



2017 OECD ECONOMIC SURVEY OF THE SLOVAK REPUBLIC

Investing in the Future

Bratislava, 21th June

<http://www.oecd.org/eco/surveys/economic-survey-slovak-republic.htm>



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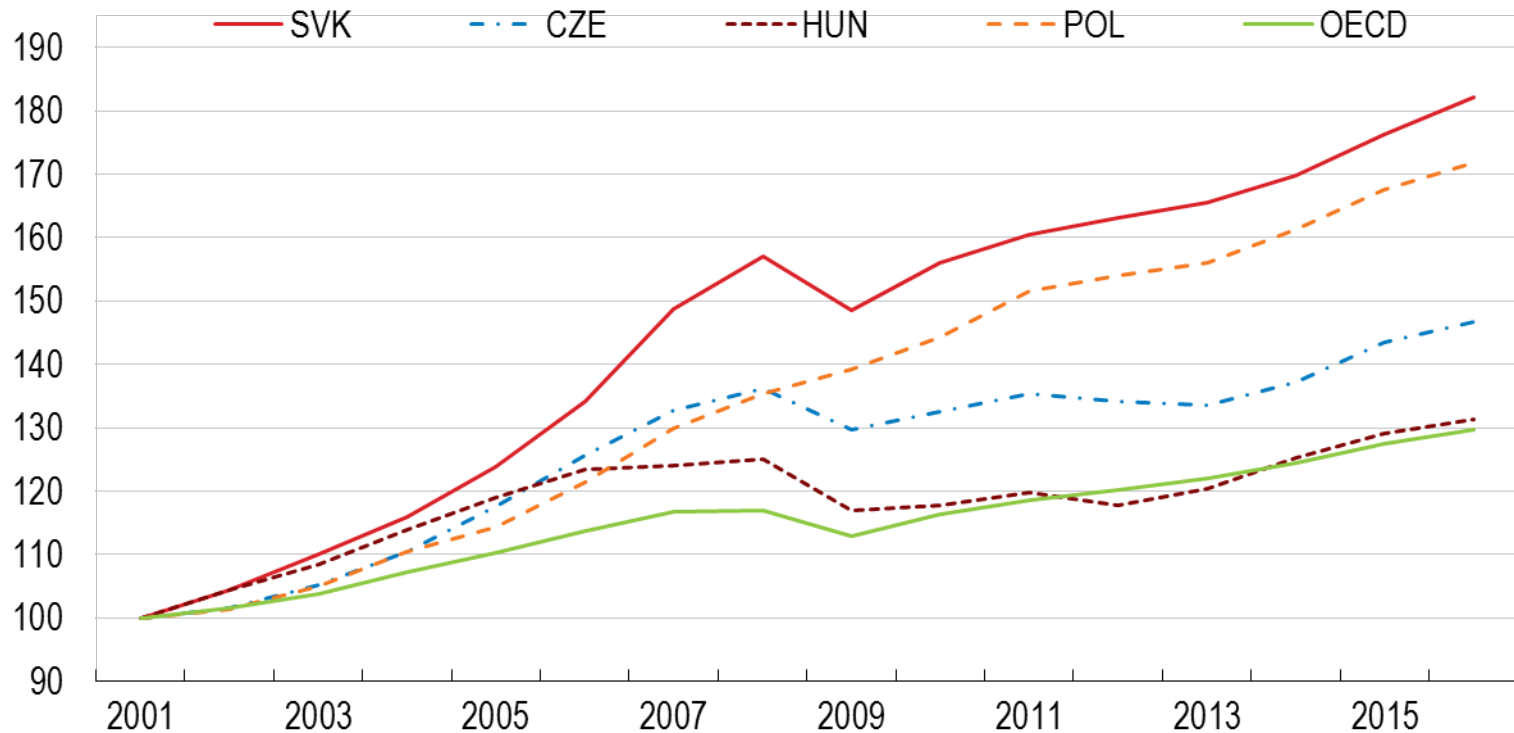


**The Slovak economy is performing
extremely well**



Growth has been robust

GDP index, volume

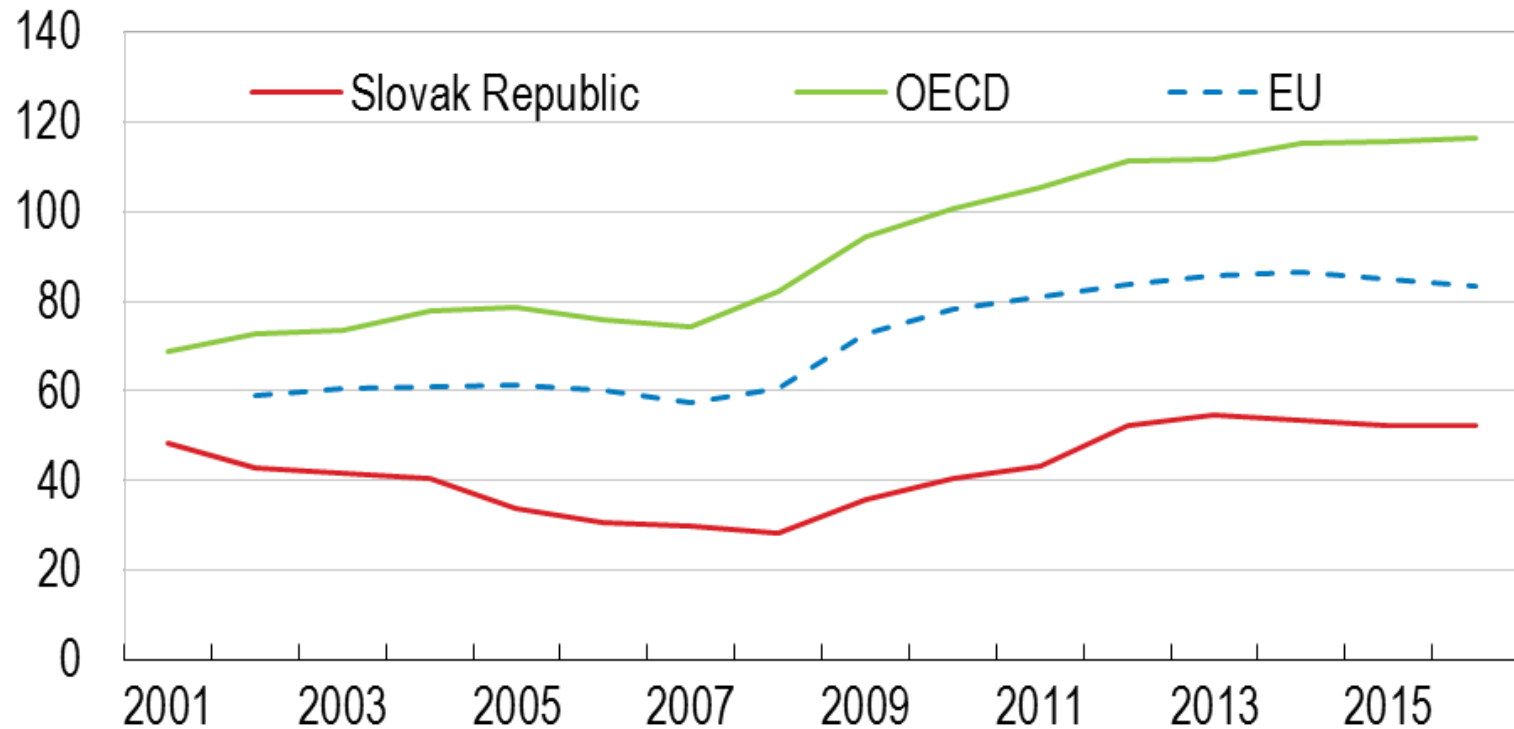


Source: OECD (2017), OECD Analytical Database.



