



SLOVAK REPUBLIC

OECD Global Action on Promoting Social and Solidarity Economy Ecosystems

Slovak Republic has an **Act on Social Economy and Social Enterprises** (112/2018). In 2022, **540 registered social enterprises** provided **6 149 jobs**, out of which **4 236** were coming from **disadvantaged and vulnerable groups**.

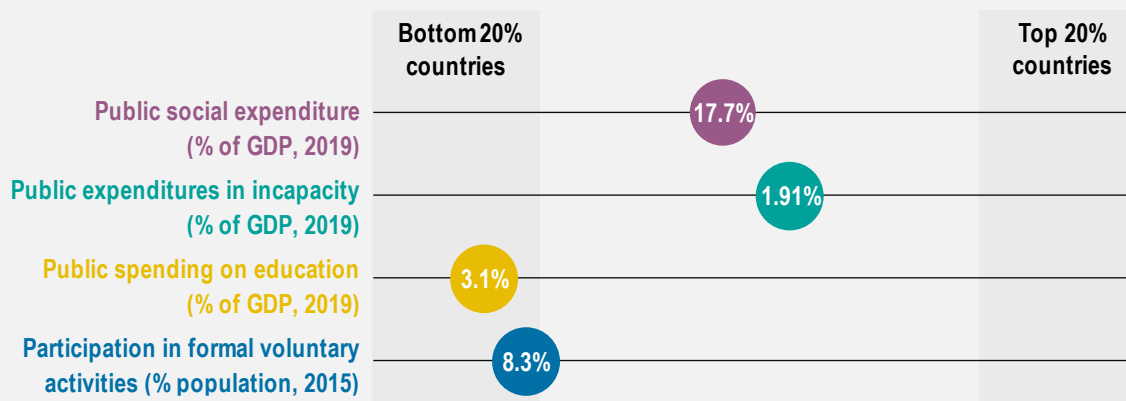
SOCIO-ECONOMIC INDICATORS

Slovak Republic is a unitary country and a member of the European Union. It is a high-income country with a very high human development level.

	GDP per capita	Labour force participation rate	Youth not in employment, education or training (NEET)	Poverty rate	Gini coefficient	Rural population	Stakeholder engagement for developing regulations
Slovak Republic	USD 36 991	76.1%	14.3%	7.8%	0.222 / 1	36.7%	3.0 / 4
OECD	USD 53 937	73.2%	14.8%	11.0%	0.313 / 1	23.1%	2.1 / 4

Note: Data from Slovak Republic refer to 2022, except for NEET (2021), poverty rate (2019), Gini coefficient (2020) and stakeholder engagement (2017). OECD data refer to 2022, except for poverty rate (2018), Gini coefficient (2020) and stakeholder engagement (2017). GDP per capita for OECD is an estimated value. See sources at the end of the document.

Country position in selected social indicators



Note: For each indicator, the position of the bubble on the line represents the country's ranking compared to OECD and EU countries. Higher rankings are on the right. The panel of countries for the international ranking can vary from an indicator to another due to data availability. See sources at the end of the document.

SOCIAL ECONOMY ECOSYSTEM

Definition of the social economy in Slovak Republic

The social economy is the sum of **production, distribution or consumption activities** carried out through **economic or non-economic** activity independently of state authorities, the main goal of which is to achieve a **positive social impact**.

The **subjects** of the social economy include civic associations, foundations, non-investment funds, public benefit organisations, religious organisations, trade companies, cooperatives or sole proprietors which:

- are **not controlled in majority by a state authority**, the state authority does not finance them for the most part, does not appoint or elect the statutory body or more than half of its members, and does not appoint or elect more than half of the members of the management body or supervisory body,
- are engaged in an **economic or non-economic activity** within the framework of social economy activities, and
- if they engage in business or perform other gainful activity in accordance with special regulations, they do not perform them exclusively for the purpose of making a profit or use the profit from them in accordance with this Act.

Note: Translation into English provided by the authors. For the complete definition, please refer to the [Act on Social Economy and Social Enterprises \(2018\)](#), Articles 3-4.

