

SLOVAK REPUBLIC

Priorities supported by indicators

Improve funding and effectiveness of the education system (2007, 2009, 2011)

Recommendations: Foster integration of Roma children, adapt vocational training to labour market needs, extend tuition fees to full-time students and introduce student loans with income-contingent repayments.

Actions taken: Since 2009, public funding of universities relies more on output indicators. In 2011 the authorities plan to reassess early tracking and reform the accreditation of tertiary study programmes.

Reduce regulatory barriers to competition (2009, 2011)

Recommendations: Reduce administrative burdens on corporations, resume the privatisation process in network industries, and abolish compulsory chamber membership for liberal professions.

Actions taken: In 2010, the points of single contact have been extended to liberal professions and will be developed further in 2011.

Eliminate barriers to female labour force participation (2009, 2011)

Recommendations: Shorten the duration of parental leave entitlements in favour of childcare subsidies and remove fiscal disincentives to work for second earners.

Actions taken: Since 2011, working parents are eligible for childcare subsidies.

Reduce the tax wedge for low-income workers (2007)

Recommendations: Curb the growth of the minimum cost of labour and introduce an in-work benefit.

Actions taken: An in-work benefit (employee bonus) was introduced in 2009 for workers on regular job contracts with salaries close to the minimum wage.

Reduce the implicit taxes on continued work at older ages (2007)

Recommendations: Index the retirement age to life expectancy and make pension adjustments for earlier and later retirement more actuarially neutral.

Actions taken: Access to early retirement has been tightened and a major pension reform is also envisaged for 2011 that would increase the retirement age in line with gains in life expectancy and introduce an automatic stabilisation mechanism to adjust pensions to demographic changes.

Other key priorities

Improve activation policies (2009, 2011)

Recommendations: Strengthen the capacity of the public employment service (PES), tighten conditionality requirements for jobseekers, expand training measures and target job creation subsidies more narrowly.

Actions taken: The government is discussing the reorganisation of active labour market policies and the introduction of private service providers for placement and training.

Improve the innovation support framework (2011)

Recommendations: Reduce administrative burdens on start-ups, facilitate access to venture capital and ICT, encourage collaboration between R&D institutions and improve the quality of public R&D funding.

Actions taken: In co-operation with the European Investment Fund, the government will launch the JEREMIE initiative, an EU programme providing funding to innovative SMEs by 2013.

Reform housing markets (2007, 2009)

Recommendations: Ease regulation of the private rental market, speed up resolution of tenancy disputes, strengthen competition in construction, and better target housing subsidies.

Actions taken: The government allocated state funds previously used to support construction of owner-occupied housing to rental housing projects in 2009 and 2010.

Strengthen the judicial and law enforcement systems (2007)