Public debt is low and stable

Gross public debt, % of GDP

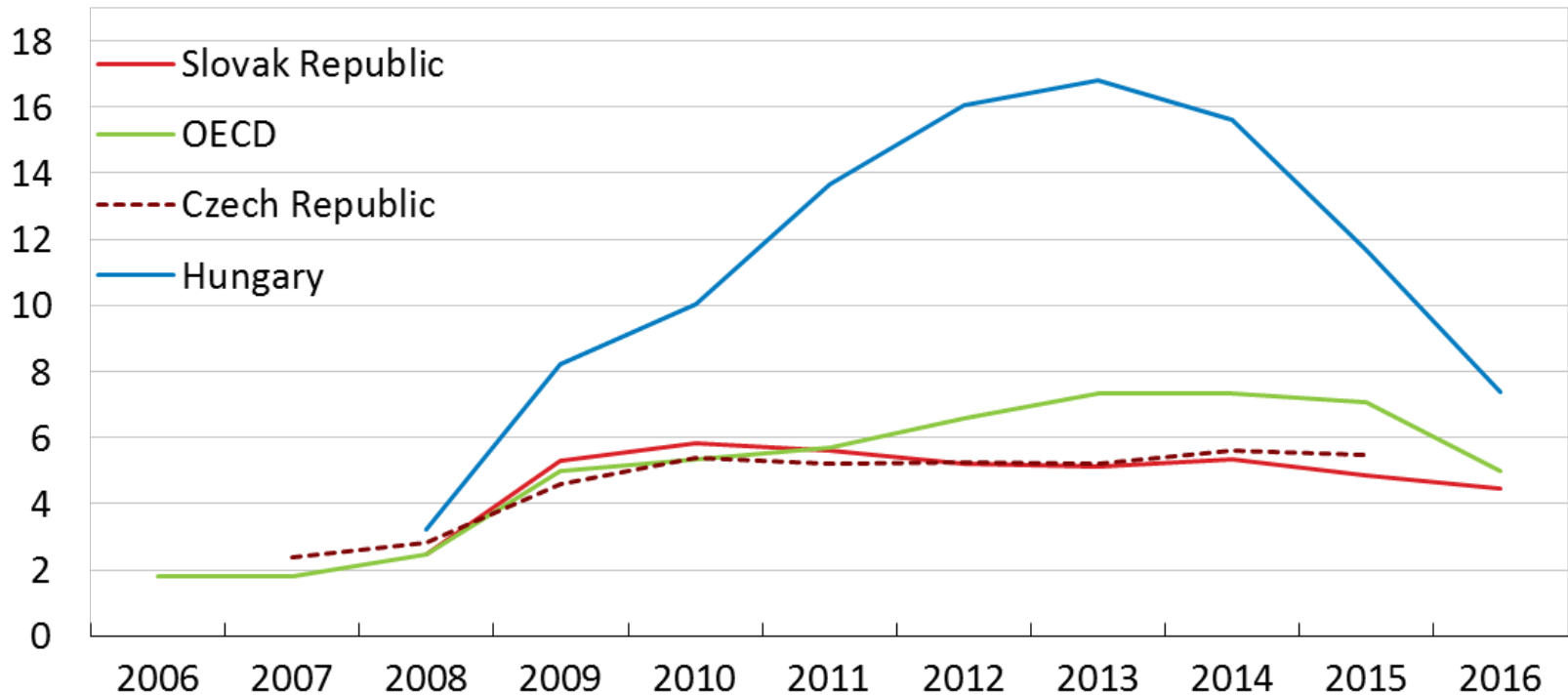


Source: OECD (2017), OECD Analytical Database



The financial sector is sound

Non-Performing Loans (NPLs)
Percentage of NPLs to Total Gross Loans



Source: OECD (2015), OECD Economic Outlook: Statistics and Projections (database).