Institutional frameworks



Institutions

The **Ministry of Labour, Social Affairs and Family** oversees social economy development policy through a dedicated department on social economy.



Legal and policy instruments

Slovak Republic has an **Act on Social Economy and Social Enterprises** (112/2018). The Act on public procurement 343/2015 favours social and environmental criteria in procurement under some conditions and may authorise to reserve some procurement to only participation of registered integration social enterprises, sheltered workshops, and natural persons with disabilities who are self-employed at a sheltered workplace.



Stakeholder engagement

The **Institute of Social Economy** is a large-scale project funded through the European Social Fund to provide free of-charge, regionally based technical assistance to potential and starting social enterprises.

Main figures

In Slovakia Republic, **540 registered social enterprises** provided **4 366 jobs** in 2022.

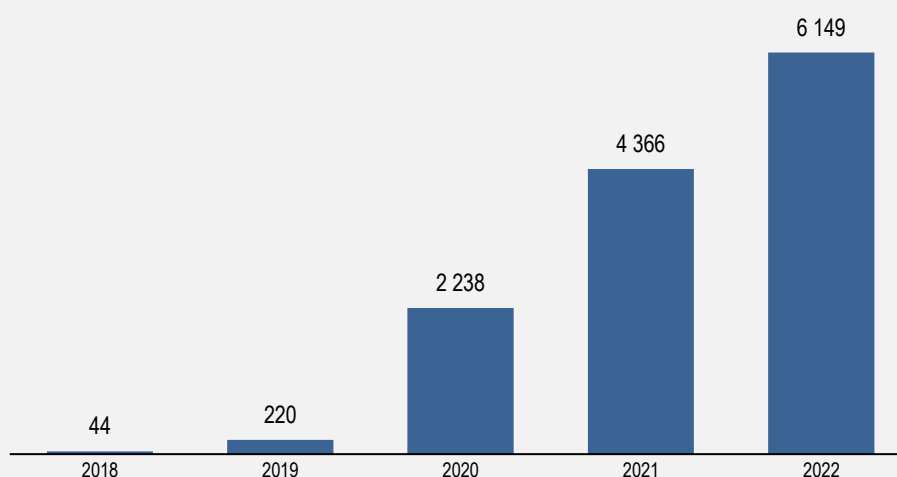
SCOPE The 2018 Social Economy and Social Enterprise Act defines the social economy and the criteria to be recognised as a social enterprise. Data cover registered social enterprises.

SSE ENTITIES

Number of newly registered social enterprises	2018	2019	2020	2021	2022
Cooperatives	0	2	4	1	0
Limited Liability Companies (LLC)	5	43	183	203	84
Civic associations	2	0	8	13	7
Non-profit organisations	0	0	6	5	1
Natural persons and/or entrepreneurs as employer	0	0	2	3	4
Number of social enterprises that returned, cancelled or lost their status			2	14	20
Total	7	45	201	211	76

Employment in registered social enterprises (headcounts)

EMPLOYMENT



Employment in the social economy as a share of regional employment (2021)



Note: Share of SSE employment in regional employment has been calculated based on the OECD Regional database. See sources at the end.

Legal frameworks

Legal frameworks to support the development of the SSE can be adopted at the national and subnational levels. They can regulate the SSE as a whole, or specific legal entities of the SSE (such as associations, cooperatives, mutual societies, foundations and social enterprises).

For the SSE	Not available
For specific SSE entities at national level	<ul style="list-style-type: none"> Act on Public Association (83/1990) – link Commercial Code (513/1991) – link Act on Small Business (455/1991) – link Act on Non-Profit Organisations (213/1997) – link Act on Foundations (34/2002) – link Act on the Commercial Register (530/2003) – link Act on the Employment Services (5/2004, amended in 2018) – link Act on Social Economy and Social Enterprises (112/2018) – link

Note: The list above is not exhaustive of all existing legal frameworks around SSE in the Slovak Republic.

