.
- introduce regular education of field social workers and NGOs working with poor people, particularly with the Roma in separated and segregated communities, within the new social legislation and changes concerning eligibility and allowances.
- find new reliable methods of checking the entitlement and misuse of the benefit and the allowances that could substitute for the present mechanic de-registering of the job-seeker due to the missed date of appointment, etc.
- give district OLSAF officials the right to “reduce in the severity” of the Act on Assistance in Material Need and approve the benefit to the families with children even if their income exceeds the claimable one by few euros. This right should be arranged in a way that their discretion could only be used positively – in favour of households on benefit.

Obstacles to access to MI allowances

Problems with the coverage and the take-up also relate to the allowances to the basic benefit as they are variously preconditioned.

Problems with activation allowances: Registration as a job-seeker is the condition for eligibility for the activation allowance. However, remaining the registered job seeker is not easy. Not only undeclared work, inability to prove active job-seeking, but also unpunctuality and the missed appointment of the mandatory labour office visits are considered to be “non-collaboration” and the reason for deregistering. Statistics of the Central Office of LSAF show that app. 10% – 15% of deregistered job-seekers is deregistered monthly because of “non-collaboration”.

Re-registration shall not be made earlier than after six months (but as for the activation allowance, there are 12 months of exclusion). During the “exclusion” period, persons in need cannot participate in small community service programmes. They are not eligible for the activation allowance even if

³⁷ They need to have the municipality address in their identity card. This requires the approval of the municipality which is not always taken for granted.

they participate in other supportable activities such as part-time study/evening courses, voluntary work, etc.

In case the labour office finds defects in the community services organised by the municipality, the contract is cancelled for the three-month-period. The loss of the activation allowance will hit all the participants without exception.

Moreover, as it has been shown in parts 1.5 and 2.1 there are time limits for participation in small community services. Such programmes are also not available everywhere because of a lack of public funding. Municipal officials suggest that there is a lack of education and training courses suitable for the unemployed (by participation in which they could obtain the activation allowance),

In April 2013, out of adult persons covered by the assistance in MN, 27.6% took the activation allowance. In 2014 it was 29.8%. Most of the beneficiaries took the AA because of their involvement in small community services.

Problems with housing allowances: Officials from the OLSAF and municipalities jointly admit that the coverage of *the housing allowance* is relatively problematic because of the strict eligibility conditions.

The housing allowance is fundamental for the prevention of arrears and indebtedness as the basic benefit is too low and does not suffice for covering housing costs. Numerous conditions that must be met in order to obtain *the housing allowance* have been described in the part 1.3. In 2006 eligibility conditions were lessened for pensioners and households with pensioners: they did not have duty to document their tenure status, their regular payment of housing costs or debt payments. Since January 2014 this relief has been abolished and pensioners' households have to fulfil the same conditions as other beneficiaries. Since 2013, the housing allowance is available only for one household in case of co-renting. As a result, the number of the housing allowance beneficiaries has decreased significantly.

Table 5: Coverage of MI households by housing allowance

(In thousands.)	X.12	II. 13	I.14	IV.14
Number of households covered in the MI scheme	181.	187.3	182.	173.
Number of households with housing allowance	88.8	84.6	82.5	75.1
Coverage (%)	48.9	45.2	45.2	43.2

Problems with one-shot benefit: Majority of the interviewed MI beneficiaries do not have knowledge on the eligibility conditions for *the one-shot benefit* (one even did not know about the existence of this benefit) and have never applied for it. Representatives of the municipalities admit that this benefit is not available in all municipalities (as its provision depends on the municipal budget from which it is funded) and that the eligibility for it is limited to those who do not have any arrears and commitments to the municipality. "And this is too demanding condition for people with the low benefit: the poorest have debts and thus they are not entitled."

Recommendations concerning access to benefit and allowances

- Since Activation allowance was created by separating from the original MI benefit that was split off, and conditioned by activity, there is the necessity to make some form of activation (and possibility to obtain the activation allowance) warranted for every adult beneficiary.

There is the necessity to

- shorten the period of loss of the entitlement to the activation allowance due to deregistering.