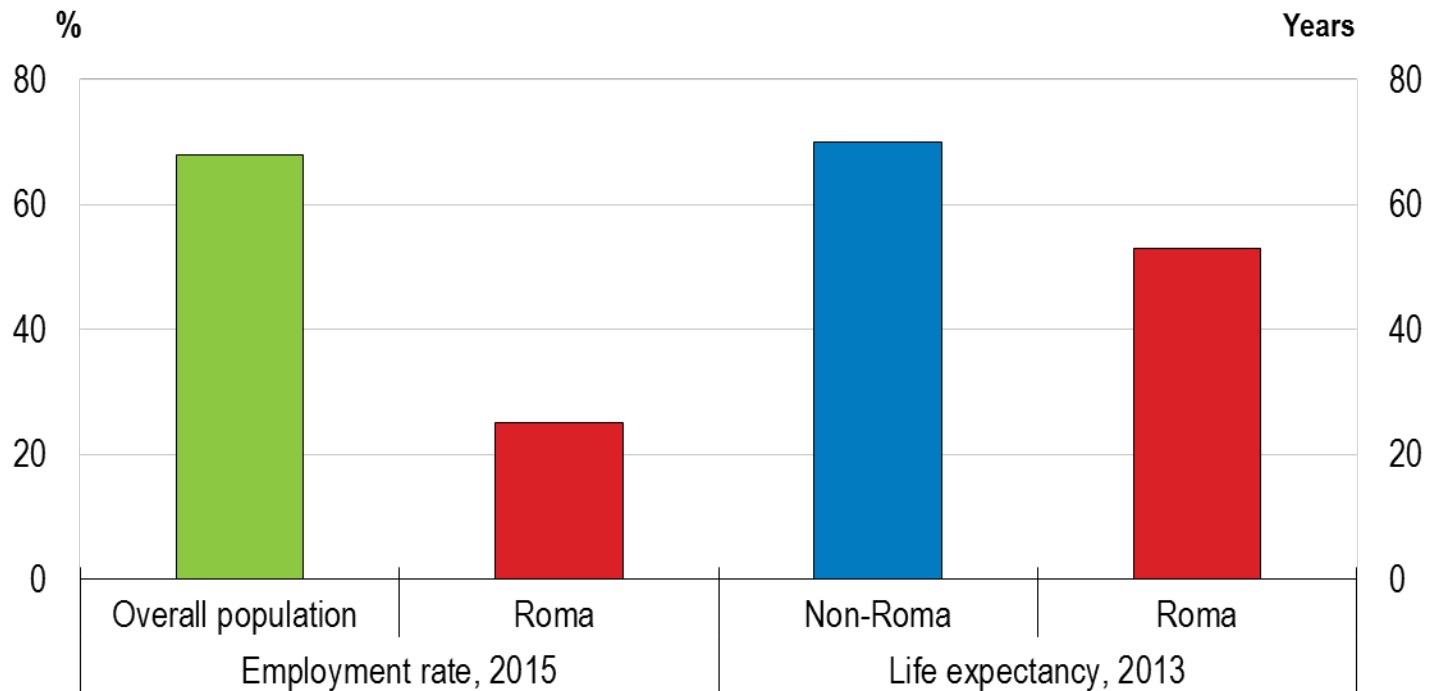


...but the benefits are not equitably shared



The Roma are poorly integrated in society

Roma employment and health status

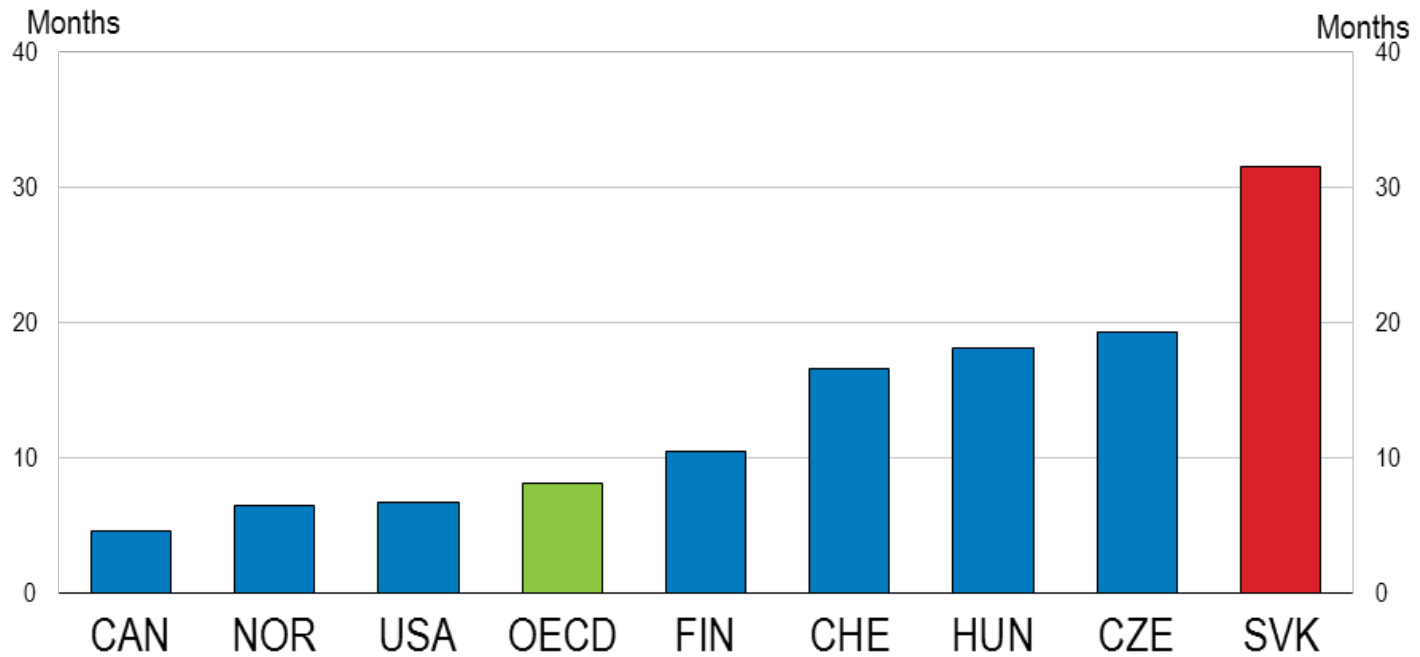


Source: European Union Agency for Fundamental Rights (2016) and B. Gavurová et al. (2014)



Long-term unemployment remains high

Average duration of unemployment in months, 2015

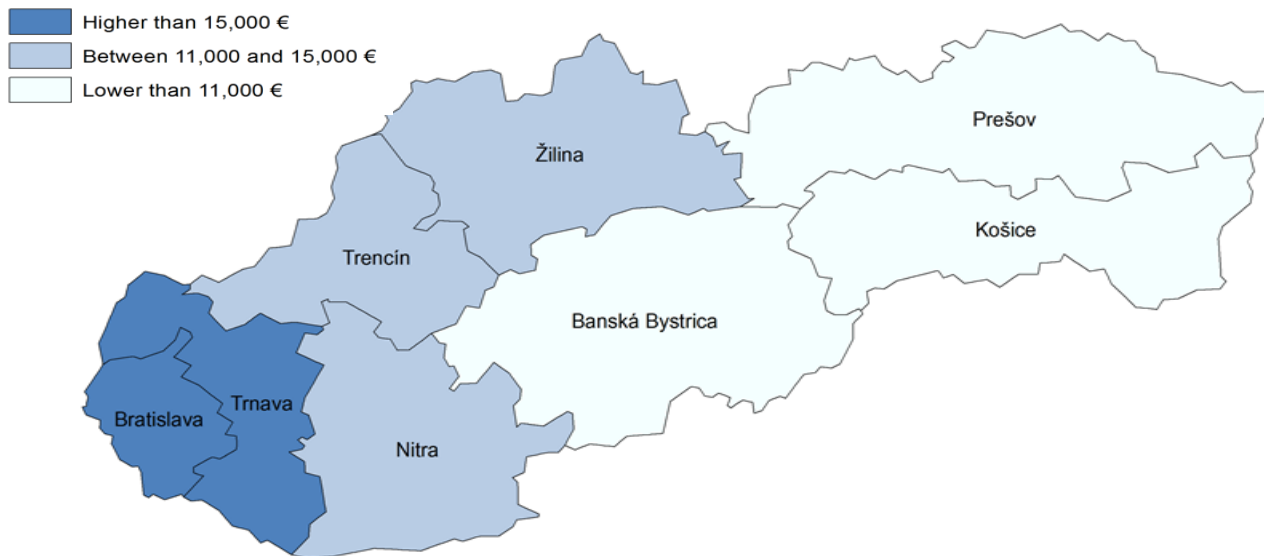


Source: OECD (2017), OECD Employment and Labour Market Statistics (database).



Regional inequalities are substantial

GDP per capita, 2014



Source: OECD (2016), *OECD Regions at a Glance 2016*.

- **Most economic activity and FDI inflow is taking place in the western part of the country**
- **Regional inequalities are among the highest in the OECD**

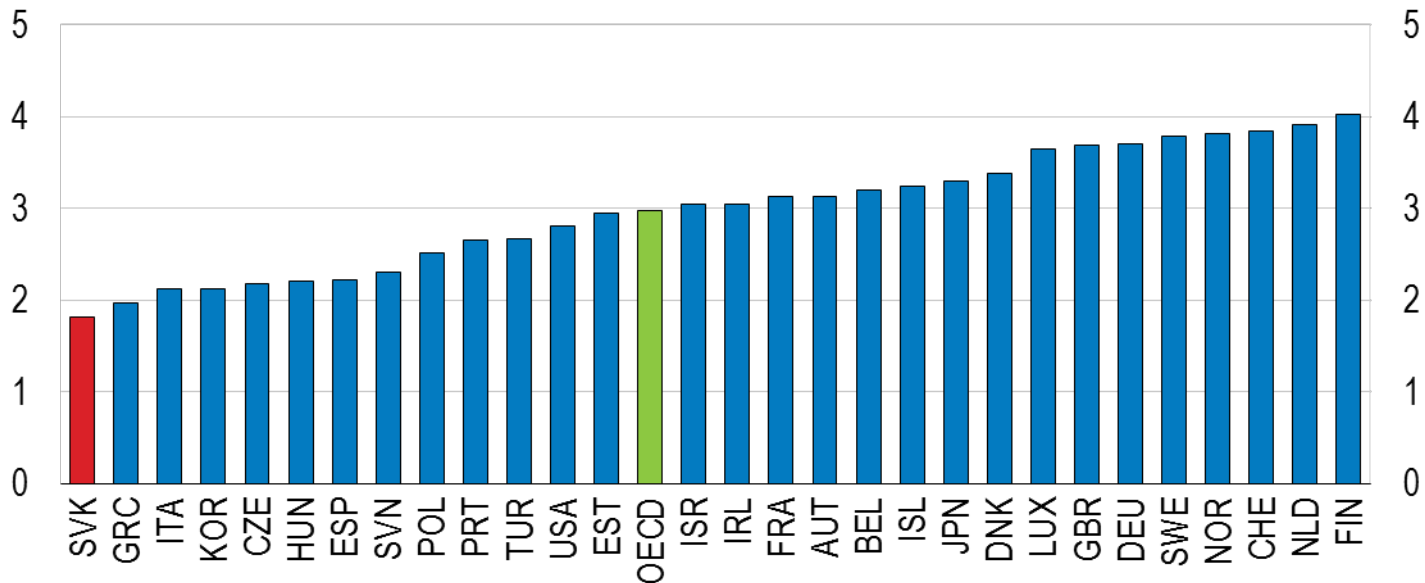


...and public-sector efficiency is low



Efficiency of public administration is weak

Performance in government general services Scale from 0 to 6 (best)