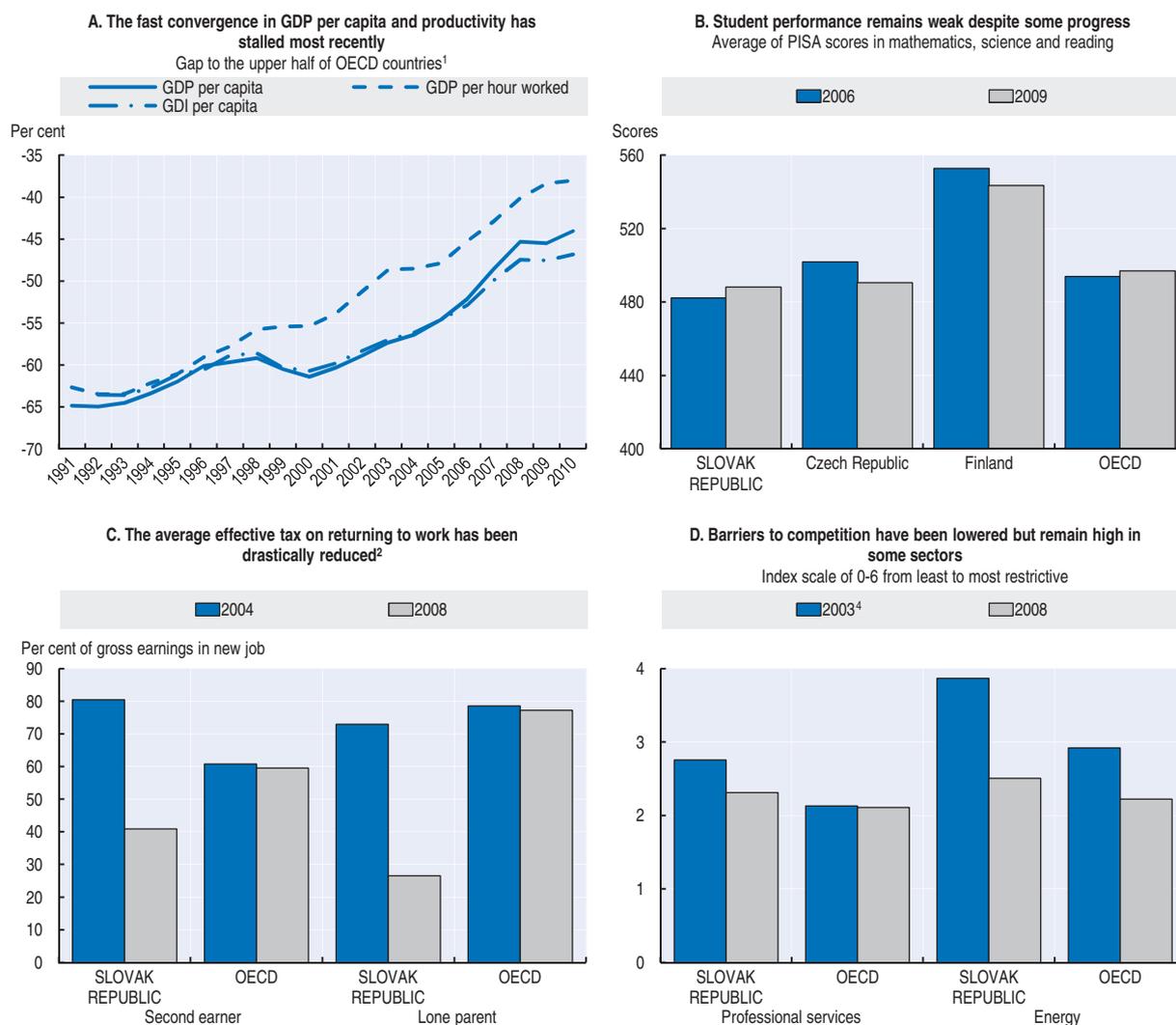
Recommendations: Improve accountability in the justice system by disseminating performance indicators and court statistics. Make greater use of transparent and open procedures for public procurement.

Actions taken: The 2011 Public Procurement Act will make electronic auctions gradually compulsory for most contracts and makes evaluation of tenders public.

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- GDP per capita continues to converge relative to the upper half of OECD countries, notwithstanding some recent crisis-related setback. While hourly productivity increased continuously and more rapidly than in the best-performing OECD countries, substantial gaps remain in both productivity and labour utilisation levels.
- Among priority areas, measures have been taken to raise work incentives, increase educational attainment and strengthen competition in network industries. However, only limited action has been taken in other areas such as increasing female labour force participation, enhancing inclusiveness in the education system and removing regulatory barriers in the housing market.
- In other areas, the introduction of a short-time work scheme and of flexible working time accounts helped prevent layoffs during the crisis, and the latter measure was made permanent through the Labour Code Reform in 2011.

Performance and policy indicators



1. Percentage gap with respect to the simple average of the highest 17 OECD countries in terms of GDP per capita, GDP per hour worked and GDI per capita (in constant 2005 PPPs).
2. Taking into account childcare fees and changes of taxes and benefits in case of a transition to a job paying two-thirds of average worker earnings.
3. The OECD average excludes Chile, Estonia, Israel, Italy, Mexico, Turkey and Slovenia.
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Source: Chart A: OECD, National Accounts and Economic Outlook No. 90 Databases; Chart B: OECD, PISA 2009 Database; Chart C: OECD, Benefits and Wages Database; Chart D: OECD, Product Market Regulation Database.

StatLink <http://dx.doi.org/10.1787/888932565699>