- consider securing payments for small community services coordinators to improve surveillance over the individual participants' work discipline to avoid collective punishment of all participants because of a failure of some of them.
- soften the conditions for access to the *housing allowance*. It is also necessary to make the housing allowance available to those beneficiaries who
 - live in their parent's household (apartment owned by their parents – pensioners) so that they could contribute to the possible housing costs payments;
 - jointly rent apartment or family house with more bedrooms (there is no representative survey of renting price, but referred data suggest that co-renting could be a fair strategy to cope with too high housing);
 - live in hostels, dormitories and other “transitory” forms of accommodation
- Housing allowance should become the independent state support available for more extensive range of low-income households and its amount should be sensitive to the amount of rent and charges for housing.
- A reduced form of the housing allowance should be introduced and made available for those who cannot prove their tenancy but still have (as everyone has) to keep their home warm, need access to drinking water, etc. There is also the necessity to support the system of individual making firewood, for instance, to grant wood cutting permit for those MI beneficiaries who use wood for heating.
- Information about one shot assistance provided by municipalities should be disseminated properly: It is necessary to secure that this information will reach families with students as the one-shot-benefit could help them deal with the expenses that family cannot afford, but they necessary for students (i.e. purchase of a PC) and sometimes they are reason for dropping out of the school system

3.2. Adequacy

Obstacles

The subsistence minimum (SM) was set up in 1990s on the basis of the extensive research that also included the examination of consumption standards. It was defined as the amount sufficient for social inclusion, however for a transitory period, as it did not consider costs of durables and unexpected expenses such as repairs. Since then neither the minimum basket examination nor its adaptation to the changing conditions (deregulation of housing and energy prices, changes in VAT, new types of needs, etc.) occurred.

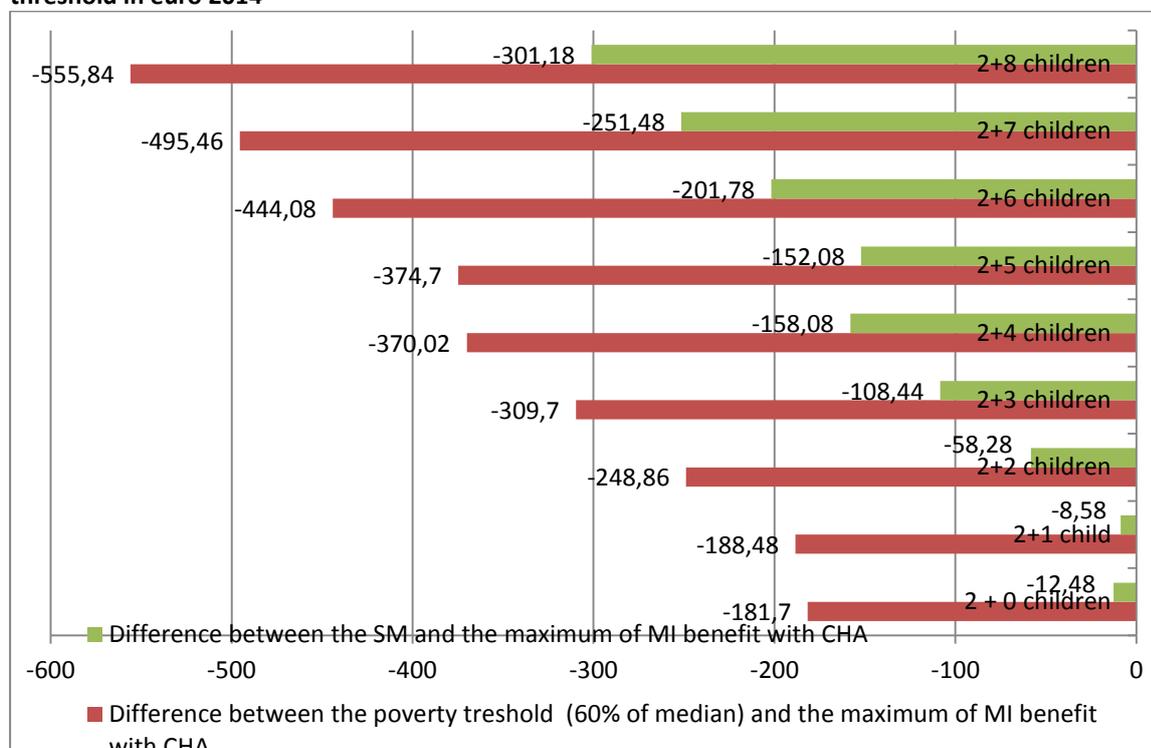
In the early 2000s the MIS (Assistance in Material Need) was decoupled from the SM that ceased to be the warranted minimum income.