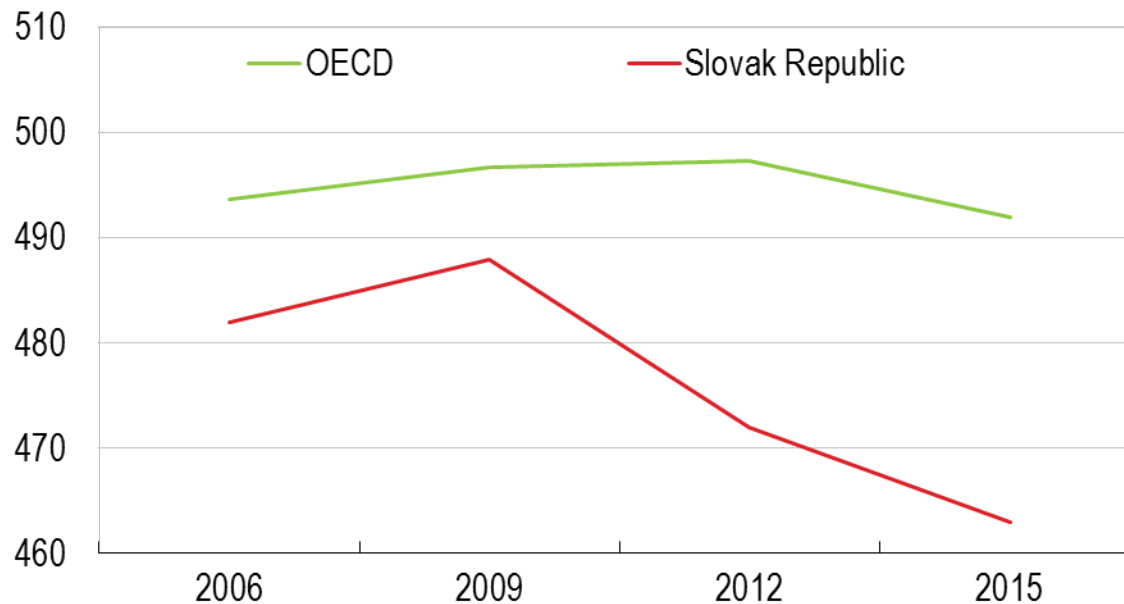


Source: R. Dutu and P. Sicari (2016), "Public Spending Efficiency in the OECD: Benchmarking Health Care, Education and General Administration", OECD Economics Department Working Papers, No. 1278, OECD Publishing, Paris.



Education system outcomes are poor and have even worsened

Average of mean scores in science, reading and mathematics

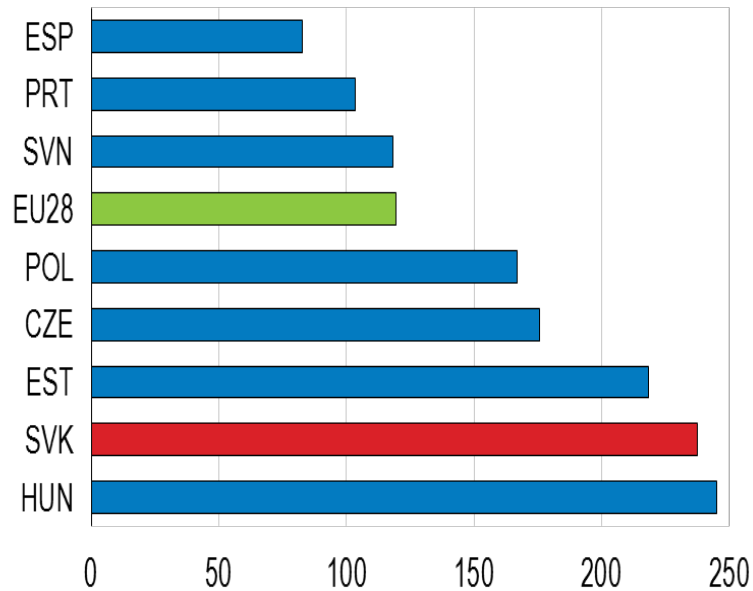


Source: OECD (2016), PISA 2015 Results (Volume I): Excellence and Equity in Education.

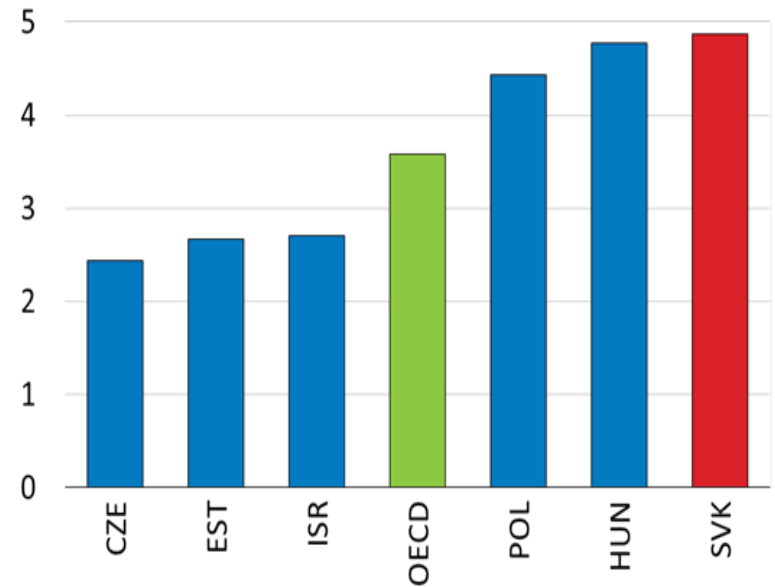


Health-care system outcomes are also weak

Amenable mortality, deaths per 100 000 inhabitants, 2013



Infant mortality rate, Deaths per 1000 live births, 2014

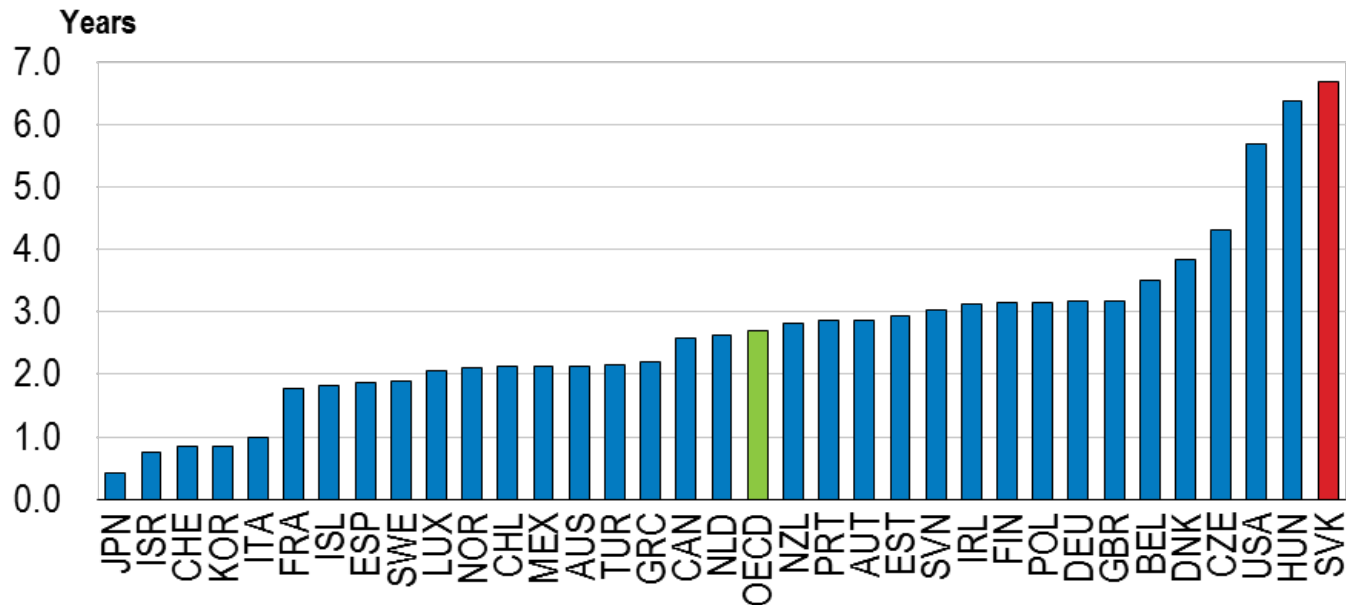


Source: Eurostat (2016), Health Statistics (database), OECD (2016), OECD Health Statistics (database),