Fiscal treatment

Different fiscal treatment can be established for the social and solidarity economy as a whole, or for specific SSE entities, at the national and subnational level.

Fiscal treatment of SSE entities	Fiscal treatment for contributors to the SSE
<ul style="list-style-type: none"> Public benefit organisations that pursue public benefit objectives may benefit from tax advantages or exemptions. Civic associations and non-profit organisations providing socially beneficial services and foundations are exempt from taxes for the non-profit activities. Value Added Tax (VAT) applies only in cases of social enterprises whose yearly taxable income is above 50 000 EUR. Social enterprises with higher income registered according to the Act on Social Economy and Social Enterprises and those that are using 100% of their surplus to achieve its social objectives may apply for the lowered VAT rate. In the case of employing a long-term unemployed person, the employer may apply for a reduced rate of social insurance payment. In case of employees with health disabilities, the health insurance payment is half that of other employees. 	<ul style="list-style-type: none"> Individual and corporate taxpayers may choose to allocate a percentage of their tax to a registered non-governmental organisation (NGO) or a charity of their choice.

Note: The list above is not exhaustive. Information is retrieved from OECD desk research and "Relevant taxation frameworks for Social Economy Entities" published in 2023 by the European Commission.

Social impact measurement initiatives

Driven by a mission of social purpose, SSE entities are increasingly requested to demonstrate the positive value that they generate through their activities. Social impact measurement enables them to assess their positive contribution to society. A diverse range of possible initiatives are available to governments and practitioners to foster a social impact measurement culture.

- *Not available*

FURTHER READING ON THE SSE IN SLOVAK REPUBLIC

[CIRIEC: Overview of social economy development in Slovakia and its promoting as the employment solution for long-term unemployed and disabled ones](#) | [Lenka Pčolinská: Social Economy, Its Perception and Possibilities of Its Development in Conditions of the Slovak Republic](#) | [European Commission: Social Enterprises and their Ecosystems in Europe Slovakia Country Report](#) | [EU Social Economy Gateway: Slovakia](#)

DATA SOURCES

- Socio-economic data refer to 2022 unless stated otherwise, and relate to data downloaded as of 17 July 2023. Datasets used: GDP per capita, current PPP: OECD national accounts statistics, <https://doi.org/10.1787/na-data-en>; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, <https://doi.org/10.1787/data-00310-en>; NEET (15-29 year olds, all levels of education): OECD Education at a Glance 2022, <https://doi.org/10.1787/19991487>; Poverty rate (after taxes and transfers, poverty line 50%): OECD Social and Welfare Statistics (database), <https://doi.org/10.1787/data-00654-en>; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, <https://www.oecd.org/social/income-distribution-database.htm>; Rural population (OECD): OECD, CFE Regions and Cities databases, <http://oe.cd/geostats>; Stakeholder engagement for developing regulations: OECD Better Life Index, <https://www.oecdbetterlifeindex.org/#/111111111111>; Public social expenditures: OECD Social Expenditure Database (SOCX), <http://dotstat.oecd.org/Index.aspx?QueryId=26920>; Public spending on incapacity: OECD (2022); Public spending on incapacity (indicator), <https://doi.org/10.1787/f35b71ed-en> (Public spending on incapacity refers to spending due to sickness, disability and occupational injury); Spending on education (primary to tertiary level, in % of GDP): OECD Education Statistics (database), <https://doi.org/10.1787/c4e1b551-en>; Participation in formal voluntary activities (% of people): Eurostat table [ilc_scp19], based on the 2015 EU-SILC ad-hoc module. Regional employment data are retrieved from OECD Regional database, <http://oe.cd/geostats>.
- SSE data were collected through OECD questionnaire circulated in May 2022. The data were provided by the Ministry of Labour, Social Affairs and Family.
- Further information on the methodology followed in the country fact sheets can be found [here](#).

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.



Centre for Entrepreneurship, SMEs, Regions and Cities
Local Employment and Economic Development (LEED) Programme
Social Economy and Innovation Unit



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<https://www.oecd.org/cfe/leed/social-economy/>



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