The MIS was not indexed from 2009 till 2014. The recent amendment to the MIS (in force since January 2014) has indexed the basic benefit by the inter-year inflation. This increase, however, does not compensate the real decrease of the value of the basic benefit in material need since 2009 (8.7%). The allowances were not indexed. As the MIS amendment abolished the health care allowance, the monthly MI amount for all types of beneficiaries also decreased nominally.

All interviewed participants agree on inadequacy of the benefits in MN. MIS clients, representatives of municipalities and labour offices acknowledge that even the full benefit with allowances is very low and it does not suffice to cover the housing costs; it almost inevitably leads to rent and electricity arrears and indebtedness.

The Difference between Minimum income benefit (with all possible allowances) and the subsistence minimum and the poverty threshold (60% of median income) is striking (the maximum MI assistance hardly reaches 30% of the median) and growing with number of children in household. (See the following Chart 1 and the Example 3)

Chart 1 Difference between maximum Minimum income benefit with child allowances and SM and Poverty threshold in euro 2014



Source: Eurostat, UPSVAR

Example 3: Comparison of the amounts of the at-risk-of-poverty threshold, subsistence minimum, basic benefit and maximum benefit with allowances for 1 and 4 persons households (in EUR)

Number of persons in HH	1 adult	2 adults+2 children
At-risk-of-poverty threshold (60% of median) – 2012 value	346	726.6
Subsistence minimum (2014)	198.09	517.12
Basic MI benefit (2014)	61.6	160.4
Maximum MI assistance (2014)	180.47	389.94

Recommendations

- The subsistence minimum should be linked to a transparent basket of necessities based on a clear political commitment regarding the level of decent living. Amount of 60 % of the median equivalent income could be used for setting the amount of the subsistence minimum.
- MI protection should be **individualised**: a number of household members (children) should be taken into consideration and young adults should be eligible for the MI benefit from 18 years of age.
- Research of the real living costs and the basket of necessities should be supported and the process of re-assessing of the subsistence minimum (started in 2007, but not completed) should be finalised. People with the experience of poverty should be invited to participate in the preparation the SM reassessment. The international research of reference budgets (maybe as a continuation of the EMIN) should be supported.

- The minimum income protection should be linked to the subsistence minimum or any other transparent threshold of decent living so that the benefits could secure modest, but decent life for all household members and their basic integration in society.
- The definition of basic living conditions as “one hot meal daily, necessary clothing and a shelter”, which is in the Act on Assistance in Material Need (article 2 p. 2) should be revised as it unacceptably reduces the living conditions to the level that does not secure inclusion in social life.
- Regular indexation of the MIS, the basic benefit and allowances should be introduced.
- Advocacy of the minimum income as *a social right and raising public awareness on this right* should belong to the main themes of social NGOs.
- Fight against the stereotypical opinions blaming poor people and labelling them as “unadaptable” should be more supported.

3.3. Effectiveness

It has been shown in the previous parts of this report that the Slovak MIS secures a mere survival of MI beneficiaries and is far from being capable to secure decent life levels. Even their maximum amounts of benefits are substantially under the poverty threshold. Benefits thus could alleviate hardship, but they are not capable to secure social inclusion or reduce poverty levels. The exceptions are pensioners’ households, due to an easier possibility to combine the old-age pension with the MI benefit (see part 1.2, footnote 2).

Low levels of MI benefits are considered to serve as a sort of prevention against beneficiaries’ locking in (trapped in) in the minimum income scheme. However, the belief that low benefit will “push” people away from the scheme has not been proved. On the contrary, inadequate benefits lead beneficiaries to various alternative and non-standard ways of providing their livelihood. Some of them, such as a theft of wood, fruits, or non-ferrous metals embitter life in areas with high shares of households on benefits. Some are less visible (prostitution, peddling), but not less dangerous. There is no political will to examine the connection between low benefits and these negative phenomena.

Recommendations

Collecting evidence about the effects of low level of MI benefit should be supported.

3.4. Active Inclusion policy

3.4.1 Link with inclusive labour markets:

Obstacles

In spite of the low level of the MI benefit and the poor protective function of the MIS, there are various reasons why staying in the MIS could be attractive for many beneficiaries.

First, there is the enormous gap between labour offer and demand (more than 380 thousand job-seekers in 2013 and app. 15 thousand of vacancies in year-average terms). Jobs that are available for the long-term unemployed are mostly low paid and often only temporary. After the loss of the short-term job, people have to register again and they very likely not to be entitled for the benefit and related services (such as free meals at schools for children) for some period.