Improving the health-care system could bring large gains in well-being

Potential gains in life expectancy



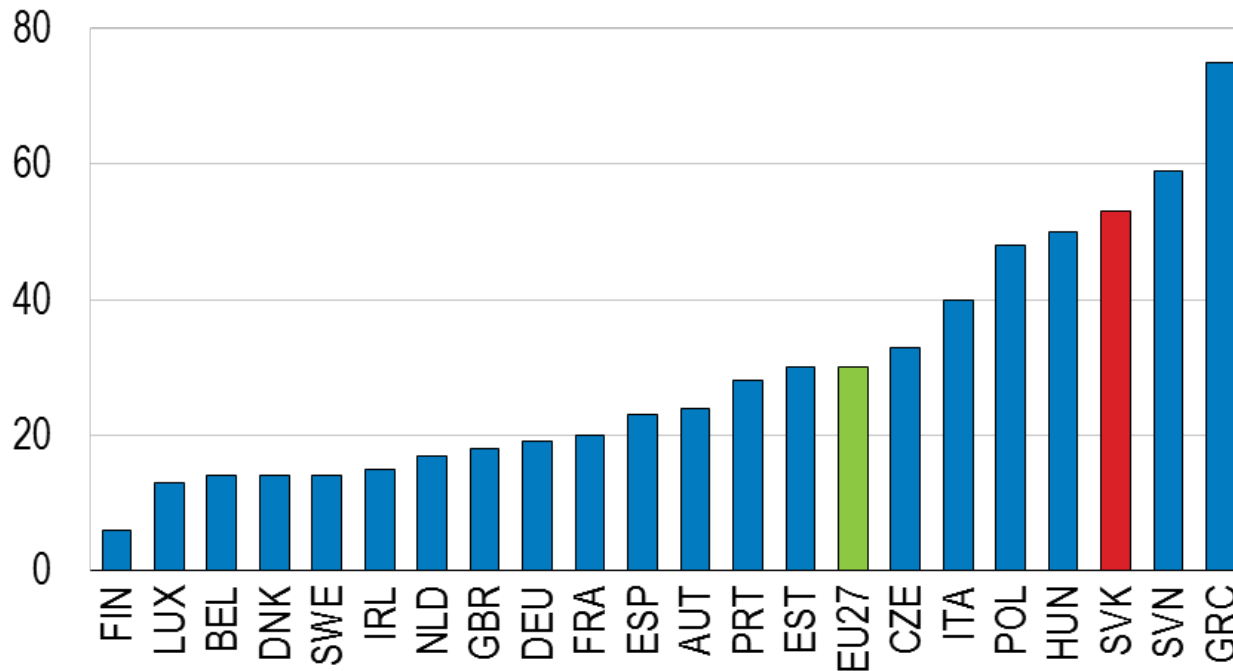
Source: R. Dutu and P. Sicari (2016), "Public Spending Efficiency in the OECD: Benchmarking Health Care, Education and General Administration", OECD Economics Department Working Papers, No. 1278, with updated estimates provided by the authors.

- **Improving the health care system to the EU level could save about 5000 lives per year**



Perceptions of corruption are widespread, particularly in the health-care sector

% of the public agreeing that corruption is widespread in the public health-care sector



Source: Source: European Commission (2012), Special Eurobarometer 374: Corruption (fieldwork September 2011); and B. Gavurová et al. (2014), "Meranie zdravia a zdravotných rizík vo vybraných rómskych osadách na Slovensku – fakty a reflexie", in *Nerovnosť a chudoba v Európskej únii a na Slovensku*, 22-24 October, Košice.

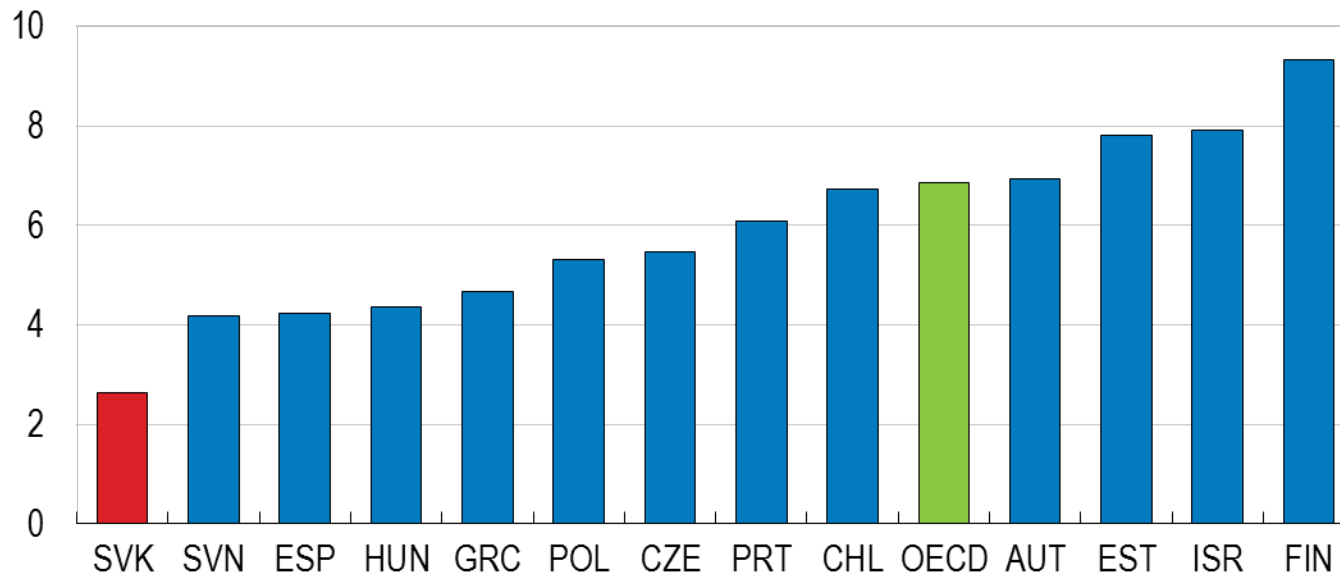


Structural reforms are needed to improve public-sector efficiency



The independence of the judicial system needs to be improved

Perception of the independence of the judicial system,
scale from the lowest perceived quality (0) to the highest (10), 2014



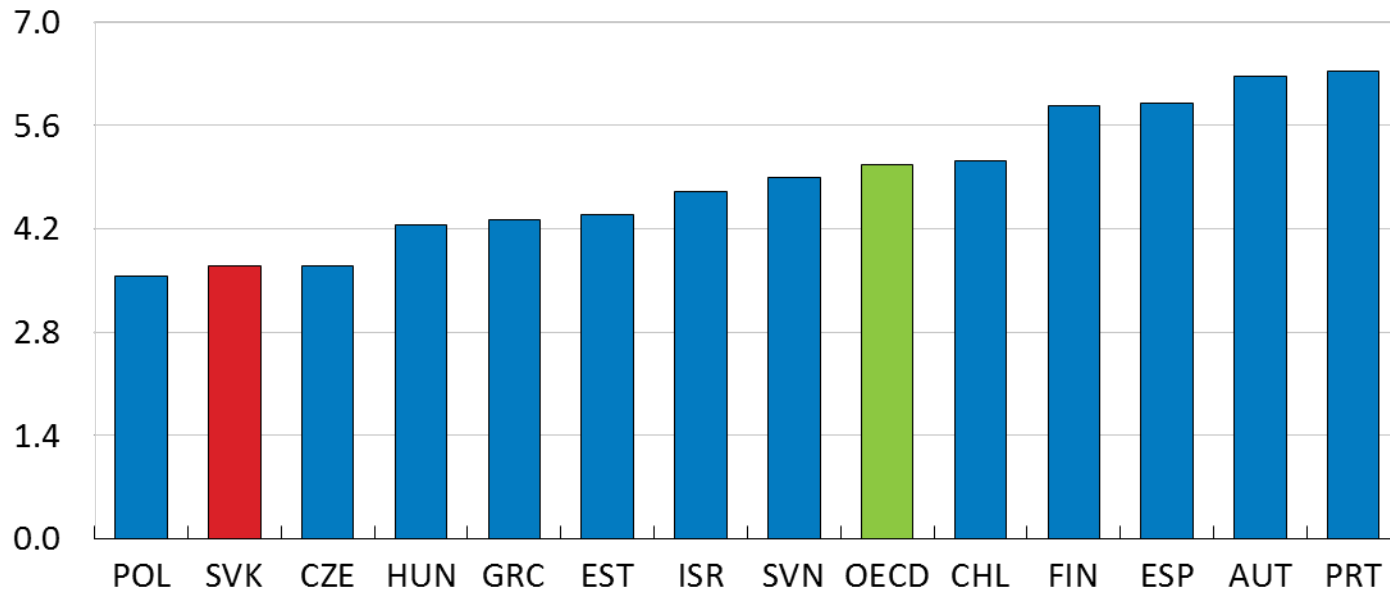
Source: Fraser Institute, *Economic Freedom of the World (EFW) index* (www.freetheworld.com).

- ✓ **Proceed with the OECD audit and integrity assessment of anti-corruption laws. Ensure proper implementation of all its recommendations.**



Efficiency of public administration should be addressed

Perception of transport infrastructure quality
Index from the lowest perceived quality (0) to the highest (7)



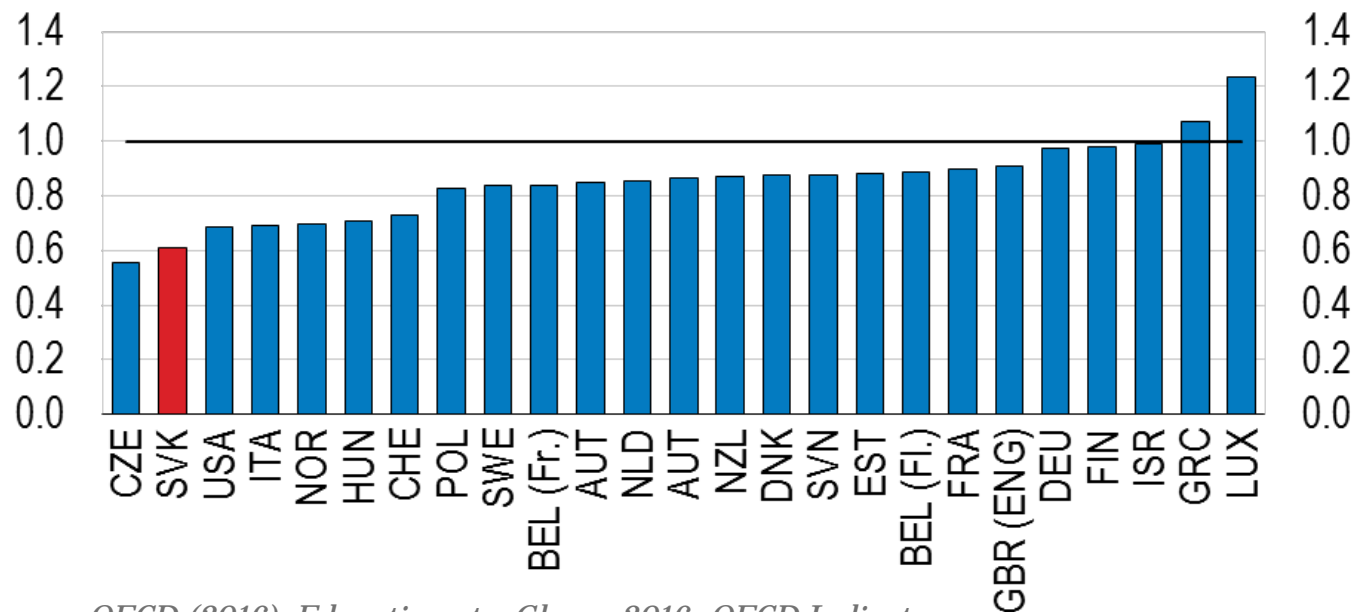
Source: World Economic Forum (2015), *The Global Competitiveness Report 2014-15*.

- ✓ **Increase public-spending efficiency by expanding and deepening spending reviews (“Value for Money” initiatives).**



Teachers' salaries should increase

Ratio of average teachers' salaries to the wages of all workers with tertiary education



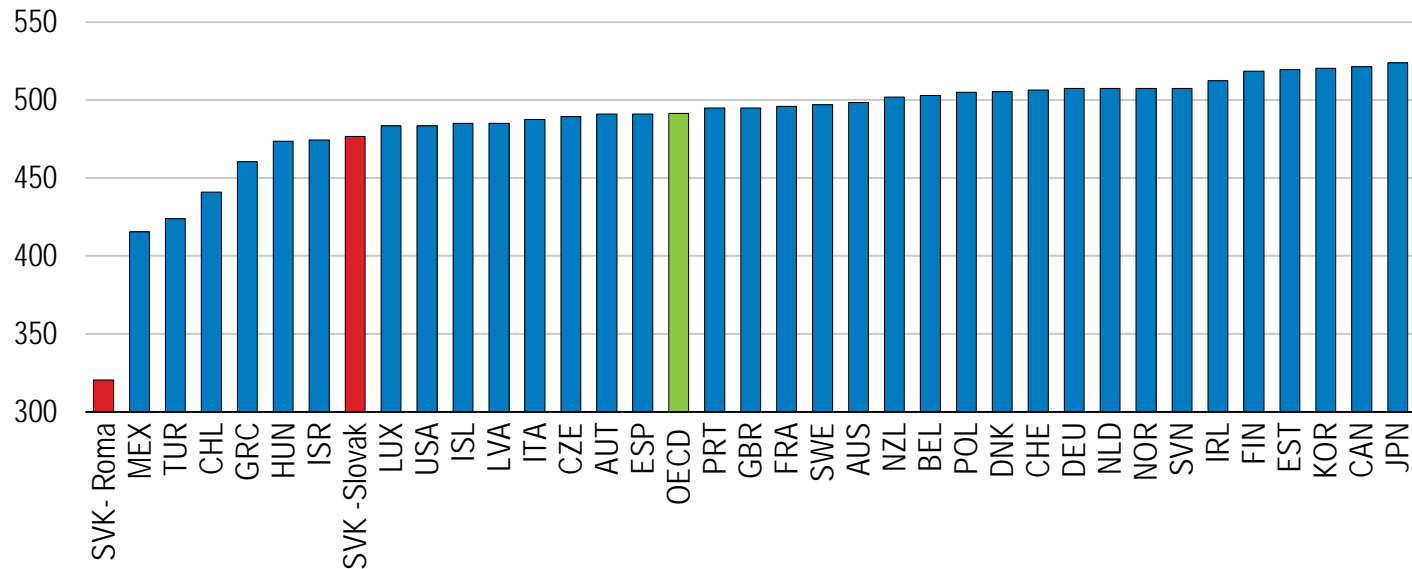
Source: OECD (2016), *Education at a Glance 2016: OECD Indicators*