The next reason, which was stressed by majority of the interviewed beneficiaries and officials, is the small difference between the amount of benefits for large households and the minimum wage that the former long-term unemployed could expect as their pay. The beneficiaries point out that after getting employed their household financial situation could even deteriorate because there will be new expenses (travel costs, meals, clothes suitable for work) that will absorb their increased income. In beneficiaries' view, it is necessary to have two employed household members to make work pay.

Municipal and the OLSAF officials mention that the family situation could worsen after leaving the MIS because of the loss of the entitlement to the advantageous one-shot benefit (three times the SM) and the access to free services and support programmes.³⁸

The third important reason why people could stay in the MIS despite its inadequacy is the fact that MI benefits cannot be the subject of seizure. Creditors and executors cannot sequester MI payments. In case of taking job, the bank account of an employee will soon be sequestered and the household income could be lower than in case of being on benefit. According to the estimations from the field there are many debtors among people on the MI benefit. The exact number is not known. According to the UNDP 2010 Survey on living conditions of Roma households only 5.7 % of the Roma households were capable of setting aside a sum of EUR 300 (for unexpected expenditures) without having to borrow it. Almost 40 % of the Roma household had two and more times electricity payments arrears in the year under study (UNDP 2012: 195).

The present Act on Assistance in Material Need makes 75 % of income from the odd jobs framed by the short term work on agreement on the work performance ("práca na dohodu") regarded in the means-testing (see part 1.2). This means that such incomes cannot be combined with the MI benefit. MI beneficiaries thus cannot take small jobs and get work experiences without a loss of the benefit.

Recommendations

Minimum wage should be substantially increased to make work pay and enable to live decently also if only one adult in the household has a job.

The concurrent receipt of benefits and income from incidental jobs should be allowed again to a certain extent. The combination of work pay and the MI benefit should be possible to a greater extent.

Active labour market measures should be supported more generously.

More support to social economy programmes is needed with taking the long-term inclusion in labour market or civic society participation into consideration.

The long-term unemployed should receive more assistance and support to help them participate in these programmes.

NGOs should be recognised as partners in this effort and properly funded. Participation of the long-term unemployed in the assessment and the revision of provided programmes should be supported and required.

³⁸ It is noteworthy that none of the interviewed officials have mentioned the possibility of concurrence of a low wage and the activation allowance that has been introduced since January 2014 or contributions for travel costs that could be paid to the former long-term unemployed who commute to work for the period of 6 months as maximum.

3.4.2 Link with access to quality services:

Services for children - obstacles

The low eligibility threshold and differentiated conditions for various services (a status of the MI beneficiary or income under the SM for school meals and supplies and the MI beneficiary status for free kindergarten) provoke tensions not only between tax-payers and people on benefits, but also between entitled and not entitled poor people. Targeted programmes in schools that often cover mainly Roma children seem to strengthen divisions and stigmatisation of children covered by the programme.

Recommendations

More massive support for increasing number of places in child-care facilities is needed, especially in rural areas. Childcare in public facilities should be provided free of charge.

More substantial support of the programme of teacher's assistants and securing of individual approach to children from the disadvantaged socio-economic background is needed. Mentoring for pupils should be supported and NGOs involved in its provision.

It is advisable to find a way to support meals for poor children during summer vacations, too.

There is a necessity to support more summer programmes (summer schools) for children from poor households. Further improvement of the community field work with vulnerable groups is needed.

Health care - obstacles

All interviewees acknowledge unproblematic availability of the basic health care. However, they also point out the fact that a part of health care such as dental care is not covered by the health insurance, but, to a large extent, paid by patients themselves.

Some beneficiaries mention that there are expenses with travelling to specialists. Special medical services, such as urology outpatient departments, are not available in every district and one has to travel for a longer distance. For instance, in the Banská Bystrica Region, there are only seven urology outpatient departments per 660 thousand inhabitants.

Recommendations

The access to special medical care needs to be improved, especially in rural areas. The care for availability and affordability of local transport should increase.

Access to housing

Problems with availability and affordability of housing have been described in the part 2.2.

Recommendations

It is of ultimate importance to recognise the right to housing as the basic human right in practice as well, to improve the access to housing and housing conditions of vulnerable groups by providing more massive support of the access to affordable public housing, mainly for families with children.

Government should respect and implement international commitments for preventing energy poverty (protect families with children against cuts off electricity supplies)

Government and municipalities should collect information about housing situation on their territory.

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