- ✓ **Further increase teachers' salaries, particularly for starting teachers, conditional on improved teaching quality through high-quality professional development and increased focus on disadvantaged pupils.**



Improve schooling outcomes for all

Average PISA scores in mathematics and reading, 2015



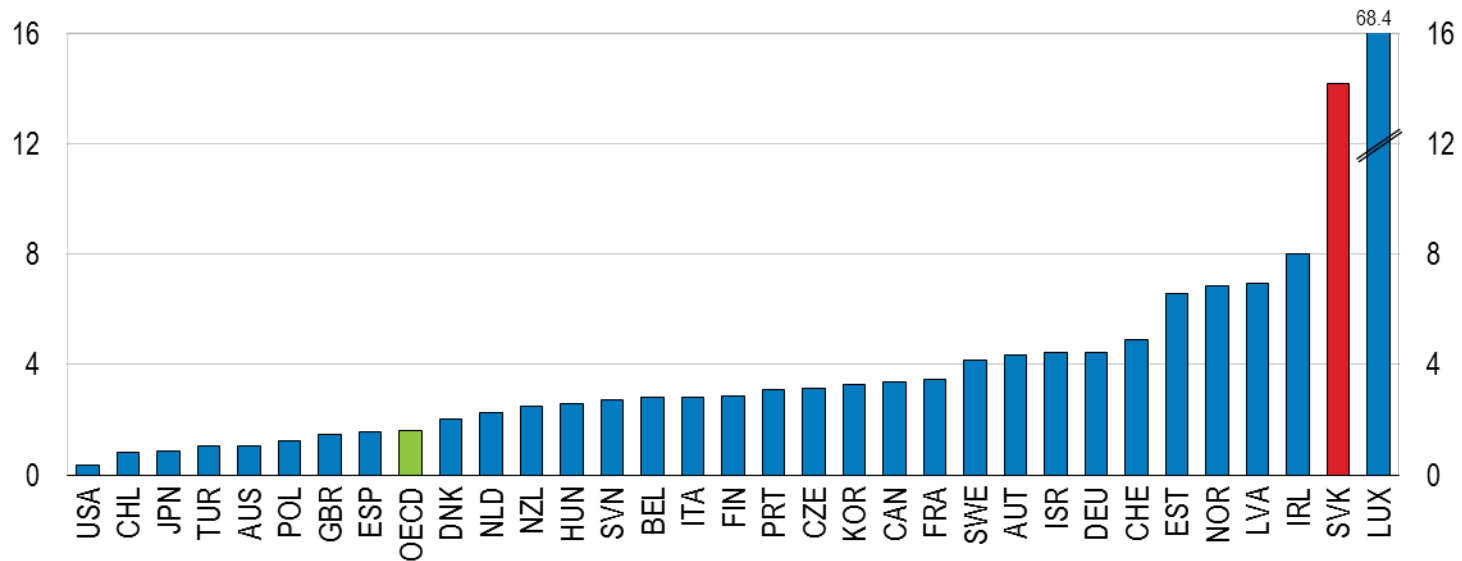
Source: OECD (2016), PISA 2015 Results (Volume I): Excellence and Equity in Education.

- ✓ **Raise pre-school attendance of the poor with conditional cash transfers. Postpone early tracking in primary schools. Increase the number of teaching assistants.**



Tertiary education needs to improve so fewer students choose to study abroad

Percentage of total tertiary students studying abroad, 2014



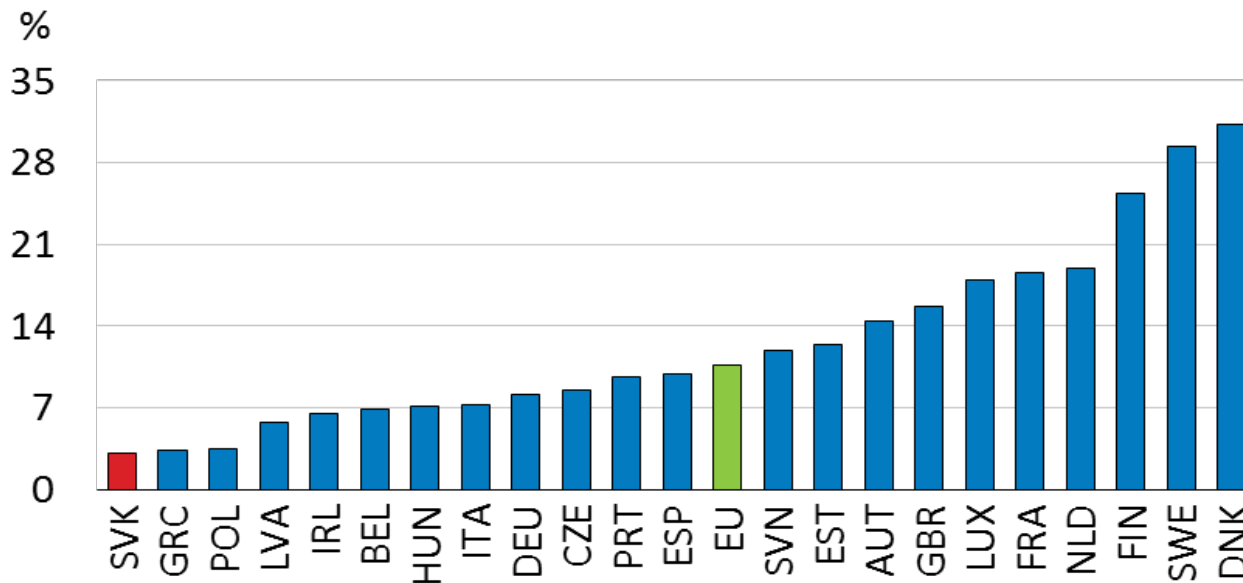
Source: OECD (2016), *Education at a glance 2016: OECD Indicators*.

- ✓ **Increase the transparency and independence of the tertiary quality-assurance framework to international standards.**
- ✓ **Boost the funding of internationally recognised research.**
- ✓ **Introduce a graduate tracking system to improve the responsiveness of tertiary education to labour market needs.**



More people should engage in life-long learning

Share of total population aged 25-64 in education



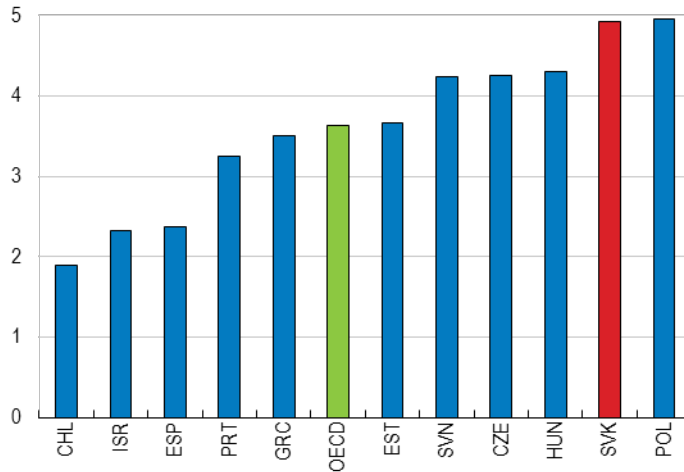
Source: Eurostat (2016), Education and Training Statistics (database).

- ✓ **Encourage participation in adult training programmes through a system of vouchers.**
- ✓ **Increase spending on those training programmes for the unemployed whose effectiveness has been demonstrated.**

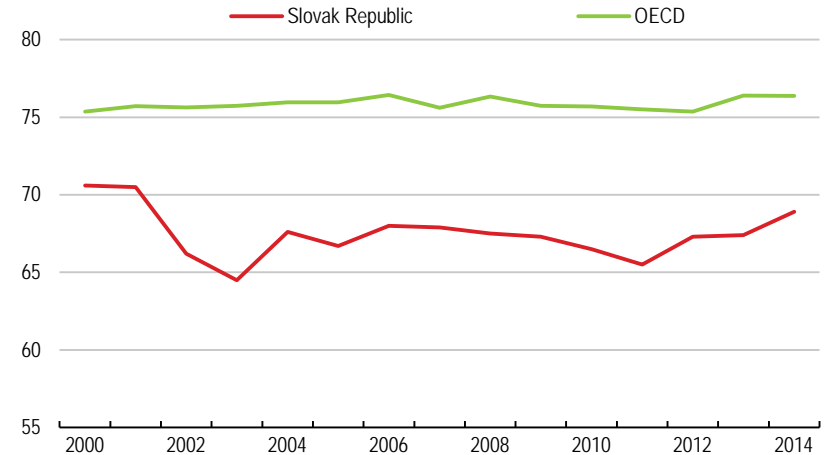


Hospital care needs to be further rationalised

Number of acute-care beds, per 1000 inhabitants



Occupancy rate of acute-care beds, % of available beds



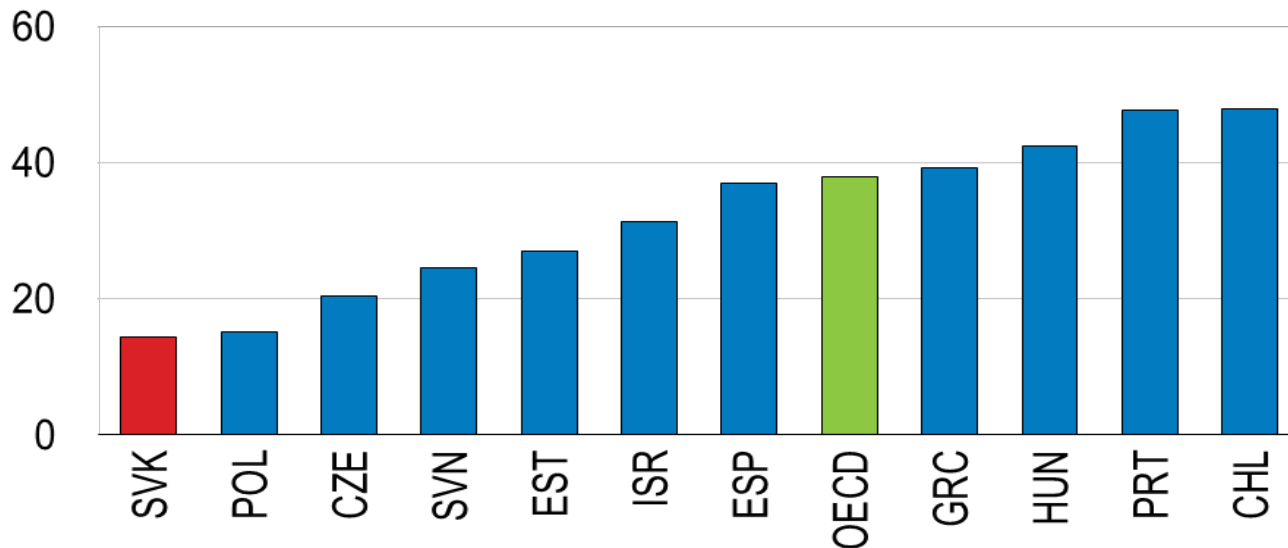
Source: OECD (2016), OECD Health Statistics (database).

- ✓ **Phase in the diagnosis-related-group-based hospital financing system.**
- ✓ **Further centralise hospital procurement, professionalise their management and decouple salaries from average wage.**



The efficiency of primary health care needs to increase

The share of all physicians who are general practitioners is low



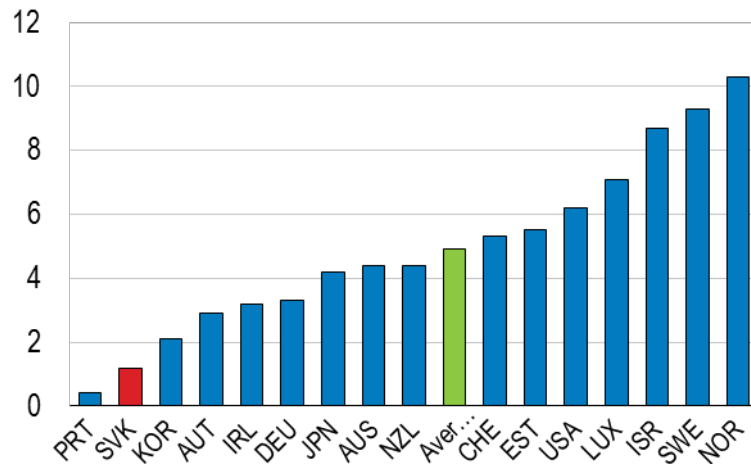
Source: OECD (2016), OECD Health Statistics (database).

- ✓ **Further increase medical school places for GPs, and expand their prescription-writing authority.**
- ✓ **Expand fee-for-service payments for GPs' primary care procedures.**

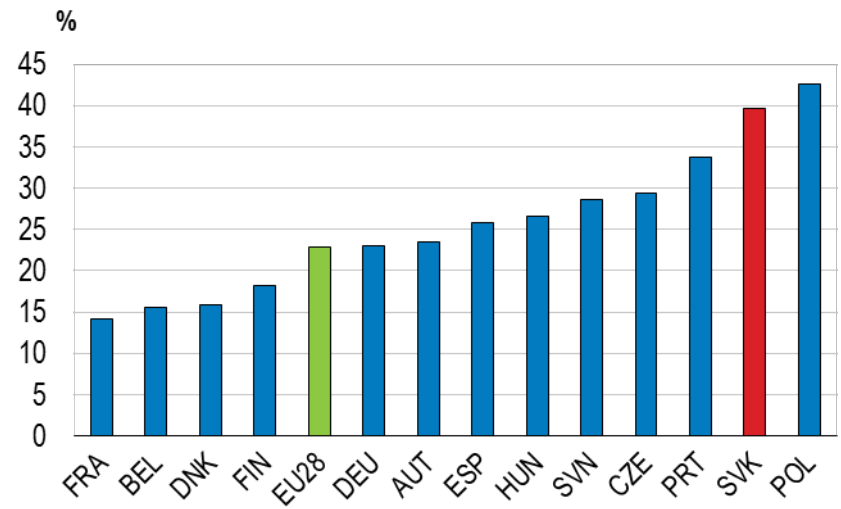


The supply of long-term care should be expanded

**Formal long-term care workers,
% of total population aged 65 years old and over**



**Change in old-age dependency ratio
2015-60**



Source: OECD (2016), OECD Health Statistics (database); Slovak Ministry of Labour, Social Affairs and Family, Eurostat

- ✓ **Create regional one-stop shops with well-trained personnel to coordinate and simplify access to long-term care services.**
- ✓ **Consider a regulated opening of the long-term care market to qualified foreign workers.**



For more information

<http://www.oecd.org/eco/surveys/economic-survey-slovak-republic.htm>